

DIOCESE OF KILMORE PARISHES R.C.
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

DIOCESE OF KILMORE PARISHES R.C.

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Bishop Martin Hayes
Fr. Donal Kilduff
Monsignor Liam Kelly
Fr. Sean Mawn
Fr. Kevin Fay
Fr. John Gilhooly
Fr. John McTiernan
Fr. Brian Flynn
Fr. Andrew Tully
Fr. Ultan McGoochan

Principal address

The Bishop's House,
Cullies,
Cavan.

Auditor

McDwyers Chartered Accountants Limited
Esker Place,
Cathedral Road,
Cavan,
Co. Cavan.

Bankers

Bank of Ireland
AIB
Credit Union
An Post
Permanent TSB
Danske Bank
Ulster Bank
KBC Bank

Main Solicitors

John V. Kelly & Co.
27, Church Street,
Cavan,
Co. Cavan.

DIOCESE OF KILMORE PARISHES R.C.

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DIOCESE OF KILMORE PARISHES R.C.

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2009 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The principal objectives of the charity are:

- The advancement of the Roman Catholic religion in the area of the Diocese of Kilmore as determined under the laws of the Roman Catholic Church and in accordance with them;
- The maintenance of the Roman Catholic buildings and assets;
- The provision and support of the Roman Catholic education in the Diocese;
- The advancement of any charitable purpose supported by the Roman Catholic Church in any part of the world.
-

Connected Charities

The following charities are linked to the Diocese of Kilmore Curia R.C. and have similar or related charitable objectives but are separately registered with the Charities Regulatory Authority and/or the Companies Registration Office:

- Diocese of Kilmore Curia R.C.
- St. Felim's Sick and Infirm Priest's Society CLG. The Charities principal activity is the provision of assistance to sick, elderly and retired clergy.
- St. Felim's Diocesan Trust CLG. The trust was established to act as permanent trustee either alone or jointly with another Trustee or Trustees for property and investments of every kind, owned by, held in trust for, or used in connection with the Roman Catholic Church in the Diocese of Kilmore.

Achievements and performance

Financial review

The financial result for the year was a surplus of €1,248,268 (2020 – deficit €593,778). This year's surplus includes an unrealised gain on investments and a revaluation of investment properties, the combined total being €591,576. The principal source of income for the charity is offertories from the congregations and the matching tax refund associated with those. This income increased by €63,516 to €4,610,031 (2020 - €4,546,515). This was not wholly unexpected as public health restrictions implemented remained in place for much of the year 2021 due to the Covid-19 pandemic.

At the end of the year the charity had assets of €58,375,583 (2020 – €56,992,192) of which €45,772,604 were fixed assets, and the charity had liabilities of €366,950 (2020 - €231,828). The net assets and total charitable funds of the charity at the year-end were €58,008,633 (2020 - €56,760,364). The charity's bank funds amounted to €12,218,506 at the year end and the trustees are satisfied that each parish has sufficient funds to support them for the foreseeable future.

Parish Funds

The results for the 34 parishes are combined, however individual parish funds are attributable to each separate Parish and therefore all funds are treated as restricted funds. The parishioners fund both the upkeep of the church buildings and the accommodation and living costs of their priest. The funds are administered, with guidance from the Central Diocesan Office, by the parish priest and are used to carry out the work of the Church within the local areas and to help fund the Central Diocesan Finance Office and a range of external charities. Parishioners also contribute with time and effort both to the running of their parishes and to the wider community.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

DIOCESE OF KILMORE PARISHES R.C.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods

On Oct. 10, 2021, Pope Francis formally opened a two-year process called "a synod on synodality," officially known as "Synod 2021-2023: For a Synodal Church." In brief, the process involves an expansion of an established institution, called the "Synod of Bishops." This means that bishops around the world will consult with everyone from parishioners to monks, nuns and Catholic universities on how the church can learn to rely more fully on this kind of consultation-and-discussion process and how it can become more "synodal" in its governance. The Diocese of Kilmore R.C. has begun a two year process of engagement with all of the laity of the Diocese through consultation and listening to formulate a pastoral plan for the future of the Diocese.

Structure, governance and management

The Diocese of Kilmore is geographically diverse, with 34 parishes, consisting of most of Co. Cavan, together with large sections of Co. Leitrim, some small portions of Co. Sligo and Co. Meath and also extends to 2 parishes in Co. Fermanagh.

The Diocese is governed by the Bishop. In exercise of his authority, the Bishop is subject to the provisions of the Code of Canon Law. The Bishop is assisted in his role by the other Co-ordinating Trustees. Those who served during the year are listed on the information page and are members of the clergy of the Diocese. The Co-ordinating Trustees meet annually to receive the annual report and audited financial statements. Other meetings take place as required.

Each parish is managed by a member of clergy who has been appointed with responsibility for the parish. Details of Trustees of each parish are given in note 23 to the financial statements. The Parish Priest fulfils the central role in the parish ministering sacraments, leading worship, implementing financial controls and administration and in wider ministry to the faithful and the community at large.

The Diocese of Kilmore Parishes R.C. has established a number of committees and councils within each Parish to focus on areas of responsibility within the mission of the church and to ensure full compliance with all regulations.

The Trust document governing the Diocese of Kilmore Parishes R.C. is currently under review by the Charities Regulatory Authority and Revenue.

Each parish must establish the following committees/representatives:

- Finance Committee - assist and advise the Parish Priest in all areas pertaining to financial management and administration of parish property and goods.
- Pastoral Council - shares the responsibility for building the parish into a vibrant Christian community that promotes the Gospel values of love, justice and peace.
- Safeguarding Representative – All parishes and diocesan groups will have at least one Safeguarding Representative. Their role is to:
 - (i) to promote awareness of the Diocesan Policy and Procedures for Safeguarding;
 - (ii) to ensure that all parishioners have ready access to contact details of the Diocesan Designated Officers and other relevant agencies;
 - (iii) to support or facilitate anyone in their parish/diocesan groups working with children and/or vulnerable adults;
 - (iv) to attend Safeguarding Representative meetings arranged within Pastoral Areas or at diocesan level.
- Recruitment Committee - A subgroup of the parish pastoral council who will oversee recruitment and selection of staff and volunteers in the parish. To ensure that the Diocesan Recruitment Procedure is adhered to within the Parish.

DIOCESE OF KILMORE PARISHES R.C.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who served during the year and up to the date of signature of the financial statements were:

Bishop Martin Hayes
Fr. Donal Kilduff
Monsignor Liam Kelly
Fr. Sean Mawn
Fr. Kevin Fay
Fr. John Gilhooly
Fr. John McTiernan
Fr. Brian Flynn
Fr. Andrew Tully
Fr. Ultan McGoohan

Supplier payment policy

The trustees acknowledge their responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations 2012. Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

Accounting records

The charity's trustees acknowledge their responsibilities under section 47 of the Charities Act 2009 to ensure that the charity keeps adequate accounting records. The following measures have been taken:

- the implementation of appropriate policies and procedures for recording transactions;
- the employment of competent accounting personnel with appropriate expertise;
- the provision of sufficient charity resources for this purpose;
- liaison with the charity's external professional advisers.

The accounting records are held at the charity's business premises, The Bishop's House, Cullies, Cavan..

Auditor

McDwyers Chartered Accountants Limited were appointed as the charity's auditor and in accordance with section 50 of the Charities Act 2009, and continue in office as auditor of the charity.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The trustees' report was approved by the Board of Trustees.


Bishop Martin Hayes
Trustee


Fr. Donal Kilduff
Trustee

20 December 2022

DIOCESE OF KILMORE PARISHES R.C.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable Irish law and regulations.

Irish legislation requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally accepted Accounting Practice in Ireland) issued by the Financial Reporting Council, as modified by the Charities SORP (FRS 102). The trustees are required to prepare financial statements that give a true and fair view of the assets, liabilities and financial position of the charity as at the financial year end date and of the surplus or deficit of the charity for that financial year and otherwise comply with the Charities Act 2009.

In preparing these financial statements, the trustees are required to:


- select suitable accounting policies for the charity financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 are responsible for ensuring that the charity keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the charity, enable at any time the assets, liabilities, financial position and surplus or deficit of the charity to be determined with reasonable accuracy, enable them to ensure that the financial statements and Trustees' Report comply with the Charities Act 2009 and enable the financial statements to be audited. They are 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees


Bishop Martin Hayes
Trustee


Fr. Donal Kilduff
Trustee

20 December 2022

DIOCESE OF KILMORE PARISHES R.C.

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DIOCESE OF KILMORE PARISHES R.C.

Opinion

We have audited the financial statements of Diocese of Kilmore Parishes R.C. (the 'company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is applicable Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, as modified by the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, as modified by the Charities SORP (FRS 102); and
- have been prepared in accordance with the requirements of relevant legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information in the annual report. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

DIOCESE OF KILMORE PARISHES R.C.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DIOCESE OF KILMORE PARISHES R.C.

Opinions on other matters on which we are required to report

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the trustees' report is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the charity were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' report.

Responsibilities of trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 (UK) 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's website at: [https://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-\(Ireland\)/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/International-Standards-on-Auditing-(Ireland)/ISA-700-(Ireland)). This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the charity to audit the financial statements for the year ending 31st December 2021. We draw attention to note 3 to the financial statements. We do not provide an opinion or any form of assurance in respect of the comparative information for year ended 31st December 2020 which are unaudited.

DIOCESE OF KILMORE PARISHES R.C.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DIOCESE OF KILMORE PARISHES R.C.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's members, as a body. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brendan Young (Statutory Auditor)

for and on behalf of McDwyers Chartered Accountants Limited

20 December 2022

Chartered Accountants

Statutory audit firm

Esker Place,
Cathedral Road,
Cavan,
Co. Cavan.

DIOCESE OF KILMORE PARISHES R.C.

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Restricted funds 2021 €	Restricted funds 2020 €
<u>Income and endowments from:</u>			
Donations and legacies	4	446,718	164,565
Charitable activities	5	5,356,413	5,112,314
Other trading activities	6	125,311	109,488
Investments	7	82,858	62,828
Other income	8	455,517	165,181
Total income		6,466,817	5,614,376
<u>Expenditure on:</u>			
Raising funds	9	1,650	4,607
Charitable activities	10	5,808,475	6,223,465
Total resources expended		5,810,125	6,228,072
Net gains/(losses) on investments	13	591,576	19,918
Net movement in funds		1,248,268	(593,778)
Fund balances at 1 January 2021		56,760,365	57,354,142
Fund balances at 31 December 2021		58,008,633	56,760,364

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

DIOCESE OF KILMORE PARISHES R.C.

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 €	€	2020 €	€
Fixed assets					
Tangible assets	14	41,647,127		42,416,264	
Investment properties	15	760,000		-	
Investments	16	3,365,477		2,617,466	
		<u>45,772,604</u>		<u>45,033,730</u>	
Current assets					
Debtors	17	384,473		281,548	
Cash at bank and in hand		12,218,506		11,676,914	
		<u>12,602,979</u>		<u>11,958,462</u>	
Creditors: amounts falling due within one year	18	(366,950)		(231,828)	
Net current assets		<u>12,236,029</u>		<u>11,726,634</u>	
Total assets less current liabilities		<u>58,008,633</u>		<u>56,760,364</u>	
Income funds					
Restricted funds		58,008,633		56,760,364	
Unrestricted funds		-		-	
		<u>58,008,633</u>		<u>56,760,364</u>	

The financial statements were approved by the Trustees on 20 December 2022


Bishop Martin Hayes
Trustee


Fr. Donal Kilduff
Trustee

DIOCESE OF KILMORE PARISHES R.C.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	€	2020 €	€
Cash flows from operating activities					
Cash generated from operations	20	1,363,528		765,640	
Investing activities					
Purchase of tangible fixed assets		(467,755)		(698,760)	
Proceeds on disposal of tangible fixed assets		49,918		36,265	
Purchase of investments		(581,395)		-	
Proceeds on disposal of investments		26,109		-	
Investment income received		76,199		62,828	
Net cash used in investing activities		(896,924)		(599,667)	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		466,604		165,973	
Cash and cash equivalents at beginning of year		11,676,914		11,575,030	
Effect of foreign exchange rates		74,988		(64,089)	
Cash and cash equivalents at end of year		12,218,506		11,676,914	

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Diocese of Kilmore Parishes R.C. is a charity established in the Republic of Ireland. The registered office is The Bishop's House, Cullies, Cavan Town, Co. Cavan.

1.1 Accounting convention

These financial statements have been prepared in accordance with the requirements of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The charity has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland.

The financial statements are prepared in euros, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted and applied consistently are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are those available for use at the discretion of the trustees in furtherance of their charitable objectives. There are no unrestricted funds in these financial statements.

Each individual Parish's funds are specific to that Parish and are administered autonomously. These financial statements represent the combined financial activities and reserves of all the Parishes of the Diocese of Kilmore. All reserves in these combined financial statements are restricted reserves as the funds for each individual Parish are for its use solely, and not for the use of the Combined Parishes generally.

Designated Funds are those which the Trustees have set aside for a particular purpose. Designated Funds remain part of the unrestricted funds of the charity as the designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds.

Restricted Funds represent monies received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Each Parish operates autonomously and Parish funds are restricted to the use of the individual Parish unless otherwise agreed as is the case with regard to Diocesan Levies. Accordingly, all funds included in these financial statements are regarded as Restricted Funds.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation and the donation has been received. Tax recoverable under the Charitable Donations Scheme in relation to donations received is recognised when received.

Legacies and bequests are recognised on receipt.

Income from government grants (whether 'capital' or 'revenue') and other grants, both 'capital' and 'revenue', is recognised and not deferred when the charity -:

- has entitlement to the funds;
- any performance conditions attached have been met;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Where grants are initially deferred, they are amortised to the Statement of Financial Activities at an appropriate rate taking into account the useful life of the underlying expenditure, and unamortised balances are recognised under creditors in the charity's Balance Sheet.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Land

Freehold land is included in the Financial Statements at market value as at 31st December, 2019. Freehold land is not depreciated as it has an indefinitely long useful life.

Buildings

Freehold buildings additions are recorded at cost less accumulated depreciation.

However, in 2018, the method used to record the established buildings, in the absence of cost values, was to include those buildings at discounted insurance replacement values. This was the policy employed to include the assets on the Balance Sheet at a deemed historic cost net of accumulated depreciation. The Trustees took the view that this was the most prudent approach and the approach that would result in the most reliable representation of value.

School Property

Land and buildings, legally owned by the Diocese of Kilmore Curia R.C. and occupied rent free by Catholic schools, through a lease with the Department of Education and Skills, and publicly funded are valued at €Nil for the purposes of the accounts. No meaningful value can be attributed to these assets since they are not used directly by the Charity, do not generate income and cannot be disposed of in the open market or put to an alternative use, while such occupation, which may be indefinite, continues.

Fixtures, Fittings and Equipment

Fixtures, Fittings and Equipment which do not form part of the fabric of the buildings and costing in excess of €1,000 are capitalised at cost. In 2014, fixtures and fittings over 5 years old where the original cost was not known were brought into the Balance Sheet at a nominal value as they were deemed to be fully depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Freehold land	0% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Heritage assets

Work of Art, historic treasures and religious artefacts are considered to be heritage assets for the purposes of charities SORP (FRS 102). The heritage assets have not been capitalised in the accounts as they are held in a manner consistent with the advancement of the Roman Catholic Faith, have extraordinarily long lives and are worth preserving in perpetuity.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

1.12 Taxation

No charge to taxation arises due to the charitable status of the charity. Irrecoverable value added tax is expensed as incurred.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Foreign exchange

Monetary asset and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Income and Expenditure.

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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 discussed below:

Establishing useful economic lives for depreciation purposes of property, fixtures & fittings and equipment.

Long lived assets, consisting of property, fixtures & fittings and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimate of residual values. The Trustees regularly review these assets useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Details of the useful economic lives is included in the accounting policies.

3 Audit

The 2021 Financial Statements are the first accounts of the charity to be audited. We do not provide an opinion or any form of assurance in respect of the comparative information for the year ended 31st December 2020 which are unaudited.

4 Donations and legacies

	Restricted funds	Restricted funds
	2021	2020
	€	€
Donations and bequests	446,718	164,565

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	Charitable Income 2021 €	Charitable Income 2020 €
Parish offertory and support of clergy	4,112,098	4,010,674
Charitable donations scheme	497,933	535,841
Candleabra and shrine income	345,286	294,052
Special collections	331,807	203,168
Income from other charitable activities	69,289	68,579
	<u>5,356,413</u>	<u>5,112,314</u>

6 Other trading activities

	Restricted funds 2021 €	Restricted funds 2020 €
Fundraising events	1,192	16,775
Hall income	124,119	92,713
	<u>125,311</u>	<u>109,488</u>

7 Investments

	Restricted funds 2021 €	Restricted funds 2020 €
Rental income	65,906	49,809
Interest receivable	16,952	13,019
	<u>82,858</u>	<u>62,828</u>

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Other income

	Restricted funds	Restricted funds
	2021	2020
	€	€
Grants received	201,570	92,225
VAT Compensation Scheme & EWSS	207,071	42,448
Insurance claims	12,042	1,806
Other income	34,834	28,702
	<u>455,517</u>	<u>165,181</u>

9 Raising funds

	Restricted funds	Restricted funds
	2021	2020
	€	€
<u>Fundraising and publicity</u>		
Fundraising events	1,650	4,607
	<u>1,650</u>	<u>4,607</u>

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Charitable activities

	Charitable Expenditure 2021 €	Charitable Expenditure 2020 €
Pastoral and personnel costs	1,930,249	1,875,878
Depreciation and impairment	1,059,637	1,045,307
Diocesan levies	727,672	621,383
Church and altar supplies	226,963	242,221
Church and parish activities	85,897	46,735
Parish hall and school expenditure	41,791	29,020
Insurance	327,392	351,027
Repairs and maintenance	845,468	1,003,808
Office expenses	622,754	612,585
Bequests and donations	4,452	2,618
Special collections disbursed	331,807	203,169
Audit fees	16,200	13,584
Legal and professional fees	45,686	37,958
Bank charges and interest	38,031	43,314
Foreign exchange movement	(314,029)	293,703
(Profit)/loss on disposal of assets	(221,564)	(232,674)
General expenses	40,069	33,829
	<u>5,808,475</u>	<u>6,223,465</u>
	<u>5,808,475</u>	<u>6,223,465</u>

11 Trustees

The Trustees and members of the Finance Committee do not receive remuneration for their services as Trustees and Committee members. Directly incurred expenses are reimbursed, if claimed, and amounted to €Nil (2020: €Nil).

12 Employees

The average monthly number of employees during the year was:

2021 Number	2020 Number
111	95

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees	(Continued)	
Employment costs	2021	2020
	€	€
Wages and salaries	612,964	477,065
Employer's PRSI	42,969	31,050
	<u>655,933</u>	<u>508,115</u>

There were no employees whose annual remuneration was more than €70,000.

13 Net gains/(losses) on investments	Restricted funds	Restricted funds
	2021	2020
	€	€
Revaluation of investments	115,613	19,918
Revaluation of investment properties	475,963	-
	<u>591,576</u>	<u>19,918</u>

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

Current financial year

	Freehold buildings	Fixtures and fittings	Freehold land	Total
	€	€	€	€
Cost				
At 1 January 2021	45,384,039	677,124	2,768,578	48,829,741
Additions	293,545	174,210	-	467,755
Disposals	(58,044)	-	-	(58,044)
Transfer to investment property	(330,275)	-	-	(330,275)
Exchange adjustments	163,987	265	12,831	177,083
At 31 December 2021	45,453,252	851,599	2,781,409	49,086,260
Depreciation and impairment				
At 1 January 2021	6,065,275	348,201	-	6,413,476
Depreciation charged in the year	908,169	151,468	-	1,059,637
Eliminated in respect of disposals	(8,126)	-	-	(8,126)
Transfer to investment property	(46,239)	-	-	(46,239)
Exchange adjustments	20,331	54	-	20,385
At 31 December 2021	6,939,410	499,723	-	7,439,133
Carrying amount				
At 31 December 2021	38,513,842	351,876	2,781,409	41,647,127
At 31 December 2020	39,318,764	328,922	2,768,578	42,416,264

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets (Continued)

<i>Prior financial year</i>	Freehold buildings €	Fixtures and fittings €	Freehold land €	Total €
Cost				
At 1 January 2020	45,117,421	410,622	2,780,323	48,308,366
Additions	434,744	264,016	-	698,760
Disposals	(37,000)	-	(3,705)	(40,705)
Exchange adjustments	(131,126)	2,486	(8,040)	(136,680)
At 31 December 2020	45,384,039	677,124	2,768,578	48,829,741
Depreciation and impairment				
At 1 January 2020	5,169,646	216,426	-	5,386,072
Depreciation charged in the year	913,531	131,776	-	1,045,307
Eliminated in respect of disposals	(4,440)	-	-	(4,440)
Exchange adjustments	(13,462)	-	-	(13,462)
At 31 December 2020	6,065,275	348,202	-	6,413,477
Carrying amount				
At 31 December 2020	39,318,764	328,922	2,768,578	42,416,264

15 Investment property

	2021 €	2020 €
Cost		
Transfers from owner-occupied property	284,037	-
Net gains or losses through fair value adjustments	475,963	-
At 31 December	760,000	-

The fair value of the investment properties have been arrived at on the basis of valuations carried out by qualified auctioneers who are not connected with the charity. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties.

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Fixed asset investments

<i>Current financial year</i>	Unlisted investments €
Cost or valuation	
At 1 January 2021	2,617,466
Additions	581,395
Valuation changes	186,066
Withdrawals	(26,109)
Interest Earned	6,659
	<hr/>
At 31 December 2021	3,365,477
	<hr/>
Net book value	
At 31 December 2021	3,365,477
	<hr/>
At 31 December 2020	2,617,466
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Bonds and Savings Certificates investments are included at the fair value as determined by the Investment Manager.

17 Debtors

	2021 €	2020 €
Amounts falling due within one year:		
Amounts owed by community organisations	258,839	257,325
Other debtors	97,516	19,223
Prepayments and accrued income	28,118	5,000
	<hr/>	<hr/>
	384,473	281,548
	<hr/>	<hr/>

18 Creditors: amounts falling due within one year

	2021 €	2020 €
Other taxation and social security	18,366	7,425
Amount owed to Diocese of Kilmore Curia	72,985	45,804
Amounts owed to St. Felim's Sick & Infirm Priests Society	51,940	16,289
Other creditors	142,032	133,540
Accruals and deferred income	81,627	28,770
	<hr/>	<hr/>
	366,950	231,828
	<hr/>	<hr/>

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Related party transactions

The Diocese of Kilmore Parishes R.C. ("Parishes") and Diocese of Kilmore Curia R.C. ("Curia") have common Trustees. At 1 January 2021 the parishes owed the amount of €45,804 to the Curia. During the year there was movement of €27,181. At the 31 December 2021, an amount of €72,985 was owed to Diocese of Kilmore Curia R.C.

The Diocese of Kilmore Parishes R.C. ("Parishes") and St. Felim's Sick & Infirm Priests Society clg have common Trustees. At 1 January 2021 the parishes owed the amount of €16,289 to St. Felim's Sick & Infirm Priests Society. During the year there was movement of €35,651. At the 31 December 2021, an amount of €51,940 was owed to St. Felim's Sick & Infirm Priests Society clg.

20 Cash generated from operations	2021 €	2020 €
Surplus/(deficit) for the year	1,248,268	(593,778)
Adjustments for:		
Investment income recognised in statement of financial activities	(82,858)	(62,828)
Foreign exchange differences	(302,140)	229,971
Fair value gains and losses on investment properties	(475,963)	-
Fair value gains and losses on investments	(115,613)	(19,918)
Depreciation and impairment of tangible fixed assets	1,059,637	1,045,307
Movements in working capital:		
(Increase)/decrease in debtors	(102,925)	120,992
Increase in creditors	135,122	45,894
Cash generated from operations	1,363,528	765,640

21 Non-audit services provided by auditor

In common with many charities of our size and nature we use our auditor to assist with the preparation of the financial statements.

22 Approval of financial statements

The directors approved the financial statements on the 20 December 2022

DIOCESE OF KILMORE PARISHES R.C.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Index of Parishes and Parish Trustees

Parish

Urney & Annageliffe (Cavan, Butlersbridge)
Castlerahan (Ballyjamesduff)
Annagh (Belturbet, Redhills)
Ballaghameehan (Kiltyclogher)
Ballinaglera (Dowra)
Ballinamore & Drumreilly Lower
Ballintemple
Carrigallen & Drumreilly Upper
Castletara (Ballyhaise)
Cloonclare (Manorhamilton)
Corlough – Templeport
Crosserlough (Kilnaleck)
Denn (Crosskeys)
Drumlease & Kilargue
Drumgoon (Cootehill)
Drumlane (Milltown)
Glenfarne
Inishmagrath (Drumkeerin)
Kildallan (Ballyconnell)
Kilann (Bailieborough, Shercock)
Killeshandra (Arva)
Killesher & Kinawley (Swanlinbar)
Killinagh (Blacklion, Glangevlin)
Killinkere
Kilmainhamwood & Moybologue
Kilmore (Ballinagh)
Kilsherdany & Drung
Kinlough & Glenade
Knockbride
Knockninny (Derrylin & Teemore)
Laragh (Stradone)
Lavey
Lurgan (Virginia)
Mullagh & Cross

Parish Trustee

Fr. Kevin Fay (Adm.)
Fr. Kevin Donohoe
Fr. John McTiernan
Fr. John Sexton (Adm.)
Fr. Tom Mannion
Fr. Sean Mawn
Fr. Sean McDermott
Fr. John McMahon
Fr. Gerard Cassidy
Fr. John Gilhooly
Fr. Sean Maguire
Fr. Peter McKiernan
Fr. Donal Kilduff
Fr. Paul Casey
Fr. John Cooney
Fr. Gerry Comiskey
Fr. Oliver Kelly (Adm.)
Fr. Thomas McManus
Msgr. Liam Kelly
Fr. Ultan McGoohan
Fr. Charlie O'Gorman
Fr. Maurice McMorro
Fr. Loughlain Carolan
Fr. Darragh Connolly
Fr. Addison Okpeh
Fr. Sean McDermott
Fr. Yusuf Bamai
Fr. John Phair
Fr. Anthony Fagan
Fr. Gerard Alwill
Fr. Martin Gilcreest
Fr. Andrew Tully
Fr. Dermot Prior
Fr. Paul Prior