

Financial Statements

Charity Funds

(Charities Regulatory Authority)

For the Period 17 October 2014 to 31 December 2015

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CHARITY FUNDS
(CHARITIES REGULATORY AUTHORITY)
ADMINISTRATION

For the period ended 31 December 2015

The Charities Regulatory Authority

(“The Authority”)

Conor Woods Chairman (resigned 31 May 2015)
Graham Richards
Ann Fitzgerald
Patricia Cronin
David Brady
Cynthia Clampett
Patrick Hopkins (appointed chairperson 13 July 2015)
Anna Classon
Fergus Finlay
Tom Costello
Senan Turnbull
Barbara O’Connell
Hugh Maddock
Sandra Chambers
Katie Cadden
Noel Wardick

Chief Executive

Ms. Úna Ní Dhubhghaill (17 October 2014 to 15 April 2016)
John Farrelly (appointed 16 May 2016)

OFFICE: St. Martin’s House, Waterloo Road, Dublin 4

CHARITY FUNDS

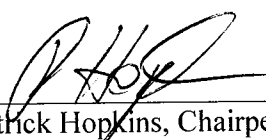
(CHARITIES REGULATORY AUTHORITY)

STATEMENT OF AUTHORITY MEMBERS' RESPONSIBILITIES

Section 30 (1) of the Charities Act 2009, requires the Authority to prepare special accounts in such form and in respect of such accounting periods as may be approved by the Minister for Justice and Equality with the consent of the Minister for Public Expenditure and Reform. In preparing the financial statements, the Authority is required to:

- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Funds will continue in operation.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Funds and which enable the Authority to ensure that the financial statements comply with Section 30 (1) of the Charities Act 2009. The Authority is also responsible for safeguarding Fund assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Patrick Hopkins, Chairperson.

Date: 16/12/2016



John Farrell, Chief Executive.

Date: 15/12/2016

CHARITY FUNDS

(CHARITIES REGULATORY AUTHORITY)

STATEMENT ON INTERNAL FINANCIAL CONTROL

On behalf of the Charities Regulatory Authority, we hereby acknowledge our responsibility for ensuring that an appropriate system of internal financial control is in operation in the Authority in relation to the Charity Funds.

We are satisfied that the systems, which the Authority has in place, are reasonable and appropriate for the Funds circumstances. However, the systems do not, and cannot, provide absolute assurance against material error.

The Charities Regulatory Authority has adopted the Code of Practice for the Governance of State Bodies issued by the Department of Public Expenditure and Reform.

The Chief Executive reviews the account of expenditure recorded on a regular basis together with income received.

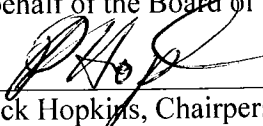
The Authority takes the major strategic decisions and meets at regular intervals to monitor performance and plans. The executive management only act within the authority delegated to them by the Authority to give effect to the Authority's policy and decisions.

The following specific procedures are in place in order to provide effective financial control in relation to Charity Funds:

1. The Authority's Finance, Audit and Risk (FAR) Committee exercises oversight on behalf of the Board.
2. The Authority's financial control procedures are subject to review by the Department of Justice and Equality internal audit division.
3. The Department of Justice and Equality's Audit Committee reviews the work of internal audit.

We confirm that the Board conducted a review of the effectiveness of the system of internal financial control in respect of the period ended 31 December 2015.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson:

Date: 15/12/2016



John Farrell, Chief Executive:

Date: 15/12/2016

AUDITOR'S REPORT

CHARITY FUNDS

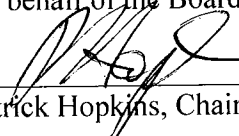
(CHARITIES REGULATORY AUTHORITY)

Statement of Receipts and Payments – Period 17 October 2014 to 31 December 2015

		Period ended 31 December 2015	Period ended 16 October 2014
	Note	€	€
<u>Receipts</u>			
Common Investment Fund and other receipts	2	1,223,011	1,816,479
Interest on deposits		62,968	57,478
Charity Funds Received: New charity funds		189,104	84
Total Income		<u>1,475,083</u>	<u>1,874,041</u>
<u>Payments</u>			
Common Investment Fund transfers and other payments	3	2,436,222	2,467,993
Bank and similar charges		110	400
Total Payments		<u>2,436,332</u>	<u>2,468,393</u>
Net Movement		(961,249)	(594,352)
Opening Balance		4,721,982	5,316,334
Closing Balance		<u>3,760,733</u>	<u>4,721,982</u>

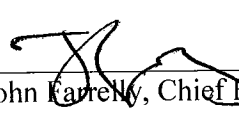
The Statement of Accounting Policies and notes 1 to 7 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson.

Date: 15/12/2016



John Farrelly, Chief Executive.

Date: 15/12/2016

CHARITY FUNDS

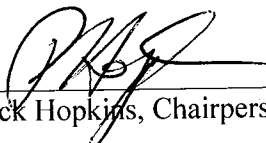
(CHARITIES REGULATORY AUTHORITY)

STATEMENT OF BALANCES AS AT 31 December 2015

		31 December 2015	16 October 2014
	Note	€	€
Bank and cash		3,775,233	4,889,471
Less: outstanding cheques		(14,500)	(167,489)
		<u>3,760,733</u>	<u>4,721,982</u>
Represented by:			
Charity accounts	5	<u>3,760,733</u>	<u>4,721,982</u>

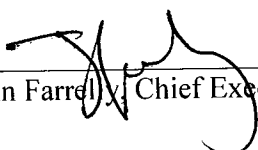
The Statement of Accounting Policies and notes 1 to 7 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson.

Date: 15/12/2016



John Farrell, Chief Executive.

Date: 15/12/2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015

1 Accounting Policies

The basis of accounting and significant accounting policies adopted by the Charities Regulatory Authority are set out below. They have been applied consistently throughout the year.

(a) General Information

The Charities Regulatory Authority is Ireland's national statutory regulator for charitable organisations. The Charities Regulatory Authority is an independent Authority and was established on 17 October 2014 under the Charities Act 2009. The Act provides the dissolution of the former Commissioners of Charitable Donations and Bequests for Ireland (CCDB) and the transfer of their functions to the new Authority.

The former Commissioners of Charitable Donations and Bequests for Ireland

- provided advice services to trustees of charities
- assisted in the carrying out of the intentions of persons making donations and bequests to charities
- administrated the assets or funds of any charity which were vested with the Commissioners.

The Commissioners provided this service by operating a charity fund account and also acting as an intermediary between the various charities and an investment fund. As a result of the dissolution, the CRA are administrators of the charity fund account and the investment fund.

The financial statements of the Common Investment Fund for the period 17 October 2014 to 31 December 2015 were accounted for and separately audited by an external firm of accountants.

These financial statements (charity funds) of the Charities Regulatory Authority reflect transfers to and from the Common Investment Fund in the same accounting period.

The role of the Charities Regulatory Authority is to act as an intermediary between the various investment unit holders (charities) and the Common Investment Fund (CIF) which is operated by Davy Asset Management. CIF operates a dividend reinvestment scheme which allows unit holders (charities) the choice of receiving dividend income in cash or to reinvest back into the fund. The amount distributed is calculated by the trustees (Davy) and the allocation is based upon the number of shares held by each charity. There are integral financial links between both the CIF and the Charities Regulatory Authority as it is the latter which receives the dividends paid twice per annum and then forwards the relevant amounts onto the unit holder (charity) or reinvests back into the fund according to the instruction of the unit holder. The unit holder (charity) may decide to sell some or all of the units in their funds. Davy Asset Management who manage the overall fund process the sales transaction and receive the proceeds. They then forward the sales proceeds on to the Charities Regulatory Authority who issue the monies to the respective unit holder (charity). The links between both the Charities Regulatory Authority and CIF Financial Statements are provided in more detail in note 4 of these accounts.

(b) Receipts

The accounts are prepared on a cash receipts basis. The main source of receipts arise from

- the closing of trustee accounts held in the Common Investment Fund
- dividends received from investments held in the Common Investment Fund
- the receipt of charity funds pending settlement of a Scheme and
- bank interest earned.

(c) Payments

The principal payments consist of

- payments to the trustees of the various charities arising from the closing of Common Investment Fund accounts
- dividends paid to trustees from investments held in the Common Investment Fund and
- transfer of charity funds into the Common Investment Fund accounts.

2 Analysis of Receipts

Receipts from the Common Investment Fund	Period ended 31 December 2015 €	Period ended 16 October 2014 €
Closing of accounts	66,849	789,478
Dividends received	932,738	991,286
Transfer for the payment of accountancy fees and bank charges	14,570	14,659
Other	3,000	21,056
Total	1,017,157	1,816,479

Other Receipts

Return of monies prior to the establishment of the Authority	<u>205,854</u>	-
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Total Receipts	1,223,011	1,816,479
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3 Analysis of Payments

Payments into the Common Investment Fund	Period ended 31 December 2015 €	Period ended 16 October 2014 €
Transfer for investment	77,546	840,169
Total	77,546	840,169

Other Payments

Dividends paid	898,047	866,414
Old Dividends paid to unitholders	428,088	-
Proceeds of unit sales	648,555	220,605
Payments to charities	312,276	512,344
Administration fees	14,434	13,302
Payment of scholarships	57,276	15,159
Total	2,358,676	1,627,824

Total Payments	2,436,222	2,467,993
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4 Figures reported in the Financial Statements of both the Common Investment Fund and the Charities Regulatory Authority.

Receipts from the Common Investment Fund	31 December 2015 €	Link to CIF Financial Statements
Closing of accounts	66,849	Calculated on CIF Opening Number of shares in issue 7,562,584 and Closing No of Shares in issue 7,603,749.
Dividends received	932,738	Distributed Amount in CIF Accounts of €1,519,557 less Dividend Payable Creditor of €588,530. Plus dividend rec'd of €1,711 on closing of account.
Transfer for the payment of accountancy fees and bank charges	14,570	Relates to amounts repaid from the CIF to the CRA in relation to accountancy fees and bank charges incurred.
Other	3,000	Uncashed cheque for a sum paid in error during 2014. The cheque cancelled in 2015.
Total	1,017,157	

Payments to the Common Investment Fund	31 December 2015 €	Link to CIF Financial Statements
Transfer for investments	77,546	In CIF Accounts: Contributions by charities figure of €89,521 includes the €77,546. Differences relates to Class Action Payments of €2,934 and refunds of Income Tax of €9,041.
Total	77,546	

5 Aging of Bank Balances

Age	Period Ended 31 December 2015	Period Ended 16 October 2014
	€	€
Current	124,168	736,677
One year	18,823	438,517
Two years	393,972	111,435
Three years	37,402	141,228
Four years	110,158	161,434
Five years	110,800	277,857
> Five years	2,965,410	2,854,834
Total	3,760,733	4,721,982

The figure of €2,965,410 which is more than five years old includes funds held for approximately eighteen charities. For one of the charities the amount older than five years is €2,164,170 (73%) of the total.

6 Distribution of funds under the Cy-Près scheme

The Commissioners under the 1962 Cy-Près scheme distributed funds held in a specific Unallocated Interest bank account to 22 charitable organisations in June 2014. The Commission subsequently identified that some or all of the distributed funds (interest) could reasonably be allocated to the charities whose funds generated the income. The Charities Regulatory Authority is currently in the process of recouping the initial distribution of €165,000. As at the end of December 2015 the total balance outstanding was €10,000. The remaining balance has been recouped in 2016.

7 Approval of Financial Statements

These accounts were approved by the Authority on 15 December 2016