

Financial Statements

Charity Funds

(Charities Regulatory Authority)

For the year ended 31 December 2016

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CHARITY FUNDS

(CHARITIES REGULATORY AUTHORITY)

ADMINISTRATION

For the year ended 31 December 2016

The Charities Regulatory Authority

(“The Authority”)

Patrick Hopkins (Chairperson)

Graham Richards

Ann FitzGerald

Patricia Cronin

David Brady

Cynthia Clampett

Anna Classon

Fergus Finlay

Tom Costello

Senan Turnbull

Barbara O’Connell (resigned 11 November 2016)

Hugh Maddock

Sandra Chambers

Katie Cadden

Noel Wardick

Chief Executive

John Farrelly (appointed 16 May 2016)

Ms. Úna Ní Dhubhghaill (until 15 April 2016)

OFFICE: 3 George’s Dock, IFSC, Dublin 1, D01 X5X0

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:

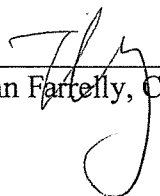
- Select appropriate accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Funds will continue in operation.
- State where applicable 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: 13/12/2017



John Farrell, Chief Executive.

Date: 13/12/2017

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 2009 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 year ended 31 December 2016.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson:

Date: 13/12/2017



John Farrelly, Chief Executive:

Date: 13/12/2014

AUDITOR'S REPORT

CHARITY FUNDS

(CHARITIES REGULATORY AUTHORITY)

Receipts and Payments – year ended 31 December 2016

	2016	October 2014 – December 2015
Note	€	€
<u>Receipts</u>		
Common Investment Fund and other receipts	2 1,324,595	1,223,011
Interest on deposits	13,141	62,968
Charity Funds Received: New charity funds	469,010	189,104
Total Income	<u>1,806,746</u>	<u>1,475,083</u>
<u>Payments</u>		
Common Investment Fund transfers and other payments	3 1,816,236	2,436,222
Bank and similar charges	362	110
Total Payments	<u>1,816,598</u>	<u>2,436,332</u>
Net Movement	(9,852)	(961,249)
Opening Balance	<u>3,760,733</u>	<u>4,721,982</u>
Closing Balance	<u>3,750,881</u>	<u>3,760,733</u>

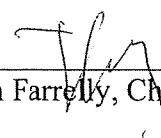
The Statement of Accounting Policies and notes 1 to 6 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson.

Date: 13/12/2017



John Farrelly, Chief Executive.

Date: 13/12/2017

CHARITY FUNDS

(CHARITIES REGULATORY AUTHORITY)

STATEMENT OF BALANCES AS AT 31 December 2016

		2016	2015
	Note	€	€
Bank and cash		3,770,608	3,775,233
Less: outstanding cheques		(19,727)	(14,500)
		<u>3,750,881</u>	<u>3,760,733</u>
Represented by:			
Charity accounts	5	<u>3,750,881</u>	<u>3,760,733</u>

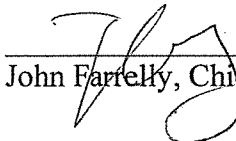
The Statement of Accounting Policies and notes 1 to 6 form part of these financial statements.

On behalf of the Board of the Charities Regulatory Authority:



Patrick Hopkins, Chairperson.

Date: 13/12/2017



John Farrelly, Chief Executive.

Date: 13/12/2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 16 October 2014 under the Charities Act 2009. The Act provides the dissolution of the former Commissioners of Charitable Donations and Bequests for Ireland (Commissioners) 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 Charities Regulatory Authority is administrator of the charity fund account and the investment fund.

The financial statements of the Common Investment Fund for the period 1 January 2016 to 31 December 2016 were accounted for and separately audited by an external firm of accountants. The comparative period relates to 17th October 2014 - 31 December 2015.

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 which manages the overall fund process the sales transaction and receive the proceeds. They then forward the sales proceeds through Charity Funds 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. Audited accounts of these funds are published separately and are available on the Charities Regulatory Authority website www.charitiesregulatoryauthority.ie.

(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.
- bank interest earned and
- New Charity Funds relate to funds received in year to invest in the Common Investment Fund or held subject to successful application of Cy-pres or resolution of dispute.

(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

	2016	October 2014 – December 2015
	€	€
Closing of accounts	322,927	66,849
Dividends received	983,946	932,738
Transfer for the payment of accountancy fees and bank charges	326	14,570
Other	-	3,000
Total	1,307,199	1,017,157

Other Receipts

Return of monies	17,396	205,854
Total Receipts	1,324,595	1,223,011

3 Analysis of Payments

Payments into the Common Investment Fund

	2016	October 2014 – December 2015
	€	€
Transfer for investment	320,163	77,546
Total	320,163	77,546

Other Payments

Dividends paid	941,887	898,047
Old Dividends paid to unit holders	46,004	428,088
Proceeds of unit sales	322,927	648,555
Payments to charities	139,467	312,276
Administration fees	19,727	14,434
Payment of scholarships	26,061	57,276
Total	1,496,073	2,358,676
Total Payments	1,816,236	2,436,222

4 Figures reported in the Financial Statements of both the Common Investment Fund and the Charities Regulatory Authority.

This note sets out the link between the Common Investment Fund (CIF) and the financial statements.

Receipts from the Common Investment Fund	2016	Link to CIF Financial Statements 2016
	€	
Closing of accounts	322,927	Calculated on CIF Opening Number of shares in issue 7,603,749 and Closing No of Shares in issue 7,675,285.
Dividends received	983,946	Distributed Amount in CIF Accounts of €1,623,528 less Dividend Payable Creditor of €639,582.
Transfer for the payment of accountancy fees and bank charges	326	Relates to amounts repaid from the CIF to the Charities Regulatory Authority in relation to accountancy fees and bank charges incurred.
Total	1,307,199	

Payments to the Common Investment Fund	2016	Link to CIF Financial Statements 2016
	€	
Transfer for investments	320,163	In CIF Accounts: Contributions by charities figures includes the €320,163.
Total	320,163	

5 Aging of Bank Balances

Age	2016	2015
	€	€
Current	418,804	124,168
One year	18,292	18,823
Two years	14,857	393,972
Three years	379,927	37,402
Four years	23,263	110,158
Five years	17,243	110,800
> Five years	2,878,495	2,965,410
Total	3,750,881	3,760,733

The figure of €2,878,495 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 €2,170,860 (75%) of the total.

6 Approval of Financial Statements

These accounts were approved by the Authority on

13/12/2017



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Charity Funds

I have audited the financial statements of the Charity Funds for the year ended 31 December 2016 under the Charities Act 2009. The financial statements comprise the statement of receipts and payments, the statement of balances and the related notes. The financial reporting framework that has been applied in their preparation is the form prescribed under Section 30 of the Act.

Responsibilities of the Charities Regulatory Authority

The Charities Regulatory Authority of Ireland is responsible for the preparation of the financial statements of the Funds in the specified format.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Fund's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements properly reflect

- the payments into and out of the Charity Funds for the year ended 31 December 2016, and
- the balances at 31 December 2016.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements of the Funds to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

19 December 2017