

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

FINANCIAL STATEMENTS – PAGE 1

YEAR ENDED 31 DECEMBER 2001

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND

FINANCIAL STATEMENTS 2001 **PAGE 2**

CONTENTS

	PAGE
EXECUTIVE COMMITTEE AND OTHER INFORMATION	3
EXECUTIVE COMMITTEE REPORT	4
REPORT OF THE INDEPENDENT AUDITORS	5
ACCOUNTING POLICIES	6
GENERAL FUND REVENUE ACCOUNT	7
BALANCE SHEET	8
STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES	9
CASH FLOW STATEMENT	10
NOTES TO THE FINANCIAL STATEMENTS	11

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
EXECUTIVE COMMITTEE AND OTHER INFORMATION **PAGE 3**

CHAIRMAN

- JF Rankin

MEMBERS (ex officio)

- The Archbishop of Armagh
- The Archbishop of Dublin
- GC Richards
(Allocations Committee)
- JRB Hewat
(Investment Committee)
- S Gamble
(Property Committee)
- DG Perrin
(Stipends Committee)

MEMBERS (elected)

- Ven CT Pringle
- Very Rev DR Chillingworth
- Ven AET Harper
- Mrs CH Thomson
- RW Benson
- HT Morrison
- RH Kay

BANKERS

- Bank of Ireland
College Green, Dublin 2
- Bank of Ireland
Talbot Street, Dublin 1

AUDITORS

- PricewaterhouseCoopers
George's Quay, Dublin 2

OFFICERS

- Chief Officer & Secretary
RH Sherwood
- Assistant Secretary
JF Buttimore
- Head of Investments
PM Talbot
- Head of Finance
DC Reardon
- Head of Legal & Property
Vacant
- Head of General & Synod Services
VF Beatty
- Director of Communications
JM Maxwell

OFFICE: Church of Ireland House, Church Avenue, Rathmines, Dublin 6.

NOTE

Mr Denis Reardon was appointed Chief Officer and Secretary (designate) by the Representative Body at its March 2002 meeting, effective 1 June 2002.

**THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
EXECUTIVE COMMITTEE REPORT**

PAGE 4



The responsibilities of the Representative Body have their origins in the Irish Church Act, 1869 when it was appointed 'to represent the said Church, and to hold property for any of the uses or purposes thereof'. As such, it was incorporated by Royal Charter as the main trustee for the Church and in that capacity it holds both real property in the shape of churches, halls, burial grounds, glebes, see houses, central offices, theological college, library etc as well as financial assets both as custodian trustee for dioceses, parishes, pensions and discretionary funds (specific trusts) and, in its own right, for the Church generally (general funds).

The specific trust funds, incorporating the pension funds held for clergy, have shown a healthy growth over the last ten years now standing at €320m in total and generating an investment income for the beneficiaries of circa €10m, while the general funds of €177m generates an income of some €5.5m which funds all central operating costs and the annual allocations for ministry, training of ordinands, education, synod activities and sundry other purposes.

The year 2001 was a volatile year for investors and for global economic and political stability. Despite the downturn in all major markets the funds held by the RCB held up well with a modest negative capital return overall of circa 3.5% for the year. This compares favourably with the indices in the major markets reflecting a prudent diversification and spread of investments over the various sectors and markets (largely avoiding the meltdown in the speculative technology laden sector). World economic growth appears to be in an early state of recovery at the start of 2002 but volatility seems likely to be a continuing feature until business confidence and corporate earnings strengthen.

Recent years have also seen a huge growth in the level and complexity of property activity and increased planning and development regulation particularly in relation to buildings of architectural and heritage significance. While we are fortunate to have such a legacy of fine buildings in our care, all are challenged to maintain our property portfolio for the generations to follow. More and more we seem likely to have to look for external funding by way of grant aid for maintenance and/or restoration projects but this is inevitable given the high standards expected in the modern regulatory environment.

Statement of Trustee's Responsibilities

The Representative Body is required to prepare financial statements for each financial year which give a true and fair view of its state of affairs and of its financial activities for that period. In preparing those financial statements, the Representative Body, as a trustee, is required to:

- select suitable accounting policies and then 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 it will continue in business.

As a trustee, the Representative Body is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the organisation and to enable it to ensure that the financial statements comply with relevant legislation. It is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JF Rankin

12 March 2002

Chairman, Executive Committee

Independent Auditors' Report to The General Synod of The Church of Ireland

We have audited the financial statements on pages 6 to 21.

Respective responsibilities of Trustee and auditors

The responsibilities of the Representative Church Body, as Trustee, for preparing the Annual Report and financial statements in accordance with applicable legislation and accounting standards generally accepted in Ireland are set out on page 4 in the statement of trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and auditing standards issued by the Auditing Practices Board applicable in Ireland.

We report to you our opinion as to:

- whether the financial statements give a true and fair view, and
- whether proper books of account have been kept by the Trustee.

We state whether the financial statements are in agreement with the books of account.

We read the other information contained in the Executive Committee Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the financial statements and of whether the accounting policies are appropriate to the Body's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Representative Church Body's affairs at 31 December 2001 and of its result and cashflows for the year then ended. In our opinion proper books of account have been kept by the Trustee. The financial statements are in agreement with the books of account.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Dublin

12 March 2002

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
ACCOUNTING POLICIES
PAGE 6

The significant accounting policies adopted by the Representative Church Body are as follows:

- (i) **Basis of preparation**
The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland, which are those standards published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.
- (ii) **Historical cost convention**
The financial statements are prepared under the historical cost convention except that investments are stated at valuation.
- (iii) **Investments**
Investments are stated in the balance sheet at year end valuation.
Quoted securities are valued at latest available trade price or middle market price ruling on the balance sheet date. Bond valuations at year end include accrued interest from last date. Unquoted securities are valued by reference to the market value of the underlying assets.
Loans are stated at book cost at the balance sheet date.
- (iv) **Income**
Income includes all dividends receivable and interest received during the financial year and, in the case of the General Fund, reflects bought and sold interest on bond transactions in the accounting period.
- (v) **Foreign currencies**
Balances in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions are translated at year end rate, € = £0.6085 (2000 €1 = £0.6241) or the € prevailing rate where converted during the year.
- (vi) **Tangible fixed assets and depreciation**
Land is stated at cost. Other fixed assets are stated at cost less accumulated depreciation and are depreciated over the period of their expected useful economic lives. Depreciation is calculated using the following annual rates:

Freehold Buildings	2%
Office Equipment	20%
Office Furniture	8%
- (vii) **Pensions**
 - Staff – Current**
The pension entitlements of employees are secured by contributions to a defined benefits scheme administered by Irish Pensions Trust. An actuarial valuation is carried out at intervals of not more than three years. At the last actuarial review on 1 January 1999, the Actuary advised that the assets secured to date, based on the long term funding rate and the controlled funding methods and assumptions, are adequate to cover accrued benefits and deferred pensions.
 - Staff – Retired**
Pensions paid to retired staff who were not eligible to participate in the scheme administered by Irish Pensions Trust are paid from income on an annual basis.
 - Clergy**
The Fund is established under Chapter XIV of the Constitution of the Church of Ireland as amended from time to time by the General Synod. The Representative Church Body is the Trustee of the Fund which is administered by the Church of Ireland Pensions Board in accordance with the provisions of Chapter XIV.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
GENERAL FUND REVENUE ACCOUNT
YEAR ENDED 31 DECEMBER 2001 **PAGE 7**

	Notes	2001 €'000	2000 €'000
INCOME			
Investments		5,555	4,760
Property and Loans		230	189
Deposit Interest		592	348
Sundries		152	103
Interest on Reserves		148	160
		<u>6,677</u>	<u>5,560</u>
EXPENDITURE			
Operating Expenses	10	1,504	1,406
Professional Fees (including investment management costs)		284	281
Audit Fees (including Unit Trusts)		68	53
Pension Liabilities		189	175
		<u>2,045</u>	<u>1,915</u>
Surplus of Income over Expenditure		<u>4,632</u>	<u>3,645</u>
Allocations			
- Recommended	11	(4,294)	(4,089)
- Prior Year Unexpended		81	144
Surplus/(Deficit) after Allocations		<u>419</u>	<u>(300)</u>
Transfers			
- (to)/from Allocations Reserve		(413)	306
- from Building Development Reserve		85	88
- (to) Staff Pensions Reserve		(6)	(6)
- (to) General Funds		(85)	(88)
		<u>-</u>	<u>-</u>

Signed: *JF Rankin**DG Perrin*

Date: 12 March 2002

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**BALANCE SHEET****31 DECEMBER 2001****PAGE 8**

	Notes	2001 €'000	2000 €'000
EMPLOYMENT OF FUNDS			
CURRENT ASSETS			
Debtors		1,098	1,195
Cash on Short Term Deposit		21,590	15,826
Bank Balances		543	2,005
		<u>23,231</u>	<u>19,026</u>
CURRENT LIABILITIES			
Current Account Income Balances	2	6,188	5,251
Recommended Allocations	11	4,294	4,089
Bank Balances		1,338	-
Creditors		921	536
		<u>12,741</u>	<u>9,876</u>
NET CURRENT ASSETS		<u>10,490</u>	<u>9,150</u>
INVESTMENTS			
Tangible Fixed Assets	3	2,439	1,799
Loans		2,317	1,322
General Funds	4	171,755	182,850
Specific Trusts	5	309,735	316,529
		<u>496,736</u>	<u>511,650</u>
FUNDS EMPLOYED			
General Funds	6	171,892	181,872
General Reserves	7	5,199	4,822
		<u>177,091</u>	<u>186,694</u>
Pensions and Related Funds	8	123,480	129,459
Other Trust Funds	9	196,165	195,497
		<u>496,736</u>	<u>511,650</u>
Signed: <i>JF Rankin</i>			
<i>DG Perrin</i>			
Date: 12 March 2002			

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES AND
RECONCILIATION OF MOVEMENT IN GENERAL FUNDS EMPLOYED
YEAR ENDED 31 DECEMBER 2001 **PAGE 9**

	2001 €'000	2000 €'000
Surplus from General Revenue	4,632	3,645
Currency Translation Movement	3,337	(472)
Unrealised Deficit on revaluation of Investments and Property	(15,635)	(13,650)
Surplus on Investment Sales	2,218	16,455
Total Recognised Gains and Losses	(5,448)	5,978
Recommended Allocations	(4,294)	(4,089)
Prior year unexpended allocations	81	145
Capital changes and other movements	58	339
(Decrease)/increase in Funds Employed	(9,603)	2,373
Balance 1 January	186,694	184,321
Balance 31 December	177,091	186,694

Signed: *JF Rankin*
DG Perrin
Date: 12 March 2002

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**CASH FLOW STATEMENT****YEAR ENDED 31 DECEMBER 2001****PAGE 10**

	Notes	2001 €'000	2000 €'000
NET CASH FLOW FROM OPERATING ACTIVITIES	12	4,938	3,927
ALLOCATIONS OF INCOME PAID		(4,008)	(3,628)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Purchase of Investments		(99,480)	(102,638)
Sale of Investments		101,098	105,412
Advances of Glebe, Miscellaneous and Car Loans		(1,372)	(424)
Repayment of Glebe, Miscellaneous and Car Loans		378	318
Purchase of fixed assets		(365)	(25)
Payments to Reserves		-	339
Net Cash flow from capital expenditure and financial investments		259	2,982
FINANCING			
Net Cash Inflow to Specific Trusts		2,590	1,864
Net Cash flow from financing		2,590	1,864
INCREASE IN CASH	13	3,779	5,145

Signed: *JF Rankin**DG Perrin*

Date: 12 March 2002

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS **PAGE 11**

1. SPECIFIC TRUSTS FUND INCOME AND COVENANTS

	2001 €'000	2000 €'000
INCOME		
Investments	9,145	8,568
Deposit Interest	876	686
Underwriting Commission	1	2
	<hr/> 10,022	<hr/> 9,256
COVENANTS		
Income Tax Refund on Gift Aid Donations	2,152	2,197
	<hr/> 12,174	<hr/> 11,453
Less Administration Expenses	(748)	(617)
	<hr/> 11,426	<hr/> 10,836
Applied or paid to Specific Trusts or parishes	(11,426)	(10,836)
	<hr/> <hr/>	<hr/> <hr/>

A portion of the specific trusts income is applied to the payment of stipends, allowances and pensions which in total amounted to €19.1m in the year ended 31 December 2001 (2000, €16.757m). The balance of the cost of remuneration and pensions is funded by transfers from dioceses and from General Synod allocations.

2. CURRENT ACCOUNT INCOME BALANCES

	2001 €'000	2000 €'000
Diocesan Stipend & General Funds	4,219	3,399
Parochial Endowments	34	33
Miscellaneous Diocesan Trusts	230	176
General Synod Trusts	98	93
Other Trust Income & Suspense Balances	1,544	1,474
Clergy Pensions & Related Funds	63	76
	<hr/> 6,188	<hr/> 5,251
	<hr/> <hr/>	<hr/> <hr/>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 12**

3. TANGIBLE FIXED ASSETS

	Premises	Office Furniture	Office Equipment	Total
	€'000	€'000	€'000	€'000
<u>Cost</u>				
At beginning of year	1,590	244	206	2,040
Additions	347	11	7	365
Properties acquired in previous years capitalised	367	-	-	367
At end of year	<u>2,304</u>	<u>255</u>	<u>213</u>	<u>2,772</u>
<u>Depreciation</u>				
At beginning of year	54	40	147	241
Charge for year	41	19	32	92
At end of year	<u>95</u>	<u>59</u>	<u>179</u>	<u>333</u>
<u>Net book value</u>				
At beginning of year	1,536	204	59	1,799
At end of year	<u>2,209</u>	<u>196</u>	<u>34</u>	<u>2,439</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 13**

4. GENERAL FUNDS – ANALYSIS OF FUND ASSETS

	2001 €'000	2000 €'000
<u>Investments at Valuation</u>		
Ireland		
Trustee	5,322	5,236
Bonds	429	435
Preference	328	625
Equities - Financial	12,908	12,645
Equities - Commercial (includes convertibles)	9,912	9,982
United Kingdom		
Trustee	15,329	18,894
Bonds	1,420	1,225
Equities	68,446	84,146
Unit Trusts	17,553	12,510
Europe		
Trustee	4,305	-
Bonds	4,594	-
Unit Trusts	1,277	1,934
Equities	20,894	26,991
North America		
Equities	256	-
Unit Trusts	-	298
	<u>162,973</u>	<u>174,922</u>
<u>Other Assets</u>		
Cash	5,814	5,000
	<u>168,787</u>	<u>179,922</u>
General Reserves – Investments	2,968	2,928
	<u>171,755</u>	<u>182,850</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED****PAGE 14**

5. SPECIFIC TRUSTS – ANALYSIS OF FUND ASSETS

	2001	2000
<u>Investments at Valuation</u>	€'000	€'000
Ireland		
Trustee	2,815	3,447
Bonds	645	835
Preference	-	8,852
Equities	44,948	45,685
Convertibles	4,360	3,314
Unit Trusts (excluding RB)	4,805	5,678
United Kingdom		
Trustee	8,197	9,778
Bonds	1,364	783
Preference	27	1,356
Equities	40,201	50,980
Convertibles	21	46
Unit Trusts (excluding RB)	20,224	40,539
North America		
Trustee	856	-
Bonds	34	-
Equities	19,791	7,792
Unit Trusts	1,777	2,294
Europe		
Trustee	1,777	-
Unit Trusts	8,775	7,818
Equities	14,110	9,189
Pacific Basin		
Trustee	397	-
Equities	2,702	1,124
Australia		
Equities	-	789
Japan		
Equities	2,832	1,627
	<u>180,658</u>	<u>201,746</u>
<u>Other Assets</u>		
Cash	3,168	3,340
RB Unit Trust	21,116	20,568
RB General Unit Trusts	104,793	90,875
	<u>309,735</u>	<u>316,529</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 15**

6. GENERAL FUNDS

	Balance at 1.1.01	Currency Translation Movements	Capital Changes/ Movements	Surplus on Investment Sales	Revaluation Movement	Balance at 31.12.01
	€'000	€'000	€'000	€'000	€'000	€'000
Realised Profits on Investment Sales	146,166	2,924	143	2,218	-	151,451
Unrealised Surplus/ (Deficit) on Revaluation of Investments	35,706	404	-	-	(16,036)	20,074
Unrealised Surplus on Revaluation of Property	-	-	-	-	367	367
	<u>181,872</u>	<u>3,328</u>	<u>143</u>	<u>2,218</u>	<u>(15,669)</u>	<u>171,892</u>

7. GENERAL RESERVES

	Balance at 1.1.01	Currency Translation Movement	Capital Changes/ Movements	Surplus on Investment Sales	Revaluation Movement	Balance at 31.12.01
	€'000	€'000	€'000	€'000	€'000	€'000
Allocations Reserve	3,004	9	413	-	30	3,456
Building Development Reserve	1,649	-	(85)	-	-	1,564
Staff Pensions Reserve	169	-	6	-	4	179
	<u>4,822</u>	<u>9</u>	<u>334</u>	<u>-</u>	<u>34</u>	<u>5,199</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 16**

8. PENSIONS AND RELATED FUNDS

	Balance at 1.1.01	Currency Translation Movements	Capital Changes/ Movements	Surplus on Investment Sales	Revaluation Movement	Balance at 31.12.01
	€'000	€'000	€'000	€'000	€'000	€'000
Clergy Pensions Fund	125,933	1,781	5,553	-	(13,203)	120,064
Widows and Orphans Funds	2,131	4	-	80	(124)	2,091
Supplemental Fund	1,026	22	-	11	(131)	928
Clergy Pensions Fund (AVC Scheme)	369	4	24	-	-	397
	<u>129,459</u>	<u>1,811</u>	<u>5,577</u>	<u>91</u>	<u>(13,458)</u>	<u>123,480</u>

The Church of Ireland Pensions Board report includes more detailed financial statements covering a substantial portion of the above funds which are administered by the Board in accordance with the provisions of Chapters XIV and XV of the Constitution.

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 17**

9. OTHER TRUST FUNDS

	Balance at 1.1.01	Currency Translation Movement	Capital Changes/ Movements	Surplus on Investment Sales	Revaluation Movement	Balance at 31.12.01
	€'000	€'000	€'000	€'000	€'000	€'000
Parochial and Glebe Sales	118,356	720	2,846	7,918	(9,493)	120,347
Diocesan Stipend and General Funds	26,269	203	80	1,221	(2,307)	25,466
Diocesan Miscellaneous Trusts	10,534	75	20	705	(761)	10,573
Diocesan Episcopal Funds	5,569	52	-	168	(360)	5,429
Less: Diocesan Car Loans	(1,078)	(14)	(56)	-	-	(1,148)
	<u>159,650</u>	<u>1,036</u>	<u>2,890</u>	<u>10,012</u>	<u>(12,921)</u>	<u>160,667</u>
Sundry Trusts	24,788	221	386	1,064	(1,892)	24,567
General Synod Funds	9,562	57	105	456	(721)	9,459
Church of Ireland Auxiliary Funds	1,497	3	-	5	(33)	1,472
	<u>195,497</u>	<u>1,317</u>	<u>3,381</u>	<u>11,537</u>	<u>(15,567)</u>	<u>196,165</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 18**

10. OPERATING EXPENSES

	2001 €'000	2000 €'000
General Administration		
Salaries and Wages	1,310	1,182
PRSI	134	121
Pension Funding	205	168
Other Staff Costs	83	67
Office Supplies	50	48
Light, Heat and Power	31	28
Postage and Telephones	46	48
Maintenance and Repairs	6	8
Insurance, Rates and Taxes	38	32
Banking and Other Charges	32	26
Depreciation	93	85
	<u>2,028</u>	<u>1,813</u>
Less Costs Recovered		
Specific Trusts	(340)	(273)
Legal Fees	(56)	(65)
Other Charges	(408)	(344)
	<u>1,224</u>	<u>1,131</u>
Library	160	146
Central Committees	117	123
Episcopal Electors' Expenses	3	6
	<u>1,504</u>	<u>1,406</u>

11. RECOMMENDED ALLOCATIONS

	2001 €'000	2000 €'000
Maintenance of the Stipendiary Ministry	1,286	1,220
Retired Clergy and Surviving Spouses	1,142	1,134
Training of Ordinands	914	844
General Synod Activities	716	796
Miscellaneous Financing	236	95
	<u>4,294</u>	<u>4,089</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 19**

12. CASH FLOW RECONCILIATION

The Cash Flow Statement has been prepared in accordance with Financial Reporting Standard No 1 as required by the Accounting Standards Board and reflects the cash flows of the Representative Church Body General Funds and Reserves. Cash flows relating to Specific Trusts and Clergy Pension Funds are included to the extent that they are currently reflected in bank accounts or monetary asset and liability balances of the Representative Church Body at the financial year end.

Reconciliation of surplus of income over expenditure to net cash inflow from operating activities:

	2001 €'000	2000 €'000
Surplus of income over expenditure	4,632	3,645
Change in other debtors	(185)	397
Change in creditors	499	(201)
Amortisation of fixed assets	93	85
Effect of foreign exchange rate changes	(101)	-
Net Cash flow from operating activities	<u>4,938</u>	<u>3,927</u>

13. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

	2001 €'000	2000 €'000
Balance at 1 January	22,830	17,685
Net cash inflow	3,519	5,178
Effect of foreign exchange rate changes	260	(33)
Balance at 31 December	<u>26,609</u>	<u>22,830</u>

14. ANALYSIS OF THE BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET

	2001 €'000	2000 €'000
Cash on short term deposit	21,590	15,825
Due to bank	(1,338)	-
Due from bankers	543	2,005
Cash held by Investment Managers	5,814	5,000
	<u>26,609</u>	<u>22,830</u>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 20**

15. RETIREMENT BENEFITS

- (a) The Representative Body operates a defined benefit pension scheme with assets held in a separately administered fund. Contributions to the scheme are charged to the general fund revenue account so as to spread the cost of pensions over employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method of funding. The most recent valuation was at 1 January 1999 and is available for inspection by the scheme members.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in pensionable salaries. It was assumed that the investment returns would be 7% per annum and that pensionable salary increases would average 4% per annum over the long term.

The most recent valuation showed that the market value of the assets of the scheme was €4.68m which represented 129% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The pension charge for the year was €226,657 (2000: €274,633) of which nil (2000: nil) was payable at the year end.

- (b) Financial Reporting Standard 17 'Retirement Benefits' disclosures

The Representative Body operates a defined benefit scheme. A full actuarial valuation was carried out at 1 January 1999 and updated to 31 December 2001 for Financial Reporting Standard 17 disclosure purposes by a qualified independent actuary. The main financial assumptions used in the 2001 valuation were:

Rate of increase in salaries	4%
Rate of increase in pensions in payment	2.5%
Discount rate	6%
Inflation assumption	2.5%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 31 December 2001	Market value at 31 December 2001
	%	€'000
Equities	7.5	3,673
Bonds	5.5	1,304
Property	6.5	642
		<hr/> 5,619 <hr/>

THE REPRESENTATIVE BODY OF THE CHURCH OF IRELAND
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED **PAGE 21**

15. RETIREMENT BENEFITS – CONTINUED

The following amounts at 31 December 2001 were measured in accordance with the requirements of Financial Reporting Standard 17:

	€'000
Total market value of assets	5,619
Present value of scheme liabilities	5,616
Pension asset	<u>3</u>

If the above amounts had been recognised in the financial statements, the net assets and profit and loss reserve at 31 December 2001 would be as follows:

	€'000
Net assets excluding pension asset	177,091
Pension asset	3
Net assets including pension asset	<u>177,094</u>
Funds and reserves excluding pension asset	177,091
Pension asset	3
Funds and reserves including pension asset	<u>177,094</u>