

Summary of the Report of the Assessment Panel regarding our Congregation's Resources 25th November, 2009

Formal name:	Congregation of the Sisters of Mercy (Ireland)
Present work in Ireland:	Mainly education, social work, pastoral work and healthcare
Geographic area to which information relates:	Republic of Ireland, viz. combined position of the four Congregational Provinces in Ireland, excluding Northern Ireland
Number of members:	2,088
Age profile of members:	Average age of 74 years About ¼ are under 65 years and ¾ are over 65 years
Financial advisors:	L&P Financial Trustees
Auditors:	O'Brien Harnett & Associates (2 Provinces) Daly Park & Company (1 Province) PricewaterhouseCoopers (1 Province)
Actuarial advisors:	L&P Financial Trustees
Property valuers:	Various – details provided

	€m	€m
Financial Resources as at June 2009		
Assets		
Land & Buildings	1032	
Financial assets	182	
Other assets	7	1221
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<i>of which:</i>		
<i>Property in use or subject to restriction</i>	998	
<i>Restricted funds</i>	9	1007
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Liabilities & Commitments		
Liabilities		19
Commitments		
Continuation of services	80	
Living, welfare and care of members	116	
Other	8	204
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Notes:

- 1 The data in the table above is an aggregation of the position of 4 Congregational Provinces, which are each independent autonomous entities.
- 2 The land and buildings in the table above are properties held by the 4 Congregational Provinces and located in the Republic of Ireland. Information was provided on properties in Northern Ireland and on the small number of mission properties located overseas but these are not included in the above figures. The figures in the above table do not include the position of the

Congregation's Irish-based Generalate.

- 3 The secondary schools that are to transfer to the Ceist/Educena trust (see note 5 below) are stated at the value attributed to them in 2007 when the transfer was agreed. The primary schools are valued by three Provinces on a cost per square footage basis and by one Province on an insured value basis. A hospital is included at insurance value. Some of the land was valued based on per acre values provided by professional valuers. The valuations of all other property are a professional indicative opinion of value.
- 4 Of the total land and buildings in the table above, €412m relates to secondary schools in use that are to transfer to Ceist/Educena (see note 5 below), €256m relates to primary schools in use (discussions are ongoing about the transfer of some of these to church dioceses), €200m relates to residences in use for members of the Congregation, €59m relates to a hospital in use, and €71m relates to property in use for the provision of other services (including non-transferring secondary schools).
- 5 The Congregation is to transfer most of its secondary schools (at a 2007 value of €412m) to Ceist/Educena – a trust arrangement established in 2007 by 5 Congregations (not all of which are part of the 18 involved in the Panel's work) to continue their ethos for secondary education in Ireland. The transfer of the schools to the trust is at an advanced stage. The Congregation reported that long-term (at least 20 years) partial reimbursement arrangements had previously been agreed in relation to the transfers and that these arrangements were contingent on the trust having sufficient funds at the time (taking account of its funding obligations for the schools); for reasons linked to economic and property market developments since the arrangement was agreed, the Congregations involved do not now consider that such arrangements have a positive present value.
- 6 With reference to property stated at insurance valuations, see Section 3 of this Report where, under the heading "Valuation of Assets", the Panel has noted, in a general way, the possibility that parts of some properties (e.g. their grounds) may not be core to the present use and the possibility that some properties could have a site value that could be material to any future consideration about the location of the delivery of services.
- 7 The "other" assets and the "liabilities" each include a loan for €5m between two Provinces.
- 8 Restricted funds relate mainly to bequests whose use is restricted to particular purposes.
- 9 In addition to the assets in the table above, the Congregation reported motor vehicles and fixtures & fittings to the total value of €8m which are in use.
- 10 Liabilities are mostly contracted amounts for building work. See also note 8.
- 11 The amount for continuation of services is the Provinces' combined estimation of the present value of the capital sums required to provide for their commitments to their education (€55m), healthcare (€14m) and mission support (€11m) ministries into the future. These commitments include support of the Ceist/Educena secondary schools trust, future primary school trusteeship, adult education centres, Catholic Education Services, schools and college, hospitals and other care facilities with which the Congregation is associated, and provision for mission services in developing countries. In coming to the figure for the net funding required, the projected income from the education and healthcare ministries was offset against the costs.
- 12 "Other" commitments include a €4m commitment by one Province to the Generalate as part of the Congregation's move over recent years to capital funding of the Generalate as a replacement for the previous funding model of annual levies on Provinces.
- 13 Between them, the Provinces own a total of 10 property holding companies, whose assets are included as part of the Provinces' land and buildings in the table above.
In connection with its services, the Congregation owns 13 other bodies (most

of which are incorporated and all of which operate as charities) and their subsidiaries, whose assets are not reflected in the above table. Four hospitals under the auspices of the Congregation – the Mater Misericordiae, Temple St. Children’s Hospital, the National Orthopaedic (Cappagh), and Mercy University Hospital (Cork) – are owned and run via some of these companies; the sum of the insurance values of the four hospitals’ buildings is €645m. The remaining companies (viz. those not linked to the hospitals) relate to various other services (e.g. addiction treatment, sheltered housing, immigrant support); in the main, the properties they use are owned by the Congregation (and, therefore, reflected in the table above). In addition, the Congregation also reported a large number of companies and other entities with which the Provinces have connections of varying degrees. Practically all of these have charitable status or are in the process of applying for same. These bodies include a third level college (where one of the Provinces is joint trustee), the secondary schools trust (see note 5 above), local community support groups, several addiction treatment services, family support services, refugee support groups, pastoral and counselling services.

14 Discrepancies may arise due to rounding