



Income and Expenditure of the Archdiocese of Malta 2019

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Archdiocese of Malta

Overview for 2019

In 2019, the entities comprising the Archdiocese of Malta registered a net surplus of €3.52 million compared to a deficit of €0.14 million in 2018. The surplus figure includes donations worth €2.40 million received by Dar tal-Providenza and Caritas in the form of shares.

Income

Income went up by €5.99 million. Collections received by parishes remained stable, while an increase was registered in donations. Inheritances increased by €1.57 million, mainly by Dar tal-Providenza and Dar tal-Kleru. Fund raising income rose by €0.27 million, primarily attributable to Dar tal-Providenza. Income from property went up to €1.21 million.

Investment income went up by €1.70 million, aided by a rise of €1.16 million in the dividend received from APS Bank. Realised capital gains on investments advanced by €1.05 million. These increases more than offset other losses in investment income due to the very low interest rates that prevailed during the period.

Government funding went up by €1.37 million to cover a substantial part of the teachers' salaries at the Archbishop's Seminary and the Sacred Heart College, and other community services provided by Caritas and the Children's Homes.

Expenditure

Expenditure increased by €4.79 million. Salary costs accounted for 60 per cent of total expenditure, up by €2.02 million over 2018. A net increase of 59 full-timers and 24 part-timers contributed to this increase. Operational costs, including conservation and restoration of ecclesiastical heritage, rose by €2.65 million to €15.54 million. Charitable donations, including those by parishes to people in need, reached €0.46 million. The taxation charge for the year amounted to €1.36 million.

Average Number of Employees

The Archdiocese employed 1,326 lay persons, of which 1,004 were full-timers (see table below). Increases in full-timers were mainly registered at the homes for persons with a disability, homes for children and the elderly, other entities and the Archbishop's Curia. In addition to these employees, the Archdiocese provided remuneration to 252 diocesan priests (2018: 252).

	2019		2018	
	Full-time	Part-time	Full-time	Part-time
Archbishop's Curia	76	42	69	35
Homes for children and the elderly	232	168	219	135
Homes for persons with a disability	275	19	257	17
Media services	22	15	19	24
Archbishop's Seminary and Sacred Heart College	281	22	281	25
Monasteries	4	3	3	3
Sextons	22	11	26	7
Other entities	92	42	71	52
TOTAL	1,004	322	945	298

Archdiocese of Malta

	2019	2018
	€	€
Income		
Property Income	1,210,811	914,468
Investment Income and realised capital gains	8,826,437	7,128,578
Collections and Donations	10,368,070	9,667,599
Fundraising	2,142,044	1,874,607
Gross contribution on advertising and sales	1,303,872	855,435
Fees and other income from residents	6,674,731	6,006,741
Church Dues	252,435	265,423
Government contributions	12,207,013	10,838,782
Other Income	4,610,743	4,049,968
	<u>47,596,156</u>	<u>41,601,601</u>
Expenditure		
Remuneration to priests and lay employees	27,726,620	25,711,388
Maintenance Works (incl. conservation and restoration)	5,802,414	3,954,747
Operational costs	9,735,450	8,931,411
Taxation	1,361,115	1,378,978
Donations	455,638	562,069
Depreciation	1,466,625	1,219,037
	<u>46,547,862</u>	<u>41,757,630</u>
Net Operating Surplus / (Deficit)	1,048,294	(156,029)
Unrealised gains on difference on exchange	68,430	18,646
Exceptional donation	2,400,000	-
Net result for the year	<u>3,516,724</u>	<u>(137,383)</u>

Archbishop's Curia

Overview for 2019

In 2019, the Archbishop's Curia registered a net deficit of €0.03 million compared to one of €1.38 million in 2018, after providing for subsidies to various diocesan entities. The main subsidies were forwarded to the Homes for the Elderly and the Church Media operations.

Income

Income went up by €2.42 million. The main increase was recorded in investment income, as a result of a better dividend from APS Bank and higher realised capital gains. Other income also increased to €1.24 million.

Expenditure

Expenditure rose by €1.17 million, with remuneration to the clergy and lay employees accounting for 39 per cent of this increase, mainly due to an increase in the staff complement. Operational costs went up by 10.7 per cent to €0.94 million, excluding the decrease in provision for bad debts in 2018. Donations amounted to €0.10 million, including those given to individuals and families who received support from the Archbishop's Charity Fund. The cost of repairs and restoration more than doubled over the previous year, reaching €0.68 million. Taxation amounted to €0.88 million.

Unrealised gains on exchange

In 2019 the main currencies strengthened against the euro, however the impact of this on the Curia's investment portfolio was marginal.

Archbishop's Curia

	2019	2018
	€	€
Income		
Property Income	162,881	174,784
Net Investment Income and realised capital gains	6,832,653	5,091,976
Collections and Donations	137,601	129,790
Ecclesiastical Tribunal Fees	205,221	232,245
Clergy Fund Income	1,352,424	1,369,215
Other Income	1,235,514	505,988
	<u>9,926,294</u>	<u>7,503,998</u>
Expenditure		
Remuneration to priests	3,464,158	3,283,827
Salaries of lay employees	2,352,847	2,077,665
Operational Costs	940,437	624,683
Maintenance Works (incl. conservation and restoration)	684,183	297,491
Professional Fees	457,919	373,644
Donations	104,282	116,422
Depreciation	210,018	159,668
Taxation	879,461	986,241
	<u>9,093,305</u>	<u>7,919,641</u>
Net surplus/(deficit) before distribution of subsidies	832,989	(415,643)
Subsidies: Children's Homes	-	30,290
Foundation for Theological Studies	170,238	155,214
Episcopal Conference	36,937	17,280
Homes for the Elderly	226,907	436,489
Media	476,956	301,578
Cana Movement	-	25,000
Total subsidies	<u>911,038</u>	<u>965,851</u>
Net deficit after distribution of subsidies	(78,049)	(1,381,494)
Unrealised gains on difference on exchange	47,098	6,149
Net result for the year	<u>(30,951)</u>	<u>(1,375,345)</u>

Note on impact of COVID-19 on 2020 so far

The surplus registered by the Archdiocese of Malta in 2019 was immediately wiped out following the severe financial and cash flow pressures arising as a result of the COVID-19 pandemic. As from March onwards, the Archdiocese has been resorting to past surpluses to sustain its pastoral mission.

Returns on investments have dipped, and following a European Central Bank recommendation, the annual dividend was not distributed by APS Bank to its shareholders. This recommendation has been extended to January 2021.

Income from collections and donations have dried up due to the closure of churches, and due to a decline in church-goers following the relaxation of restrictions in June. No income from the blessing of homes was recorded. Parishes are finding it harder to meet their contribution on EU funded projects.

Church homes for the elderly also experienced a spike in expenditure due to the lock-in of employees. This expenditure was in part covered by financial support from the Government.

A number of church entities also suffered a financial setback. Dar tal-Providenza recorded a drop in donations and lost out on financial income from the annual fundraising volleyball marathon.

The annual Lenten collection for seminarians during Sunday Mass did not take place this year, while no Lenten retreats were held at the Seminary, which suffered from a drop in regular income. The regular donations for the Minor Seminary were not forthcoming for the last term, as the school remained closed.

Losses are also envisaged with the closure of the Mdina Cathedral museum, and also across a few parishes with a reliance on regular tourist visitors.

Advertising revenue projected by Beacon Media has been materially revised downwards, affecting directly the bottom line.

Requests for financial assistance from individuals and families, as well as the demand for financial subsidies from church entities, has also increased. Following negotiations, the collective agreement for Curia and Tribunal employees was postponed and will now enter into force on 1st January 2021. In the meantime, the Archdiocese benefitted from the wage supplement scheme offered by Malta Enterprise.

As a result of the above factors, the 2020 results are expected to be adversely impacted in a material way due to COVID-19.

Notes

1. The Archdiocese of Malta comprises the following: Central Fund (including the Clergy Fund, Mass Office and the Ecclesiastical Tribunal), *Taqsimu Finanzi*, parishes (excluding those run by religious orders), the Metropolitan Chapter, homes for children and for the elderly, homes for persons with a disability, the Archbishop's Seminary and Sacred Heart schools, media services, cloistered monasteries, and other entities (including Caritas, the Emigrants' Commission, the Cana Movement and the Catholic Institute).
2. The Archbishop's Curia comprises the following: Central Fund (including the Clergy Fund, Mass Office and the Ecclesiastical Tribunal) and *Taqsimu Finanzi*.
3. The Income and Expenditure details in this report are extracted from the audited financial statements for the year ended 31 December 2019, which were reviewed by the Audit Committee on 28 July 2020 and approved by the Diocesan Finance Committee and the Diocesan Representative Council on 31 July 2020.
4. Further details are available from the Administrative Secretary at the Archbishop's Curia upon written request. Emails may be sent to: info@maltadiocese.org.