



## Down and Connor Diocesan Trust

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## Down and Connor Diocesan Trust

Registered Charity Number 103983

## Report and Financial Statements

For the year ended  
**31 December 2022**

## Down and Connor Diocesan Trust

### Legal and administrative information

**Trustee**  
Diocese of Down and Connor Trustee  
Company registration number: NI058844  
Registered Office: Lisbreen, 73 Somerton Road, Belfast, BT15 4DE

### Directors and Officers of Diocese of Down & Connor Trustee

Most Reverend Donal McKeown (Apostolic Administrator, appointed 22<sup>nd</sup> January 2023)  
His Excellency Most Reverend Noel Treanor (Bishop of Down and Connor, resigned 26<sup>th</sup> November 2022) (Apostolic Administrator, appointed 26<sup>th</sup> November 2022, resigned 22<sup>nd</sup> January 2023)  
Very Reverend Eugene O'Hagan  
Very Reverend Monsignor Patrick Delargy (retired 29th September 2022)  
Very Reverend Monsignor Joseph M Glover (deceased 22<sup>nd</sup> October 2022)  
Very Reverend Martin Graham (appointed 29th September 2022)  
Very Reverend Michael Spence (appointed 2<sup>nd</sup> March 2023)  
Brenda Heenan  
Joseph Higgins  
Rose Kelly  
Gerard McGinn  
Nicholas McKenna  
Orlagh O'Neill  
Michael Scullion

**Registered Office**  
Lisbreen, 73 Somerton Road, Belfast, BT15 4DE

**Company Secretary and Diocesan Civil Administrator**  
Gareth Hughes

**Auditor**  
Hill Vellacott, Chartered Accountants, 22 Great Victoria Street, Belfast, BT2 7BA

**Primary Bankers**  
AIB, 35 University Road, Belfast, BT7 1RW

**Investment Managers**  
Cazenove Capital, 12 Moorgate, London, EC2R 6DA  
Smith & Williamson Investment Management LLP, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG

**Solicitors**  
Napier & Sons, 1-9 Castle Arcade, High Street, Belfast, BT1 5DF  
DAC Beachcroft (NIreland) LLP, 7<sup>th</sup> floor, Montgomery House, 29-33 Montgomery Street, Belfast, Co Antrim, BT1 4NX

## Down and Connor Diocesan Trust

### Report of the Trustee

The Trustee presents its Annual Report and the audited financial statements of the Charity, Down and Connor Diocesan Trust, for the year ended 31 December 2022.

### Constitution and aims

The Roman Catholic Diocese of Down and Connor was formed from the amalgamation of the Diocese of Down and the Diocese of Connor, both of which were established in the 5<sup>th</sup> century. The Diocese of Down and the Diocese of Connor were eventually permanently joined in 1439, and The Roman Catholic Diocese of Down and Connor, (the Diocese) as its known today, was established, and has continued in existence for the last 584 years.

The Down and Connor Diocesan Trust, a charitable trust, was established by a Trust Deed dated 28 September 2004. On the 17 December 2015, Down and Connor Diocesan Trust was registered as a Charity with the Charity Commission for Northern Ireland and given the registration number 103983. For tax purposes, Down and Connor Diocesan Trust is also registered with HM Revenue and Customs - Reference number XN46141. The sole Trustee of the Charity is a Corporation, Diocese of Down and Connor Trustee. The Company is limited by guarantee and was registered on 5 April 2006, registration number NI058844. On 7<sup>th</sup> November 2006 the Lord Chief Justice of Northern Ireland authorised Diocese of Down and Connor Trustee to act in any Charitable or Ecclesiastical Trust as a Trust Corporation.

### Objectives and activities

The principal objects of the Charity are:

- the advancement of the Roman Catholic religion in the Roman Catholic Diocese of Down and Connor subject to any future curtailment or addition of area made in accordance with the laws and regulations of the Roman Catholic Church,
- the advancement of any charitable purpose supported by the Roman Catholic Church throughout the world or in any part of the world.

The Church in Down and Connor, in union with the Catholic Church worldwide, seeks to achieve its objectives through activities including the following:

- Proclamation of the Gospel
- Worship of God
- Provision of Clergy and pastoral personnel
- Formation and development of Parish communities
- Support for families
- Provision of educational, pastoral and youth ministries
- Provision and maintenance of places of worship
- Aid for impoverished and needy communities worldwide

The means used to fulfil the purposes of the Diocesan Trust are constantly monitored and reviewed to ensure that the principal aims, and objectives of the Charity are adhered to.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

Statement that the Trustee has had regard to the Charity Commission for Northern Ireland public benefit requirement statutory guidance

The Trustee confirms it has complied with the requirements of Section 4(6) of the Charities Act (Northern Ireland) 2008 to have due regard to the public benefit guidance published by the Charity Commission for Northern Ireland in determining the activities undertaken by the Charity. Throughout this Annual Report the Trustee seeks to demonstrate that the Charity's aims and objectives are for the public benefit.

### Structure, Governance and Management

The operation of the Charity is overseen by the Trustee. The Directors of the Trustee are appointed by the Bishop of Down and Connor who is Chair of the Board. Recruitment of Directors is based upon their knowledge of the local Church and their having the professional skills and experiences necessary for overseeing the affairs of the Charity by ensuring it is solvent, well-run, and that it delivers the outcomes for which it was established.

On appointment new Directors of the Trustee Board attend an Induction Day and are introduced to their role and responsibilities by the Chancellor of the Diocese, the Diocesan Secretary and the Diocesan Civil Administrator and they are provided with copies of the Trust Deed and the latest financial information and reports. Directors attend formal and informal training sessions as required.

The Human Resources and Personnel Committee meets at least four times a year and makes all key recommendations to the Trustee Board on the setting of pay and remuneration for key management personnel; the Committee is guided by a term of reference and has a quorum of Trustee representatives. Part of the Charity's longer-term strategy is the development of a succession plan for key staff and this is considered as part of the overall review of strategic and operational risks.

Archbishop Noel Treanor retired as the Bishop of the Diocese of Down and Connor on 26<sup>th</sup> November 2022 and became Bishop Emeritus of Down and Connor and Apostolic Administrator of the Diocese of Down and Connor on that date.

On 22<sup>nd</sup> January 2023 Archbishop Noel Treanor left the Diocese to take up the position of Apostolic Nuncio to the European Union. The Holy Father Pope Francis appointed Bishop Donal McKeown, Bishop of the Diocese of Derry, as Apostolic Administrator of the Diocese of Down and Connor on that date.

In the day-to-day management of the Charity, the Bishop/ Apostolic Administrator refers ecclesiastical related matters to the Vicars General, the Chancellor of the Diocese, the Judicial Vicar, the Diocesan Secretary, Episcopal Vicars, and other appropriate officials. Civil administrative matters are referred to the Diocesan Civil Administrator and other officers employed by the Charity. In accordance with the Code of Canon Law a Presbyterial Council, that is a group of priests which represents the Presbyterium (however not in 'sede vacante'), and the College of Consultors assist the Bishop/ Apostolic Administrator in the governance of the Diocese according to the norm of law so as to promote, as much as possible, the pastoral good of the people of God entrusted to him.

Reflecting Canon Law, the activities of the Charity are separated in this Report into Parish and Central Services functions.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

### Parishes

The Diocese is divided into Parish communities. Parish Priests/Administrators and Curates are appointed by the Bishop/ Apostolic Administrator to provide pastoral care for Parish communities and to manage Parishes in all juridical affairs thus ensuring Parishes are administered in accordance with the norms of Canon and Civil Law while fulfilling the aims of the Charity.

As encouraged by The Directory for the Pastoral Ministry of Bishops (Apostolorum Successores), the Bishop/ Apostolic Administrator, in consultation with Priests and the laity, reviews on a regular basis the Parish structure to ensure the long-term pastoral sustainability of the Parishes. Each Parish is required by Canon Law to have a Finance Committee to assist the Parish Priest/Administrator in the administration of the Parish. Parish Finance Committees include Parishioners with knowledge and experience in finance, property and administration.

### Central Services

The Diocesan Central Services consists of those institutions and persons which furnish assistance to the Bishop/ Apostolic Administrator in the governance of the entire Diocese, especially, in directing pastoral activity, in providing for the administration of the Diocese and in exercising judicial power. It also includes all who participate in the overall administration of the Diocese, especially those who direct diocesan activities such as pastoral support, youth work, education, family life, liturgy, lay voluntary involvement and other facets of the local Church's life.

The Trustee Board delegates oversight of the Diocese's day-to-day financial, property, investment and administration matters to the Chancellor of the Diocese, the Diocesan Secretary, the Diocesan Civil Administrator and other personnel from within the Central Services. Among the other designated personnel who assist the Board of Directors are the Finance Officer, the Property Liaison Officer, the Human Resources Officer and the Director of Safeguarding. All personnel of the Diocese undergo continuous professional development training.

The remuneration of the key management personnel is disclosed in the Financial Statements (note 12). All employment matters and remuneration issues are overseen by the Trustee Board and reviews are undertaken periodically.

### Risk Management

The Trustee Board actively reviews all major strategic and operational risks to which the Charity is exposed and confirms these have been reviewed and that strategies and systems are established to manage exposure to these risks. Each department is required to monitor changes and to develop systems to manage risk whenever possible. The main areas of risk identified and monitored by the Board, during the year, include:

- Safeguarding
- Compliance with Health & Safety and listed buildings legislation
- Reduction in active clergy numbers
- Reduction in voluntary income including COVID-19 impact
- Increasing costs for the care of sick and retired clergy
- Reduction in central reserves due to capital projects and long-term commitments
- Compliance with data protection regulations

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

### Achievements and performance

The territory covered by the Diocese of Down and Connor has a total population of approximately 1.1 million people of which approximately 350,000 are Catholics. The eighty-six parishes are predominantly in Counties Antrim, Down and parts of County Derry. The Parishes are clustered into thirteen Pastoral Communities. Each Pastoral Community consists of a number of adjoining Parishes united in the interests of promoting and realising the objects and the mission of the Church in Down and Connor within their local communities. There are six Pastoral Communities in Belfast and the Greater Belfast area, three in County Down and four in County Antrim (Connor).

### Proclamation of the Gospel and Worship of God

Within the Diocese religion is advanced through the provision of places of worship, the facilitation of religious practice and, particularly, through community celebrations of Mass. Since the easing of COVID-19 restrictions there is a public celebration of Mass most days in the majority of Parishes/neighbouring Parishes and on every weekend several community Masses are celebrated in public in every Parish.

During the prior year, 2021, to adhere to appropriate protocols, including social distancing, our churches opened with reduced capacity. Since 15<sup>th</sup> February 2022 our churches increased capacity in line with government restrictions.

Other activities of the Charity include conducting religious ceremonies (such as baptisms, weddings, and funerals), running programmes pertaining to spiritual formation and development, encouraging and supporting inter-church relationships and maintaining places of worship, many of which are listed and contain religious works of art and other artefacts all of which form part of our national heritage. When government restrictions allowed, these places of worship are open to the general public, people of all faiths or none, they provide a public benefit for the whole community and for many people they are spaces which offer the opportunity for quiet reflection and for spiritual contemplation.

It is within Parishes that people experience what it is to be a member of the Catholic Church and where faith is nurtured and given expression. Parishes, through various means, provide for the moral and spiritual wellbeing of Parishioners young and old. Practical expressions of faith are manifested through the means of Parish organised pastoral, social and educational activities many of which rely on the voluntary involvement of Parishioners. During the current reporting period a total of 3,606 Baptisms took place within the Diocese. In the same period the Sacrament of First Communion was administered to 4,582 young people and the Sacrament of Confirmation was conferred on a total of 4,901 individuals.

As well as pastoral care and the provision of the Sacraments to the members of Parish communities, the Diocese offers chaplaincy services to those who cannot be part of a regular Parish community. Hospital Chaplains and lay pastoral visitors are available at all the major hospitals within the Diocese of Down and Connor including The Mater Hospital, The Royal Victoria Hospital, Belfast City Hospital, Musgrave Park Hospital and Ulster Hospital. The Chaplains are regularly available to patients, patients' relatives and staff and are on call to attend in emergencies. The Diocese also provides chaplaincy services to those in Penal Institutions, HM Prison Maghaberry, Hydebank Wood Prison and Young Offenders Centre and Woodlands Juvenile Justice Centre.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

Each year, priests, and people from Down and Connor journey to traditional pilgrimage sites such as Saul, Slernish, Lough Derg and Bangor. The national shrine of Our Lady at Knock continues to be a much-loved place of encounter with Our Lord in the Eucharist and of devotion to Our Lady of Knock. Pilgrimage is part of the rich tradition of faith expression in the Diocese and a visible manifestation of the Church community in action. As well as local sites such as Saul, Slernish and Downpatrick, people from Down and Connor make pilgrim visits to Knock, Lourdes, Fatima and follow the Pilgrim way to Santiago de Compostela. Travelling together as a pilgrimage group is an uplifting experience for all involved. The annual Diocesan pilgrimage to Lourdes successfully returned, on a smaller scale as the first year back post Covid, in July 2022. It is planned that the sick and their families will return for a larger pilgrimage in July 2023. On pilgrimage the Church community is seen in action as both young and old gather together for inspirational liturgies and prayerful reflection. The sick and their families, when they return to Lourdes in 2023, receive excellent care and attention from volunteers who freely and generously give of their time and skills thus enabling their brothers and sisters in Christ to benefit fully from their pilgrimage experience.

The important role played by volunteers who participate in the various activities of their Parish cannot be overstated and their contribution is vital in enabling the Diocese to continue to fulfil and develop its stated objectives. Volunteers generously give of their time serving in various ministries, caring for and visiting the sick, the housebound and those on the margins of society. They play a significant role in helping to maintain Parish property and assisting in financial and other administrative duties such as through membership of Parish Pastoral, Finance and Safeguarding Committees. Such Parishioners are the lifeblood of their communities and their contribution is significant. During the COVID-19 pandemic the response of volunteers generously giving time so that risk assessments and cleaning routines could be implemented to enable our churches to open has been overwhelming. It has not been possible to quantify the number of volunteers active throughout the Diocese nor is it possible to estimate the financial value of their involvement.

Although the Charity relies principally on donations from Parishioners for its funding, access to religious services is never restricted on the grounds of ability to pay. In addition, members of the Catholic community are encouraged, as a consequence of their faith commitment, to contribute towards creating a better society by becoming active volunteers for the Common Good within their local area through membership of charities, local societies, community groups and, also, by volunteering in all sorts of other ways so as to benefit society in general.

Besides the work accomplished in the Parishes, the Central Services, the central administrative offices of the Diocese, coordinates and carries out a number of essential functions necessary for the advancement of the Catholic Religion at local, national and international level. In order to do this the Central Services operates through Diocesan Commissions, Committees and through various personnel charged with specific responsibilities.

The Diocesan Commissions include the Diocesan Eucharistical Commission, the Commission on Family Ministry, the Liturgy Commission, the Commission for Religious, the Social Affairs Commission and the Vocations Commission.

The Diocesan Committees include the Diocesan Education Committee, the Diocesan Safeguarding Committee, the Diocesan Marriage Tribunal, and the Diocesan Living Church Committee.

## **Down and Connor Diocesan Trust Report of the Trustee (Continued)**

Personnel with specific responsibilities include the Diocesan Archivist, the Diocesan Coordinator of Adult Faith Development, the Diocesan Historian, the Diocesan Knock Pilgrimage Director, the Diocesan Lourdes Pilgrimage Director, the Diocesan Media Liaison Officer, the pastoral care of Migrants Coordinator, Diocesan Director of Public and Social Affairs, the Diocesan Propagation of the Faith Director and the Diocesan Vocations Director.

### **Provision of Clergy and pastoral personnel**

Central to Parish life is the relationship between the Parish Priest, Curates, Deacons and Parishioners. Clergy are not employees of the Diocese, however, in Canon Law the care and welfare of Incardinated Priests of the Diocese is mandatory and is, therefore, part of the Charity's ongoing commitments.

On the whole, it is the clergy ministering in Parishes who organise, animate and motivate the local faith communities. They constantly strive to be witnesses of hope and authentic shepherds for their people. The provision of dedicated, well qualified and competent clergy to serve in Parishes and other ministries remains a priority for the Diocese. Through the means of regular conferences, retreats, courses, workshops and sabbaticals the clergy of the Diocese are kept informed and provided with guidance in regard to current issues and developments in respect of all aspects of ministry and mission. Currently, the Diocese has seven candidates in formation leading to ordination to the Priesthood and four candidates preparing for ordination to the Permanent Diaconate. During the year one candidate was ordained to the Priesthood for ministry in the Down and Connor Diocese and six candidates were ordained to the Permanent Diaconate. The cost of this formation is borne by the Clerical Students Fund.

The general well-being and care of clergy in active ministry is coordinated by an Episcopal Vicar for Clergy. Priests' stipends and related matters are overseen and regulated through a Priests' Welfare Fund. Equally important is the welfare of priests who are sick or retired. Many of the retired priests have served in Parishes and local communities for over fifty years. Their welfare and accommodation are the responsibility of a committee which administers the Provident Fund of the Secular Priests of the Diocese of Down and Connor. During the year thirty-four priests received assistance from the Fund which necessitated a total spend of approximately £537,835.

The objectives of the Charity are greatly supported, and the life of the Diocese enriched, by the contribution made by one hundred and sixty-four members of Religious Institutions, Secular Institutions and/or Societies of Apostolic Life serving in the Diocese. The Diocese of Down and Connor expresses its sincere gratitude to these men and women of faith for their ministries of generous service and sacrifice.

### **Support for families**

Pope Francis's encyclical *Amoris Laetitia* alongside 'The World Meeting of Families which took place in Dublin in 2018 raised the profile of the Church's need to minister to families. Families encounter the church at all key moments in their life, the Baptism of a new child, nurturing the faith of a child through the sacraments of reconciliation, First Holy Communion and Confirmation, Marriage, times of illness and bereavement. 'Family Ministry' within the Diocese is dedicated to strengthening marriage and families by coordinating pastoral programmes and ministers that have faith as their foundation and Christ as their goal.

## **Down and Connor Diocesan Trust Report of the Trustee (Continued)**

In collaboration with other agencies 'Family Ministry' also offers services and practical resources to assist people, at all stages of life, in order to help them experience, more fully, the love and compassion of God in the ordinary events of life. ACCORD Catholic Marriage Care Service, Marriage Encounter and Engaged Encounter provide preparation courses for couples led by lay people and clergy across the Diocese as couples look to prepare not just for a wedding day but also for life together. The preparation courses offer couples a time of reflection, teaching and prayer supporting couples to have a solid foundation on which to build their marriage. ACCORD also provides vital counselling support to couples at times when their relationship needs support and guidance in their centers.

Bethany Bereavement Support Group and Beginning Experiences are both lay led groups supported by the Diocese to ensure that people experience compassion and support at a time of loss. Family life is challenged by the death of a loved one and the Church cannot fail to offer the light of faith as a support to families at a time of such great loss. Bethany volunteers have completed a training programme to support them in developing the necessary skills for this sensitive pastoral ministry. Clergy of the diocese are supported by local Bethany groups who continue visitation of families in their own homes accompanying bereaved families as they grieve.

### **Provision of educational, youth and pastoral ministries**

#### **Catholic schools and universities within the Diocese**

A key ingredient in our contribution to the local community is through our large network of Catholic Schools. Catholic Schools Week is celebrated throughout Ireland. Through this event, schools focus on the value Catholic Education provides to young people and its contributions to our church, our communities and our country. This annual event calls on Catholic schools to give expression, in a special way, to a particular aspect of Catholic Education, Catholic Schools Week 2022 took place from 23<sup>rd</sup> January to 30<sup>th</sup> January, focusing on the theme 'Catholic Schools: Living Life to the Full.'

The Church in Down and Connor remains fully committed, through its Catholic Schools, to maintaining, by way of a holistic methodology, the highest standards in learning thus confining to offer academic excellence and faith-filled education to all young people. Many non-Catholic parents choose to educate their children in Catholic schools, not least, because of the excellent education on offer but also, the identifiable ethos of trust, mutual respect and recognition of responsibility to those in need. Throughout the year the Diocesan Episcopal Vicar for Education exercises responsibility for oversight of the work of Catholic Education within the Diocese.

The Diocese participates in third level education through its involvement in Saint Mary's University College, Belfast. St Mary's is the only Catholic University College in Northern Ireland. Its primary role is to serve the educational needs of the community in general by educating competent and dedicated teachers. The Diocese also provides chaplains at Queen's University, Belfast and at two of Ulster University's campuses, Coleraine and Belfast. The Diocese owns, manages and maintains premises adjacent to Queen's University which is designated specifically for the purpose of providing an outreach for students attending Queen's University. These facilities will undergo a major redevelopment over the next few years.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

### Living Church

The 'Living Church' office was established in December 2011 by Archbishop Noel Treanor and was tasked with developing a Diocesan Pastoral Plan which was presented at the Diocesan Congress in September 2013. The Living Church office plays an integral role in the pastoral renewal and life of the Diocese. The office has a wide range of remit that fall under the themes of the Pastoral Plan. The remit of the office includes the work of SPRED, a faith development programme for people with learning disabilities.

### Faith Development

Parishes continue to avail of the support of the Living Church Office in identifying appropriate adult Faith Development Programmes, to be facilitated in their local Parish or Pastoral Community. Faith Development Courses seek to provide participants with the opportunity to deepen their relationship with God, to deepen their knowledge of the Church and to create safe spaces where people can support and encourage one another in living out their Christian faith.

In 2022 the course *Unlocking the mystery of the Bible* was delivered to 150 people over 8 weekly sessions helping them to read the Bible by discovering the story of salvation. The programme WISDOM was delivered both online and in person to 100 people helping them understand how to better embrace decision making in our lives using prayer, scripture and teaching of the church.

Pope Francis gave a series of catechesis on the *Spirituality of Aging*; this was taken up and a series of *Beloved Disciples* programmes were delivered in parishes across the Diocese. It provided a valuable space for older parishioners to reflect on their experience of the COVID pandemic, to build community and for many the opportunity to attend their first retreat.

During Lent 255 people participated in *No Greater Love*, this weekly programme provided an opportunity to consider the Scriptures connected to the final moments of the Last Supper.

The Living Church office provides regular social media updates on Feast Days of Saints, key liturgical dates and insights on the Universal Church that are shared by our parishes and have a reach of between 10 – 20,000 people per week. A series of videos featuring clergy and lay from across the Diocese was shared for the 12 days of Christmas alongside other printed resources to support people in personal prayer. The Living Church provides resources to support adults undertaking the RCIA programme in the Diocese as they prepare for their full reception into the Catholic Church.

### Lay Participation

#### For a synodal Church: Communion, Participation and Mission

In October 2021 Archbishop Treanor alongside the Director and Assistant Director of the Living Church office opened the Diocesan Phase of the Universal Synodal Pathway initiated by Pope Francis. A synodal committee was formed which reflected on the Preparatory and Vademecum documents produced by the General Secretariat so that the Diocese would commence its Synodal Listening during Lent 2022.

During Lent the parishes of the Diocese participated in a *Make Your Mark* campaign on the First Week of Lent providing personal responses to the synodal questions. For many they felt that this was the first time that their opinion had been specifically sought out by the Church. Parishes reflected on the submissions that they received and shared that reflection with the Diocese. Encouraged by Pope Francis to listen to the margins specific listening took place with families living in poverty, divorced and re-married, LGBTQ community, people living with disabilities and carers. A large synodal gathering took place with keynote speakers Nicola Brady, *Churches Together in Britain & Ireland* and Caoimhe de Barra, CEO *Trocéaire* to reflect on the *Church in the Public Square* and our role in promoting the common good.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

A team of facilitators also conducted 13 synodal listening sessions using the methodology of Spiritual Conversations to encourage engagement with the synod at a local level. These sessions held in various locations across the Diocese were spirit filled gatherings of prayer and dialogue and opportunities for people to meet from across parishes to engage with the Universal Church process.

The Director of the Living Church was appointed to the Steering Committee of the *Irish Synodal Pathway* to provide teaching and guidance tools on Spiritual Conversations to representatives of the Irish Dioceses and was a member of the team who read the Irish Submissions and facilitated a day of reflection in Athlone for the Irish Bishops, and representatives from each of the Irish Diocese, Religious communities and Lay associations and movements.

### Pathways to the Future

The Diocese has begun a new journey of forward planning. This started by identifying lay people with significant experience in the life of the Diocese to support the work of preparing for the future of the Diocese. The work involves three clear strands of work: *Care for Clergy in Times of Change*, *Developing Lay Ministry and Co-responsible Leadership*, and *Managing Change in the Life and Mission of the Church*. The Steering Committee developed a pre-consultation workbook outlining the emerging trends in the Diocese informed by data on the number of clergy available for ministry and forward projections for the next 20 years. The data also presented the number of Sacraments that took place within each of the parishes in the Diocese and suggestions for grouping of parishes known as *Families of Parishes*. A series of clergy gatherings took place in the June 2022 followed by 6 diocesan gatherings that took place over October and November 2022 attended by clergy and parish representatives. These gatherings, synodal in their nature, provided people with the opportunity to share their insights. These insights would form the basis for further reflection and discernment.

### Passing on the Faith

The remit for children, youth and young adult ministry has been taken up by the Living Church office at the request of Archbishop Noel Treanor. One of the key developments in young adult ministry has been the opening of the Belfast Jesuit Centre for Spirituality in October 2022 following an invitation from Archbishop Treanor. Located beside the new Ulster University Campus the centre will be ecumenical in its outreach and synodal in its way of proceeding. It aims to be a hub of activities such as spiritual companionship, workshops, courses in Ignatian spirituality, faith formation, and creative pathways to encountering God at work in the hearts and minds of those attending and at work in the wider socio-cultural surroundings.

The Pope John Paul II award continued at Parish Level and plans are underway to re-launch this programme with Parish as the focus of gathering the young people and ensuring their participation in the life of the Parish.

### Safeguarding

The Down and Connor Safeguarding Office was established in 2008 to coordinate and develop robust safeguarding practices across the Diocese and in response to effective responses to suspicions, concerns, knowledge or allegations against church personnel, compliant with safeguarding best practice and statutory safeguarding procedures and legislation.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

The Diocesan Safeguarding Office has developed in line with the Catholic Church in Ireland's response to safeguarding, as evidenced by the establishment of the National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCCI) and the publication in 2016 of 'Safeguarding Children: Policy and Standards'. The Diocese of Down and Connor works to this policy and associated standards as well as to statutory and legal imperatives in the field of safeguarding. This also has promoted a 'one church' approach across the Catholic Church in Ireland. The work of the Diocesan Safeguarding Committee is overseen by the Diocesan Safeguarding Committee, answerable to the Bishop/ Apostolic Administrator and who meet every two months.

An important development of the work of the Diocesan Safeguarding Office has been the implementation of Adult Safeguarding Policy and Procedures. This is in line with best practice with regards to adult safeguarding and the office works to current statutory policies and legislation. This is evidenced by the Designated Liaison Person (Child Safeguarding) also adopting the role of Adult Safeguarding Champion as per statutory guidance.

A core element of the work of the Safeguarding Office is case management. This involves the diocesan response to suspicions, concerns, knowledge or allegations relating to child protection/safeguarding and adult safeguarding in compliance with statutory procedures and Church guidance. This work falls exclusively within the role of the Designated Liaison Person/Adult Safeguarding Champion.

During 2022 the office had two professional staff and an administrative support staff. In addition, the Parish Safeguarding Support Officer role was established post year end during 2023. Case management within the Diocese is supported by the Bishop's Advisory Panel, a group of experts from a number of relevant fields. This group is serviced by the Designated Liaison Person and provide guidance and recommendations to the Bishop/ Apostolic Administrator in relation to case management.

An essential feature of the work of the Diocesan Safeguarding Office is to support each Parish in Down and Connor in creating safe environments in Parishes. A core element of this work is that each Parish has in place a Parish Safeguarding Committee. These Parish Safeguarding Committees are supported by staff in the Diocesan Safeguarding Office. It is important to note that the Diocese of Down and Connor safeguarding Parish structures comprise of some 500 volunteers who themselves are vetted and trained. These dedicated volunteers continue to maintain a unique and robust safeguarding structure designed to ensure that best practice is driven and maintained at Parish level where children, young people and vulnerable adults participate in Parish activities.

### Provision and maintenance of places of worship

Churches play a central role in the spiritual life of Parishioners and along with Parochial Houses and other associated Parish buildings they are often significant landmarks within the wider local community. Public benefit is provided through the provision of safe and worthy places of worship and assembly for not only the Catholic community but for those also who wish to make use of them for personal or spiritual contemplation. Many of the Churches and associated buildings are listed as being of special or historical architectural interest. The proper care of these buildings can be onerous, but they are essential for the ongoing realisation of the principal object of the Charity, the advancement of the Catholic religion.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

General maintenance, minor and major schemes of renewal and projects of construction in regard to church buildings and properties often require major outlays which are essential if these important structures, which form part of our national heritage, are to be maintained not just for present use but for future generations. The management of this responsibility is ongoing and is carefully regulated and professionally monitored so that legitimate requests for new works, renovations and adaptations can be readily assessed and progressed.

The Diocese has in place insurance cover in respect of all its buildings so that public access should not be unduly restricted by lack of funds to repair or restore buildings harmed as a result of accidental or other damage.

### Aid for impoverished and needy communities worldwide

Trócaire is the official overseas development agency of the Catholic Church in Ireland. It was established by the Irish Bishops Conference in 1973 as a means through which people could donate to Trócaire's overseas emergency relief and development aid programmes. Its dual mandate is to support the most vulnerable people in the developing world while, also, raising awareness of injustice and global poverty. The Diocese of Down and Connor, the second largest Diocese in Ireland, is a major contributor to the charitable work of Trócaire and in the year under review contributed over €442,583.

### Overview

This brief overview reflects a consolidation of the work of the Charity in the current year and also indicates its ongoing commitment in regard to fulfilling the principal aims and objectives of the Charitable Trust into the future.

### Going concern

Like many charitable entities, Down and Connor Diocesan Trust is exposed to the continuing effects of the COVID-19 pandemic. Until 15<sup>th</sup> February 2022, our Churches were opened at reduced capacity due to government restrictions, for the celebration of public worship across our Parishes.

Since the start of the pandemic in March 2020 there has been a reduction in income, however costs have been reduced where possible. Based on the measures taken and given the level of unrestricted reserves as at 31 December 2022, the Trustee believes that the Trust is well positioned to operate through the uncertainty and beyond. The financial statements have therefore been prepared on a going concern basis.

### Post year end

Post year end, in June 2023, the National Board for Safeguarding Children in the Catholic Church in Ireland performed a Review of Child Safeguarding practice and arrangements, in the Diocese of Down and Connor. The National Board acknowledged and commended the commitment and dedication of everyone they met. They concluded that they saw clear evidence of visible and pro-active leaderships with regard to safeguarding and delivering against the National Board Standards at all levels within the Diocese. They were impressed by the trauma-informed approach the Diocese is taking to safeguarding practice. This approach is very relevant to work with complainants, respondents, and their families, as well as to staff and clergy who work regularly with those who have experienced abuse related trauma.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

### Future Plans

The Church in Down and Connor will continue to build upon and develop the initiatives and activities outlined in the narrative above and so continue to fulfil the principal aims of the Charity. In addition, a primary focus of the Trustee is to secure the longer-term financial stability of the Diocese and a continuation of its existing core activities. Periodically the Trustee undertakes a review exercise in respect of all aspects of the activities of the Charity through reports from Parish Priests, Parish Administrators and the various bodies which are constituent parts of the diocese.

### Review of Financial Performance

The detailed financial results for the year ended 31 December 2022 are set out in the financial statements that accompany this report.

The table below summarises the financial activities of the Diocese:

<b>Parishes</b>	<b>2022</b>	<b>2021</b>
Income	£'000	£'000
Expenditure	15,309	16,703
	(13,039)	(12,324)
Net income before assessment and transfers	2,270	4,379
Diocesan Assessment and other transfers	(1,410)	(1,561)
Gain on revaluation of fixed assets	-	814
Increase in reserves	860	3,632
<b>Central Services</b>		
Income	3,291	8,211
Expenditure	(5,624)	(4,380)
Diocesan assessment and other transfers	1,410	1,561
Net (expenditure) / income before investment gains and revaluation gains	(923)	5,392
Investment (losses) / gains	(4,111)	4,164
(Decrease) / increase in reserves	(5,034)	9,556
<b>Total (decrease) / increase in Parish and Central Services reserves</b>	<b>(4,174)</b>	<b>13,188</b>

Complete details of the income and expenditure are shown in the statement of financial activities on page 23 and in the notes to the accounts.

### Review of transactions and financial position of the Charity

The reserves of the Charity at 31 December 2022 total £169.5m (2021: £173.7m) and of this total £88.7m (2021: £87.9m) relates solely to the assets and activities of individual Parishes and are not available for the non-parish general purposes of the Charity. Central Services reserves total £80.8m (2021: £85.8m) at the year-end of which £59.5m (2021: £53.7m) are unrestricted with £9.2m (2021: £8.7m) of this relating to fixed assets.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

Most of the income received by Parishes is through the Sunday offertory and other donations. This source of income is 73% (2021: 64.2%) of the parish total. This increased from £10.7m in 2021 to £11.2m in 2022 (note 2). Total expenditure increased by 5.7% to £13m in 2022 from £12.3m in 2021.

Total Central Services income decreased from £8.2m in 2021 to £3.3m in 2022. Total expenditure increased from £4.4m in 2021 to £5.6m in 2022.

### Investment policy

The Down and Connor Diocesan Trust Deed, dated 29 of September 2004, provides the Diocese of Down and Connor Trustee with the power to invest and vary the investment of the Diocesan Assets "...in such shares, stocks, funds, securities, land, buildings, chattels or other investments or property of any nature and in any part of the world...."

At present the Trustee's Finance and Investment Committee liaises with the current investment managers, monitors their performance and reports to the Trustee Board at each of its meetings.

Under Charity Law the Trustee Board must seek to obtain the best financial return possible consistent with commercial prudence.

### Investment Objectives

The Trustee Board has adopted investment objectives that seek to protect and enhance the real value of the Diocesan Assets over the long term while also achieving agreed rates of income generation.

In fulfilling these objectives, the Trustee Board adheres to an Ethical Policy that restricts investment in asset classes directly or mainly involved in the manufacture and/or supply of goods and services which are not in accordance with the teachings of the Gospel, the promotion of the dignity and sanctity of human life and the social teachings of the Roman Catholic Church.

In the year investments have performed as expected given the ongoing pandemic.

### Investment Managers

The principal Diocesan Trust Investment Portfolio (£44m) is presently managed by Cazenove Capital (Schroder & Co Ltd) operating a 'total return' policy over the medium to long-term. Smith & Williamson Investment Management LLP (Cunningham Coates) manage the much smaller Specified Fund Portfolio (£0.50m) with emphasis on current income with a lower risk profile. Both portfolios are managed on a discretionary basis.

## Down and Connor Diocesan Trust Report of the Trustee (Continued)

### Ethical Investment Policy

The agreed Trustee Board's Ethical Investment Policy is as follows:

No direct investments in companies, or groups of companies, which generate more than 10% of their turnover from:

- exploitation of those living in conditions of poverty through unfair lending practices including payday lending.
- unjust practices which deny employees fair wages and conditions
- biological and chemical weapons, landmines and general weapons and arms of war and mass destruction
- pornography
- contraceptives and/or birth control devices
- the provision of abortions or euthanasia
- embryonic stem cell research, foetal tissue research or human cloning
- activities that violate currently approved environmental conventions.

It is understood that a complete control over monies, for instance, those held in Funds, is not possible. The Trustee Board may, therefore, have indirect exposure to activities which may give rise to ethical concerns where these are considered minimal in relation to the portfolio's overall composition.

This Ethical Investment Policy is to be reviewed periodically by the Trustee Board's Finance and Investment Committee and ratified, along with any updates, annually by the Trustee Board.

### Reserves policy

Unrestricted funds are not all freely available, should the Charity need immediate access to reserves. In order to ensure that the organisation has access to funds it is necessary to adjust unrestricted reserves as recommended by SORP 2019 by excluding Fixed Assets as it would be unlikely that the organisation would be able to liquidate the fixed assets in a timely manner. The Charity's policy is to maintain 12 months unrestricted expenditure as free reserves at 31 December 2022, free reserves are equivalent to 12 months planned unrestricted expenditure of the Charity.

Approved by the Trustee on 27 September 2023 and signed on its behalf by:



Very Reverend Eugene O'Hagan  
Director of Diocese of Down and Connor Trustee

## Down and Connor Diocesan Trust Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements of the Down and Connor Diocesan Trust in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Northern Ireland requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act (Northern Ireland) 2008, the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Very Reverend Eugene O'Hagan  
Director of Diocese of Down and Connor Trustee

27 September 2023

## Down and Connor Diocesan Trust

### Independent Auditor's Report to the Trustee of Down and Connor Diocesan Trust

#### Opinion

We have audited the financial statements of Down and Connor Diocesan Trust (the "charity") for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022, and of its total incoming resources and expenditure of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (Northern Ireland) 2009.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## Down and Connor Diocesan Trust

### Independent Auditor's Report to the Trustee of Down and Connor Diocesan Trust (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 19, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 65(2) of the Charities Act (Northern Ireland) 2009 and report in accordance with regulations made under section 66 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Down and Connor Diocesan Trust

### Independent Auditor's Report to the Trustee of Down and Connor Diocesan Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
  - Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Our approach was as follows:
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to:
- the charitable status of the Charly and its registration with The Charly Commission for Northern Ireland under the Charities Act (Northern Ireland) 2008 and the Charities Act (Northern Ireland) 2013;
  - compliance with the Charities SORP (FRS 102) (second edition - October 2021) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2021);
  - data protection laws (including UK General Data Protection Regulation (GDPR)); and
  - safeguarding of children, young people and adults in need of protection.

## Down and Connor Diocesan Trust

### Independent Auditor's Report to the Trustee of Down and Connor Diocesan Trust (continued)

We assessed the risks of material misstatement in respect of fraud with the consideration of:

- the Charity's own assessment of the risks that irregularities may occur either because of fraud or error that was approved by the directors of the Trustee;
- the results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of the controls covering the receipt of donations and offerings that are received in cash and in which management is required to exercise significant judgment, such as disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.
  - we also obtained an understanding of the legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included NI Charly legislation (including the regulator, The Charities Commission for Northern Ireland) and the Charly SORP.
  - in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This included data protection and safeguarding.
- We made enquiries of management and those charged with governance and reviewed minutes of the Board of the Trustee and Parish Finance Committees and enquired about any communications with the charity regulator.

Down and Connor Diocesan Trust

Independent Auditor's Report to the Trustee of Down and Connor Diocesan Trust  
(continued)

Audit procedures designed to respond to the risks of fraud

- we considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.
- we considered the risk of fraud through transactions outside the normal course of transactions by noting anything that was unusual in nature or size and enquired about such transaction to gain an understanding of their nature;
- based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud and other irregularities.
- we reviewed the operation of the controls within the Parishes over the collections, donations and offerings and the segregation of duties within those controls and those controls within the Curia, together with substantive testing and analytical review and incorporating an element of unpredictability in the selection of the nature, timing and extent of audit procedures.
- we evaluated the selection and application of accounting policies by the Charity, particularly those related to subjective measurements and complex transactions, that may be indicative of fraudulent financial reporting.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

*Hill Vellacott*

Hill Vellacott  
Chartered Accountants and Statutory Auditor

22 Great Victoria Street  
Belfast  
BT2 7BA

27 September 2023

Hill Vellacott is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Down and Connor Diocesan Trust

Statement of financial activities  
Year ended 31 December 2022

	Note	Parishes			Central Services			Total funds	2022 Total funds	2021 Total Funds
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Endowment funds			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Income and endowments from:</b>										
Donations and legacies	2	8,866	2,308	11,174	57	67	-	124	11,298	10,983
Investment income	3	784	-	784	971	562	21	1,554	2,338	1,252
Charitable activities	4	2,020	21	2,041	762	148	-	910	2,951	2,635
Other income	5	874	-	874	475	2	-	477	1,351	2,146
Net gain / (losses) on disposals of assets	6	436	-	436	226	-	-	226	662	7,898
<b>Total</b>		<b>12,980</b>	<b>2,329</b>	<b>15,309</b>	<b>2,491</b>	<b>779</b>	<b>21</b>	<b>3,291</b>	<b>18,600</b>	<b>24,914</b>
<b>Expenditure on:</b>										
Cost of raising funds	7	453	-	453	-	-	-	-	453	420
Charitable expenditure	8	10,586	1,977	12,563	4,028	1,385	16	5,429	17,992	16,076
Investment management costs	9	23	-	23	131	60	4	195	218	208
<b>Total</b>		<b>11,062</b>	<b>1,977</b>	<b>13,039</b>	<b>4,159</b>	<b>1,445</b>	<b>20</b>	<b>5,624</b>	<b>18,663</b>	<b>16,704</b>
<b>Net income / (expenditure)</b>		<b>1,918</b>	<b>352</b>	<b>2,270</b>	<b>(1,668)</b>	<b>(666)</b>	<b>1</b>	<b>(2,333)</b>	<b>(63)</b>	<b>8,210</b>
Net gains on investments		-	-	-	(3,241)	(840)	(30)	(4,111)	(4,111)	4,164
Gross transfers between funds		(1,132)	(278)	(1,410)	1,172	238	-	1,410	-	-
<b>Total</b>		<b>786</b>	<b>74</b>	<b>860</b>	<b>(3,737)</b>	<b>(1,268)</b>	<b>(29)</b>	<b>(5,034)</b>	<b>(4,174)</b>	<b>12,374</b>
<b>Other recognised gains and losses</b>										
Revaluation on properties		-	-	-	-	-	-	-	-	814
<b>Net movement on funds</b>		<b>786</b>	<b>74</b>	<b>860</b>	<b>(3,737)</b>	<b>(1,268)</b>	<b>(29)</b>	<b>(5,034)</b>	<b>(4,174)</b>	<b>13,188</b>
Fund balances brought forward	20	79,725	8,127	87,852	63,688	21,756	386	85,830	173,682	160,494
Fund balances carried forward	20	80,511	8,201	88,712	59,951	20,488	357	80,796	169,508	173,682

The prior year Statement of Financial Activities is provided in note 30.

The notes on pages 26 to 57 form part of these financial statements.

# Down and Connor Diocesan Trust

## Balance sheet 31 December 2022

	Note	Parishes £'000	Central Services £'000	2022 Total £'000	2021 Total £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	75,263	9,193	84,456	84,943
Investments	14	-	40,930	40,930	44,741
		<u>75,263</u>	<u>50,123</u>	<u>125,386</u>	<u>129,684</u>
<b>Current assets</b>					
Stock		-	43	43	43
Debtors and prepayments	15	2,559	1,307	3,866	4,181
Cash and bank balances		6,279	4,141	10,420	15,764
Current asset investments	16	-	33,844	33,844	27,449
		<u>8,838</u>	<u>39,335</u>	<u>48,173</u>	<u>47,437</u>
<b>Creditors – amounts falling due within one year</b>	17	(707)	(1,084)	(1,791)	(1,814)
<b>Net current assets</b>		<u>8,131</u>	<u>38,251</u>	<u>46,382</u>	<u>45,623</u>
<b>Parish loan accounts</b>					
Due from parishes to the Diocese		927	(927)	-	-
<b>Solidarity balances</b>					
Due from parishes to the Diocese		(17,352)	17,352	-	-
Due to parishes from the Diocese		21,743	(21,743)	-	-
		<u>5,318</u>	<u>(5,318)</u>	<u>-</u>	<u>-</u>
<b>Total assets less current liabilities and loan</b>		<u>88,712</u>	<u>83,056</u>	<u>171,768</u>	<u>175,307</u>
<b>Creditors due after one year</b>					
Provisions for liabilities and charges	19	-	(2,260)	(2,260)	(1,625)
<b>Net assets</b>		<u>88,712</u>	<u>80,796</u>	<u>169,508</u>	<u>173,682</u>
<b>Financed by</b>					
Unrestricted funds	20	80,511	59,951	140,462	143,413
Restricted funds	20	8,201	20,488	28,689	29,883
Permanent endowment funds	20	-	357	357	386
<b>Total funds</b>		<u>88,712</u>	<u>80,796</u>	<u>169,508</u>	<u>173,682</u>

The prior year Balance Sheet is provided in note 31. The financial statements were approved by the Trustee on 27 September 2023 and signed on its behalf by:

  
Very Reverend Eugene O'Hagan  
Director of Down and Connor Diocesan Trustee

  
Very Reverend Martin Graham  
Director of Down and Connor Diocesan Trustee

The notes on pages 26 to 57 form part of these financial statements.

## Down and Connor Diocesan Trust

### Cashflow statement 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>			
Net cash generated from / (used in) operating activities	23	135	(944)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1,772	1,033
Proceeds from the sale of property, plant and equipment		735	8,306
Purchase of property, plant and equipment	24	(1,616)	(593)
Proceeds from sale of current asset investments	2	-	-
Purchase of fixed asset investments		(6,350)	(13,991)
Purchase of current asset investments		(7,013)	(7,013)
<b>Net cash (used in) investing activities</b>		<u>(5,457)</u>	<u>(12,258)</u>
<b>Cash flows from finance activities</b>			
Receipt of loans		-	3
<b>Net (decrease) in cash and cash equivalents in the reporting period</b>		<u>(5,322)</u>	<u>(13,199)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		15,455	28,654
<b>Cash and cash equivalents at end of the reporting period</b>	25	<u>10,133</u>	<u>15,455</u>
<b>Cash and cash equivalents consists of:</b>			
Cash and bank balances		10,420	15,764
Bank overdrafts		(287)	(309)
<b>Cash and cash equivalents</b>		<u>10,133</u>	<u>15,455</u>
Parishes		6,265	6,503
Central Services		2,507	6,738
Solidarity		1,361	2,214
		<u>10,133</u>	<u>15,455</u>

## Down and Connor Diocesan Trust

Notes

### 1 Accounting policies

#### Summary of significant accounting policies

##### General information and basis of preparation

Down and Connor Diocesan Trust is a registered charity in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are:

The advancement of the Roman Catholic religion in the Roman Catholic Down and Connor Diocesan Trust subject to any future curtailment or addition of area made in accordance with the laws and regulations of the Roman Catholic Church.

The advancement of any charitable purpose supported by the Roman Catholic Church throughout the world or in any part of the world.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2021), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Practice as it applies from 1 January 2021.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Trustee to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### Tangible assets

Church property within the parishes and Central Services property is stated at cost less accumulated depreciation and the Trustee will exercise judgement when identifying the useful life and the residual value of those assets.

## Down and Connor Diocesan Trust

Notes (continued)

### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

##### Revaluation of investment properties

The charity carries the investment properties at fair value with changes in fair value being recognised in the SoFA. The Trustee has used external expertise to assist the determination fair value, based on market value of the investment properties. Further information is available at note 13.

##### Accrued income

The charity has an ongoing insurance claim for loss of income arising from the COVID pandemic for the year to 31 December 2021. Both parties are negotiating and the settlement of the claim may be significantly different from the amount recognised in these financial statements, with any adjustment reflected in subsequent financial statements. Further details are shown in note 5.

##### Provisions for liabilities and charges – legal claims

The charity has provided for the value of claims and the associated legal costs that have been notified to the Trustee. The Trustee has taken advice from the solicitors engaged in the claims to arrive at the amount provided. The details of the amount provided is included in note 19.

##### Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

## Down and Connor Diocesan Trust

Notes (continued)

### Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustee's Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt, it is recognised in stock and 'income from other trading activities'. Upon sale, the value of the stock is charged against 'income from other trading activities' and the proceeds are recognised as 'income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point, income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

The charity receives government grants in respect of running costs and upkeep of properties. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

## Down and Connor Diocesan Trust

Notes (continued)

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

### Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes of fundraising from with the Parish and Central Services.
- Expenditure on charitable activities includes administration costs, bank fees, depreciation and premises expenses.
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

### Resources expended

Resource expended are included in the statement of financial affairs on the basis of the amounts payable for work done and services provided in the year.

The costs of activities in the furtherance of the charity's objectives consist of all expenditure directly related to the objectives of the Diocese.

The costs of generating funds consist of expenditure incurred by the charity in encouraging others to make contributions to it.

Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

## Down and Connor Diocesan Trust

Notes (continued)

### Tangible fixed assets

#### Central Services land and buildings

Central Services land is stated at cost. Prior to 2008, the accounting policy applied to most Central Services land was for capital expenditure to be written off in full as incurred. As a result of that policy, the original costs of most Central Services property held then was not available. The deemed cost of Central Services land was obtained when this was valued at 31 December 2007 by Brown McConnell Clark McKee, with the valuation increased by additions since 31 December 2007. The Trustee has considered the valuations and has applied impairments to the 2007 valuations where applicable.

Central Services property is stated at cost, where the cost could be identified. Prior to 2008, the accounting policy applied to most Central Services buildings was for capital expenditure to be written off in full as incurred. As a result of that policy, the original costs and accumulated depreciation of most Central Services property held then was not available. The Trustee's view was that a reasonable approximation of the net book value of the Central Services property held at 31 December 2007 would be established through discounting the insurance values of these assets by 90%. This was the policy employed to include the assets for which the cost could not be identified on the balance sheet at estimated historic cost net of accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its estimated useful economic life at 2% or 10% straight line.

#### Parish land

Parish land is divided into different categories and has been valued by the Trustee using a value per acre, depending upon the type of land that is held, to arrive at deemed cost.

#### Church property and contents

Prior to 2008, the accounting policy applied was for capital expenditure to be written off in full as incurred. As a result of that policy, the original costs and accumulated depreciation of all church property and contents held then was not available. The Trustee's view was that a reasonable approximation of the net book value of the church property and contents held at 31 December 2007 would be established through discounting the insurance values of these assets by 90%. This was the policy employed to include the assets on the balance sheet at estimated historic cost net of accumulated depreciation. Of the 87 parishes, all will have a church and a presbytery and some will have oratories and halls.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life at 2% straight line.

#### Other tangible fixed assets

Other tangible fixed assets are stated at cost less depreciation. Additions are capitalised where the value exceeds £1,000. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	15% and 25% straight line
Motor vehicles	20% reducing balance
	25% straight line

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## Down and Connor Diocesan Trust

Notes (continued)

### Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

### Investments

Investments are recognised initially at market value at the balance sheet date which is normally the transaction price excluding transaction costs.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of more than one month but less than twelve months.

### Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of one month or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### Current asset investments

Current asset investments are investments in short term deposits with an original maturity between one and twelve months.

### Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

### Concessional loans

Concessional loans include those receivable / payable which are interest free or below market interest rates and are made to advance charitable purposes. All loans are repayable on demand. Where the loan is repayable more than one year, the loan is initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less impairment.

### Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SoFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

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## Down and Connor Diocesan Trust

Notes (continued)

### Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

### Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### Pensions

The pension costs for the Trust's money purchase schemes are charged in the year they are incurred.

### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### Tax

The Trustees consider that the Charity is largely exempt from income tax under the provisions of the Income and Corporation Taxes Act 1988 and the Taxation of Taxable Gains Act 1992. Recovery is made of tax deducted from income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

### Going concern

The financial statements have been prepared on a going concern basis as the Trustee believes that no material uncertainties exist. The Trustee has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

## Down and Connor Diocesan Trust

Notes (continued)

### 2 Voluntary income

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Offertries, donations and legacies	8,866	2,308	11,174
	8,866	2,308	11,174
	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Offertries, donations and legacies	8,298	2,418	10,716
	8,298	2,418	10,716

#### Central Services

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Donations and gifts	57	67	124
	57	67	124
	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Donations and gifts	34	233	267
	34	233	267

## Down and Connor Diocesan Trust

Notes (continued)

### 3 Investment income

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Income arising from investment properties	777	-	777
Bank interest	7	-	7
	784	-	784

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Income arising from investment properties	506	-	506
Bank interest	7	-	7
	513	-	513

#### Central Services

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Income arising from investment properties	61	278	-	339
Listed investments	611	188	21	820
Bank interest	299	96	-	395
	971	562	21	1,554

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
Income arising from investment properties	58	72	-	130
Listed investments	394	124	25	543
Bank interest	53	13	-	66
	505	209	25	739

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## Down and Connor Diocesan Trust

Notes (continued)

### 4 Charitable activities

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Booklets and pilgrimages	42	-	42
Other income from charitable activities	609	-	609
Capital grants received	-	7	7
Fundraising	1,369	14	1,383
	2,020	21	2,041

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Booklets and pilgrimages	31	-	31
Other income from charitable activities	487	-	487
Capital grants received	-	10	10
Fundraising	1,236	25	1,261
	1,754	35	1,789

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## Down and Connor Diocesan Trust

Notes (continued)

### 4 Charitable activities (continued)

Central Services	Unrestricted funds		Restricted funds		Total 2022
	£'000	£'000	£'000	£'000	
Booklets and pilgrimages	-	115	-	115	115
Millown Cemetery income	541	-	-	541	541
St Macnissi's residential and farm income	82	-	-	82	82
Capital grants received	71	-	-	71	71
Other income	1	33	-	34	34
Fees received	3	-	-	3	3
Fundraising	64	-	-	64	64
	<b>762</b>	<b>148</b>	<b>148</b>	<b>910</b>	<b>910</b>
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total 2021
	£'000	£'000	£'000	£'000	£'000
Booklets and pilgrimages	-	2	-	2	2
Millown Cemetery income	660	-	-	660	660
St Macnissi's residential and farm income	69	-	-	69	69
Living Youth grants received	1	-	-	1	1
Capital grants received	62	-	-	62	62
Other income	17	4	-	21	21
Fees received	4	-	-	4	4
Fundraising	27	-	-	27	27
	<b>840</b>	<b>6</b>	<b>6</b>	<b>846</b>	<b>846</b>

## Down and Connor Diocesan Trust

Notes (continued)

### 5 Other Income

Parishes	Unrestricted funds		Restricted funds		Total 2022
	£'000	£'000	£'000	£'000	
Insurance Claims	874	-	-	874	874
Furlough	-	-	-	-	-
	<b>874</b>	<b>-</b>	<b>-</b>	<b>874</b>	<b>874</b>
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total 2021
	£'000	£'000	£'000	£'000	£'000
Insurance Claims	1,326	-	-	1,326	1,326
Furlough	41	-	-	41	41
	<b>1,367</b>	<b>-</b>	<b>-</b>	<b>1,367</b>	<b>1,367</b>
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total 2022
	£'000	£'000	£'000	£'000	£'000
Central Services	475	2	2	477	477
Insurance Claims	475	-	-	475	475
Furlough	-	-	-	-	-
	<b>475</b>	<b>2</b>	<b>2</b>	<b>477</b>	<b>477</b>
	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds	Total 2021
	£'000	£'000	£'000	£'000	£'000
Insurance Claims	192	587	587	779	779
Furlough	-	-	-	-	-
	<b>192</b>	<b>587</b>	<b>587</b>	<b>779</b>	<b>779</b>

The charity continues to work closely with its insurers to progress a loss of income claim which is included in 'Insurance claims' above. The results for the year ended 31 December 2022 do not include all income that may be received in respect of this claim.







## Down and Connor Diocesan Trust

Notes (continued)

### 10 Governance costs

#### Central Services

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Fees paid to external auditors for audit	36	-	36
	36	-	36
	=====	=====	=====
	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
Fees paid to external auditors for audit	32	-	32
	32	-	32
	=====	=====	=====

### 11 Net (income) / expenditure

Net (income) / expenditure is stated after charging:

	2022 £'000	2021 £'000
Auditor's remuneration – audit	36	32
Auditor's remuneration - accountancy services	1	1
Depreciation – restricted funds	2	2
Depreciation – unrestricted funds	2,028	1,961
Gain on disposal of fixed assets	662	7,898
Profit on fair value movement of investment property	-	814
(Loss) / profit on fair value movement of investments	(4,111)	4,164

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## Down and Connor Diocesan Trust

Notes (continued)

### 12 Staff numbers, costs and pension contributions

The average number of employees, full time and part time, during the year was:

	2022 Number	2021 Number
Central Services employees	36	36
Parish employees	216	211
	252	247
	=====	=====

The aggregate payroll costs for the above were as follows:

	2022 £'000	2021 £'000
Wages and salaries	3,033	2,957
Social security costs	169	157
Employer pension contributions	44	48
	3,246	3,162
	=====	=====

One employee received emoluments in the band £70,000 to £80,000.

The Trust makes payments to personal pension schemes and through auto enrolment in respect of eligible employees. The pension charge represents contributions due from the Trust and amounted to £43,985 (2021 - £48,059).

The Charity considers that its key management personnel comprise the Directors, Diocesan Civil Administrator, Diocesan Finance manager, Human Resources manager and Diocesan Director for Safeguarding. The total amount of remuneration and benefits received by key management personnel in the financial year is £183,910 (2021 - £164,101).

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## Down and Connor Diocesan Trust

Notes (continued)

### 13 Tangible fixed assets

#### Parishes

	Church land £'000	Church property and contents £'000	Fixtures, fittings and equipment £'000	Motor Vehicles £'000	Total £'000	Freehold investment properties £'000
<b>Cost or calculation</b>						
At 1 January 2022	1,140	77,520	2,445	32	81,137	16,282
Transfer in year						
Additions	-	591	357	-	948	-
Disposals	-	(144)	(1,045)	-	(1,189)	-
<b>At 31 December 2022</b>	<b>1,140</b>	<b>77,967</b>	<b>1,757</b>	<b>32</b>	<b>80,896</b>	<b>16,282</b>
<b>Depreciation</b>						
At 1 January 2022	-	19,389	1,775	32	21,196	-
Charge for year	-	1,560	244	-	1,804	-
Eliminated on disposal	-	(40)	(1,045)	-	(1,085)	-
<b>At 31 December 2022</b>	<b>-</b>	<b>20,909</b>	<b>974</b>	<b>32</b>	<b>21,915</b>	<b>-</b>
<b>Net book value</b>						
At 31 December 2022	<b>1,140</b>	<b>57,058</b>	<b>783</b>	<b>-</b>	<b>58,981</b>	<b>16,282</b>
At 31 December 2021	1,140	58,131	670	-	59,941	16,282

Investment land and properties have been valued at fair value by the Trustee on the basis of market value, after obtaining the advice of OKT, 22 Adelaide Street, Belfast, BT2 8GD.

## Down and Connor Diocesan Trust

Notes (continued)

### 13 Tangible fixed assets (continued)

#### Central Services

	Land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000	Freehold investment property £'000
<b>Cost or calculation</b>				
At 1 January 2022	10,017	959	10,976	535
Additions	688	30	718	-
Disposals	(277)	(148)	(425)	-
<b>At 31 December 2022</b>	<b>10,428</b>	<b>841</b>	<b>11,269</b>	<b>535</b>
<b>Depreciation</b>				
At 1 January 2022	2,069	722	2,791	-
Charge for year	184	42	226	-
Eliminated on disposal	(259)	(147)	(406)	-
<b>At 31 December 2022</b>	<b>1,994</b>	<b>617</b>	<b>2,611</b>	<b>-</b>
<b>Net book value</b>				
At 31 December 2022	<b>8,434</b>	<b>224</b>	<b>8,658</b>	<b>535</b>
At 31 December 2021	7,948	237	8,185	535

Investment land and properties have been valued at fair value by the Trustee on the basis of market value, after obtaining the advice of OKT, 22 Adelaide Street, Belfast, BT2 8GD.

## Down and Connor Diocesan Trust

Notes (continued)

### 14 Investments

	2022 £'000	2021 £'000
<b>Quoted investments</b>		
Opening	44,741	26,579
Additions	4,739	20,896
Disposal proceeds	(4,616)	(6,991)
Net unrealised investment (losses)/gains	(558)	54
Net unrealised investment (losses)/gains	(3,553)	4,094
Net movement in cash and short-term deposits	177	109
	40,930	44,741

	2022 £'000	2021 £'000
<b>At market value</b>		
Listed investments	32,052	35,778
Bonds	1,697	1,806
Multi-asset funds	1,147	1,192
Alternatives	5,302	5,398
Cash	732	567
	40,930	44,741

### 15 Debtors

	2022 Parishes £'000	2022 Central Services £'000	Total £'000	2021 £'000
Gift aid recoverable	1,354	-	1,354	1,354
Trade debtors	120	60	180	119
Other debtors and prepayments	1,072	1,247	2,319	2,688
Schools' debtor	13	-	13	20
	2,559	1,307	3,866	4,181

### 16 Current asset investments

	2022 Parishes £'000	2022 Central Services £'000	Total £'000	2021 £'000
Cash equivalents on deposit	-	33,844	33,844	27,449
	48			

## Down and Connor Diocesan Trust

Notes (continued)

### 17 Creditors - amounts falling due within one year

	2022 Parishes £'000	2022 Central Services £'000	Total £'000	2021 £'000
Bank overdrafts	14	273	287	309
Accruals and deferred income	48	404	452	421
Trade creditors	(1)	25	24	29
Other creditors	620	316	936	958
Other taxes and social security costs	26	66	92	97
	707	1,084	1,791	1,814

### 18 Statement of control

The charity is controlled by the Directors of the Trustee.

### 19 Provisions

The trust has made a provision in these financial statements of £2,260,000 (2021: £1,625,000) to cover legal claims and costs. The Trustee has made this provision in this year's financial statements based upon legal advice on the likely outcome of these cases.

	2022 Legal claims and costs £'000	Total £'000
Opening Balance	1,625	1,625
Payments	(792)	(792)
Increase in provision	1,427	1,427
	2,260	2,260
Closing Balance	2,260	2,260

## Down and Connor Diocesan Trust

Notes (continued)

### 20 Movement in funds

	Opening balance £'000	Income £'000	Expenditure £'000	Other gains £'000	Transfers £'000	Closing balance £'000
<b>Unrestricted funds</b>						
Parishes	79,725	12,980	(11,062)	-	(1,132)	80,511
Central Services	63,688	2,491	(4,159)	(3,241)	1,172	59,951
<b>Total unrestricted funds</b>	<b>143,413</b>	<b>15,471</b>	<b>(15,221)</b>	<b>(3,241)</b>	<b>40</b>	<b>140,462</b>
<b>Restricted funds - Parishes</b>						
Parishes	5,137	2,329	(1,977)	-	(278)	5,211
Capital grants	2,990	-	-	-	-	2,990
	8,127	2,329	(1,977)	-	(278)	8,201
<b>Restricted funds - Central Services</b>						
Needy Parishes	1,329	25	(3)	-	46	1,397
Priests' Welfare	1,259	7	(11)	-	25	1,280
Provident Fund	12,767	265	(678)	(840)	122	11,636
Faith Development/Living Church	184	33	(214)	-	98	81
Clerical Students	142	9	(276)	-	106	(19)
Lourdes Pilgrimage	107	122	(123)	-	1	107
St Malachy's	5,988	318	(140)	-	(160)	6,006
	21,756	779	(1,445)	(840)	238	20,488
<b>Total restricted funds</b>	<b>29,883</b>	<b>3,108</b>	<b>(3,422)</b>	<b>(840)</b>	<b>(40)</b>	<b>28,689</b>
<b>Endowment funds</b>	<b>386</b>	<b>21</b>	<b>(20)</b>	<b>(30)</b>	<b>-</b>	<b>357</b>
<b>Total funds</b>	<b>173,682</b>	<b>18,600</b>	<b>(18,663)</b>	<b>(4,111)</b>	<b>-</b>	<b>169,508</b>

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## Down and Connor Diocesan Trust

Notes (continued)

### 20 Movement in funds (continued)

The details of the restricted funds are as follows:

#### Parishes

This fund reflects collections taken by the parishes for specific purposes.

#### Capital grants

This fund reflects grants that have been received by parishes towards capital works undertaken within the parish.

#### Needy Parishes

This fund is to help parishes in need of financial help.

#### Priests' Welfare

This fund is to pay stipends to priests and curates in parishes.

#### Provident Fund

This fund provides support for secular priests of Down and Connor who, through illness, infirmity or any other cause may need financial assistance.

#### Faith Development

This fund is to be used to develop the Catholic faith throughout the Diocese, by providing funds to run courses and programmes and training personnel to run these courses and programmes.

#### Living Church

This fund is a programme of spiritual renewal giving people an opportunity to begin again in hope and faith. It started with a "Listening Process" leading into a conference and the launch of the Diocesan Pastoral Plan.

#### Clerical Students

This fund is to meet the costs and fees of all clerical students wherever they are studying and provide grants towards their cost of living. At the year end, the clerical students fund has a deficit of £19k and this deficit will be funded internally.

#### Lourdes Pilgrimage

This fund is to run and organise the annual Diocesan pilgrimage to Lourdes.

#### St Malachy's

This fund is to further the religious and other charitable work of the Roman Catholic Church in the Diocese of Down and Connor and to further education. The income is generated by any additional moneys secured on the disposal of former school premises that are no longer used for educational purposes after the payment of any clawback due to the Department of Education are primarily used for the advancement of religion and education in the Diocese.

#### Endowment Funds

These are funds that have been bequeathed to the Down and Connor Diocesan Trust. The capital amount cannot be spent, but is invested and any income has to be used to fund masses for the deceased and their intentions.

## Down and Connor Diocesan Trust

Notes (continued)

### 21 Capital commitments

The Trust has capital commitments at 31 December 2022 of £1.3m (2021 - £0.82 m) that have been contracted for.

### 22 Amounts held as agent

There are various collections taken up during the year within the Diocese that are collections undertaken as agent on behalf of other organisations. These funds are lodged to the bank and then paid to the individual organisations. The asset and liability are not recognised within these financial statements. The amount of funds held by the trust at 31 December 2022 was £53,844 (2021 - £92,401) at year end.

The main collection that would be taken up each year is the annual Trocaire appeal. During the year a total of £442,583 (2021 - £473,813) was collected, with £4,579 (2021 - £49,318) still to be paid to Trocaire at year end and have been paid post year end.

### 23 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2022 £'000	2021 £'000
Net (expenditure) / income for year	(63)	8,210
Gain on disposal of fixed assets	(662)	(7,898)
Investment income	(2,338)	(1,252)
Investment management charges	218	208
Interest payable	1	4
Depreciation and impairment of tangible fixed assets	2,030	1,962
(Increase) / (decrease) in stock	-	(5)
(Decrease) / (increase) in debtors	315	(2,005)
(Decrease) / (increase) in creditors	(1)	(198)
Increase in provisions	635	30
Net cash from / (used in) operating activities	135	(944)

## Down and Connor Diocesan Trust

Notes (continued)

### 24 Reconciliation of additions to fixed assets to payments to acquire fixed assets

	2022 £'000	2021 £'000
Additions to fixed assets	1,666	593
Non-cash additions	(90)	(-)
Payments to acquire tangible fixed assets	1,616	593

### 25 Analysis of changes in net funds/ (debt)

	At start of year £'000	Cashflows £'000	At end of year £'000
Cash	15,764	(5,344)	10,420
Overdraft facility repayable on demand	(309)	22	(287)
Loans	15,455	(5,322)	10,133
	(304)	-	(304)
Total	15,151	(5,322)	9,829



## Down and Connor Diocesan Trust

Notes (continued)

### 30 Prior year Statement of Financial Activities

	Note	Parishes			Central Services			2021 Total funds	2020 Total funds (As restated)
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Endowment funds		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>									
Donations and legacies	2	8,298	2,418	10,716	34	233	-	267	10,983
Investment income	3	513	-	513	505	209	25	739	1,252
Charitable activities	4	1,754	35	1,789	840	6	-	846	2,635
Other income	5	1,367	-	1,367	192	587	-	779	2,146
Net gain on disposals of assets	6	2,318	-	2,318	414	5,166	-	5,580	7,898
<b>Total</b>		<b>14,250</b>	<b>2,453</b>	<b>16,703</b>	<b>1,985</b>	<b>6,201</b>	<b>25</b>	<b>8,211</b>	<b>24,914</b>
<b>Expenditure on:</b>									
Cost of raising funds	7	418	2	420	-	-	-	-	420
Charitable expenditure	8	10,329	1,562	11,891	3,191	972	22	4,185	16,076
Investment management costs	9	13	-	13	134	58	3	195	208
<b>Total</b>		<b>10,760</b>	<b>1,564</b>	<b>12,324</b>	<b>3,325</b>	<b>1,030</b>	<b>25</b>	<b>4,380</b>	<b>16,704</b>
<b>Net income / (expenditure) resources</b>	11	<b>3,490</b>	<b>889</b>	<b>4,379</b>	<b>(1,340)</b>	<b>5,171</b>	<b>-</b>	<b>3,831</b>	<b>8,210</b>
Net gains on investments		-	-	-	2,972	1,151	41	4,164	4,164
Gross transfers between funds		(1,235)	(326)	(1,561)	1,348	213	-	1,561	-
<b>Total</b>		<b>2,255</b>	<b>563</b>	<b>2,818</b>	<b>2,980</b>	<b>6,535</b>	<b>41</b>	<b>9,556</b>	<b>12,374</b>
<b>Other recognised gains and losses</b>									
Revaluation on properties		814	-	814	-	-	-	-	814
<b>Net movement on funds</b>		<b>3,069</b>	<b>563</b>	<b>3,632</b>	<b>2,980</b>	<b>6,535</b>	<b>41</b>	<b>9,556</b>	<b>13,188</b>
Fund balances brought forward	20	76,656	7,564	84,220	60,708	15,221	345	76,274	160,494
Fund balances carried forward	20	79,725	8,127	87,852	63,688	21,756	386	85,830	173,682

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## Down and Connor Diocesan Trust

Notes (continued)

### 31 Prior year Balance Sheet

	Note	Parishes £'000	Central Services £'000	2021 Total £'000	2020 Total £'000 (As restated)
<b>Fixed assets</b>					
Tangible fixed assets	13	76,223	8,720	84,943	85,907
Investments	14	-	44,741	44,741	26,579
		<b>76,223</b>	<b>53,461</b>	<b>129,684</b>	<b>112,486</b>
<b>Current assets</b>					
Stock		-	43	43	38
Debtors and prepayments	15	3,042	1,139	4,181	2,176
Cash and bank balances		6,540	9,224	15,764	29,129
Current asset investments	16	-	27,449	27,449	20,436
		<b>9,582</b>	<b>37,855</b>	<b>47,437</b>	<b>51,779</b>
<b>Creditors- amounts falling due within one year</b>	17	<b>(774)</b>	<b>(1,040)</b>	<b>(1,814)</b>	<b>(2,176)</b>
<b>Net current assets</b>		<b>8,808</b>	<b>36,815</b>	<b>45,623</b>	<b>49,603</b>
<b>Parish loan accounts</b>					
Due from parishes to the Diocese		(343)	343	-	-
Solidarity balances		(17,933)	17,933	-	-
Due from parishes to the Diocese		21,097	(21,097)	-	-
Due to parishes from the Diocese		2,821	(2,821)	-	-
<b>Total assets less current liabilities and loan Creditors due after one year</b>		<b>87,852</b>	<b>87,455</b>	<b>175,307</b>	<b>162,089</b>
Provisions for liabilities and charges	19	-	(1,625)	(1,625)	(1,595)
<b>Net assets</b>		<b>87,852</b>	<b>85,830</b>	<b>173,682</b>	<b>160,494</b>
<b>Financed by</b>					
Unrestricted funds	20	79,725	63,688	143,413	137,364
Restricted funds	20	8,127	21,756	29,883	22,785
Permanent endowment funds	20	-	386	386	345
<b>Total funds</b>		<b>87,852</b>	<b>85,830</b>	<b>173,682</b>	<b>160,494</b>

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