



Down and Connor Diocesan Trust

Registered Charity Number 103983

Report and Financial Statements

For the year ended
31 December 2023

Down and Connor Diocesan Trust

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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 Alexander Aloysius McGuckian (Bishop of Down and Connor, appointed 19th March 2024)
Most Reverend Donal McKeown (Apostolic Administrator, appointed 22nd January 2023, resigned 19th March 2024)
His Excellency Most Reverend Noel Treanor (Bishop of Down and Connor, resigned 26th November 2022) (Apostolic Administrator, appointed 26th November 2022, resigned 22nd January 2023)
Very Reverend Eugene O'Hagan
Very Reverend Martin Graham
Very Reverend Michael Spence (appointed 2nd March 2023)
Brenda Heenan (resigned 28th February 2024)
Joseph Higgins
Maevé Hunt (appointed 28th February 2024)
Rose Kelly (resigned 30th May 2024)
Gerard McGinn
Nicholas McKenna (resigned 30th May 2024)
Orlagh O'Neill
Michael Scullion
Nicola Skelly (appointed 28th February 2024)

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 (N.Ireland) LLP, 7th 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 2023.

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 5th 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 it is known today, was established, and has continued in existence for the last 585 years.

The Down and Connor Diocesan Trust, a charitable trust, was established by a Trust Deed dated 29 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 XM46141. 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 7th 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 26th November 2022 and became Bishop Emeritus of Down and Connor and Apostolic Administrator of the Diocese of Down and Connor on that date. On 22nd 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.

Post year end the Holy Father Pope Francis appointed Bishop Alan McGuckian SJ, Bishop of Raphoe, as Bishop of Down and Connor on 2nd February 2024. Bishop Alan took canonical possession of the Diocese on 19th March 2024 and replaced Bishop Donal McKeown as director of the Diocese of Down and Connor Trustee 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 7 main areas of risk, identified and monitored by the Board via the Corporate Risk Register, during the year are:

- Governance & Reputation
- Safeguarding/ Legal
- Technology
- Strategy (Pathways to the Future journey)
- People
- Finance
- Data

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 currently 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. 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, on 15th 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. 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 3,635 Baptisms took place within the Diocese. In the same period the Sacrament of First Communion was administered to 4,563 young people and the Sacrament of Confirmation was conferred on a total of 4,813 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, Moneyglass, 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 in July 2023 was very successful. 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, 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 fulfill 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. 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 Ecumenical 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 Safeguarding Committee and the Diocesan Marriage Tribunal.

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

Personnel with specific responsibilities include the Diocesan Archivist, the Diocesan Knock Pilgrimage Director, the Diocesan Lourdes Pilgrimage Director, the Diocesan Media Liaison Officer, 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 four candidates in formation leading to ordination to the Priesthood and four candidates preparing for ordination to the Permanent Diaconate. During the year two candidates were ordained to the priesthood for ministry in the Down and Connor Diocese and no 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 the Pastoral Care of Clergy Group. 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 forty priests received assistance from the Fund which necessitated a total spend of approximately £563,367. The Episcopal Vicar for Clergy with special responsibility for Deacons oversees and co-ordinates their ministry.

The objectives of the Charity are greatly supported, and the life of the Diocese enriched, by the contribution made by ninety 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 ministries 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 centres.

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 2023 took place from 22nd January to 29th January, focusing on the theme 'Catholic Schools: Walking Together in Faith and Love.'

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 continuing 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 are currently undergoing major redevelopment.

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

Living Church

During the year the Living Church office continued to play an integral role in the pastoral renewal and life of the Diocese. The office had a wide-ranging remit and collaborated with departments across the Diocese to ensure that the needs of parishes were successfully met through a holistic approach to service delivery.

Pathways to the Future

During the year, the Living Church has linked closely with the Diocese's *Pathways to the Future* initiative, providing extensive support for *Pathways to the Future* activities and events. Following the Diocesan and clergy gatherings that took place in 2022 the office facilitated an awareness raising campaign in 2023, calling all baptised people of God to participate in planning for the future of our Church and the Diocese. The awareness raising programme commenced with a pastoral letter from Apostolic Administrator, Bishop Donal McKeown, and included bulletin notices, social media content and key messages provided to parishes for inclusion in homilies and sermons. The Living Church supported the parish census which took place in May and the official launch of *Pathways to the Future* in the autumn, supporting and facilitating a series of Conversations in 9 locations across the Diocese with over 1,200 people in attendance.

Funeral Ministry

Responding to need identified through the *Pathways to the Future* conversations, the Living Church supported the development and implementation of the first training programme for Lay Funeral Ministers in the Diocese. The first 28 Lay Funeral Ministers were commissioned in June 2023. This represented a significant positive move towards co-responsibility between clergy and laity for the Diocese. The training was evaluated and adapted for roll out in 2024.

Faith Development

A main function of the Living Church Office was the identification and development of appropriate Faith Development Programmes and resources for use within parishes across the Diocese. In 2023 the office continued to provide catechesis, directly delivering faith formation courses across the Diocese. In addition, the office identified, trained and supported the formation of lay leaders to ensure the roll out of faith development courses across parishes and families of parishes.

The Faith Development Conference took place in January 2023 where keynote speaker David Wells challenged, inspired and motivated the 150 attendees. He spoke to the art of accompaniment and the importance of accompanying people on their own journey of faith. Five new resources were introduced to participants for consideration for delivery within parishes: *Beatitudes for today*, *NUA Origins for Youth*, *Lectio Divina for Lent*, *Seven Joys of Mary* and *Meditating with Mary*.

Following the development of the *Lectio Divina during the Season of Lent* resource, the office provided further training for parish leaders to ensure local delivery of this programme. 30 lay leaders were trained to deliver this programme across 22 parishes. The Living Church also directly delivered the *Lectio Divina during the Season of Lent* online to 47 participants from across the Diocese. Similarly, the office provided training for 40 parish leaders to equip them to deliver the two Marian programmes, *Meditating with Mary* and *The Seven Joys of Mary* in their parishes.

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

In 2023 the course *Unlocking the mystery of the Bible* was delivered to a total of 132 people. This 8-week course helped participants to expand their knowledge of scripture and strengthen their own faith, and personal relationship with God. A retreat day for participants was incorporated at the end of each course which challenged participants to consider how they answer their baptismal call and evangelise in their everyday lives. Course delivery also helped to identify potential lay leaders that could be supported to deliver this programme within parish families in 2024.

A Biblical Walk through the Mass was introduced. The 5-week online course was in high demand and attracted 83 participants. Lay leaders have been identified and will receive training with a view to rolling this out in parish families in 2024. The *Beloved Disciples* programme was delivered in three locations in the Diocese. The four-week programme, designed for the over 60's, reminds participants that we are called to discipleship no matter our age. 57 people were given the opportunity to share wisdom and reflect together on the challenges of growing older in faith. Prayer resources were also developed and disseminated among parishes including a November Resource with 4 weekly liturgies for the month of November.

Specific Training for Lay Ministers

In response to need, the office developed and delivered specific training and enrichment sessions for existing lay ministers within the Diocese. These training courses aimed to upskill and equip existing lay leaders with the necessary skills and formation to carry out their roles fully within parishes and, to give them greater confidence in articulating their faith to others.

The courses were delivered across the newly emerging parish 'families' and reached 46 parishes with 354 lay ministers taking part. The training took the form of one online session and a retreat day where participants could come together, share experiences, benefit from enriching discussion and simply be in communion with others.

Three specific courses were developed:

1. Proclaiming the Word of God in the Gathered Community for Ministers of the Word
2. The Eucharist – Food for the Journey for Eucharistic Ministers
3. Baptism – Our Call to Mission for Parish Baptismal Teams

Feedback from participants and clergy was extremely positive and highlighted the continuing need for more specific courses to sufficiently equip our lay ministers and leaders.

Passing on the Faith To our Young People

The Living Church Office focused on developing and delivering a series of retreats for children receiving Sacraments in 2023. The *Nua Move* and *Nua Origins* programmes were used to engage children and encourage further engagement with their faith and Parish community. In addition, a programme to connect with parents of children preparing to receive First Holy Communion was delivered in the Collin-Derrriagh area. 612 parents signed up to receive weekly correspondence and information on how to help prepare their children for receiving the Sacrament. The Office supported the coordination of the Lourdes Pilgrimage Youth Team to ensure meaningful participation for 43 young people in the Diocese's pilgrimage to Lourdes. Training was also delivered to 45 Children's Liturgy Leaders to support the delivery of Children's Liturgy programmes in parishes.

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

SPRED and Inclusion of People with Additional Needs

The office continues to support the SPRED programme across the Diocese. Groups were supported to re-form following COVID closures, and to recruit and train new volunteer Catechists and, in some cases, group leaders. SPRED resources and the 2023 SPRED programme were developed and disseminated amongst Parish groups. Four enrichment sessions were provided for SPRED Leaders and Catechists and specific disability related training was provided to groups, including training in autism awareness and dealing with challenging situations. An annual retreat day for parents also took place and specific Advent and Lenten sessions delivered to groups using Godly play.

Due to the vulnerability of group members, SPRED groups were slow to restart following COVID however, at the end of the year 140 people were involved in SPRED in the Diocese with a Christmas celebration event bringing together 120 people.

The Office also provides support to special schools and teachers across the Diocese in their preparation of children with special educational needs to receive the Sacraments. The Office continues to organise and co-ordinate First Holy Communion and Confirmation Services for children attending special schools with 43 children receiving their first Holy Communion and 40 children confirmed in their faith in 2023.

In June 2023 SPRED Directors from around the world, from as far as Australia descended on the Diocese with the SPRED World Conference taking place in Drumalis. The conference provided an excellent opportunity for connection with others and a sharing of ideas for renewal.

Co-ordination of Other Diocesan Events and Activities

In addition, the Living Church office continues to provide 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 approximately 20,000 people per week. The Office also organises and co-ordinates other Diocesan activities.

Post year end

In September 2024 Bishop Alan McGuckian, as part of the ongoing process of Diocesan renewal, made changes to organizational structures. Bishop Alan retired the *Living Church* Office after thirteen years of faithful and fruitful service. The next stage of work, developing Parish Pastoral Councils, seeking to form lay ministers and faith development leaders is now supported by the new *Pathways to the Future* team.

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.

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.

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

Alongside Child Safeguarding, the Diocese also works to its Adult Safeguarding Policy and Procedures. This Policy is in line with statutory policies and regulations in Northern Ireland. At this stage there is not a "One Church" to adult safeguarding as exists with child safeguarding. This position is currently under review within the Church and the Diocese will play a full part to adopting a One Church approach to Adult Safeguarding. In addition, the NI Executive Office invited the Diocese to be a co-design member of a group to develop a Strategic Framework and Action Plan around the Executive's policy in respect of Ending Violence Against Women and Girls, this initial stage of work concluded in February 2024.

Creating and maintaining safe environments for children and young people who engage in any ministry or activities within the diocese remains a central programme of work for the safeguarding service in Down and Connor. This directly involves supporting each Parish in the Diocese through the establishment of a Parish Safeguarding Committee; a group of Parish volunteers who with the support of the Safeguarding Office ensure safe recruitment and training of Parish Personnel and volunteers who engage with children and young people.

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 2023 the office had three professional staff, including a new post of Parish Safeguarding Support Officer, and an administrative support staff. 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.

Over the year, the Diocese has taken part in two significant safeguarding audits and reviews carried out by external bodies.

1. *Review of Safeguarding Practice in the Diocese of Down and Connor, undertaken by The National Board for Safeguarding Children in the Catholic Church in Ireland (National Board).*

This Review was built around the assessment of the Diocese's compliance with the seven standards of safeguarding adopted by the Catholic Church in Ireland. The Review wanted to see "safeguarding in action". Two independent Reviewers reviewed files and records in relation to case management, spent time looking at safeguarding arrangements within our Parishes including visiting three Parishes and meeting a youth group, speaking to leaders and the young people and spoke to the Diocesan Safeguarding Committee, members of the Diocesan Curia and examined governance arrangements including relationship with the Trustees.

This Review confirmed that safeguarding in the Diocese was compliant with the National Board seven standards and that the Diocese worked to all statutory safeguarding procedures and safeguarding legislation.

"The Diocese of Down and Connor has a strong safeguarding structure which promotes and delivers on engagement with and support for parishes and their safeguarding personnel. None of this would be possible without the commitment and dedication the reviewers witnessed from people at all levels, to ensuring that the Church provides an inviting, safe and happy environment for all children, young people and parents they work with. there are robust governance arrangements in place, at a strategic and operational level, that ensure safe practices.

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

2. Safeguarding Board for Northern Ireland (SBNi) Section 12 Audit

SBNi is a statutory body which oversees child protection and safeguarding across all the statutory agencies in Northern Ireland, Trusts, Police, Education, NI Probation Service. Section 2 of the Safeguarding Board (Northern Ireland) Act 2011, identifies as a key function of the Safeguarding Board, that it must "monitor and evaluate the effectiveness of what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of Children".

Each statutory authority is required to complete this Section 12. As chair of the SBNi Interfaith Subgroup the Diocese of Down and Connor was asked to complete the Section 12 audit. Down and Connor was the only non-statutory body to complete the Section 12 Audit. This was a challenging exercise, the Diocese had to report on safeguarding across seven domains.

The SBNi described the Diocesan response to the Audit as "exemplary".

"The Catholic Diocese of Down and Connor's return was assessed as providing an exemplar level of assurance... its:

- functions are exercised having due regard to the need to safeguard and promote the welfare of children, and*
- any services provided, are provided having due regard to that need.*

Your return was one of 4 out of 28 returns to be assessed as exemplar."

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.

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.

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

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 £442,188.

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 most charitable entities, Down and Connor Diocesan Trust was exposed to effects of the COVID-19 pandemic. During the prior year, on 15th February 2022, our churches increased capacity in line with 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 and income had not returned to pre-March 2020 in all parishes. However, costs have been reduced where possible. Based on the measures taken and given the level of unrestricted reserves as at 31 December 2023, the Trustee believes that the Trust is well positioned to operate through any uncertainty and beyond. The financial statements have therefore been prepared on a going concern basis.

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.

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

Review of Financial Performance

The detailed financial results for the year ended 31 December 2023 are set out in the financial statements that accompany this report.

The table below summarises the financial activities of the Diocese:

	2023 £'000	2022 £'000
Parishes		
Income	16,652	15,309
Expenditure	(14,003)	(13,039)
Net income before assessment and transfers	2,649	2,270
Diocesan Assessment and other transfers	11,773	(1,410)
Gain on revaluation of fixed assets	5,139	-
Increase in reserves	19,561	860
Central Services		
Income	4,036	3,291
Expenditure	(8,012)	(5,624)
Diocesan assessment and other transfers	(11,773)	1,410
Gain on revaluation of fixed assets	215	-
Net (expenditure) before investment gains and revaluation gains	(15,534)	(923)
Investment gains / (losses)	1,999	(4,111)
(Decrease) in reserves	(13,535)	(5,034)
Total increase / (decrease) in Parish and Central Services reserves	6,026	(4,174)

Complete details of the income and expenditure are shown in the statement of financial activities on page 26 and in the notes to the accounts.

Review of transactions and financial position of the Charity

The reserves of the Charity at 31 December 2023 total £175.5m (2022: £169.5m) and of this total £108.3m (2022: £88.7m) 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 £67.2m (2022: £80.8m) at the year-end of which £45.5m (2022: £59.5m) are unrestricted with £ 9.2m (2022: £9.2m) of this relating to fixed assets.

Most of the income received by Parishes is through the Sunday offertory and other donations. This source of income is 69% (2022: 73%) of the parish total. This increased from £11.2m in 2022 to £11.8m in 2023 (note 2). Total expenditure increased by 7.7% to £14m in 2023 from £13m in 2022.

Total Central Services income increased from £3.3m in 2022 to £4m in 2023. Total expenditure increased from £5.6m in 2022 to £8.0m in 2023.

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

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 and advisors, 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.

Investment Managers & Advisors

The principal Diocesan Trust Investment Portfolios (three separate portfolios totalling £42.73m) are 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 (£0.48m) with emphasis on current income with a lower risk profile. Both portfolios are managed on a discretionary basis.

During the year the Trustee appointed Broadstone as investment advisors to perform an investment portfolio review on the principal Diocesan Trust Investment Portfolio managed by Cazenove Capital (Schroder & Co Ltd). The review included performance against objectives, performance against peer groups, responsible investment assessment, income and fees. Trustees were pleased with the outcome of the review.

Given the completion of the Broadstone review work and despite the market volatility experienced during the year the Trustee are satisfied with the performance and management of the investment portfolio of the Investment Portfolio during the year.

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

Environmental, Social & Governance ('ESG') including Ethical Investment Policy

The Trustee Board has Environmental, Social & Governance as a priority, and is captured on the Corporate Risk Register under 'Governance & Reputation'. ESG reporting is about showing a considered approach to stewardship (governance), care for people (social), and care for our common home (environmental). This involves the careful use of financial and non-financial resources and care being taken in minimising harms.

In July 2021 an additional investment of £14M (£14.45M at 31 December 2023) was made into a new Responsible Multi-Asset Fund. During the year the Trustee Board engaged with Broadstone, investment advisors, to perform an investment portfolio review including a responsible investment assessment. The outcome of this element of the review included:

- As of 31 December 2023, both the Main Fund and the Provident Fund (combined £26.28M) had superior ESG scores compared to the benchmark MSCI ACWI index, indicating the portfolio is exposed to less financially material ESG risks relative to the Equity Benchmark.
- As of 31 December 2023, the Responsible Multi-Asset Fund (£14.45M) shows a superior ESG scores compared to the Main Fund and the Provident Fund as well as the MSCI ACWI index. The primary reason for the out-performance of the Responsible Multi-Asset Fund from an ESG perspective is the absence of one-globe rated holdings with the majority of holdings receiving at least the four-globe rating (low ESG risk).

At 31 December 2023 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.

At present it is understood that complete control over monies, for instance, those held in Funds, is difficult. The Trustee Board may, therefore, have indirect exposure currently to activities which may give rise to ethical queries where these are considered minimal in relation to the portfolio's overall composition.

This Ethical Investment Policy is reviewed periodically by the Trustee Board's Finance and Investment Committee and ratified, along with any updates, annually by the Trustee Board. Post year end the Ethical Investment Policy is being reviewed and the Trustee Board have agreed that the list of exclusions will be extended to include fossil fuels so that the investments are divested from fossil fuels. Other additional exclusions, as well as fossil fuels, are also being considered to ensure that the exclusion list is complete and comprehensive.

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

Parishes within the Diocese are beginning to embrace Pope Francis' encyclical, Laudato Si. Care for our Common Home. One example of this is the installation of solar PV panels on parish hall roofs to help reduce a parish's carbon footprint and move towards carbon net zero.

The Trustee Board are aware that there is much more to be done in the area of Environmental, Social & Governance and have targeted the year ahead for further progress including to confirm an appropriate timeline of actions and targets.

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 2023, free reserves are equivalent to 12 months planned unrestricted expenditure of the Charity.

Approved by the Trustee on 3 October 2024 and signed on its behalf by:


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

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 2023 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 2023, 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) 2008.

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

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

3 October 2024

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 Trustees' 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) 2008 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 Charity and its registration with The Charity 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 2022) - 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 2022);
- 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 Charity legislation (including the regulator, The Charities Commission for Northern Ireland) and the Charity 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
Chartered Accountants and Statutory Auditor

22 Great Victoria Street
Belfast
BT2 7BA

3 October 2024

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

	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:												
Donations and legacies	11,298	11,633	140	140	100	100	40	40	100	100	100	100
Investment income	2,338	3,550	2,778	2,778	805	805	1,653	1,653	61	61	61	61
Charitable activities	2,951	3,561	884	884	209	209	455	455	380	380	380	380
Other income	1,351	557	(172)	(172)	33	33	1,536	1,536	856	856	856	856
Net gain / (losses) on disposals of assets	662	1,597	406	406	603	603	(197)	(197)	100	100	100	100
Total	18,600	20,688	20	20	1,750	1,750	2,266	2,266	1,750	1,750	1,750	1,750
Expenditure on:												
Cost of raising funds	453	608	-	-	-	-	-	-	-	-	-	-
Charitable expenditure	17,992	21,256	7,790	7,790	1,659	1,659	6,106	6,106	157	157	157	157
Investment management costs	218	251	222	222	61	61	157	157	100	100	100	100
Total	18,663	22,016	8,012	8,012	1,730	1,730	6,263	6,263	1,730	1,730	1,730	1,730
Net income / (expenditure)	(63)	(1,327)	(3,978)	(3,978)	20	20	(3,997)	(3,997)	115	115	115	115
Gross transfers between funds	(4,111)	1,999	(11,773)	1,999	380	380	1,536	1,536	(14,422)	(14,422)	(14,422)	(14,422)
Total	(4,174)	672	(13,750)	672	856	856	(14,614)	(14,614)	5,139	5,139	5,139	5,139
Other recognised gains and losses												
Revaluation on properties	-	5,354	215	215	100	100	115	115	-	-	-	-
Net movement on funds	(4,174)	6,026	(13,535)	6,026	955	955	(14,499)	(14,499)	207	207	207	207
Fund balances brought forward	173,682	169,508	80,796	80,796	20,488	20,488	59,951	59,951	88,712	88,712	88,712	88,712
Fund balances carried forward	169,508	175,534	67,261	67,261	21,443	21,443	45,452	45,452	108,273	108,273	108,273	108,273

The prior year Statement of Financial Activities is provided in note 29.

The notes on pages 29 to 60 form part of these financial statements.

	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets												
Tangible fixed assets	84,456	88,683	43,205	43,205	9,206	9,206	79,477	79,477	13	13	13	13
Investments	40,930	43,205	43,205	43,205	43,205	43,205	43,205	43,205	14	14	14	14
Current assets												
Stock	43	40	40	40	40	40	40	40	15	15	15	15
Debtors and prepayments	3,666	3,429	3,429	3,429	1,894	1,894	1,535	1,535	15	15	15	15
Cash and bank balances	10,420	7,044	7,044	7,044	902	902	6,142	6,142	16	16	16	16
Current asset investments	33,844	39,544	39,544	39,544	39,544	39,544	39,544	39,544	16	16	16	16
Creditors – amounts falling due within one year	(1,791)	(1,646)	(856)	(856)	(790)	(790)	(41,524)	(41,524)	17	17	17	17
Net current assets	46,382	48,411	48,411	48,411	41,524	41,524	6,887	6,887	17	17	17	17
Parish loan accounts	-	-	-	-	(3,649)	(3,649)	3,649	3,649				
Due from parishes to the Diocese	-	-	-	-	(14,903)	(14,903)	14,903	14,903				
Due to parishes from the Diocese	-	-	-	-	(25,085)	(25,085)	25,085	25,085				
Bad debt provision	-	-	-	-	(8,078)	(8,078)	8,078	8,078				
Total assets less current liabilities and loan	171,768	180,299	180,299	180,299	72,026	72,026	108,273	108,273	19	19	19	19
Provisions for liabilities and charges	(2,260)	(4,765)	(4,765)	(4,765)	-	-	-	-				
Net assets	169,508	175,534	175,534	175,534	67,261	67,261	108,273	108,273				
Financed by												
Unrestricted funds	140,462	145,317	145,317	145,317	45,452	45,452	99,865	99,865	20	20	20	20
Restricted funds	28,689	29,861	29,861	29,861	21,443	21,443	8,408	8,408	20	20	20	20
Permanent endowment funds	357	366	366	366	366	366	-	-				
Total funds	169,508	175,534	175,534	175,534	67,261	67,261	108,273	108,273				

The prior year Balance Sheet is provided in note 30. The financial statements were approved by the Trustee on 3 October 2024 and signed on its behalf by:

Mr Gerard McGinn
Director of Down and Connor Diocesan Trust

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

The notes on pages 29 to 60 form part of these financial statements.

Down and Connor Diocesan Trust

Cashflow statement
31 December 2023

	Note	2023 £'000	2022 £'000
Cash flow from operating activities			
Net cash (used in) / generated from operating activities	23	(1,201)	135
Cash flows from investing activities			
Dividends, interest and rents from investments		1,494	1,772
Proceeds from the sale of property, plant and equipment		1,972	735
Purchase of property, plant and equipment	24	(1,305)	(1,616)
Proceeds from sale of current asset investments		-	2
Interest paid		(4)	-
Proceeds from current asset investments		693	-
Proceeds from fixed asset investments		392	-
Purchase of current asset investments		(5,261)	(6,350)
Net cash (used in) Investing activities		(2,019)	(5,457)
Cash flows from finance activities			
Receipt of loans		2	-
Net (decrease) in cash and cash equivalents in the reporting period		(3,218)	(5,322)
Cash and cash equivalents at the beginning of the reporting period		10,133	15,455
Cash and cash equivalents at end of the reporting period	25	6,915	10,133
Cash and cash equivalents consists of:			
Cash and bank balances		7,044	10,420
Bank overdrafts		(129)	(287)
Cash and cash equivalents		6,915	10,133
Parishes		6,127	6,265
Central Services		722	2,507
Solidarity		66	1,361
Cash and cash equivalents		6,915	10,133

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 2019), 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 2019.
- 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 of fair value, based on market value of the investment properties. Further information is available at note 13.

Accrued income

In the prior year, the charity had an insurance claim for loss of income arising from the COVID pandemic for the year to 31 December 2022. There is no such claim in the current year financial statements. The income received in the current year relates to the prior year's claim. 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 86 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
	20% reducing balance
Motor vehicles	25% straight line

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.

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 2023 £'000
Offertories, donations and legacies	9,073	2,420	11,493
	9,073	2,420	11,493
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Offertories, donations and legacies	8,866	2,308	11,174
	8,866	2,308	11,174

Central Services

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Donations and gifts	40	100	140
	40	100	140
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Donations and gifts	57	67	124
	57	67	124

Down and Connor Diocesan Trust
Notes (continued)

3 Investment income

Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Income arising from investment properties	762	-	762
Bank interest	10	-	10
	772	-	772
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Income arising from investment properties	777	-	777
Bank interest	7	-	7
	784	-	784

Central Services

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2023 £'000
Income arising from investment properties	109	228	-	337
Listed investments	608	231	20	859
Bank interest	1,236	346	-	1,582
	1,953	805	20	2,778
	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

Down and Connor Diocesan Trust
Notes (continued)

4 Charitable activities

Parishes	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Booklets and pilgrimages	138	-	138
Other income from charitable activities	542	-	542
Capital grants received	-	157	157
Fundraising	1,630	-	1,630
	<u>2,310</u>	<u>157</u>	<u>2,467</u>

	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
	<u>2,020</u>	<u>21</u>	<u>2,041</u>

Down and Connor Diocesan Trust
Notes (continued)

4 Charitable activities (continued)

Central Services	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Booklets and pilgrimages	-	193	193
Milltown Cemetery income	508	-	508
St MacNissi's residential and farm income	59	-	59
Capital grants received	61	-	61
Other income	8	16	24
Fees received	3	-	3
Fundraising	36	-	36
	<u>675</u>	<u>209</u>	<u>884</u>

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Booklets and pilgrimages	-	115	115
Milltown Cemetery income	541	-	541
St MacNissi's residential and farm income	82	-	82
Capital grants received	71	-	71
Other income	1	33	34
Fees received	3	-	3
Fundraising	64	-	64
	<u>762</u>	<u>148</u>	<u>910</u>

Down and Connor Diocesan Trust
Notes (continued)

5	Other Income	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
	Parishes			
	Insurance Claims	729	-	729
		729	-	729
	Insurance Claims	874	-	874
		874	-	874
	Central Services			
	Insurance Claims	(205)	33	(172)
		(205)	33	(172)
	Insurance Claims	475	2	477
		475	2	477

In the prior year, the charity had an insurance claim for loss of income arising from the COVID pandemic for the year to 31 December 2022. There is no such claim in the current year financial statements. The income received in the current year relates to the prior year's claim.

Down and Connor Diocesan Trust
Notes (continued)

6	Net gains/losses on disposals of fixed assets	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
	Profit / (Loss) on sale of tangible fixed assets			
	Parishes	1,191	-	1,191
	Central Services	(197)	603	406
		994	603	1,597
	Profit on sale of tangible fixed assets			
	Parishes	436	-	436
	Central Services	228	-	228
		662	-	662

Down and Connor Diocesan Trust
Notes (continued)

7 Costs of raising funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Parishes			
Fundraising costs	508	-	508
	508	-	508
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Fundraising costs	453	-	453
	453	-	453
Central Services			
Fundraising costs	-	-	-
	-	-	-
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Fundraising costs	-	-	-
	-	-	-

Down and Connor Diocesan Trust
Notes (continued)

8 Charitable expenditure

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Parishes			
Administration costs	398	-	398
Clergy stipends	-	1,675	1,675
Parish centre costs	295	-	295
School payments	(3)	-	(3)
Pastoral personnel	314	-	314
Donations	52	-	52
Pilgrimages and retreats	260	-	260
Premises costs including insurance	2,347	-	2,347
Repairs and maintenance	2,319	325	2,644
IT costs	155	-	155
Gross salaries and employer's national insurance costs	2,525	-	2,525
Professional fees	186	-	186
Votives and liturgical costs	690	-	690
Bank charges	77	-	77
Depreciation	1,851	-	1,851
	11,466	2,000	13,466
Central Services			
Fundraising costs	-	-	-
	-	-	-
	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Administration costs	376	-	376
Clergy stipends	-	1,632	1,632
Parish centre costs	235	-	235
School payments	25	-	25
Pastoral personnel	275	-	275
Donations	61	-	61
Pilgrimages and retreats	117	-	117
Premises costs including insurance	2,475	-	2,475
Repairs and maintenance	2,050	345	2,395
IT costs	119	-	119
Gross salaries and employer's national insurance costs	2,322	-	2,322
Professional fees	72	-	72
Votives and liturgical costs	585	-	585
Bank charges	70	-	70
Depreciation	1,804	-	1,804
	10,586	1,977	12,563

Down and Connor Diocesan Trust
Notes (continued)

8 Charitable activities (continued)

Central Services

	Unrestricted funds £'000	Restricted funds £'000	Endowments £'000	Total 2023 £'000
Our Lady's Home costs	-	-	-	-
Retirement, sickness and special assistance grants	-	563	-	563
Clergy stipends	65	54	-	119
Gross salaries (incl. employer's national insurance costs and pension costs)	857	180	-	1,037
Redundancy	-	10	-	10
Donations	99	17	-	116
Pilgrimages and retreats	80	337	-	417
Youthcom costs	4	-	-	4
Premises costs	221	48	-	269
Votives & liturgical costs	7	-	-	7
Miltown cemetery costs	756	-	-	756
Queens Canteen	15	-	-	15
Travel, hospitality and conferences	57	21	-	78
Administration costs	88	5	-	93
Repairs and maintenance	489	176	-	665
Pastoral personnel	18	1	-	19
Clerical students' fees	-	182	-	182
Depreciation	204	2	-	206
Professional fees	-	62	-	62
Compensation claims and legal fees	2,868	1	-	2,869
Sundry	17	-	-	17
Maynooth Levy	111	-	-	111
Masses	-	-	15	15
Recruitment	26	-	-	26
Consultancy fees	73	1	-	74
Governance costs (note 10)	36	-	-	36
Choir expenses	(18)	-	-	(18)
Cleaning	29	5	-	34
Bank interest	-	4	-	4
Bank charges	4	-	-	4
	6,106	1,669	15	7,790

Down and Connor Diocesan Trust
Notes (continued)

8 Charitable activities (continued)

Central Services

	Unrestricted funds £'000	Restricted funds £'000	Endowments £'000	Total 2022 £'000
Our Lady's Home costs	10	-	-	10
Retirement, sickness and special assistance grants	-	542	-	542
Clergy stipends	120	109	-	229
Gross salaries (incl. employer's national insurance costs and pension costs)	777	147	-	924
Redundancy	4	-	-	4
Donations	133	20	-	153
Pilgrimages and retreats	45	170	-	215
Youthcom costs	9	-	-	9
Premises costs	224	61	-	285
Votives & liturgical costs	20	-	-	20
Miltown cemetery costs	624	-	-	624
Queens Canteen	18	-	-	18
Travel, hospitality and conferences	62	18	-	80
Administration costs	80	5	-	85
Repairs and maintenance	237	41	-	278
Pastoral personnel	16	-	-	16
Clerical students' fees	-	239	-	239
Depreciation	224	2	-	226
Professional fees	-	26	-	26
Compensation claims and legal fees	1,150	-	-	1,150
Sundry	15	-	-	15
Maynooth Levy	115	-	-	115
Masses	-	-	16	16
Recruitment	24	-	-	24
Consultancy fees	51	-	-	51
Governance costs (note 10)	37	-	-	37
Choir expenses	(10)	-	-	(10)
Cleaning	40	1	-	41
Bank interest	-	1	-	1
Bank charges	3	3	-	6
	4,028	1,385	16	5,429

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:

	2023 Number	2022 Number
Central Services employees	30	36
Parish employees	222	216
	252	252

The aggregate payroll costs for the above were as follows:

Wages and salaries	2023 £'000	2022 £'000
Social security costs	3,328	3,033
Employer pension contributions	189	169
	45	44
	3,562	3,246

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 £45,292 (2022 - £43,985).

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 £188,841 (2022 - £183,910).

Down and Connor Diocesan Trust

Notes (continued)

13 Tangible fixed assets

Parishes

	Cost or calculation At 1 January 2023	Additions Disposals	Revaluation	At 31 December 2023	Depreciation At 1 January 2023	Charge for year	Eliminated on disposal	At 31 December 2023	Net book value At 31 December 2023	At 31 December 2022
Church land property and contents	1,140	-	(14)	1,126	20,909	1,561	(46)	1,126	1,126	57,058
Church land property and fixtures, Furniture, Vehicles	1,757	506	(45)	2,218	974	290	(45)	2,219	999	783
Motor Vehicles	32	-	-	32	32	-	-	32	-	-
Total	80,896	751	(216)	81,431	21,915	1,851	(91)	23,675	57,756	58,981
Freehold Investment Properties £'000	16,282	300	5,139	21,721	-	-	-	-	21,721	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)

14 Investments

	2023 £'000	2022 £'000
Quoted investments		
Opening	40,930	44,741
Income generated reinvested	852	819
Management costs deducted	(184)	(189)
Net realised investment gains/(losses)	86	(556)
Net unrealised investment gains/(losses)	1,912	(3,553)
Withdrawals	(391)	(330)
Closing	43,205	40,930
At market value		
Listed investments	34,152	32,052
Bonds	2,513	1,697
Multi-asset funds	-	1,147
Alternatives	5,366	5,302
Cash	1,174	732
	43,205	40,930

15 Debtors

	2023 Central Services £'000	2022 £'000
Parishes	1,136	1,354
Gift aid recoverable	58	180
Trade debtors	27	
Other debtors and prepayments	1,867	2,319
Schools' debtor	7	13
	1,535	3,866
2023 Central Services £'000		
Parishes £'000		
Total	1,136	1,354
2023 Central Services £'000		
Parishes £'000		
Total	1,136	1,354

16 Current asset investments

	2023 Central Services £'000	2022 £'000
Parishes	39,544	33,844
Cash equivalents on deposit	-	-
	39,544	33,844

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Down and Connor Diocesan Trust

Notes (continued)

13 Tangible fixed assets (continued)

	£'000	£'000	£'000
Cost or calculation At 1 January 2023	10,428	841	218
Additions	218	36	
Disposals	(332)	-	
Transfers	(691)	-	
Revaluation	-	-	215
At 31 December 2023	9,623	877	1,428
Depreciation At 1 January 2023	1,994	617	-
Charge for year	166	40	-
Eliminated on disposal	(82)	-	-
Transfers	(13)	-	-
At 31 December 2023	2,065	657	-
Net book value	7,558	220	1,428
At 31 December 2022	8,434	224	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.

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Down and Connor Diocesan Trust

Notes (continued)

17 Creditors - amounts falling due within one year

	2023	2022	
	Parishes £'000	Central Services £'000	Total £'000
Bank overdrafts	15	114	129
Accruals and deferred income	56	360	416
Trade creditors	-	29	29
Other creditors	685	263	948
Other taxes and social security costs	34	90	124
	<u>790</u>	<u>856</u>	<u>1,646</u>
			<u>1,791</u>

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 £4,765,000 (2022: £2,260,000) 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.

	Legal claims and costs £'000	Total £'000
Opening Balance	2,260	2,260
Payments	(1,119)	(1,119)
Increase in provision	3,624	3,624
	<u>4,765</u>	<u>4,765</u>

Down and Connor Diocesan Trust

Notes (continued)

20 Movement in funds

	Opening balance £'000	Income	Expenditure	Other gains	Transfers Closing balance £'000
Unrestricted funds	80,511	14,075	(12,003)	5,139	12,143
Parishes	59,951	2,266	(6,263)	1,651	12,143
Central Services	140,462	16,341	(18,266)	6,790	(10)
Total unrestricted funds	5,211	2,577	(2,000)	-	(370)
Restricted funds - Parishes	2,990	-	-	-	-
Capital grants	8,201	2,577	(2,000)	-	(370)
Restricted funds - Central Services	1,397	71	(2)	-	43
Needy Parishes	1,280	72	(19)	-	95
Parishes' Welfare	11,636	384	(626)	555	122
Providence/Living Church	81	19	(26)	-	39
Faith Development	(19)	15	(229)	-	269
Clerical Students	107	202	(230)	-	12
Lourdes Pilgrimage	6,006	987	(298)	-	(426)
St Malachy's	20,488	1,750	(1,730)	555	380
Total restricted funds	28,689	4,327	(3,730)	555	10
Endowment funds	357	20	(19)	8	-
Total funds	169,508	20,688	(22,015)	7,353	0
					<u>175,534</u>

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.

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 payback 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 2023 of £10m (2022 - £1.3m) 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 2023 was £73,058 (2022 - £53,844) at year end.

The main collection that would be taken up each year is the annual Trócaire appeal. During the year a total of £433,037 (2022 - £442,583) was collected, with £9,150 (2022 - £4,579) still to be paid to Trócaire at year end and have been paid post year end.

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

	2023 £'000	2022 £'000
Net (expenditure) for year	(1,327)	(63)
Gain on disposal of fixed assets	(1,597)	(662)
Investment income	(3,478)	(2,338)
Investment management charges	184	218
Interest payable	4	1
Depreciation and impairment of tangible fixed assets	2,057	2,030
Decrease in stock	3	-
Decrease in debtors	437	315
Increase / (decrease) in creditors	11	(1)
Increase in provisions	2,505	635
	<u>(1,201)</u>	<u>135</u>
Net cash (used in) / from operating activities		

Down and Connor Diocesan Trust

Notes (continued)

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

	2023	2022
	£'000	£'000
Additions to fixed assets	1,305	1,666
Non-cash additions	-	(50)
Payments to acquire tangible fixed assets	1,305	1,616

25 Analysis of changes in net funds/ (debt)

	At start of year	Cashflows	At end of year
	£'000	£'000	£'000
Cash	10,420	(3,376)	7,044
Overdraft facility repayable on demand	(287)	158	(129)
Loans	10,133	(3,218)	6,915
	(304)	(2)	(306)
Total	9,829	(3,220)	6,609

Down and Connor Diocesan Trust

Notes (continued)

26 Net Assets

	2022						2023											
	Unrestricted	Restricted	Parishes	Total	Unrestricted	Restricted	Central Services	Endowment	Total	Unrestricted	Restricted	Parishes	Total	Unrestricted	Restricted	Parishes	Total	Combined
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	56,243	2,737	58,980	8,318	340	250	8,658	67,638	169,508	55,022	2,733	57,755	7,439	339	7,778	65,533	175,534	175,534
Investment properties	16,283	-	16,283	285	250	9,895	16,818	40,930	23,150	21,722	1,078	21,722	1,078	350	1,428	23,150	43,205	43,205
Fixed asset investments	-	-	-	285	340	250	535	16,818	40,930	23,150	1,078	21,722	1,078	350	1,428	23,150	43,205	43,205
Bank balances / (overdraft and loans)	853	5,464	6,317	30,562	1,043	92	3,867	10,184	40,930	468	5,675	6,143	32,202	10,526	477	43,205	43,205	43,205
Other net current assets / (liabilities)	1,814	-	1,814	25,783	8,809	(208)	3,884	10,184	40,930	744	6,143	744	31,032	9,706	4	40,623	41,367	41,367
Provisions for liabilities and charges	-	-	-	(5,469)	-	-	(2,260)	(2,260)	(2,260)	-	(4,765)	-	(4,765)	169	-	(4,765)	(4,765)	(4,765)
Inter parishes and Central Services loans (net)	5,318	-	5,318	(5,469)	151	-	(5,318)	-	-	21,909	-	21,909	(22,078)	-	(21,909)	-	-	-
TOTAL NET ASSETS	80,511	8,201	88,712	59,951	20,488	357	80,796	169,508	169,508	99,865	8,408	108,273	45,452	21,443	366	67,261	175,534	175,534

Down and Connor Diocesan Trust

Notes (continued)

27 Trustee Remuneration

The Trustee neither received nor waived any emoluments nor made a claim for expenses incurred relating to duties carried out for the Trust. Four directors of the Trustee received stipends, in aggregate, totalling £60,654 for the year to 31 December 2023, (2022 - £69,700). These stipends were paid to them in respect of their role as serving Ministers of the Church in Down and Connor and not as a result of their Trustee role. No pension contributions were paid on their behalf. Accommodation is provided for them exclusively as a consequence of their ministries within the Diocese.

28 Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:

	2023	2022
	£'000	£'000
Financial assets		
Measured at fair value through net income / expenditure		
Fixed asset investment properties (note 13)	23,149	16,282
Fixed asset listed investments (note 14)	43,205	40,930
	<u>66,354</u>	<u>57,212</u>

Down and Connor Diocesan Trust

Notes (continued)

29 Prior year Statement of Financial Activities

	Note	2023	2022
		£'000	£'000
Income and endowments from:			
Donations and legacies	2	8,866	11,298
Investment income	3	784	2,338
Charitable activities	4	2,020	2,951
Other income	5	874	1,351
Net gain / (losses) on disposals of assets	6	436	682
Total		12,980	18,600
Expenditure on:			
Cost of raising funds	7	453	463
Charitable expenditure	8	10,566	17,992
Investment management costs	9	23	196
Total		11,042	18,551
Net gains on investments	11	1,918	(63)
Gross transfers between funds		(1,132)	(4,111)
Total		74	(4,174)
Other recognised gains and losses			
Revaluation on properties		-	-
Net movement on funds		74	(4,174)
Fund balances brought forward	20	8,127	173,682
Fund balances carried forward	20	8,201	169,508

	2022	2021
Fixed assets	£'000	£'000
Tangible fixed assets	84,456	64,943
Investments	40,930	44,741
Current assets	125,386	129,684
Stock	43	43
Debtors and prepayments	1,207	3,866
Cash and bank balances	4,141	15,764
Current asset investments	33,844	27,449
Current assets less amounts falling due within one year	39,336	47,437
Net current assets	(1,084)	(1,814)
Parish loan accounts	38,251	46,382
Due from parishes to the Diocese	927	-
Solidarity balances	(927)	-
Due from parishes to the Diocese	17,352	-
Due to parishes from the Diocese	(21,743)	-
Total assets less current liabilities and loan creditors due after one year	83,056	171,768
Provisions for liabilities and charges	(2,260)	(1,625)
Net assets	80,796	173,682
Financed by		
Unrestricted funds	59,951	140,462
Restricted funds	8,201	29,883
Permanent endowment funds	-	386
Total funds	80,796	173,682