

Dromore Diocesan Trust

Report of the Trustee

The Trustee presents its Annual Report and the audited financial statements of the charity, Dromore Diocesan Trust, for the year ended 31 December 2020

Constitution and aims

The Roman Catholic Diocese of Dromore was established through the reorganisation of the Irish Church in the late twelfth century. It is one of the smaller dioceses in Ireland and covers portions of Counties Down, Armagh and Antrim with its cathedral located in the city of Newry.

The Dromore Diocesan Trust is a charitable trust, established by a trust deed dated 1 November 2010. On 20th April 2016, Dromore Diocesan Trust was registered as a charity with the Charity Commission for Northern Ireland and given the registration number NIC105046. For tax purposes, Dromore Diocesan Trust is also registered with HM Revenue and Customs - reference number XT27177. The sole trustee of the Charity is a Corporation, Diocese of Dromore Trustee. The Company is limited and was registered on 17th November 2011 registration number NI609968. On 13th January 2012 the Lord Chief Justice of Northern Ireland authorised Diocese of Dromore 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 Dromore 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 Diocese of Dromore, 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 Dromore Diocesan Trust are constantly monitored and reviewed in order to ensure that the principal aims and objectives of the charity are adhered to.

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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

Ecclesiastical Law requires certain structures to be in place within the Diocese. Structures in the Diocese of Dromore include: Diocesan Consultors (fulfilled by the Cathedral Chapter), a Council of Priests and a Finance Council. The Bishop is also assisted in ecclesiastical governance by a Chancellor, a Vicar General and a Finance Administrator. In the absence of a bishop (*sedes vacante*), the diocese is under the governance of a Diocesan Administrator (elected by the Diocesan Consultors) or an Apostolic Administrator (appointed by the Holy Father).

The overall operation of the Charity, including financial and legal responsibility in civil law, is overseen by the Trustee, the directors of which are appointed by the Bishop, who is Chair of the Board. Recruitment of the directors is based on 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. The Board is composed of a mixture of clergy and lay members of the Church.

On appointment, new directors receive induction and are introduced to their role and responsibilities by the Chancellor, the Finance Administrator and the Finance and Compliance Officer of the Diocese. 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 day-to-day business of the Diocese is managed through the Diocesan Curia. The Bishop refers ecclesiastical related matters to the Chancellor and other appropriate officials. Civil administrative matters are referred to the Finance Administrator and the Finance and Compliance Officer. The Council of Priests also assists the Bishop in the governance of the Diocese according to the norm of law 'so that the pastoral welfare of that portion of the people of God entrusted to the Bishop may be most effectively promoted' (Code of Canon Law, canon 495). Reflecting Canon Law, the activities of the Charity are separated in this Report into Parish and Curia functions.

On 15th April 2019, Archbishop Eamon Martin, Archbishop of Armagh, became Apostolic Administrator of the Diocese. An Apostolic Administrator is appointed to temporarily govern a diocese when special or serious circumstances warrant such an appointment. Archbishop Martin governs in the name of the Holy Father and has all the powers and duties of a diocesan bishop.

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Report of the Trustee (continued)

Parishes

The Diocese is divided into parish communities. The parishes in the Diocese are established and operate under the Church's Code of Canon Law which bestows on them separate canonical status which explains their treatment in the following financial accounts specifically through the columnar layout. Under Canon Law, each parish must have a finance committee to advise the parish priest in regard to the administration of the parish. Parish finance committees include parishioners with knowledge and experience in finance, property management and administration.

Parish Priests/Administrators and Curates are appointed by the Bishop to provide pastoral care for parish communities and to manage parishes in all juridical affairs thus ensuring that 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, in consultation with priests and laity, reviews on a regular basis the parish structure to ensure the long-term pastoral sustainability of the parishes.

Curia

The Diocesan Curia consists of those institutions and persons which furnish assistance to the Bishop in the governance of the entire Diocese, especially, in directing pastoral activity, in providing for the administration of the diocese and in exercising juridical 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 ministry, liturgy, and other facets of the local Church's life.

The Trustee Board delegates oversight of the Diocese's day to day financial, property and administration matters to the personnel within the Curia. Under the leadership of Archbishop Martin, the committee structure of the Trustee Board was revised to provide greater oversight of the areas of Finance, Buildings and Property, and Personnel. The remuneration of key personnel is disclosed in the Financial Statements. All employment matters and remuneration issues are overseen by the Trustee Board and reviews are undertaken periodically.

The remuneration of the key management personnel is disclosed in the Financial Statements (note 23). All employment matters and remuneration issues are overseen by the Trustee Board and reviews are undertaken periodically.

Risk Management

The Trustee Board, through the corporate governance framework identify and manage the risks to which the charity is exposed.

The Trustee Board, aware of the various risks to which the Diocesan Trust is exposed, particularly those relating to the operation and finances of the Trust, has established a comprehensive planning process, together with established systems and procedures which enables them to assess and address risks. They have published and promulgated internal controls for use throughout the Diocese. The implementation of these controls continues to be monitored and an ongoing assessment is being undertaken to ensure that systems are in place to manage the exposure to major risks.

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Report of the Trustee (*continued*)

The main areas of risk identified and monitored by the Board include:

- Safeguarding
- Compliance with Health & Safety, employment and other legislation
- Reduction in active clergy numbers
- Reduction in voluntary income
- Increasing costs for the care of sick and retired clergy
- Reduction in reserves due to capital projects and other long-term commitments
- Compliance with data protection regulations.

Achievements and performance

The territory covered by the Diocese of Dromore has a total population of approximately 190,000 people of whom approximately 90,000 are Catholics. The Diocese consists of twenty-two parishes, clustered into five pastoral areas. Each pastoral area consists of a number of adjoining parishes united in the interests of promoting and realizing the objects and the mission of the Diocese of Dromore within their local communities.

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 in particular the community celebrations of Mass. In most parishes, there is a public celebration of Mass every day; and on every weekend there are several community Masses celebrated in each parish over Saturday evening and Sunday morning. All such celebrations are open to the public without any restrictions on attendance. In some parishes, where there is a declining number of clergy available, other forms of worship have been introduced such as Liturgies of the Word and Eucharistic Adoration, led by members of religious communities or lay personnel.

Other activities of the Charity in this category include the celebration of other religious ceremonies (including baptisms, weddings and funerals), running programmes in relation to spiritual formation and development, and encouraging and supporting inter-church relationships. As many of the places of worship within the Diocese are listed and some contain significant religious works of art and other artefacts which form part of our national heritage, these places are open to the general public and provide a public benefit to the whole community. They offer spaces for quiet reflection and spiritual contemplation.

It is within the parish community that people experience what it is to be a member of the Catholic Church. It is in this context that faith is nurtured and given expression. Hence parishes provide, in various ways, for the moral and spiritual wellbeing of all parishioners. Opportunity is given for practical manifestations of faith in various pastoral, social and educational activities many of which rely wholly on the voluntary involvement of parishioners. In the last year for which statistics are currently available (2020), there were 1,022 Baptisms (down 25%). Reports from parishes suggest that the baptisms were deferred during lockdowns and are being celebrated in 2021. 1,434 children made their First Holy Communion and 1,503 young people received the Sacrament of Confirmation. These figures are very similar to 2019, an indication that the ceremonies were successfully adjusted for social distancing. A total of 123 marriages (down 48%) were officiated in the same period. A total of 741 funerals were celebrated (up 5% on 2019), which suggests that the parishes were spared the worst of the lethal impact of the pandemic during 2020.

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Report of the Trustee (continued)

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. A Hospital Chaplain is assigned to Craigavon Area Hospital, while other clergy and lay pastoral visitors regularly visit other hospitals and nursing homes in the area frequented by members of the Diocese.

Each year, priests and people of Dromore journey to ancient pilgrimage sites within the diocese and beyond. The annual Diocesan pilgrimage to Lourdes did not take place in May 2020 due to the Covid-19 pandemic, nor did the annual pilgrimage to Knock take place in June. In their place, events were held within the Diocese and shared via social media with those wishing to participate.

The year 2020 was marked by the onset of the Covid-19 global pandemic. From late January 2020, actions were taken across the diocese to limit the possible spread of the virus during worship and at other gatherings. In mid-March, public worship ceased as part of the lock-down across the island of Ireland. Exceptions were made for funerals, and for priests to broadcast masses from their closed churches. With great creativity and technical support, the clergy maintained a pattern of worship to provide some limited consolation to the Church community. By mid-May, some tentative steps were made to re-open places of worship, for private prayer only at first, but eventually in July 2020 public worship was permitted for greatly reduced numbers in adherence with social distancing guidance. It is estimated that these regulations reduced the potential congregations to 15-20% of church capacity. These severe restrictions continued for the remainder of the year until, following Christmas 2020, the Church decided to suspend public worship once more in support of the new lockdown measures to curb the second major surge of the virus.

Provision of clergy and pastoral personnel

Central to parish life is the relationship between the priests, deacons and people. 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 on-going commitments.

For the main part, priests ministering in parishes 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 means of regular conferences, retreats, courses, workshops and sabbaticals the priests of the Diocese are kept informed and provided with guidance in regard to current issues and developments in all aspects of ministry and mission. A key to sustaining the advancement of the Catholic religion is the promotion and support of vocations to the Priesthood. The Vocations Director works closely with the local branches of St Joseph's Young Priests Society, a national lay organisation for the promotion and support of candidates for the priesthood. After several years when there were no students in formation for the priesthood, in September 2018 two candidates entered the first year of their formation and one continues in formation in the academic year 2020-21.

The important role played by the many volunteers who are active in their parishes cannot be overstated, and their contribution is vital to enabling the Diocese to continue to fulfil and develop its stated objectives. Volunteers give generously of time and energy, serving in various ministries as part of the worshipping community and also caring for and visiting the sick, the housebound and those on the margins of our society. They play a significant role in helping to maintain parish

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Report of the Trustee (continued)

properties and assisting in financial and other administrative duties such as through membership of parish and diocesan pastoral, finance and safeguarding committees. Such volunteers are often the lifeblood of their communities. It is not possible to quantify the number and range of volunteers active throughout the Diocese, nor is it possible to put a financial value on their involvement.

With the lockdown in response to the Covid-19 pandemic, administration and other support activities were greatly curtailed across the diocese. The Diocese made use of the Government's Job Retention Scheme to furlough the majority of its employees during the 'lockdown' period and began a gradual return to work as churches and parishes resumed activities in the summer. The Diocese has taken a cautious approach throughout the pandemic holding the health and safety of parishioners, volunteers and employees as a first priority.

Although the Charity relies on the 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 promoters of the Common Good within their local area through membership of other charities, local societies and community groups and by volunteering in all sorts of ways to benefit society in general.

Besides the work accomplished at parish level, the Curia (the central administration of the Diocese) coordinates and carries out a number of essential functions necessary to the advancement of the Catholic religion at local, national and international level. In order to do so, the Curia operates through a range of diocesan commissions, committees and through various personnel charged with specific responsibilities.

The Diocesan Commissions include the Diocesan Ecumenical Commission, the Diocesan Liturgy Commission, the Diocesan Vocations Commission and the Diocesan Youth Commission.

The Diocesan Committees include the Diocesan Education Committee, the Diocesan Faith Development Committee, the Diocesan Safeguarding Committee and the Diocesan Special Needs Committee.

Personnel with specific responsibilities include the Diocesan Coordinator of Adult Faith Development, the Diocesan Pilgrimages Director, the Co-ordinator of Pastoral Care for Migrants, the Co-ordinator of the Permanent Diaconate and the Diocesan Vocations Director.

During the lockdown (March – June 2020), the work of these commissions and committees was greatly curtailed. There was minimal activity to be managed and meetings, where they did occur, were conducted online.

In recent years, the Diocese introduced the Permanent Diaconate. The role of the Permanent Deacon is to be a helper to the bishop and priests, to proclaim by his life the Church's call to serve the needs of others, to proclaim the Gospel message, to live a life of fidelity to Christ and the Church and to lead the community in building a Kingdom of grace, faith, justice and compassion. The Diocese commenced a new cycle of discernment and training in September 2017 for candidates for the Permanent Diaconate, and in 2020 there were two candidates in the phase of theological formation.

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Report of the Trustee (continued)

The general well-being and care of clergy in active ministry is coordinated by the Diocesan Curia. Priests' stipends and related matters are overseen and regulated by a Clergy Remuneration Committee. Equally important is the welfare of priests who are sick or retired. Their welfare is the responsibility of a committee that administers the Clerical Provident Fund. During 2020, 10 priests received assistance from the Fund which necessitated a total spend of £74,252.

The Diocese continues to engage with men and women who wish to undertake discernment in regard to vocations to the priesthood, the permanent diaconate and the religious and consecrated life. The Diocesan Vocations Director, along with the Diocesan Vocations Commission, coordinates this essential mission mostly through the means of discernment groups, prayer vigils, discernment retreats and chaplaincy work in the post-primary schools of the Diocese.

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

Support for families

Family Ministry within the Diocese is dedicated to strengthening marriage and families by coordinating programmes and ministries that have faith as their foundation and Christ as their goal. By responding to the needs of today's families, as they strive to live in a very challenging culture and a rapidly changing world, Family Ministry serves as a resource for families, clergy and parish communities. In collaboration with other groups, Family Ministry 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. Among the various services provided with the Diocese are: ACCORD Catholic Marriage Care Service, Marriage Encounter, Engaged Encounter, Families First (Parenting Skills).

Due to the Covid-19 pandemic, much of this pastoral work was impeded as home visitation and gatherings were curtailed. The diocesan bodies positively supported the aims of protecting the most vulnerable in our society and sought alternative means to offer support and care to those in need. However, all involved considered the alternatives a poor substitute for the physical presence required to offer care and support.

Provision of educational, pastoral and youth ministries

Catholic schools within the Diocese

A key aspect of the contribution of the Diocese to the local community is the large network of Catholic Schools. There are nine nursery schools, thirty-seven primary schools and twelve post-primary schools in the Diocese with a total enrolment of approximately 22,000 pupils. The Diocese participates in celebrating this contribution in Catholic Schools Week, an event held throughout Ireland in January/February of each year.

The Diocese of Dromore remains fully committed, through its Catholic Schools, to maintaining, by way of a holistic methodology, the highest standards in learning and 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

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Report of the Trustee (continued)

on offer but also the identifiable ethos of trust, mutual respect and recognition of responsibility to those in need.

The Diocese offered support to school communities as they struggled with the impact of closure and the difficulties of distance learning. From the inability to make pastoral visits to schools to the interruption of the public celebration of key moments the lives of the children (e.g. the sacramental celebrations of First Communion and Confirmation), the pandemic had a significant impact on young people and their spiritual development which is still hard to quantify. Parish communities are to be praised for the provision of alternative arrangements for these key events under greatly restrictive circumstances.

Youth Ministry

The Dromore Youth Commission develops faith services to young people across the Diocese. Developing and nurturing leadership skills is a key facet of its work, as the leaders of tomorrow are to be found in the ranks of today's young people. Parental participation and contribution is encouraged as drawing the family into this youth work, draws them closer to God. The organisation of this ministry is led by the Diocesan Youth Director who coordinates over 75 volunteers across the Diocese. Volunteers undergo appropriate safeguarding vetting and training to prepare them for ministry, as well as specialist preparation for particular programmes hosted by the Commission. The Diocesan Youth Director maintains active engagement with the schools of the Diocese to support their work in the spiritual development of pupils. The Diocesan Youth Commission maintains active collaboration with other agencies such as the Education Authority Youth Service, YouthLink and the Dominican Community Youth Camp in Co. Cork.

Key programmes offered by the Youth Commission are: 'Growing in Faith Together' (GIFT) offered to pupils after receiving the Sacrament of Confirmation, the Pope John Paul II Award offered to school-leavers. The activities of the Youth Commission for 2020 were put on hold in an effort to protect young people and limit the spread of the virus.

Safeguarding

The Diocese is committed morally and legally to upholding the rights of children, young people and vulnerable adults. The Diocesan Safeguarding Office continues to co-ordinate and build upon the existing good work of safeguarding throughout the difficult circumstances of 2020. The Diocesan Safeguarding Office is led by Mrs Patricia Carville (Director of Safeguarding and Diocesan Liaison Person). Safeguarding information is readily accessible through the Diocesan website.

The role of the Safeguarding Office is to develop and oversee the implementation of safeguarding practices for the Diocese, for both child protection and adult safeguarding, and to liaise with the statutory agencies in relation to the management of cases and the development of best practice. All the safeguarding personnel in the Diocese work to a Code of Practice in line with the National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCCI) Standards and Guidance Document. The impact of the pandemic on administration at parochial levels meant that only some parish safeguarding audits were returned in 2020 and the implementation of a development plan written to ensure that parishes were compliant with the Standards for Safeguarding has still to be fully rolled out.

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Report of the Trustee (continued)

The Diocesan Safeguarding Committee meets regularly to review and support the work of the Safeguarding Office and is accountable to the Apostolic Administrator. The Diocese has opted to use, as its Advisory Panel, the National Case Management Committee of the National Board for Safeguarding Children (based in Maynooth) because of the expertise of the group and the fact that they were independent of the Diocese and objective in their perspective: the Diocesan Liaison Person meets with them twice each year to discuss case management.

Much has been achieved, particularly, by having so many dedicated people providing exemplary support. It is important to note that the Diocese of Dromore safeguarding parish structures comprise of Local Safeguarding Councils made up of representatives who themselves are vetted and trained. These dedicated volunteers continue to maintain a unique and robust safeguarding structure designed to ensure that best practice is driven and maintained at parish level where children, young people and vulnerable adults participate in parish activities.

In May 2018, a priest stood aside from ministry following receipt of an allegation against him. The Diocese and the Safeguarding Committee co-operated fully with the police investigation. In August 2019, the Public Prosecution Service decided that no prosecution would be taken against the priest. The Diocese commenced the internal (canonical) church proceedings to review this case. That review ended in April 2020 and the priest returned to ministry.

Throughout 2020, the diocesan authorities have been working with legal advisors to devise a Redress Scheme for survivors and victims of child sexual abuse perpetrated by members of the clergy and other representatives acting under the authority of the Diocese of Dromore. The planning group considered other redress schemes and comparable provisions as-it devised a scheme appropriate to the circumstances of the Diocese. It also sought input from victims and their representatives. The scheme was initiated on 29th September 2021.

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 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 on-going 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 on-going 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.

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No major schemes of work were undertaken in 2020.

Fundraising

The Trust receives a large proportion of its income from donations, bequests and legacies from its supporters who are generally parishioners or those who have close connections to the Church. Without this valuable support the Trust would not be able to carry out most of its mission. The Trust is mindful of its duty of care to those who support it including vulnerable people, and therefore ensures that fundraising is done in a responsible and caring manner, always bearing in mind that the people themselves are integral to the Church. The Trust does not require its parishioners to donate in order to share in the generous resources that God has provided for their use. It rather encourages a culture of giving where this is possible and therefore places no pressure on its donors to give more than is affordable. Our aim is to look after our parishioners and continue to engage with them in interesting, informative and innovative ways. We continue to strive to reach out to new potential donors and diversify revenue streams.

The closure of churches for public worship in March – June 2020, and the restrictions on capacity for worship in the remaining months of the year had a serious impact on the ability of parishes to raise funds. Efforts were made to engage parishioners with online donations and standing orders.

Aid to 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 contribute to 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 Dromore, despite its small size, is a significant contributor to the charitable work of Trócaire, and in the year under review contributed over £90,532 (with additional funds sent directly by parishioners to Trocaire).

Management of Resources

Dromore Diocesan Trust is governed by the Diocese of Dromore Trustee through its Board of Directors. The Directors meet regularly throughout the year to attend to the financial, property, building, legal and administrative affairs of the Diocese.

There are eight directors of the Diocese of Dromore Trustee. The Archbishop is Chair of the Trust Board. The Vicar General is ex officio member of the Board. There are four lay and four priest members of the Trustee Board chosen by the Archbishop for their integrity, experience and expertise.

The Secretary for the Trustee Board, appointed by the Archbishop, is the Diocesan Financial Administrator.

The Trustee Board has instituted a number of committees to assist and advise it in the proper performance of its duties, including the Diocesan Building and Property Committee, The Diocesan Finance Committee and the Diocesan Personnel Committee.

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Report of the Trustee (continued)

The Building and Property Committee provides oversight and makes recommendations in relation to the area of building and property development and considers all capital expenditure budget requests. This includes acquisitions, disposals, letting, leasing, licensing and any other form of alienation which alters the value of a property. The Committee meets on a two-monthly basis and the Chair of this Committee reports its deliberations and makes recommendations to the Trustee Board.

The Diocesan Finance Committee provides oversight and makes recommendations in relation to the area of finance within the Diocese and parishes as set out in the Administrative and Financial Guidelines. This includes strategic planning, fundraising, audit and reporting requirements, controls, investments, budgets etc. The Committee also meets on a two-monthly basis and the Chair of this Committee reports its deliberations and makes recommendations to the Trustee Board.

The Personnel Committee makes strategic recommendations on behalf of and to the Trust Board in relation to the area of parish and Diocesan personnel and human resource management. The Committee meets on a two-monthly basis to consider all issues relating to personnel, employment and remuneration. The Chair of this Committee reports directly to the Trustee Board.

Impact of Covid-19 Pandemic

In March 2020, the virus control measures implemented by Government led to the suspension of public worship in all churches of the Diocese until the end of June 2020, when significantly reduced congregations were permitted to return to worship under social distancing restrictions. The Diocese made use of the Government's Job Retention Scheme to furlough the majority of its employees during the initial 'lockdown' period and began a gradual return to work as churches and parishes resumed activities. The Diocese continued to avail of the government's furlough and flexible furlough scheme for a small number of staff until September 2021. The Diocese has taken a cautious approach throughout the pandemic holding the health and safety of parishioners, volunteers and employees as a first priority.

The pandemic has had a significant impact on the activities of the Diocese in 2020. Parish income has fallen to approximately 72% of 2019 levels. The Board of Directors continues to monitor the situation and consider the implications for the ongoing resourcing of diocesan and parish activities.

The Trustee Board considers the effect of the pandemic on 2020 activities and into 2021 does not impact on the assets/liabilities and going concern basis of the accounts.

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Report of the Trustee (continued)

Review of Financial Performance

The detailed financial results for the year ended 31 December 2020 are set out in the financial statements that accompany this report.

The table below summarises the financial activities of the Diocese:

	2020 £'000	2019 £'000
Parishes		
Income	3,117	4,334
Expenditure	(865)	(3,475)
	<hr/>	<hr/>
Net income before assessment and transfers	2,252	859
Diocesan Assessment and other transfers	(538)	(635)
Fixed asset gain	-	68
	<hr/>	<hr/>
Increase in reserves	1,714	292
	<hr/>	<hr/>
Curia		
Income	85	76
Expenditure	(830)	(1,173)
Diocesan assessment and other transfers	538	635
	<hr/>	<hr/>
(Deficit) before investment gains	(207)	(462)
Net gain on investments	51	90
	<hr/>	<hr/>
(Decrease) in reserves	(156)	(372)
	<hr/>	<hr/>
Total increase / (decrease) in parish and Curia reserves	1,558	(80)

Complete details of the income and expenditure are shown in the statement of financial activities on page 24 and in the notes to the accounts.

Review of transactions and financial position of the Charity

The principal funding source for parishes has continued to be donations from parishioners through the Sunday offertory and other donations which have been used primarily to fund the costs of pastoral activity, maintenance of buildings and administration in the particular parishes in which the donations were received. This source of income is 81% of the parish total. This decreased from £3.3m in 2019 to £2.5m in 2020. It was anticipated that parish envelope income would be down by around 30% on 2019 figures due to periods of prolonged Church closures and the cessation of the public celebration of masses during 2020. In the end this figure was down around 25%, which was slightly better than expected. Those parishes with halls also saw a significant impact on income as these remained closed for most of 2020. Correspondingly,

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Report of the Trustee (*continued*)

total parish expenditure decreased from £3.5m in 2019 to £0.9m in 2020.

Total Curia income rose from £0.76m in 2019 to £0.85m in 2020. Total expenditure decreased from £1.2m in 2019 to £0.83m in 2020.

The reserves of the Charity at 31 December 2020 total £29.8m (2019 £28.2m) and of this total £28.2m relate solely to the assets and activities of individual parishes and are not available for the non-parish general purposes of the Charity. Curia reserves total £1.6m at the year-end. The Curia has a negative unrestricted reserves balance which has arisen due a further increase in our provision for liabilities and charges in the year of £356k. The Trust regularly reviews its potential liabilities in relation to safeguarding issues. As these have grown in recent years, resulting from an increase in the number of claims brought against the Diocese, the curial unrestricted reserves have moved further into deficit.

The Trust considers the resolution of safeguarding issues as of highest priority and is actively committed to seeking a resolution that brings some level of closure and restitution to the victims. The Trust regularly reviews its potential liabilities and lists them on the balance sheet. It has also engaged in a process of identifying assets that can be realised to meet those liabilities. The Trust recognises that, in line with its fixed assets policy, the carrying value of its fixed assets on the balance sheet is stated at cost less depreciation which is considerably less than the realisable value of those assets. The Trustee Board have identified unrestricted assets that could be sold to redress the negative reserves balance. The Trust has determined that, once resolved, its future internal incomes and expenditures can be managed in the medium term to accumulate sufficient assets to offset any remaining deficit in these reserves.

Investment Policy and Performance

The Trust Deed authorises the Trustee to make and hold investments. The Trustee has appointed Davy Charities as Investment Managers. The managers have full discretion to invest, subject to the parameters laid down by the Trustee. There is a regular review of information from the Investment Managers which monitors the performance of the portfolio and the investment strategy. Further details are set out at note 14.

At present the Diocesan Finance Committee liaises with the current investment managers, monitors the performance and reports to the Trust Board.

Under Charity Law the Trust 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 precludes 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 Roman Catholic Church. Environmental issues are also a factor with the Trustee Board seeking to invest in low

Dromore Diocesan Trust

Report of the Trustee (continued)

carbon or carbon neutral investments. In March 2020, the Trustee Board approved to divest from all companies directly involved in fossil fuels in the Diocesan Trust's Investment Portfolio.

The Diocesan Trust Investment Portfolio (£1.027m) currently managed by Davy Investment Managers is invested over the medium to long term with emphasis on current income with a low-medium risk profile.

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

Reserves Policy

The Trust recognises that its income arises primarily from voluntary donations and that accordingly it is important to seek to carry adequate levels of reserves to ensure its ability to meet future expenditure commitments as they arise. Parishes are encouraged to maintain adequate short-term reserves to ensure that they can meet operating costs in the short-term and to build longer-term reserves that will be available if substantial commitments, such as building refurbishment projects, arise in the future. The Diocese centrally aims to maintain adequate levels of reserves to meet Diocesan operating costs in the short to medium term and to provide for any significant expenditures and contingencies that may arise at future dates

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. Our reserves position is heavily impacted by our high asset base which includes Churches which the Board have no intention of selling. The Trustee Board monitors our reserves position and the cash in bank balances on a regular basis to ensure there is no immediate risk to the Trust. The Charity recognises that by excluding Fixed Assets it has a negative unrestricted reserves balance. The Charity has been impacted by an increase in its provision for liabilities this year. The Trust has a strong cash position at the year-end 2020 of £3.3m which equates to twenty-four months of planned operating expenditure going forward. The Charity will continue to monitor this position and actively take steps to address this position by realising assets and reducing costs. The Charity's targeted policy is to maintain 6 months unrestricted expenditure as free reserves and it will continue to work to achieve this position of liquidity.

Financial Management

With the pro-active involvement of the Trust Committees, Diocesan resources are managed to tightly control all costs in particular property and human resources/employment costs. The Trust Committees pursue a policy of obtaining value for money and protection of Diocesan assets. The management of the Trust property buildings, with input from the Building and Property Committee, is time consuming and costly. However, the resource of property is key to engaging with the Charity's stakeholders and essential for the public benefit it provides. The Personnel Committee focuses on the costs of employments and compensating employees fairly. The Finance Committee monitors general overheads, one-off expenditure and the financial implications of the Building and Property Committee decisions as well as acting as a sounding board for all the Trustee Committees.

Targeted fundraising is employed when major expenditure projects are being planned which would otherwise put too much strain on existing resources.

Dromore Diocesan Trust

Report of the Trustee *(continued)*

Future plans


This brief overview reflects the work of the charity in the current year and also indicates its on-going commitment in regard to fulfilling the principal aims and objectives of the Charitable Trust into the future.

The Diocese of Dromore 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 long-term financial stability of the Diocese. The appointment of Archbishop Eamon Martin, as Apostolic Administrator, means that the Diocese continues to manage the issues facing the diocese. 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. The Trust will continue to build upon the work undertaken to date and will continue to foster strategic stakeholder engagement. The Trust will work to build revenue partnerships and drive traditional and new income streams.

In support of our work, excellent organisational governance will remain a priority focus, ensuring compliance and delivering required assurances to all our stakeholders.

The pandemic has had a significant impact on the activities of the Diocese in 2020 and into 2021. The Trust is continually monitoring the financial impact of Covid-19 on the Charity due to the curtailment of activities. Income for the period January to September 2021 is down 3% on the same period in 2020. Parishes have managed to limit the impact on net income to a fall of 3% for the period to September 2021. The majority of parishes have managed to make a net positive contribution to reserves with half recording an increase in net income over the same period in 2020. The Trust has continued a moratorium on all but essential expenditure in order to consolidate reserves. The Board of Directors continues to monitor the situation and consider the implications for the ongoing resourcing of diocesan and parish activities. Parishes and Curial activities are encouraged to review their budgets and plan their expenditure in line with reduced revenue. New revenue streams continue to be explored as well as the promotion of online regular giving by way of an online donations facility. It is likely that the challenges posed by Covid 19 are with us for some time to come and the Trustee Board will continue to work on new and innovative ways to minimise the impact on the ongoing operations of the Trust.

Signed on behalf of the Trustee on 27 October 2021 :



Most Reverend Eamon Martin, Apostolic Administrator



Reverend Feidhlimidh Magennis

Dromore Diocesan Trust

Statement of Trustee's responsibilities

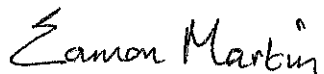
The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements of the Dromore Diocesan Trust in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:

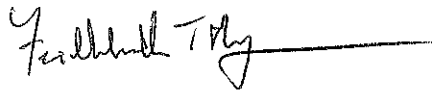
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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.

Signed on Behalf of the Trustee on 27 October 2021



Most Reverend Eamon Martin, Apostolic Administrator



Reverend Feidhlimidh Magennis