

Charity registration number NIC105256

DERRY DIOCESAN TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DERRY DIOCESAN TRUST

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DERRY DIOCESAN TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Corporate Trustee	St. Columb's Diocesan Trust	NI012385
Directors of the Corporate Trustee	Most Reverend Donal McKeown Reverend Michael Canny Reverend Paul McCafferty Mr Shaun McElhinney Mr Sean O'Kane Reverend Michael McCaughey Ms Aine Gallagher Mr Ciaran Hampson Ms Fiona Schlindwein Ms Brenda Morris	
Charity number	NIC105256	
Registered office	Bishop's House St. Eugene's Cathedral Francis Street Derry	
Auditor	Moore (NI) LLP 21/23 Clarendon Street Derry/Londonderry BT48 7EP	
Bankers	Bank of Ireland 27 Culmore Road Derry BT48 8JB	
Solicitors	Napier & Sons 1-9 Castle Arcade High Street Belfast BT1 5DF Hasson & Company Solicitors 39-41 Clarendon Street Derry BT48 7ER Clarendon Legal Solicitors 48 Clarendon Street Derry BT48 7ET	

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of the Corporate Trustee present their report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities Act (Northern Ireland) 2008 and "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 2019)".

The Diocese of Derry is a Diocese of the Roman Catholic Church in Ireland with the majority of its parishes and activities being within Northern Ireland and smaller but significant body of its parishes and activities being in the Republic of Ireland. Derry Diocesan Trust is a charity registered with the Charity Commission for Northern Ireland. Derry Diocesan Trust is in essence the registered charity and civil law form of the Diocese of Derry.

Objectives and activities

The principal objects of the charity are:

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

The territory covered by the Diocese of Derry is made up of 51 Parishes across parts of Counties Derry, Tyrone and Donegal and a very small part of County Antrim.

The Church in Derry, 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 in order to ensure that the principal aims and objectives of the charity are adhered to.

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

The Corporate Trustee confirms that it has paid due regard to the public benefit guidance issued by the Charity Commission for Northern Ireland in determining the activities undertaken by the charity.

Proclamation of the Gospel and Worship of God

Within the Diocese religion is normally advanced through the building of parish communities. This includes provision of places of worship, the facilitation of religious practice and through community celebrations of the Liturgy and the Sacraments. There is a public celebration of Mass every day in the majority of Parishes and on every weekend several community Masses are currently celebrated in public in 50 of the 51 Parishes of the Diocese. All such celebrations are open to the public without any 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. As 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.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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. 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.

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 are available at all the major hospitals within the Diocese of Derry. 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 in HMP Magilligan.

The important role played by volunteers who participate in the various activities of the Parish cannot be overstated and their contribution is vital in enabling the Diocese to continue to fulfil and develop its stated objectives. Volunteers generously give of their time serving in various ministries, caring for and visiting the sick, the housebound and those on the margins of society. They play a significant role in helping to maintain Parish property and assisting in financial and other administrative duties, such as through membership of Parish Pastoral, Finance and Safeguarding Committees. Such parishioners are the lifeblood of their communities and their contribution is significant. The Diocese has around 850 volunteers who provide a voluntary contribution to the Diocese within their respective Parishes on a regular basis.

Although the charity relies principally on donations from parishioners for its funding, access to religious services is never restricted on the grounds of financial contributions. 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 within their local area through membership of charities, local societies and community groups.

The vast majority of Parishes have a Conference of the St Vincent De Paul Society which collect funds at weekend Masses and confidentiality provides financial and other support to people in need, irrespective of religious officiation.

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

Provision of Clergy

Central to Parish life is the relationship between the Parish Priest, Curates 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.

Support for Families

Family Ministry within the Diocese is dedicated to strengthening marriage and families by coordinating pastoral programs 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.

Education

The Diocese of Derry continues to dedicate personnel who support the work of the 135 schools which are in Catholic Trusteeship within the Diocese of Derry. This programme not only engages with classroom teachers, schools' leadership and Governors but also promotes strong links with the local parish communities in the interest of a rounded education.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Criteria for measuring progress against aims and objectives

The nature of the objectives and activities of the Diocesan Trust are such that it is difficult to measure and assess success using quantitative or other similar measurement methodologies. However, the Diocesan Trust is satisfied that it has continued to engage in levels of activity that safeguard the achievement of its core objectives which in turn continue to sustain the promotion and practice of Catholic faith within and beyond the Diocese. The Diocese has succeeded in providing clergy, pastoral personnel and resources to sustain the structure and activities of parishes. It has succeeded in maintaining programmes of activity in supporting faith-based education, providing pastoral support to communities, families, young people and people who have become marginalised in society. It has succeeded in maintaining in good condition the buildings and properties that it holds to resource its key objectives in current times and into the long-term future.

At the heart of the Diocesan strategy, there has been the development of a culture and vision which acknowledges emerging realities but avoids promoting a gloomy picture of the future. The Diocese believes that this is essential if the Diocese is to be a bearer of hope and healing in the face of many real challenges.

Achievements and performance

The COVID pandemic brought very significant difficulties for the Diocese in carrying on its primary activities of promotion of the Catholic faith and proclamation of the Gospel across all fifty-one parishes in the Diocese of Derry. However, it is a key feature of the Diocesan strategy to prepare parish communities for changing times and any challenges to our mission focus.

The Diocese of Derry has sought to respond to changing social contexts. Two dedicated Diocesan Pastoral personnel are employed to help parishes develop new ways of reaching out to people who, for whatever reason, do not attend church regularly. Two Diocesan Youth workers have been developing ways of communicating with young people, many of whom are so-called 'digital natives'. Since 2022, the Diocese of Derry has developed a Synodal Process as part of the Universal Church process and of the Irish Synodal Pathway. This has involved facilitating parish and deanery-based conversations, leading to the development of Diocesan submissions to documentation for the Catholic Church in Ireland.

Synod Process

Following the 2021 announcement by Pope Francis of a Synod of Bishops, on the theme of synodality with the official title 'For a Synodal Church: Communion, Participation, and Mission', during 2023 the Diocese continued its local preparation, listening and dialogue in advance of the Synod of Bishops, the first session of which took place from 4 – 29 October 2023.

Since that first session, the Diocese has further engaged with parish communities, to provide a response to the following question: How can we imagine the life of the Church in Ireland where people are co-responsible for the Church's mission in different ways?

Parishes report a gradual return to active parish life, although many congregations are not as large as pre-COVID. Diocesan staff offered training to parishes to ensure that best use could be made of modern technology and clergy were upskilled to make use of new opportunities. The Catechetical Centre and the Youth Commission developed innovative and effective ways of contacting and supporting both schools and young people. Thus the Diocese has been able to continue its work of providing pastoral support to people in the 51 parishes in both the Northern Ireland and Republic of Ireland jurisdictions.

The Diocesan Trust has continued to seek to apply its resources to provide pastoral support to communities and families in its parishes, and by the end of 2023 has developed the range of programmes which are delivered by clergy alongside staff and volunteers in parishes. In addition, there are programmes which are coordinated and delivered across the Diocese by the Diocesan Catechetical Centre and the Diocesan Pastoral Centres. Pastoral programmes include support for the elderly and sick, youth development programmes and programmes delivered in conjunction with schools.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trust is involved actively in education and practical engagement with the environmental challenges facing the planet and is committed to continuing its efforts and it monitors on a continuous basis its progress in this area.

The Diocesan Trust also seeks to carry on activities which meet its charitable objectives beyond the geographical territory of the Diocese of Derry. Funds generated are then applied to missionary activities and programmes aimed at alleviating poverty beyond the Diocese of Derry and beyond Ireland.

Throughout the year 2023, the Diocesan Trust continued with its regular series of Trust and Trust Committee meetings to ensure the ongoing good governance of the Diocesan Trust.

Development of Parish Leadership

At the end of the year, seven people are employed in Parish Faith/Pastoral Coordination in parishes across the diocese: Buncrana, Claudy, Banagher, Steelstown, St Eugene's Cathedral, Long Tower and the Three Patrons parish. Their focus is on faith formation, how parish communities work to teach and hand on faith, develop new ways of learning and practising faith and building up community, and developing new ways of gathering communities for prayer. The Diocesan Mission team has gathered this group, along with the Youth Ministry Team, the Catechetical Centre, the Columba Community and the Termonbacca team, to explore ways of collaboration and supporting each other.

Focus on Vocations

At the end of the year, the diocese has two students studying in Rome and one in Maynooth, with one making final preparation for his propaedeutic year in Salamanca. All the faithful of the diocese are asked to continue praying for vocations, through the systematic, ongoing work of the Diocesan Vocations Director.

Maintenance of Buildings and Property

The Diocesan Trust has actively continued to manage and safeguard the condition of the buildings and properties that it holds in trust to meet its charitable objectives including churches, parish halls and parochial houses. The Trust aims to maintain all properties in a good state of repair and has completed a number of substantial repair and refurbishment projects during the year. Projects of this nature are financed through a mix of parish financial reserves, project fundraising programmes and collections, special-purpose donations and grant funding from external bodies. The maintenance and refurbishment of property and buildings assist in safeguarding the ongoing activities of the Diocese and also benefit the broader community through the protection and safeguarding of the built environment and heritage buildings.

Structural Change for more effective outreach

Having reviewed along with the clergy of the Diocese, who are most directly affected, Bishop McKeown has proposed creating pastoral communities, with a missionary focus, where the current aim is to have at least two priests in each pastoral community. The purpose is to carry out more effectively the outreach mission of the diocese. The first three of these areas have been established. This model will give parishes more of an opportunity of working cooperatively with their neighbours, sharing their gifts, talents and resources. Parishes, while retaining their individual parish identity, will share clergy. There will be a gradual introduction of these areas over a period of years.

The Diocese continues its work of providing pastoral support to the communities and families in the 51 parishes in the Diocese, as they face many of the challenges of a changing society, with a focus on the mission of sharing the positive message of the Gospel.

On-going engagement with Youth and Schools in the Diocese

The Diocese, supported by Derry Diocesan Trust, continues to assist the work of the primary and post-primary schools which are in Catholic Trusteeship. In 2023, the Diocese hosted its second Religious Education Conference for primary and post-primary school teachers in the Diocese. Organised by the Catechetical Centre, it was held in Saint Columb's College, Derry with, as main topics, 'Building Communities of Dialogue', 'Forgiveness and Catholic Schools as Essential Places of Evangelisation'. Part of the conference included an evening gathering of parishes in the Diocese, focused on 'Building Parish Life'. Attendance was very high for all events. Reaching out to young people and a commitment to youth ministry remains a top priority of the Diocese and a significant financial investment.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Diocese continues to support the work of the primary and post-primary schools which are in Catholic Trusteeship. In June 2023 the Derry Diocesan Catechetical Centre organised the annual 'Fan the Flame' gathering in Celtic Park. Over 3,000 pupils who recently received the Sacrament of Confirmation attended, from schools in the Diocese of Derry.

An interesting initiative, 'Ambassadors of Peace', has been developed by the Catechetical Centre in an effort to help children understand the gift of the peace of Jesus in their lives and how they are called to live that out as role models at home, in school and in their community. The initiative is designed for final year pupils in primary school, with the young people being encouraged to connect the gift of the Holy Spirit in the Sacrament of Confirmation with their daily lives, their interactions with friends and family, and becoming 'peacemakers wherever you are, wherever you live'.

Funding of Parishes

The Diocese and its parishes rely largely on donations from parishioners to fund its pastoral programmes, to maintain its buildings and properties and to meet its running costs. In overall terms, Parishes and the Diocese have been able to continue to meet costs and the Diocesan Trust has provided advice and support to Parishes where financial difficulties have been most acute. The Diocese has explored new methods of receiving donations. The new 'contactless payment system' will be installed in many parishes over the next year.

Laudato Si and Environmental Strategy

In his 2015 encyclical *Laudato Si*, Pope Francis made a great call for the practical care of our planet, our common home, especially in this time of climate change. He challenged both the church and the entire world to engage with the environmental challenges presented by climate change. Over the past few years since the presentation of *Laudato Si*, the Diocese of Derry has been engaging with the issues raised, and is moving towards the implementation of The Diocese of Derry Environmental Strategy which was approved by the Trustee Board on 31st March 2023 and will be kept under regular review.

This strategy provides concrete objectives, as well as practical proposals, in terms of land usage, food, energy usage, design and management of Diocesan and parish properties, water and waste management, and transport, as well as the crucial matters of implementation and monitoring. The areas are focussed on actions by the diocese and parishes, and by groups or individuals.

A pilot programme was implemented in mid-2023 across four parishes or clusters of parishes covering the Diocesan Deanery areas. There was an open call in each of the parish newsletters for interested parties to join the programme and a series of meetings has taken place over the year across the parishes. Involvement has not been restricted to the nominated parishes with many members joining from neighbouring parishes and to date there has been inter-generational, cross-community and cross-border participation which is encouraging.

A number of planting activities took place in Three Patrons and Castleberg parishes and other initiatives include development of relevant but accessible messaging, litter-picking events, energy usage and sustainability audits and decarbonisation strategies, and planning for biodiversity and re-wilding schemes. Environmental initiatives are not restricted to those parishes taking part in the pilot programme and a number of other parishes have undertaken associated activities such as screenings of *The Letter, A Message For Our Earth*, film (which includes exclusive dialogue with Pope Francis) and switching to more energy efficient lighting, which also has added financial benefits.

Laudate Deum is an apostolic exhortation by Pope Francis, published on 4th October 2023. It was released on the 2023 Feast of St Francis Assisi as a follow-up to *Laudato Si*.

Education and awareness of environmental issues are essential. In addition to regular social media posts, a month-long 'Season of Creation' was promoted in every parish from 1st September 2023 until 4th October 2023 and resources were shared from the *Laudato Si* movement in Ireland. Prayers focusing on caring for creation and messages for inclusion in parish bulletins were developed and shared with the priests during this season, and during Lent together with promotion of the Trócaire Lenten Campaign.

There has also been engagement during the year with local council representatives, local schools and the Diocesan *Laudato Si* group. A presentation on the Diocesan Environmental Strategy and parish pilot programme was delivered to the Conference of Clergy in October 2023.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

150th Anniversary of St Eugene's Cathedral

St Eugene's Cathedral, Derry is the Mother Church of the Diocese of Derry. 2023 saw the 150th anniversary of the Cathedral. To mark the sesquicentennial of the Cathedral's opening in May 1873, Bishop McKeown led a Diocesan celebration in the cathedral, at which all parishes were represented. The Bishop wore a new chasuble that had been made for the occasion, designed and created by Marie Horton, a former shirt factory worker, in order to remember, honour and celebrate the women of Derry who worked for so many decades in the shirt factory industry. In line with the focus on environmental responsibility, at the end of the celebration every parish in the Diocese was presented with two oak trees for planting in parish soil. All of this was arranged as part of the strategy to promote the post COVID 19 re-energizing of the Diocese and its mission.

Safeguarding

Creating a safe environment for everyone and specifically for young people and adults at risk is of fundamental importance to the work of the Diocese. The Diocese has a clear strategy for creating a safe environment for all those who access its premises and programmes. The Diocesan structures were independently audited in September 2023 on behalf of the National Board for Safeguarding Children in the Catholic Church in Ireland. The published report of the audit assessed all the safeguarding standards had been achieved in the Diocese of Derry. The Diocese of Derry is very conscious of the potential for major damage caused to the charity's mission, reputation and resources by any abuse of children or adults at risk.

Investment policy and performance

The Diocesan Trust has an Investment Policy which sets out assessment criteria for investments including levels of risk and performance. The primary financial objective of the Diocesan Trust is to ensure that the current and future financial and pastoral obligations of the Diocese of Derry can be met. The Trust seeks to produce the best financial return within an acceptable level of risk, maintaining a balance between long-term capital growth and income growth. The investment objective is to generate a return as specified in the Trust's Investment Policy over a rolling three-year period. A moderate amount of risk can be taken in order to achieve this objective. The Investment Policy includes a number of areas in which, for ethical reasons, the Diocesan Trust aims not invest. In particular investment is avoided in areas where the holdings include organisations whose main business and revenue derives from the manufacture, production, promotion or sale of goods and services in the following sectors: abortion, contraception, defence and armaments, medical research methods involving uses of embryos specifically created for medical research or the use of embryonic or foetal material for stem cell research and pornography.

Following the 2015 encyclical *Laudato Si'* from Pope Francis, on the care of the planet particularly in a time of climate change, a major five-year review document was issued in 2020 by the Holy See, entitled *Journeying Towards Care for Our Common Home*. One of the practical matters raised in the latter document was the move from fossil fuels, both in terms of gradual global replacement by renewable energy (p. 134) and "evaluating progressive disinvestment from the fossil fuel sector" (p. 179). The Council (Board of Directors) of the Corporate Trustee approved a Diocesan Environmental Strategy during 2023, the original draft coming from the Diocesan *Laudato Si'* Group. The Diocesan Environmental Strategy includes the need for a "review by the Diocese to avoid any direct holdings in fossil-fuel-related funds, following the lead already set by other Irish Dioceses" (full document on diocesan website). Subsequent to this, the Council of the Corporate Trustee initiated a review of the Investment Policy, which was ongoing at year end, to address fossil-fuel-related investments.

The Diocesan Trust holds a number of investment portfolios, and it has several investment managers. Performance is measured and assessed on an ongoing basis in the context of performance returns, portfolio risk profile and compliance with the Trust's ethical requirements as set out in the investment policy. During 2023 the Trustee Board was generally satisfied with the investment portfolios in terms of the three criteria listed above. However, one portfolio was assessed as generating an unsatisfactory performance return up to 2023 year end, and accordingly a transfer of funds to another investment manager took place after the year end.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

Details of the income and expenditure for the current and previous financial years are shown in the Statement of Financial Activities on pages 16 - 17.

Total income for the year was £13,365,404 of which £10,941,084 was generated by Parishes and £2,424,320 was generated by central Curia funds. The principal funding source of the Diocesan Trust in 2023 has continued to be donations from parishioners 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.

Total expenditure for the year was £12,365,056 of which £9,794,006 was expended by Parishes and £2,571,050 was expended from central Curia funds.

Therefore income exceeded expenditure for the year by £1,000,348. There were net gains on revaluation of investments to market value of £1,580,765 (2022: net losses of £1,997,844) which combined with sterling-euro exchange adjustments resulted in net incoming resources for the Diocese of £2,578,506 (2022: net outgoing resources £2,128,240).

The Diocesan Trust holds reserves of £78,742,476 at 31st December 2023 (2022: £76,163,970) comprising restricted reserves of £73,816,550 (2022: £71,014,644) and unrestricted reserves, which exclude parish reserves, of £4,925,926 (2022: £5,149,326). Details of the amounts and purposes of restricted reserve funds are included in note 21 in the accounts.

Reserves policy

The Diocesan 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 buildings 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. The policy of maintaining significant long-term reserves is considered consistent with the expectation that the Diocese of Derry will continue to exist in perpetuity.

The Diocesan Trust aims to hold reserves equating to at least the average amount of operating expenditure for three months as Free Reserves. Free Reserves are defined as Unrestricted Funds less Tangible Fixed Assets. Funds invested in Tangible Fixed Assets are excluded from Free Reserves as these funds cannot be released without undermining the Diocese's ability to fulfil its principal charitable objectives. At 31 December 2023, Free Reserves were £4,289,918 (2022: £4,493,478) and represented 5.26 months (2022: 5.71 months) of Total Operating Expenditure. Total Operating Expenditure takes into account Parish expenditure and is measured against central Curia free reserves. The Trustee considers that this level of Free Reserves is reasonable, especially at the present time, to enable the Diocese to fulfil its immediate financial obligations and commitments and to plan for future investment requirements.

Principal risks and uncertainties

The Corporate Trustee engages in a continuous process of monitoring and identifying risk and seeks to implement measures to address the risk and mitigate the impact of any negative outcomes. The Corporate Trustee is satisfied with the charity's ability to continue as a going concern.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Risk Management

The Trust Council 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. The main areas of risk identified and monitored by the Trust Council include:

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

Plans for future periods

The Diocese of Derry recognises that its core objectives of advancement of the Catholic faith and proclamation of the Gospel remain constant over time and accordingly it aims to maintain its existing activities into the future. At the same time the Diocese recognises the changing environment in which it exists and accordingly reviews its pastoral and operational programmes and plans on an ongoing basis in an effort to ensure that it continues to meet its primary objectives in the context of a changing environment. The Diocese is carrying out a process of review involving broad consultation to plan how it will succeed in delivering its pastoral work in the future given the challenges that exist in terms of numbers of clergy, participation of lay people in church life and finance. In 2023, the Diocese appointed one of the clergy to promote the upskilling of parishioners for the purpose of increased involvement in promoting the mission of the Diocese. The Diocese is actively responding to initiatives put in place by Pope Francis including work to incorporate the principles of Laudato Si into the life and work of the Diocese and its parishes and Synodality programmes in advance of the Synod of Bishops Assemblies in Rome (October 2024). Furthermore, there is a schedule of residential and non-residential programmes for clergy to support them in reviewing their pastoral strategies for changing times.

The Trust has begun the implementation of its Diocesan Environmental Strategy but there is plenty more to do and there is a genuine urgency in seeking to address the environmental challenges facing the world. In the year ahead, the Trust hopes to continue to raise awareness of environmental matters across the Diocese via events, communications and encouragement of prayer and reflection as well as encouragement to grow flowers, plants, fruit and vegetables and to make practical changes to our habits in order to care for our common home.

Drawing on the centenary events for St Brigid and St Francis, and continuing to celebrate the inspiration of these saints with respect to nature and creation, it will plan ahead for the 10th anniversary of Laudato Sí. It intends to participate actively in initiatives planned by Derry City and Strabane District Council in the first instance, with potential to align with other local council areas within the Diocese.

Through the pilot programme, the Trust plans to complete a number of sustainability audits and further develop the decarbonisation strategy, to develop a pilot community garden project as well as a re-wilding biodiversity project and to continue to link with local schools, celebrating their environmental endeavours and promoting opportunities for our young people to learn about the environment and climate matters. It also hopes to develop a project to benefit a community within a country significantly impacted by climate change.

In the Synod process, the Diocese will continue its local dialogue, listening and discernment with parish communities in advance of the second session of the Synod of Bishops, which will take place in October 2024. There will be further synodal listening encounters in 2024, using the 'Conversations in the Spirit' model, which has been used extensively in the Synodal Pathway, including gatherings specifically aimed at young people, organised by the Diocesan Youth Ministry team. Two priests from the Diocese will travel to Rome, joining a group of 200 from all over the world, taking part in an international synodal meeting of priests. All of this will feed into preparation for the next session of the Synod of Bishops.

In relation to the development of parish leadership, the Diocesan Mission team have planned a retreat/day of reflection in Autumn 2024 with the seven Parish Faith / Pastoral Coordination employees, along with other groups. In 2024 the team will present 'Leading God's People in Prayer', a four-session series focussing on formation in prayer leadership and equipping lay people to lead public prayer in the City Deanery. The same programme will later be presented in the County Derry Deanery.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The Roman Catholic Diocese of Derry exists in civil law as the registered charity Derry Diocesan Trust, a charitable trust established by a Trust Deed dated 20th July 2009. On 7th July 2016, Derry Diocesan Trust became registered as a charity with the Charity Commission for Northern Ireland under charity registration number NIC 105256. For tax purposes, Derry Diocesan Trust is also registered with HM Revenue and Customs as holding charitable tax status. The sole Corporate Trustee of the charity is St Columb's Diocesan Trust, a company limited by guarantee. The Corporate Trustee is authorised by the Lord Chief Justice of Northern Ireland to act in any charitable or ecclesiastical trust as a trust corporation. The Diocesan Trust is currently carrying out a review of its governance structures and arrangements with the support of an independent professional firm.

The operation of the charity is overseen by the Corporate Trustee. The Directors of the Corporate Trustee are appointed by the Bishop of Derry who is Chair of the Board (Trust Council). The Corporate Trustee which served during the year and up to the date of signature of the financial statements was:

St. Columb's Diocesan Trust

The directors which served on the Board of the Corporate Trustee during the year and up to the date of signature of the financial statements were:

Most Reverend Donal McKeown
Reverend Michael Canny
Reverend Paul McCafferty
Mr Shaun McElhinney
Mr Sean O'Kane
Reverend Michael McCaughey
Ms Aine Gallagher
Mr Ciaran Hampson
Ms Fiona Schlindwein
Ms Brenda Morris

Recruitment and appointment of Trustees

Recruitment of Directors is based upon their knowledge of the local Church and their having the professional skills and experience necessary for overseeing the affairs of the charity by ensuring it is solvent, well run, and that it delivers the outcomes for which it is established.

Induction and training of Trustees

New members of the Board of the Corporate Trustee are given an introduction to the structure and governance arrangements of the Diocesan Trust and to the roles and responsibilities of the members of the Board of the Corporate Trustee and its Committees upon appointment. The Diocesan Trust will provide a number of training days for members of the Board of the Corporate Trustee. Training days are delivered by external professional firms with relevant expertise and focus on developments in charity law and practice and on charity governance and management.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Organisational structure

Reflecting Canon Law, the activities of the charity are separated in this report into Parish and Curia functions.

Parishes

The Diocese is divided into Parish communities. 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 Parishes are administered in accordance with the norms of Canon and Civil Law while fulfilling the aims of the charity.

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 management and administration. The Diocesan Trust is currently reviewing and updating its publication Financial and Administrative Guidelines for Parishes in order to ensure that there is clear and meaningful guidance in place for Parish Priests, Administrators, Parish Finance Committees and Parish Administrative Staff.

Curia

The Diocesan Curia consists of those institutions which and persons who furnish assistance to the Bishop and Trust Council 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, laity and other facets of the local Church's life.

Delegation of management

In the day-to-day management of the charity, the Bishop refers ecclesiastical-related matters to the Chancellor of the Diocese, the Diocesan Secretary, the Vicars General and other appropriate officials. Civil administrative matters are referred to the executive staff employed by the charity.

The Trust Council delegates oversight of the Diocese's financial, property, investment, personnel and administration matters to the suitably qualified clergy and staff within the Curia. The Board of the Corporate Trustee delegates day-to-day management of the charity (other than areas of a canonical and pastoral nature which are managed by a number of Diocesan clergy) to the following Diocesan staff members:

Kevin McCauley BSc FCA – Executive Director, Derry Diocesan Trust
Teresa McMenamin – Administrative and Financial Secretary, Derry Diocesan Trust
Oonagh Robinson – Diocesan Trust Officer, Derry Diocesan Trust
Finola Downey – Administrative Officer, Derry Diocesan Trust

Remuneration policy

The process of setting pay and remuneration of the Diocesan Trust's key management personnel is undertaken by the Bishop of the Diocese (who is the Chair of the Board of the Corporate Trustee) in consultation with the Diocesan Personnel Committee and the Board of the Corporate Trustee.

DERRY DIOCESAN TRUST

CORPORATE TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Corporate Trustee's responsibilities

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

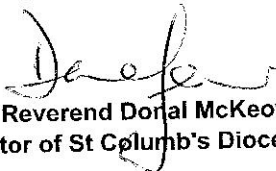
The law applicable to charities in Northern Ireland requires the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Corporate Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Corporate Trustee is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act (Northern Ireland) 2008, the Charity (Accounts and Reports) Regulations (Northern Ireland) 2015 and the provisions of the trust deed. The Corporate 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.

The Corporate Trustee's report was approved by the Board of the Corporate Trustee.



Most Reverend Donal McKeown
Director of St Columba's Diocesan Trust - Corporate Trustee of Derry Diocesan Trust

Dated: 28 June 2024

DERRY DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE CORPORATE TRUSTEE OF DERRY DIOCESAN TRUST

Opinion

We have audited the financial statements of Derry Diocesan Trust (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 incoming resources and application 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 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

In auditing the financial statements, we have concluded that the Corporate Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Corporate Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Corporate Trustee are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Corporate Trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

DERRY DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE CORPORATE TRUSTEE OF DERRY DIOCESAN TRUST

Responsibilities of Corporate Trustee

As explained more fully in the statement of Trustees' responsibilities, the Corporate Trustee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Corporate 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 Corporate Trustee are 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 Corporate Trustee either intends 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 on accordance with the Act and relevant regulations made or having effect thereunder.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

Based on our understanding of the charity and its operating environment, we determined that the most significant frameworks which have a direct impact on the preparation of the financial statements are those related to the reporting framework, (FRS 102, the Charities Act (Northern Ireland) 2008, The Charities (Accounts and Reports) Regulations (Northern Ireland) 2015, and the Charity SORP). Compliance with these laws and regulations was assessed as part of our procedures.

Other laws and regulations of which non-compliance may have a material effect on the financial statements, e.g. through fines or litigation, were identified as regulations in relation to employment law and regulations in relation to holding charitable status with the Charity Commission for Northern Ireland. Our required procedures in these areas are limited to inquiry of trustees and other management and inspection of any regulatory or legal correspondence. These limited procedures did not identify any actual or suspected non-compliance.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, including evaluating management's incentives and opportunities to manage or influence the reported results. From the results of our assessment, we determined that the principal risks of fraud relate to posting inappropriate journal entries and use of charity funds for purposes outside of restrictions imposed by the donor. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override.

DERRY DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE CORPORATE TRUSTEE OF DERRY DIOCESAN TRUST

Audit response to risks identified

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. Audit procedures performed by the engagement team included:

- We obtained an understanding of the charitable company's internal control systems in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- We obtained an understanding of how the charity complies with relevant laws and regulations, including those as a result of its registration with the Charity Commission for Northern Ireland and charitable status with HM Revenue & Customs, by making enquiries of management and those charged with governance.
- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reviewing minutes of meetings of those charged with governance
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.
- Auditing the risk of use of charity funds outside of restrictions imposed by the donor by review of funding letters of offer to identify restrictions, and review of funding claims prepared by management to check compliance with restrictions.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment through collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, 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 trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



John Bradley (Senior Statutory Auditor)
for and on behalf of Moore (NI) LLP

28 June 2024

Chartered Accountants
Statutory Auditor

21/23 Clarendon Street
Derry/Londonderry
BT48 7EP

Moore (NI) LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DERRY DIOCESAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	714,862	11,017,447	11,732,309	10,225,561
Charitable activities	4	-	294,758	294,758	193,600
Investments	5	60,840	409,182	470,022	252,899
Other income	6	2,203	866,112	868,315	1,259,454
Total income		777,905	12,587,499	13,365,404	11,931,514
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Parishes	7	-	9,794,006	9,794,006	9,450,355
Curial	7	979,306	1,591,744	2,571,050	2,603,622
Total charitable expenditure		979,306	11,385,750	12,365,056	12,053,977
Net (losses)/gains on investments	11	219,930	1,360,835	1,580,765	(1,997,844)
Net incoming/(outgoing) resources before transfers		18,529	2,562,584	2,581,113	(2,120,307)
Gross transfers between funds	24	(238,347)	238,347	-	-
Net (outgoing)/incoming resources		(219,818)	2,800,931	2,581,113	(2,120,307)
<u>Other recognised gains and losses</u>					
Other gains or losses	13	(3,582)	975	(2,607)	(7,933)
Net movement in funds		(223,400)	2,801,906	2,578,506	(2,128,240)
Fund balances at 1 January 2023		5,149,326	71,014,644	76,163,970	78,292,210
Fund balances at 31 December 2023		4,925,926	73,816,550	78,742,476	76,163,970

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

DERRY DIOCESAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>				
Donations and legacies	3	637,067	9,588,494	10,225,561
Charitable activities	4	-	193,600	193,600
Investments	5	28,096	224,803	252,899
Other income	6	491,011	768,443	1,259,454
Total income		1,156,174	10,775,340	11,931,514
<u>Expenditure on:</u>				
<u>Charitable activities</u>				
Parishes	7	-	9,450,355	9,450,355
Curial	7	959,392	1,644,230	2,603,622
Total charitable expenditure		959,392	11,094,585	12,053,977
Net gains/(losses) on investments	11	(301,809)	(1,696,035)	(1,997,844)
Net incoming/(outgoing) resources before transfers		(105,027)	(2,015,280)	(2,120,307)
Gross transfers between funds	24	(209,559)	209,559	-
Net (outgoing)/incoming resources		(314,586)	(1,805,721)	(2,120,307)
<u>Other recognised gains and losses</u>				
Other gains or losses	13	11,533	(19,466)	(7,933)
Net movement in funds		(303,053)	(1,825,187)	(2,128,240)
Fund balances at 1 January 2022		5,452,379	72,839,831	78,292,210
Fund balances at 31 December 2022		5,149,326	71,014,644	76,163,970

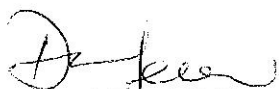
DERRY DIOCESAN TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14	32,368,354		32,158,040	
Investments	15	19,757,345		18,228,244	
		<u>52,125,699</u>		<u>50,386,284</u>	
Current assets					
Debtors	16	3,951,208		3,871,586	
Cash at bank and in hand		24,348,977		23,680,383	
		<u>28,300,185</u>		<u>27,551,969</u>	
Creditors: amounts falling due within one year	18	(796,237)		(658,672)	
Net current assets		<u>27,503,948</u>		<u>26,893,297</u>	
Total assets less current liabilities		<u>79,629,647</u>		<u>77,279,581</u>	
Creditors: amounts falling due after more than one year	19	(212,171)		(390,611)	
Provisions for liabilities	20	(675,000)		(725,000)	
Net assets		<u><u>78,742,476</u></u>		<u><u>76,163,970</u></u>	
Income funds					
Restricted funds	21	73,816,550		71,014,644	
Unrestricted funds		4,925,926		5,149,326	
		<u><u>78,742,476</u></u>		<u><u>76,163,970</u></u>	

The financial statements were approved by the Corporate Trustee on 28 June 2024



Most Reverend Donal McKeown

Director of St Columb's Diocesan Trust - Corporate Trustee of Derry Diocesan Trust

DERRY DIOCESAN TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		583,210		(309,724)
Investing activities					
Purchase of tangible fixed assets		(605,747)		-	
Proceeds on disposal of tangible fixed assets		524,205		850,049	
Purchase of investments		-		(250,270)	
Proceeds on disposal of investments		-		54,107	
Interest received		470,022		252,899	
Net cash generated from investing activities			388,480		906,785
Financing activities					
Repayment of borrowings		(115,765)		(18,150)	
Repayment of bank loans		(178,440)		(136,536)	
Net cash used in financing activities			(294,205)		(154,686)
Net increase in cash and cash equivalents			677,485		442,375
Cash and cash equivalents at beginning of year			23,619,536		23,177,161
Cash and cash equivalents at end of year			24,297,021		23,619,536
Relating to:					
Cash at bank and in hand			24,348,977		23,680,383
Bank overdrafts included in creditors payable within one year			(51,956)		(60,847)

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Derry Diocesan Trust is a registered charity in Northern Ireland. The charity operates in Northern Ireland and Republic of Ireland. The address of the registered office is given in the charity information. The nature of the charity's operations and principal activities are:

1) the advancement of Roman Catholic religion in the Roman Catholic Diocese of Derry subject to any future curtailment or addition of area made in accordance with the laws and regulations of the Roman Catholic Church; and

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities Act (Northern Ireland) 2008 and "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 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Corporate Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Corporate Trustee continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Corporate Trustee in furtherance of their charitable objectives.

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 costs of raising and administering such funds are charged against the specific fund. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

The charity occasionally receives grants in respect of running costs and upkeep of properties. Income from grants is 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.

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

1.5 Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes the costs services undertaken to further the purposes of the charity by Parishes and Curia.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable to third parties are within 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Parish property and contents	1% straight line
Curia land and buildings	2% straight line

Freehold land included within Curia land and buildings is not depreciated.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

Derry Diocesan Trust is a charity and is recognised as such by HM Revenue & Customs. As a result, there is no liability to taxation on any of its income.

1.12 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Foreign exchange

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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Corporate Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Property

Curial land and buildings and Church property and contents are stated at cost, where the cost can be identified. Prior to 1996, 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 most curial land and buildings and Church property and contents held then was not available. The Corporate Trustee's view was that a reasonable approximation of the net book value of the curial property held at 31 December 2016 would be established through discounting the insurance values of these assets at that date by 90%.

Key sources of estimation uncertainty

Provisions for liabilities and charges - legal claims

The charity has provided for the expected financial outcome of claims and the associated legal costs that have been notified to the Corporate Trustee. The Corporate Trustee has taken advice from the solicitors engaged in the claims to arrive at the amount provided. The details of the amounts provided are included in note 20.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Parishes - offertories, donations and legacies	-	8,912,061	8,912,061	-	7,987,032	7,987,032
Curia - donations, legacies and gifts	108,787	1,338,057	1,446,844	55,462	953,485	1,008,947
Levy income	606,075	269,285	875,360	581,605	258,492	840,097
Parishes fundraising	-	498,044	498,044	-	389,485	389,485
	<u>714,862</u>	<u>11,017,447</u>	<u>11,732,309</u>	<u>637,067</u>	<u>9,588,494</u>	<u>10,225,561</u>

4 Charitable activities

	Parishes 2023	Curia 2023	Total 2023	Parishes 2022
	£	£	£	£
Grants received	<u>294,758</u>	<u>-</u>	<u>294,758</u>	193,600
Grants received				
Revenue Commissioners TWSS/EWSS	-	-	-	5,928
Church refurbishment grants	238,709	-	238,709	115,579
Other	56,049	-	56,049	72,093
	<u>294,758</u>	<u>-</u>	<u>294,758</u>	193,600

5 Income from investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Rental income	22,620	227,616	250,236	26,740	190,826	217,566
Income from Parochial investments	-	6,772	6,772	-	5,315	5,315
Interest receivable	38,220	174,794	213,014	1,356	28,662	30,018
	<u>60,840</u>	<u>409,182</u>	<u>470,022</u>	<u>28,096</u>	<u>224,803</u>	<u>252,899</u>

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Net gain on disposal of tangible fixed assets - Parishes	-	450,814	450,814	-	338,310	338,310
Net gain on disposal of tangible fixed assets - Curial	2,203	-	2,203	491,011	-	491,011
Other income	-	4,711	4,711	-	18,299	18,299
Income from solar panels and NIE	-	4,273	4,273	-	3,514	3,514
Income from insurers	-	60,649	60,649	-	101,881	101,881
Income from candles and printed material	-	345,665	345,665	-	306,439	306,439
	<u>2,203</u>	<u>866,112</u>	<u>868,315</u>	<u>491,011</u>	<u>768,443</u>	<u>1,259,454</u>

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Parishes	Curial	Total	Parishes	Curial	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Gross salaries and employers national insurance costs	1,856,576	547,031	2,403,607	1,822,438	445,923	2,268,361
Depreciation and impairment	345,073	28,633	373,706	339,320	28,747	368,067
Consumables and administration costs	777,783	32,740	810,523	719,555	33,194	752,749
Clergy stipends	828,642	-	828,642	773,273	-	773,273
Pastoral costs	445,020	117,947	562,967	192,220	100,915	293,135
Donations	56,009	664,440	720,449	92,547	838,992	931,539
Premises costs including insurance	1,541,773	70,340	1,612,113	1,614,348	44,103	1,658,451
Repairs and maintenance	2,855,170	4,679	2,859,849	2,747,701	322	2,748,023
Diocesan levy	875,360	-	875,360	840,097	-	840,097
Pilgrimages and retreats, conferences and events	-	-	-	65,980	-	65,980
Bank charges and interest	84,757	1,200	85,957	74,425	1,170	75,595
Accountancy fees	33,985	13,440	47,425	35,061	10,440	45,501
Professional and consultancy fees	54,538	19,506	74,044	96,745	17,487	114,232
Miscellaneous and sundry expenses	39,320	21,167	60,487	36,645	4,931	41,576
Legal claims and associated costs	-	220,000	220,000	-	361,070	361,070
Retired priests stipends and expenses	-	191,323	191,323	-	163,294	163,294
Clerical students' fees and ongoing formation	-	73,590	73,590	-	76,474	76,474
Safeguarding costs	-	75,127	75,127	-	45,401	45,401
Pastoral Centre activities	-	110,282	110,282	-	95,859	95,859
Catechetical Centre activities	-	237,956	237,956	-	179,705	179,705
Regional Marriage Tribunal	-	30,000	30,000	-	29,916	29,916
Irish Hierarchy	-	111,649	111,649	-	125,679	125,679
	9,794,006	2,571,050	12,365,056	9,450,355	2,603,622	12,053,977
Analysis by fund						
Unrestricted funds	-	979,306	979,306	-	959,392	959,392
Restricted funds	9,794,006	1,591,744	11,385,750	9,450,355	1,644,230	11,094,585
	9,794,006	2,571,050	12,365,056	9,450,355	2,603,622	12,053,977

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8	Net movement in funds	2023	2022
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	373,706	368,067
	Profit on disposal of tangible fixed assets	(450,814)	(338,310)
		<u> </u>	<u> </u>

9 Corporate Trustee

The Corporate Trustee (nor any persons connected with them) did not receive any remuneration or benefits from the charity during the year in respect of the role of Trustee.

10 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Curial employees	15	13
Parish employees	189	184
	<u> </u>	<u> </u>
Total	204	197
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	2,403,607	2,268,361
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	as restated Restricted funds	as restated Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Revaluation of investments	219,930	1,360,835	1,580,765	(301,809)	(1,696,035)	(1,997,844)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Other gains or losses

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Foreign exchange gains	(3,582)	975	(2,607)	11,533	(19,466)	(7,933)

14 Tangible fixed assets

	Parish property and contents	Curia land and buildings	Total
	£	£	£
Cost			
At 1 January 2023	33,918,594	1,437,344	35,355,938
Additions	605,747	-	605,747
Disposals	(17,076)	(5,671)	(22,747)
At 31 December 2023	34,507,265	1,431,673	35,938,938
Depreciation and impairment			
At 1 January 2023	2,952,475	245,423	3,197,898
Depreciation charged in the year	345,073	28,633	373,706
Eliminated in respect of disposals	(1,020)	-	(1,020)
At 31 December 2023	3,296,528	274,056	3,570,584
Carrying amount			
At 31 December 2023	31,210,737	1,157,617	32,368,354
At 31 December 2022	30,966,119	1,191,921	32,158,040

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Fixed asset investments

	Parishes investments £	Curial Investments	Total £
Cost or valuation			
At 1 January 2023	5,135,910	13,092,334	18,228,244
Valuation changes	338,640	1,242,124	1,580,764
Service fees	-	(7,804)	(7,804)
Disposals	(43,859)	-	(43,859)
At 31 December 2023	<u>5,430,691</u>	<u>14,326,654</u>	<u>19,757,345</u>
Carrying amount			
At 31 December 2023	<u>5,430,691</u>	<u>14,326,654</u>	<u>19,757,345</u>
At 31 December 2022	<u>5,135,910</u>	<u>13,092,334</u>	<u>18,228,244</u>

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	<u>3,951,208</u>	<u>3,871,586</u>

17 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	51,956	60,847
Bank loans	268,991	447,431
Other loans	249,781	365,546
	<u>570,728</u>	<u>873,824</u>
Payable within one year	358,557	483,213
Payable after one year	212,171	390,611
	<u>570,728</u>	<u>873,824</u>
Amounts included above which fall due after five years:		
Payable by instalments	-	163,331
	<u>570,728</u>	<u>1,037,155</u>

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	17	108,776	117,667
Other borrowings		249,781	365,546
Accruals and deferred income		437,680	175,459
		<u>796,237</u>	<u>658,672</u>

19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	17	<u>212,171</u>	<u>390,611</u>

20 Provisions for liabilities

	2023 £	2022 £
Legal claims and associated costs	<u>675,000</u>	<u>725,000</u>

Movements on provisions:

	Legal claims and associated costs £
At 1 January 2023	725,000
Additional provisions in the year	220,000
Utilisation of provision	<u>(270,000)</u>
At 31 December 2023	<u>675,000</u>

The charity has made a provision in the financial statements of £675,000 (2022: £725,000) in relation to ongoing legal claims and associated costs. The charity has quantified the likely financial outcome based on legal advice received. There is scope for amounts ultimately payable in respect of legal claims to be mitigated by insurance cover.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 January 2022	Movement in funds				Balance at 1 January 2023	Movement in funds				Balance at 31 December 2023
		Incoming resources	Resources expended	Transfers	Gains and losses		Incoming resources	Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£	£	£	£	£	£
Parishes	57,943,725	9,556,760	(9,450,355)	21,642	(627,579)	57,444,193	10,941,084	(9,794,006)	178,324	342,506	59,112,101
Bishop's Fund	500,850	4,237	(15,114)	-	(24,586)	465,387	4,684	(15,071)	-	38,018	493,018
Derry Catholic Building Fund	1,891,260	1,249	(11,929)	(21,642)	(62,846)	1,796,092	11,193	(16,402)	(148,324)	102,233	1,744,792
Formation and Education Fund	3,341,386	72,013	(97,292)	-	(213,214)	3,102,893	558,196	(90,997)	(30,000)	349,004	3,889,096
Holy Land	16,718	22,838	(22,830)	-	-	16,726	35,156	(34,756)	-	-	17,126
Lenten Alms	4,915	633,595	(635,997)	-	2,289	4,802	431,270	(431,268)	-	(3)	4,801
Peter's Pence	23,529	51,276	(51,154)	-	(108)	23,543	58,613	(57,810)	-	(224)	24,122
Propagation of Faith/Third World Fund	447,420	84,532	(82,190)	-	(31,468)	418,294	90,986	(89,987)	-	46,784	466,077
Colmcille Educational Trust	1,535,322	559	(28,792)	(11,000)	(134,364)	1,361,725	-	(31,243)	(23,943)	88,038	1,394,577
Fund for Retired Priests	5,362,900	28,521	(53)	(120,000)	(605,513)	4,665,855	103,544	(40)	(163,000)	366,102	4,972,461
Derry Diocesan Pastoral Centre	13,188	10,986	(88,238)	71,425	-	7,361	13,935	(110,282)	99,450	-	10,464
Derry Diocesan Catechetical Centre	570,562	40,517	(179,705)	149,134	-	580,508	50,668	(237,956)	162,840	-	556,060
Diocesan Retirement Fund	924,013	266,442	(421,399)	120,000	(18,112)	870,944	286,838	(472,231)	163,000	29,350	877,901

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Restricted funds	(Continued)										
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	Balance at 31 December 2023
	£	£	£	£	£	£	£	£	£	£	£
Lourdes Pilgrimage Fund	264,040	1,815	(9,537)	-	-	256,318	1,332	(3,701)	-	-	253,949
	(72,839,831)	10,775,340	(11,094,585)	209,559	(1,715,501)	71,014,644	12,587,499	(11,385,750)	238,347	1,361,808	73,816,550

The details of restricted funds are as follows:

Parishes

Funds held under parishes represent total net assets held by individual parishes of the Diocese for use in those individual parishes.

Bishop's Fund

The fund is maintained to provide for charitable payments to both individuals and organisations in need and deserving of support.

Derry Catholic Building Fund

The fund is used for the development of churches and buildings.

Formation and Education Fund

The fund is maintained to finance the costs of formation and education of students for the priesthood of the Derry Diocese, the ongoing formation of Diocesan clergy and other educational activities.

Holy Land

The fund is used to administer the annual collection for the Holy Land within the Diocese of Derry and other receipts of a similar nature.

Lenten Alms

The fund is used to administer the annual Lenten Trocaire collection within the Diocese of Derry and other receipts of a similar nature.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Restricted funds

(Continued)

Peter's Pence

The fund is used to administer the annual collection for Vatican purposes within the Diocese of Derry and other receipts of a similar nature.

Diocesan Propagation of the Faith and Third World Fund

The fund is used to support missionary activities in Third World countries. From 2010 onwards the fund is used to administer the annual Missions Sunday collection within the Diocese of Derry.

Colmcille Educational Trust

The fund is a Trust under the trusteeship of St Columb's Diocesan Trust and forming part of Derry Diocesan Trust. The purpose of the fund is to support Catholic education in the Diocese of Derry.

Fund for Retired Priests

The fund is maintained as a reserve fund to assist the Diocesan Retirement Fund with the costs of supporting retired priests.

Derry Diocesan Pastoral Centre

The Diocesan Pastoral Centre provides a range of services to support the Diocese and the parishes of the Diocese. The Diocesan Safeguarding Office, the Derry Office of the Armagh Inter-Diocesan Marriage Tribunal and Accord (Derry) are located in the Pastoral Centre. The Pastoral Centre provides administrative and pastoral support to the Diocesan Pilgrimage Committee, the Priest's Reading Group, the Diocesan Vocations Council and the Derry Diocesan Society. The Pastoral Centre also assists the work of various Diocesan Commissions and Committees on both a regular and occasional basis, depending on the nature and needs of the various bodies.

Derry Diocesan Catechetical Centre

The Derry Diocesan Catechetical Centre was founded in 2004 at the request of the Diocesan Bishop to devise and implement a strategic plan for catechesis and evangelisation throughout the Diocese of Derry. The vision of the Diocesan Catechetical Centre is to enable young people, families, schools and parish communities to grow in their relationship with Jesus in the Body of Christ, the Church. The Centre endeavours to meet the challenges in the church and society today with the message of Jesus, proclaimed in a simple, enthusiastic way. This allows all, especially the young to engage with Christ and experience His presence and love in their lives.

Diocesan Retirement Fund

The fund pays wages and retirement benefits to retired priests and housekeepers and general expenses for retired priests and Bishops. The income of the fund is generated from a Diocesan annual levy on parishes.

Lourdes Pilgrimage Fund

This fund administers the annual collection for the pilgrimage to Lourdes.

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2023
	£	£	£	£	£	£
General funds	<u>5,149,326</u>	<u>777,905</u>	<u>(979,306)</u>	<u>(238,347)</u>	<u>216,348</u>	<u>4,925,926</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 December 2022
	£	£	£	£	£	£
General funds	<u>5,452,379</u>	<u>1,156,174</u>	<u>(959,392)</u>	<u>(209,559)</u>	<u>(290,276)</u>	<u>5,149,326</u>

23 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:						
Tangible assets	636,008	31,732,346	32,368,354	655,848	31,502,192	32,158,040
Investments	2,793,673	16,963,672	19,757,345	2,573,743	15,654,501	18,228,244
Current assets/(liabilities)	2,171,245	25,332,703	27,503,948	2,644,735	24,248,562	26,893,297
Long term liabilities	-	(212,171)	(212,171)	-	(390,611)	(390,611)
Provisions	(675,000)	-	(675,000)	(725,000)	-	(725,000)
	<u>4,925,926</u>	<u>73,816,550</u>	<u>78,742,476</u>	<u>5,149,326</u>	<u>71,014,644</u>	<u>76,163,970</u>

24 Transfers between funds

There have been transfers between funds during the year totalling £238,347 (2022: £209,559) from unrestricted reserves to restricted reserves, which represents central Curia funding towards Parishes and Pastoral and Catechetical Centre activities.

25 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

DERRY DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 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 charity at the year end as an agent was £46,959 (2022: £46,070).

27 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	23,680,383	668,594	24,348,977
Bank overdrafts	(60,847)	8,891	(51,956)
	<u>23,619,536</u>	<u>677,485</u>	<u>24,297,021</u>
Loans falling due within one year	(422,366)	115,765	(306,601)
Loans falling due after more than one year	(390,611)	178,440	(212,171)
	<u>22,806,559</u>	<u>971,690</u>	<u>23,778,249</u>

28 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	2,581,113	(2,120,307)
Adjustments for:		
Investment income recognised in statement of financial activities	(470,022)	(252,899)
Foreign exchange differences	(2,607)	(7,933)
Gain on disposal of tangible fixed assets	(941,825)	(1,251,310)
Fair value gains and losses on investments	(1,580,765)	1,997,844
Depreciation and impairment of tangible fixed assets	373,706	368,067
Movements in working capital:		
(Increase)/decrease in debtors	(79,622)	113,590
Increase in creditors	262,221	60,165
Increase in provisions	(50,000)	361,070
Cash generated from/(absorbed by) operations	<u>92,199</u>	<u>(731,713)</u>