

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 affiliation.

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 Si*. 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 Dorjal McKeown

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

Dated: 28 June 2024