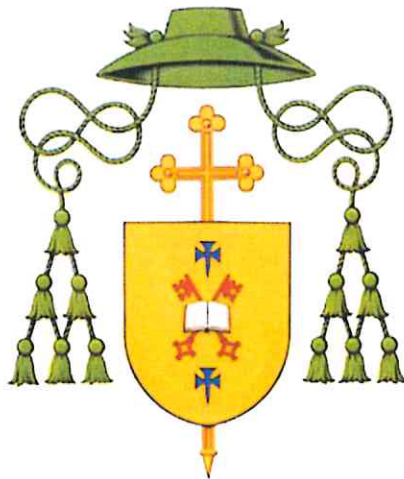


# **Dromore Diocesan Trust**

Registered Charity Number 105046

## **Report and Financial Statements**

For the year ended  
**31 December 2019**



# Dromore Diocesan Trust

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# Dromore Diocesan Trust

## Legal and administrative information

### **Trustee**

Diocese of Dromore Trustee

(a company limited by guarantee, registration number NI609968)

Registered Office, Bishop's House, 44 Armagh Road, Newry, BT35 6PN

### **Directors and Officers of Diocese of Dromore Trustee**

Most Reverend Eamon Martin, Apostolic Administrator (appointed 15 April 2019)

Most Reverend Philip Boyce, OCD, Apostolic Administrator (resigned 15 April 2019)

Very Reverend Liam Stevenson

Reverend Feidhlimidh Magennis

Reverend Tony Corr (appointed 17 January 2020)

Mr Brendan Jackson

Mr Cathal McNulty (resigned 15 February 2019)

Mrs Nuala McKeagney

Mr Michael Gillen

Mr Mark McNally

### **Registered Office**

Bishop's House, 44 Armagh Road, Newry, BT35 6PN

### **Company Secretary**

Reverend Feidhlimidh Magennis

### **Finance and Compliance Officer**

Mrs Rosaleen Conway FCA

### **Auditor**

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

### **Bankers**

AIB, 42-44 Hill Street, Newry, BT34 1AU

### **Investment Managers**

Davy Asset Management, Davy House, 49 Dawson Street, Dublin 2

### **Solicitors**

Napier & Sons, 1-9 Castle Arcade, High St, Belfast BT1 5DF

Luke Curran & Co, 6 Marcus Square, Newry, Co. Down, BT34 1AY

BLM, 51 Adelaide Street, Belfast, BT2 8FE

# Dromore Diocesan Trust

## Report of the Trustee

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The Trustee presents its Annual Report and the audited financial statements of the charity, Dromore Diocesan Trust, for the year ended 31 December 2019

### **Constitution and aims**

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

The Dromore Diocesan Trust is a charitable trust, established by a trust deed dated 1 November 2010. On 20<sup>th</sup> April 2016, Dromore Diocesan Trust was registered as a charity with the Charity Commission for Northern Ireland and given the registration number NIC105046. For tax purposes, Dromore Diocesan Trust is also registered with HM Revenue and Customs - reference number XT27177. The sole trustee of the Charity is a Corporation, Diocese of Dromore Trustee. The Company is limited by guarantee and was registered on 17<sup>th</sup> November 2011 registration number NI609968. On 13<sup>th</sup> January 2012 the Lord Chief Justice of Northern Ireland authorised Diocese of Dromore Trustee to act in any Charitable or Ecclesiastical Trust as a Trust Corporation.

### **Objectives and activities**

The principal objects of the Charity are:

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

The Diocese of Dromore, in union with the Catholic Church worldwide, seeks to achieve its objectives through activities including the following:

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

The means used to fulfil the purposes of the Dromore Diocesan Trust are constantly monitored and reviewed in order to ensure that the principal aims and objectives of the charity are adhered to.



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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

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

### **Structure, Governance and Management**

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

The overall operation of the Charity, including financial and legal responsibility in civil law, is overseen by the Trustee, the directors of which are appointed by the Bishop, who is Chair of the Board. Recruitment of the directors is based on their knowledge of the local Church and their having the professional skills and experiences necessary for overseeing the affairs of the Charity by ensuring it is solvent, well-run, and that it delivers the outcomes for which it was established. The Board is composed of a mixture of clergy and lay members of the Church.

On appointment, new directors receive induction and are introduced to their role and responsibilities by the Chancellor, the Finance Administrator and the Finance and Compliance Officer of the Diocese. They are provided with copies of the Trust Deed and the latest financial information and reports. Directors attend formal and informal training sessions as required.

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

On 28 February 2018, Bishop John McAreavey announced his intention to resign as Bishop of Dromore. Pope Francis accepted the resignation of Bishop John McAreavey as Bishop of Dromore on 26<sup>th</sup> March 2018 and appointed Bishop Philip Boyce OCD, Bishop Emeritus of Raphoe, as the Apostolic Administrator "sede vacante" of Dromore. On 15<sup>th</sup> April 2019, Bishop Boyce resigned from the post and Archbishop Eamon Martin, Archbishop of Armagh, became Apostolic Administrator of the Diocese. An Apostolic Administrator is appointed to temporarily govern a diocese when special or serious circumstances warrant such an appointment. Archbishop Martin governs in the name of the Holy Father and has all the powers and duties of a diocesan bishop.

# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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### **Parishes**

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

Parish Priests/Administrators and Curates are appointed by the Bishop to provide pastoral care for parish communities and to manage parishes in all juridical affairs thus ensuring that parishes are administered in accordance with the norms of Canon and Civil Law while fulfilling the aims of the Charity.

As encouraged by The Directory for the Pastoral Ministry of Bishops (*Apostolorum Successores*), the Bishop, in consultation with priests and laity, reviews on a regular basis the parish structure to ensure the long-term pastoral sustainability of the parishes.

### **Curia**

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

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

### **Risk Management**

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

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

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

- Safeguarding
- Compliance with Health & Safety, employment and other legislation



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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

### **Achievements and performance**

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

### **Proclamation of the Gospel and Worship of God**

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

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

It is within the parish community that people experience what it is to be a member of the Catholic Church. It is in this context that faith is nurtured and given expression. Hence parishes provide, in various ways, for the moral and spiritual wellbeing of all parishioners. Opportunity is given for practical manifestations of faith in various pastoral, social and educational activities many of which rely wholly on the voluntary involvement of parishioners. In the last year for which statistics are currently available (2019), there were 1,352 Baptisms, while 1,410 children made their First Holy Communion and 1,559 young people received the Sacrament of Confirmation. A total of 235 marriages were officiated in the same period. A total of 704 funerals were celebrated

As well as pastoral care and the provision of the sacraments to the members of parish communities, the Diocese offers chaplaincy services to those who cannot be part of a regular parish community. A Hospital Chaplain is assigned to Craigavon Area Hospital, while other clergy and lay pastoral visitors regularly visit other hospitals and nursing homes in the area frequented by members of the Diocese.

# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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Each year, priests and people of Dromore journey to ancient pilgrimage sites within the diocese and beyond. The annual Diocesan pilgrimage to Lourdes took place in May 2019 with approximately 500 participants from the parishes of the diocese, and the annual pilgrimage to Knock took place in June. These organised pilgrimages provide much appreciated support for the sick who participate, as well as for all those volunteers who give so much of their time and energy. They become model experiences of the Church as the pilgrim People of God. Many people also travelled in groups or singly to Lough Derg during the summer season, and growing numbers are also taking part in the Camino di Santiago in Spain.

### **Provision of clergy and pastoral personnel**

Central to parish life is the relationship between the priests, deacons and people. Clergy are not employees of the Diocese. However, in Canon Law the care and welfare of incardinated priests of the Diocese is mandatory and is, therefore, part of the Charity's on-going commitments.

For the main part, priests ministering in parishes organise, animate and motivate the local faith communities. They constantly strive to be witnesses of hope and authentic shepherds for their people. The provision of dedicated, well-qualified and competent clergy to serve in parishes and other ministries remains a priority for the Diocese. Through means of regular conferences, retreats, courses, workshops and sabbaticals the priests of the Diocese are kept informed and provided with guidance in regard to current issues and developments in all aspects of ministry and mission. A key to sustaining the advancement of the Catholic religion is the promotion and support of vocations to the Priesthood. The Vocations Director works closely with the local branches of St Joseph's Young Priests Society, a national lay organisation for the promotion and support of candidates for the priesthood. After several years when there were no students in formation for the priesthood, in September 2018 two candidates entered the first year of their formation and continue in formation in the academic year 2019-20

The important role played by the many volunteers who are active in their parishes cannot be overstated, and their contribution is vital to enabling the Diocese to continue to fulfil and develop its stated objectives. Volunteers give generously of time and energy, serving in various ministries as part of the worshipping community and also caring for and visiting the sick, the housebound and those on the margins of our society. They play a significant role in helping to maintain parish properties and assisting in financial and other administrative duties such as through membership of parish and diocesan pastoral, finance and safeguarding committees. Such volunteers are often the lifeblood of their communities. It is not possible to quantify the number and range of volunteers active throughout the Diocese, nor is it possible to put a financial value on their involvement.

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

Besides the work accomplished at parish level, the Curia (the central administration of the Diocese) coordinates and carries out a number of essential functions necessary to the advancement of the Catholic religion at local, national and international level.



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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In order to do so, the Curia operates through a range of diocesan commissions, committees and through various personnel charged with specific responsibilities.

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

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

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

In recent years, the Diocese introduced the Permanent Diaconate. The role of the Permanent Deacon is to be a helper to the bishop and priests, to proclaim by his life the Church's call to serve the needs of others, to proclaim the Gospel message, to live a life of fidelity to Christ and the Church and to lead the community in building a Kingdom of grace, faith, justice and compassion. The Diocese commenced a new cycle of discernment and training in September 2017 for candidates for the Permanent Diaconate, and in 2019 there were two candidates in the phase of theological formation.

The general well-being and care of clergy in active ministry is coordinated by the Diocesan Curia. Priests' stipends and related matters are overseen and regulated by a Clergy Remuneration Committee. Equally important is the welfare of priests who are sick or retired. Their welfare is the responsibility of a committee that administers the Clerical Provident Fund. During 2019, 8 priests received assistance from the Fund which necessitated a total spend of £ 71,697.

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

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

### **Support for families**

Family Ministry within the Diocese is dedicated to strengthening marriage and families by coordinating programmes and ministries that have faith as their foundation and Christ as their goal. By responding to the needs of today's families, as they strive to live in a very challenging culture and a rapidly changing world, Family Ministry serves as a resource for families, clergy and parish communities. In collaboration with other groups, Family Ministry offers services and practical resources to assist people, at all stages of life, in order to help them experience more fully the love and compassion of God in the ordinary events of life. Among the various services provided with the Diocese are: ACCORD Catholic Marriage Care Service, Marriage Encounter, Engaged Encounter, Families First (Parenting Skills).

# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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

#### ***Catholic schools within the Diocese***

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

The Diocese of Dromore remains fully committed, through its Catholic Schools, to maintaining, by way of a holistic methodology, the highest standards in learning and thus continuing to offer academic excellence and faith-filled education to all young people. Many non-Catholic parents choose to educate their children in Catholic Schools, not least, because of the excellent education on offer but also the identifiable ethos of trust, mutual respect and recognition of responsibility to those in need.

#### ***Youth Ministry***

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

Key programmes offered by the Youth Commission are: 'Growing in Faith Together' (GIFT) offered to pupils after receiving the Sacrament of Confirmation, the Pope John Paul II Award offered to approximately 200 school-leavers in the period covered by this report, and school retreats which engaged approximately 1,000 pupils in 2019. A series of four summer camps, with a focus on family life in light of the forthcoming World Meeting of Families, were organised. The Commission also co-ordinates the involvement of youth in events outside the diocese.

#### ***Diocesan Strategic Working Group***

In June 2017, Bishop McAreavey inaugurated a new initiative to review and plan the pastoral strategy of the Diocese in coming years. The Working Group has the following objectives:

- to identify the way forward for sustaining Catholic life in the Diocese
- to communicate with priests and people of the Diocese as the Diocese introduces changes and developments
- to develop a strategic plan for the pastoral mission of the Diocese
- to coordinate with other agencies of the Diocese on possible financial and administrative implications of the strategic plan



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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While the Working Group continued to consult with parishes and priests, there were no formal meetings during the *sede vacante* period.

### **Safeguarding**

The Diocese is committed morally and legally to upholding the rights of children, young people and vulnerable adults. The Diocesan Safeguarding Office continues to co-ordinate and build upon the existing good work of safeguarding throughout 2019. The Diocesan Safeguarding Office is led by Mrs Patricia Carville (Director of Safeguarding and Diocesan Liaison Person). Safeguarding information is readily accessible through the Diocesan website.

The role of the Safeguarding Office is to develop and oversee the implementation of safeguarding practices for the Diocese, for both child protection and adult safeguarding, and to liaise with the statutory agencies in relation to the management of cases and the development of best practice. All the safeguarding personnel in the Diocese work to a Code of Practice in line with the National Board for Safeguarding Children in the Catholic Church in Ireland (NBSCCCI) Standards and Guidance Document. All parish safeguarding audits were returned in 2019 and a development plan written to ensure that parishes were compliant with the Standards for Safeguarding. 20 parish leaders attended a one-day training course in Banbridge in February 2019 and Local Safeguarding Representatives met on three occasions to share good practice and discuss issues as they arise in parishes. All Safeguarding personnel and clergy attended a meeting in September 2019 with Archbishop Eamon Martin, the Apostolic Administrator of the Diocese. A total of 70 volunteers attended three adult Safeguarding awareness sessions in Newry Parish Centre throughout the year.

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

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

In March 2018 the PSNI commenced an investigation into allegations of historical abuse by a deceased priest of the Diocese. The Diocese and the Safeguarding Committee has been co-operating fully with this investigation. In August 2019, the Public Prosecution Service decided not to prosecute in any of the cases arising from the PSNI investigation. Archbishop Martin and the Diocesan Safeguarding Officer attended a meeting in November 2019 with senior PSNI personnel regarding the investigation into historical abuse in the Diocese.

All allegations and claims made against the Diocese are reported to the PSNI and Social Services where appropriate. Likewise all such allegations are reported to the National Board for Safeguarding Children, appropriately anonymised for data protection purposes.

## Dromore Diocesan Trust

### Report of the Trustee (*continued*)

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

In February 2019, Archbishop Eamon Martin represented the Irish Church at the Vatican summit on "The Protection of Minors in the Church" (21-24 February 2019). In preparation he met with numerous victims of clerical sex abuse, individually and in groups, throughout Ireland. He also met with several victims in the Diocese of Dromore.

#### **Provision and maintenance of places of worship**

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

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

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

#### **Fundraising**

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



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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### **Aid to impoverished and needy communities worldwide**

Trócaire is the official overseas development agency of the Catholic Church in Ireland. It was established by the Irish Bishops' Conference in 1973 as a means through which people contribute to overseas emergency relief and development aid programmes. Its dual mandate is to support the most vulnerable people in the developing world while, also, raising awareness of injustice and global poverty. The Diocese of Dromore, despite its small size, is a significant contributor to the charitable work of Trócaire, and in the year under review contributed over £158,858 (with additional funds sent directly by parishioners to Trocaire).

### **Management of Resources**

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

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

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

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

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

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

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

## Dromore Diocesan Trust

### Report of the Trustee (*continued*)

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#### ***Impact of Covid-19 pandemic***

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

The pandemic has had a significant impact on the activities of the Diocese, particularly in the lockdown period (March-June 2020) and in the following months. The Trust estimates that its income has fallen to approximately 70% of levels over the same six months (March-August) in 2019 and its activities remain significantly curtailed at the time of writing of this report. The Board of Directors continues to monitor the situation and consider the implications for the ongoing resourcing of diocesan and parish activities.

The Trustee Board considers that the impact of Covid 19 related control measures is a non-adjusting post balance sheet event for the Dromore Diocesan Trust for the year ended 31st December 2019. The Trustee Board further considers the effect on 2020 does not impact on the assets/liabilities and going concern basis of the accounts.

# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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### Review of Financial Performance

The detailed financial results for the year ended 31 December 2019 are set out in the financial statements that accompany this report.

The table below summarises the financial activities of the Diocese:

	2019 £'000	2018 £'000
<b>Parishes</b>		
Income	4,334	4,019
Expenditure	(3,430)	(3,917)
Net income before assessment and transfers	904	102
Diocesan Assessment and other transfers	(680)	(751)
Fixed asset investments gain and losses	68	(32)
Increase / (decrease) in reserves	292	(617)
<b>Curia</b>		
Income	76	484
Expenditure	(1,218)	(655)
Diocesan assessment and other transfers	680	751
Net (expenditure) / income before investment gains	(462)	580
Net gain / (loss) gain on investments	102	(33)
(Decrease) / increase in reserves	(360)	547
<b>Total (decrease) in parish and Curia reserves</b>	<b>(68)</b>	<b>(70)</b>

Complete details of the income and expenditure are shown in the statement of financial activities on page 22 and in the notes to the accounts.



# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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

Most of the income received by parishes is through the Sunday offertory and other donations. This source of income is 81% of the parish total. This increased from £3.27m in 2018 to £3.3m in 2019. Total expenditure decreased from £3.92m in 2018 to £3.43m in 2019.

Total Curia income fell from £0.47m in 2018 to £0.18m in 2019. Total expenditure increased from £0.6m in 2018 to £1.2m in 2019. The increase is the result of an increase in the provision for claims in the current year.

The reserves of the Charity at 31 December 2019 total £28.3m (2018 £28.4m) and of this total £26.4m relate solely to the assets and activities of individual parishes and are not available for the non-parish general purposes of the Charity. Curia reserves total £1.86m at the year-end. The Curia has a negative unrestricted reserves balance which has arisen due an increase in our provision for liabilities and charges in the year of £534k. The Trust regularly reviews its potential liabilities in relation to safeguarding issues. As these have grown in recent years, resulting from an increase in the number of claims brought against the Diocese, the curial unrestricted reserves have moved to a deficit position.

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

### **Investment Policy and Performance**

The Trust Deed authorises the Trustee to make and hold investments. The Trustee has appointed Davy Charities as Investment Managers. The managers have full discretion to invest, subject to the parameters laid down by the Trustee. There is a regular review of information from the Investment Managers which monitors the performance of the portfolio and the investment strategy. Further details are set out at note 13.

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

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

# Dromore Diocesan Trust

## Report of the Trustee (*continued*)

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### **Investment Objectives**

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

In fulfilling these objectives, the Trustee Board adheres to an ethical policy that precludes investment in asset classes directly or mainly involved in the manufacture and/or supply of goods and services which are not in accordance with the teachings of the Roman Catholic Church. Environmental issues are also a factor with the Trustee Board seeking to invest in low carbon or carbon neutral investments. In March 2020, the Trustee Board approved to divest from all companies directly involved in fossil fuels in the Diocesan Trust's Investment Portfolio.

The Diocesan Trust Investment Portfolio (£1.08m) currently managed by Davy Investment Managers is invested over the medium to long term with emphasis on current income with a low-medium risk profile

### **Reserves Policy**

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

Unrestricted funds are not all freely available, should the charity need immediate access to reserves. In order to ensure that the organisation has access to funds it is necessary to adjust unrestricted reserves as recommended by SORP 2015 by excluding Fixed Assets as it would be unlikely that the organisation would be able to liquidate the fixed assets in a timely manner. Our reserves position is heavily impacted by our high asset base which includes Churches which the Board have no intention of selling. The Trustee Board monitors our reserves position and the cash in bank balances on a regular basis to ensure there is no immediate risk to the Trust. The Charity recognises that by excluding Fixed Assets it has a negative unrestricted reserves balance. The Charity has been impacted by an increase in its provision for liabilities this year. Our cash position at the year end 2019 was £2.2M which equates to six months of planned operating expenditure going forward. The Charity will continue to monitor this position and actively take steps to address this position by realising assets and reducing costs. The Charity's targeted policy is to maintain 6 months unrestricted expenditure as free reserves and it will continue to work to achieve this position of liquidity.

### **Financial Management**

With the pro-active involvement of the Trust Committees Diocesan resources are managed to tightly control all costs in particular property and human resources/employment costs. The Trust Committees pursue a policy of obtaining value for money and protection of Diocesan assets. The management of the Trust property buildings, with input from the Building and Property Committee, is time consuming and costly. However, the resource of property is key to engaging with the Charity's stakeholders and essential for the public benefit it provides.



## Dromore Diocesan Trust

### Report of the Trustee (*continued*)

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The Personnel Committee focuses on the costs of employments and compensating employees fairly. The Finance Committee monitors general overheads, one-off expenditure and the financial implications of the Building and Property Committee decisions as well as acting as a sounding board for all the Trustee Committees.

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

#### **Future plans**

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

The Diocese of Dromore will continue to build upon and develop the initiatives and activities outlined in the narrative above and so continue to fulfil the principal aims of the Charity. In addition a primary focus of the Trustee is to secure the long-term financial stability of the Diocese. The appointment of Archbishop Eamon Martin, as Apostolic Administrator, means that the Diocese continues to manage the issues facing the diocese. Periodically the Trustee undertakes a review exercise in respect of all aspects of the activities of the Charity through reports from Parish Priests, Parish Administrators and the various bodies which are constituent parts of the Diocese. The Trust will continue to build upon the work undertaken to date and will continue to foster strategic stakeholder engagement. The Trust will work to build revenue partnerships and drive traditional and new income streams.

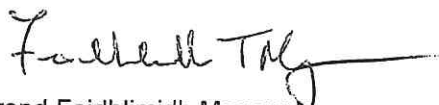
In support of our work, excellent organisational governance will remain a priority focus, ensuring compliance and delivering required assurances to all our stakeholders.

The pandemic has had a significant impact on the activities of the Diocese, particularly in the lockdown period (March-June 2020) and in the following months. The Trust is continually monitoring the financial impact of Covid 19 on the Charity due to the curtailment of activities. Income for the period January to September 2020 is down 29% on the same period in 2019. The Trust hopes to minimise the impact of this fall in revenue by a moratorium on all but essential expenditure. The Board of Directors continues to monitor the situation and consider the implications for the ongoing resourcing of diocesan and parish activities. Parishes and Curial activities are encouraged to review their budgets and plan their expenditure in line with reduced revenue. New revenue streams continue to be explored as well as the promotion of online regular giving by way of an online donations' facility. It is likely that the challenges posed by Covid 19 are with us for some time to come and the Trustee Board will continue to work on new and innovative ways to minimise the impact on the ongoing operations of the Trust.

Signed on behalf of the Trustee on 28 October 2020



Most Reverend Eamon Martin, Apostolic Administrator



Reverend Feidhlimidh Magennis

## Dromore Diocesan Trust

### Statement of Trustee's responsibilities

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

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

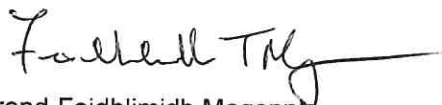
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Signed on behalf of the Trustee on 28 October 2020



Most Reverend Eamon Martin, Apostolic Administrator



Reverend Feidhlimidh Magennis

## Independent auditors' report to the Trustee of Dromore Diocesan Trust

### Opinion

We have audited the financial statements of Dromore Diocesan Trust (the "charity") for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, and of its total incoming resources and expenditure of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act (Northern Ireland) 2008.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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



## Independent auditors' report to the Trustee of Dromore Diocesan Trust (continued)

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

We have nothing to report in this regard.

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

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

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

### **Responsibilities of Trustee**

As explained more fully in the Trustee's responsibilities statement set out on page 18, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 65(2) of the Charities Act (Northern Ireland) 2008 and report in accordance with regulations made under section 66 of that Act.

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

## Independent auditors' report to the Trustee of Dromore Diocesan Trust (continued)

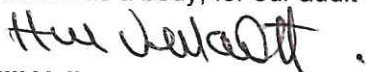
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

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



**Hill Vellacott**

*Chartered Accountants and Statutory Auditor*  
22 Great Victoria Street, Belfast, BT2 7BA

28 October 2020

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

# Dromore Diocesan Trust

## Statement of financial activities Year ended 31 December 2019

		Parishes		Curia		2019		2018	
	Note	Unrestricted funds	Restricted funds	Total funds	Unrestricted Funds	Restricted funds	Total funds	Total Funds (As restated) £'000	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Income from:</b>									
Donations and legacies	2	2,609	687	3,296	21	2	23	3,319	3,699
Investment income	3	-	-	-	4	5	9	9	5
Other income	4	7	-	7	-	-	-	7	13
Charitable activities	5	753	13	766	9	35	44	810	786
Net gains / (losses) on disposals of assets	6	265	-	265	-	-	-	265	(37)
<b>Total</b>		<b>3,634</b>	<b>700</b>	<b>4,334</b>	<b>34</b>	<b>42</b>	<b>76</b>	<b>4,410</b>	<b>4,466</b>
<b>Expenditure on:</b>									
Cost of raising funds	7	49	-	49	-	-	-	49	46
Charitable expenditure	8	2,899	482	3,381	978	240	1,218	4,599	4,457
<b>Total</b>		<b>2,948</b>	<b>482</b>	<b>3,430</b>	<b>978</b>	<b>240</b>	<b>1,218</b>	<b>4,648</b>	<b>4,503</b>
Net income / (expenditure) before investment gains and losses		686	218	904	(944)	(198)	(1,142)	(238)	(37)
Net gains / (losses) on investments	9	68	-	68	29	73	102	170	(33)
<b>Net income / (expenditure)</b>		<b>754</b>	<b>218</b>	<b>972</b>	<b>(915)</b>	<b>(125)</b>	<b>(1,040)</b>	<b>(68)</b>	<b>(70)</b>
Transfers between funds	19	(500)	(180)	(680)	334	346	680	-	-
<b>Net movement on funds</b>		<b>254</b>	<b>38</b>	<b>292</b>	<b>(581)</b>	<b>221</b>	<b>(360)</b>	<b>(68)</b>	<b>(70)</b>
Fund balances brought forward	19	25,786	408	26,194	198	2,023	2,221	28,415	28,485
<b>Fund balances carried forward</b>	19	<b>26,040</b>	<b>446</b>	<b>26,486</b>	<b>(383)</b>	<b>2,244</b>	<b>1,861</b>	<b>28,347</b>	<b>28,415</b>

The notes on pages 25 to 52 form part of these financial statements.

# Dromore Diocesan Trust

Balance sheet  
31 December 2019

	Note	2019 Parishes £'000	2019 Curia £'000	Total £'000	2018 Total £'000 (As restated)
<b>Fixed assets</b>					
Tangible fixed assets	13	25,353	1,127	26,480	27,169
Investments	14	-	1,080	1,080	973
		25,353	2,207	27,560	28,142
<b>Current assets</b>					
Debtors	15	427	3	430	422
Cash at bank and in hand		5,165	2,206	7,371	6,799
		5,592	2,209	7,801	7,221
<b>Creditors - amounts falling due within one year</b>					
Bank overdraft	16	(4,272)	-	(4,272)	(4,768)
Other creditors and accrued expenses		(187)	(291)	(478)	(450)
		1,133	1,918	3,051	2,003
<b>Net current assets / (liabilities)</b>					
<b>Total assets less current liabilities</b>		26,486	4,125	30,611	30,145
<b>Provisions for liabilities and charges</b>	18	-	(2,264)	(2,264)	(1,730)
		26,486	1,861	28,347	28,415
<b>Total assets less current liabilities</b>					
<b>Unrestricted funds</b>	19	26,040	(383)	25,657	25,984
<b>Restricted funds</b>	19	446	2,244	2,690	2,431
		26,486	1,861	28,347	28,415
<b>Total assets less current liabilities and parish loan accounts</b>					

The financial statements were approved by the Trustee on 28 October 2020 and signed on its behalf by:

*Eamon Martin*

Most Reverend Eamon Martin, Apostolic Administrator  
Director

*Feidhlimidh Magennis*

Reverend Feidhlimidh Magennis  
Director

The notes on pages 25 to 52 form part of these financial statements.

# Dromore Diocesan Trust

## Statement of cash flows

31 December 2019

	2019 £'000	2018 £'000
<b>Cash flow from operating activities</b>		
Net expenditure	(68)	(70)
Investment income	(9)	(5)
Bank interest	45	53
Depreciation	686	1,333
Decrease / (increase) in debtors	(8)	117
(Decrease) / increase in creditors	27	(106)
Increase in provisions	534	-
(Gain) / loss on investments	(170)	33
(Gain) / loss on disposal of assets	(265)	37
	<hr/>	<hr/>
Net cash from operating activities	772	1,392
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Investment income received	5	5
Interest paid	(45)	(53)
Purchase of tangible assets	(66)	(164)
Proceeds from sale of tangible assets	402	443
	<hr/>	<hr/>
Net cash from investing activities	296	231
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,068	1,623
Cash and cash equivalents at 31 December 2018	2,031	408
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December 2019</b>	3,099	2,031
	<hr/>	<hr/>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	7,371	6,799
Bank overdrafts	(4,272)	(4,768)
	<hr/>	<hr/>
21	3,099	2,031
	<hr/>	<hr/>



# Dromore Diocesan Trust

## Notes

### 1 Accounting policies

#### Summary of significant accounting policies

##### General information and basis of preparation

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

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

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2008 and UK Generally Accepted Accounting Practice.

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

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

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

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

##### Significant judgements

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

##### *Tangible assets*

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

# Dromore Diocesan Trust

## Notes (continued)

### **Key sources of estimation uncertainty**

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

#### *Revaluation of investment properties*

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

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

The charity has provided for the value of claims and the associated legal costs that have been notified to the Trustee. The Trustee has taken advice from the solicitors engaged in the claims to arrive at the amount provided. The details of the amount provided is included in note 18.

### **Funds**

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

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

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

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

### **Income recognition**

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

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

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity

## Dromore Diocesan Trust

### Notes *(continued)*

has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

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

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

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

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

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

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

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

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

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



# Dromore Diocesan Trust

## Notes *(continued)*

### **Expenditure recognition**

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

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

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

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

### **Resources expended**

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

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

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

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

### **Tangible fixed assets**

#### **Curia buildings**

The Trustee's view was that a reasonable approximation of the net book value of the curial property held at 31 December 2014 would be established through discounting the insurance values of these assets by 90%.

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

# Dromore Diocesan Trust

## Notes *(continued)*

### **Parish land**

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

### **Church property and contents**

Prior to 2015, the accounting policy applied was for capital expenditure to be written off in full as incurred. As a result of that policy, the original costs and accumulated depreciation of all church property and contents held then was not available. The Trustee's view was that a reasonable approximation of the net book value of the church property and contents held at 31 December 2014 would be established through discounting the insurance values of these assets by 90%. This was the policy employed to include the assets on the balance sheet at estimated historic cost net of accumulated depreciation. Of the 22 parishes, all will have a church and a presbytery and some will have oratories and halls.

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

### **Other tangible fixed assets**

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

Fixtures, fittings and equipment	10% reducing balance (curia)
	10% reducing balance (parishes)

### **Investment properties**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

### **Investments**

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

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

# Dromore Diocesan Trust

## Notes *(continued)*

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

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

### **Cash and cash equivalents**

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

### **Loans and borrowings**

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

### **Concessionary loans**

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

### **Impairment**

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

### **Provisions**

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

### **Leases**

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

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

# Dromore Diocesan Trust

## Notes *(continued)*

### **Foreign currency**

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

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

### **Termination benefits**

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

### **Tax**

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

### **Going concern**

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

# Dromore Diocesan Trust

## Notes (continued)

### 2 Voluntary income

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Offertories, donations and legacies	2,609	687	3,296
	<u>2,609</u>	<u>687</u>	<u>3,296</u>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Offertories, donations and legacies	2,569	697	3,266
	<u>2,569</u>	<u>697</u>	<u>3,266</u>

#### Curia

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Donations and gifts	21	2	23
	<u>21</u>	<u>2</u>	<u>23</u>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Donations and gifts	432	1	433
	<u>432</u>	<u>1</u>	<u>433</u>

# Dromore Diocesan Trust

## Notes (continued)

### 3 Investment income

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Bank interest	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Bank interest	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

#### Curial and pastoral

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Listed investments	4	5	9
	<hr/>	<hr/>	<hr/>
	4	5	9
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Listed investments	3	2	5
	<hr/>	<hr/>	<hr/>
	3	2	5
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

Notes *(continued)*

## 4 Other Income

### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Insurance Claims	7	-	7
	<hr/>	<hr/>	<hr/>
	7	-	7
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Insurance Claims	13	-	13
	<hr/>	<hr/>	<hr/>
	13	-	13
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

Notes *(continued)*

## 5 Incoming resources from charitable activities

### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Fundraising	358	-	358
Booklets and pilgrimages	255	-	255
Other incoming resources from charitable activities	140	-	140
Youth Ministry	-	13	13
	<hr/>	<hr/>	<hr/>
	753	13	766
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Fundraising	371	-	371
Booklets and pilgrimages	246	-	246
Other incoming resources from charitable activities	109	-	109
Youth Ministry	-	14	14
	<hr/>	<hr/>	<hr/>
	726	14	740
	<hr/>	<hr/>	<hr/>



# Dromore Diocesan Trust

## Notes (continued)

### 5 Incoming resources from charitable activities (continued)

#### Curial

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Fundraising	9	-	9
Youth Commission Income	-	31	31
Other donations	-	1	1
Bank Interest received	-	-	-
Dromore Diocesan Clerical Provident Society	-	3	3
	<hr/>	<hr/>	<hr/>
	9	35	44
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Youth Commission Income	-	23	23
Other donations	-	1	1
Profit on foreign exchange	1	-	1
Dromore Diocesan Clerical Provident Society	-	21	21
	<hr/>	<hr/>	<hr/>
	1	45	46
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

Notes (continued)

## 6 Net gains / (losses) on disposals of fixed assets

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Profit / (loss) on sale of tangible fixed assets			
Parishes	265	-	265
Curial	-	-	-
	<hr/>	<hr/>	<hr/>
	265	-	265
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Profit / (loss) on sale of tangible fixed assets			
Parishes	32	-	32
Curial	-	(69)	(69)
	<hr/>	<hr/>	<hr/>
	32	(69)	(37)
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

## Notes (continued)

### 7 Costs of generating funds

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Fundraising costs	49	-	49
	<hr/>	<hr/>	<hr/>
	49	-	49
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Fundraising costs	45	-	45
	<hr/>	<hr/>	<hr/>
	45	-	45
	<hr/>	<hr/>	<hr/>

#### Curial and pastoral

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Fundraising costs	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Fundraising costs	-	1	1
	<hr/>	<hr/>	<hr/>
	-	1	1
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

## Notes (continued)

### 8 Costs of activities in furtherance of charitable activities

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Administration costs	87	-	87
Parish centre costs	13	-	13
School payments	23	-	23
Priest welfare payments	-	482	482
Premises costs including insurance	689	-	689
Repairs and maintenance	367	-	367
Gross salaries and employer's national insurance costs	414	-	414
Votives and liturgical costs	218	-	218
Depreciation	683	-	683
Cemetery maintenance	243	-	243
Other costs	162	-	162
	<u>2,899</u>	<u>482</u>	<u>3,381</u>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Administration costs	99	-	99
Parish centre costs	84	-	84
School payments	38	-	38
Priest welfare payments	-	503	503
Premises costs including insurance	694	-	694
Repairs and maintenance	258	-	258
Gross salaries and employer's national insurance costs	449	-	449
Votives and liturgical costs	220	-	220
Depreciation	1,330	-	1,330
Cemetery maintenance	114	-	114
Other costs	83	-	83
	<u>3,369</u>	<u>503</u>	<u>3,872</u>

# Dromore Diocesan Trust

## Notes (continued)

### 8 Costs of activities in furtherance of charitable activities (continued)

#### Curial and pastoral

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Gross salaries and employers' NIC costs	121	42	163
DCPS Payments	-	72	72
Administration costs	13	7	20
Child protection costs	53	-	53
Bank interest	45	-	45
Other costs	130	118	248
Legal and similar costs	616	1	617
	<hr/>	<hr/>	<hr/>
	978	240	1,218
	<hr/>	<hr/>	<hr/>
	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Gross salaries and employers' NIC costs	98	42	140
DCPS Payments	-	109	109
Administration costs	21	7	28
Child protection costs	22	-	22
Bank interest	53	-	53
Other costs	158	75	233
	<hr/>	<hr/>	<hr/>
	352	233	585
	<hr/>	<hr/>	<hr/>



# Dromore Diocesan Trust

## Notes (continued)

### 9 Gains / (losses) on investments

#### Parishes

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Increase in investments value	68	-	68
	<hr/>	<hr/>	<hr/>
	68	-	68
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Increase in investments value	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	-
	<hr/>	<hr/>	<hr/>

#### Curial and pastoral

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Increase in investments value	29	73	102
	<hr/>	<hr/>	<hr/>
	29	73	102
	<hr/>	<hr/>	<hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
(Decrease) in investments value	(11)	(22)	(33)
	<hr/>	<hr/>	<hr/>
	(11)	(22)	(33)
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

## Notes *(continued)*

### 10 Governance costs

#### Curial and pastoral

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Fees paid to external auditors for audit	14	-	14
	<u>14</u>	<u>-</u>	<u>14</u>

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000
Fees paid to external auditors for audit	16	-	16
	<u>16</u>	<u>-</u>	<u>16</u>

### 11 Net income / (expenditure)

Net income / (expenditure) is stated after charging:

	2019 £'000	2018 £'000
Auditors' remuneration – audit	14	16
Depreciation – unrestricted funds	686	1,333
	<u>686</u>	<u>1,333</u>

# Dromore Diocesan Trust

## Notes *(continued)*

### 12 Staff numbers, costs and pension contributions

The average number of employees during the year was:

	2019 Number	2018 Number
Curia employees	7	7
Parish employees	58	76
	<hr/>	<hr/>
	65	83
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs for the above were as follows:

	2019 £'000	2018 £'000
Wages and salaries	546	558
Social security costs	25	26
Employer pension contributions	6	4
	<hr/>	<hr/>
	577	588
	<hr/> <hr/>	<hr/> <hr/>

There are no employees (2018 – no employees) who received emoluments of more than £60,000 in the year.

# Dromore Diocesan Trust

## Notes (continued)

### 13 Tangible fixed assets

#### Parishes

	Church Building & Contents £'000	Land £'000	Fixtures, fittings and equipment £'000	Total £'000	Freehold investment properties £'000
<b>Cost or calculation</b>					
At 1 January 2019 (as restated)	21,810	2,199	3,578	<b>27,587</b>	1,747
Additions	18	-	48	<b>66</b>	-
Disposals	(41)	-	-	<b>(41)</b>	(100)
Revaluation	-	-	-	-	68
<b>At 31 December 2019</b>	<b>21,787</b>	<b>2,199</b>	<b>3,626</b>	<b>27,612</b>	<b>1,715</b>
<b>Depreciation</b>					
At 1 January 2019	2,129	-	1,167	<b>3,296</b>	-
Charge for year	436	-	246	<b>682</b>	-
Eliminated on disposals	(4)	-	-	<b>(4)</b>	-
<b>At 31 December 2019</b>	<b>2,561</b>	<b>-</b>	<b>1,413</b>	<b>3,974</b>	<b>-</b>
<b>Net book value</b>					
<b>At 31 December 2019</b>	<b>19,226</b>	<b>2,199</b>	<b>2,213</b>	<b>23,638</b>	<b>1,715</b>
At 31 December 2018 (as restated)	19,681	2,199	2,411	24,291	1,747

The investment properties have been valued by the Trustee on the basis of market value, based on valuation reports on the various properties by Lennon Estates, Charles Digney Properties, Hanna Hillen Estates and Best Property Services.



# Dromore Diocesan Trust

## Notes *(continued)*

### 13 Tangible fixed assets *(continued)*

#### Curia

	Land and buildings	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
<b>Cost or calculation</b>			
At 1 January 2019 (as restated)	1,147	3	<b>1,150</b>
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>1,147</b>	<b>3</b>	<b>1,150</b>
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2019	17	2	<b>19</b>
Charge for year	4	-	<b>4</b>
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>	<b>21</b>	<b>2</b>	<b>23</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>1,126</b>	<b>1</b>	<b>1,127</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2018	1,130	1	1,131
	<hr/>	<hr/>	<hr/>

# Dromore Diocesan Trust

## Notes (continued)

### 14 Investments

At market value	2019 £'000	2018 £'000
NI Central Investment Fund for Charities	106	93
UK government bonds	79	76
UK listed investments	339	285
European listed investments	183	152
Cash	373	367
	<u>1,080</u>	<u>973</u>
	<u><u>1,080</u></u>	<u><u>973</u></u>
	2019 £'000	2018 £'000
Movements		
Opening	973	1,006
Net cash	-	-
Realised gains	-	46
Unrealised gains / (losses)	103	(84)
Income received	4	5
	<u>1,080</u>	<u>973</u>
	<u><u>1,080</u></u>	<u><u>973</u></u>

### 15 Debtors

	Parishes £'000	2019 Curia £'000	Total £'000	2018 Total £'000
Gift aid recoverable	311	-	311	311
Trade debtors	8	2	10	10
Other debtors and prepayments	108	1	109	101
	<u>427</u>	<u>3</u>	<u>430</u>	<u>422</u>
	<u><u>427</u></u>	<u><u>3</u></u>	<u><u>430</u></u>	<u><u>422</u></u>

# Dromore Diocesan Trust

## Notes (continued)

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

	Parishes £'000	2019 Curia £'000	Total £'000	2018 Total £'000
Accruals and deferred income	75	122	197	182
Trade creditors	63	-	63	50
Other creditors	13	169	182	193
Other taxes and social security costs	1	-	1	1
Schools creditor	35	-	35	24
	<hr/>	<hr/>	<hr/>	<hr/>
	187	291	478	450
	<hr/>	<hr/>	<hr/>	<hr/>

### 17 Statement of control

The charity is controlled by the Diocese of Dromore Trustee, a company limited by guarantee, registered in Northern Ireland.

### 18 Provisions

The trust has made a provision in these financial statements of £2,264,500 (2018: £1,730,000) to cover legal claims and costs. The Trustee has made this provision in this year's financial statements based upon legal advice on the likely outcome of these cases.

	£'000
Opening balance	1,730
Payments made in the year	(75)
Increase in provision	609
	<hr/>
Closing balance	2,264
	<hr/>

# Dromore Diocesan Trust

Notes (continued)

## 19 Movement in funds

	Opening balance	Prior year adjustment (see below)	Opening balance (As restated)	Income	Expenditure	Other gains / (losses)	Transfers	Closing balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted funds</b>								
Parishes	25,348	438	25,786	3,634	(2,948)	68	(500)	26,040
Curia	177	21	198	34	(978)	29	334	(383)
<b>Total unrestricted funds</b>	<b>25,525</b>	<b>459</b>	<b>25,984</b>	<b>3,668</b>	<b>(3,926)</b>	<b>97</b>	<b>(166)</b>	<b>25,657</b>
<b>Restricted funds</b>								
Parishes	681	(273)	408	700	(482)	-	(180)	446
Clergy Support	-	249	249	1	(7)	-	118	361
Diocesan Clerical Provident Society	1,116	(73)	1,043	5	(84)	-	112	1,076
Youth Commission	12	(2)	10	32	(83)	-	48	7
Family Care	(11)	-	(11)	-	(31)	-	42	-
Education of Priests	23	-	23	(1)	(34)	-	18	6
Bequests	715	-	715	5	-	73	-	793
General	12	(18)	(6)	-	(1)	-	8	1
<b>Total restricted funds</b>	<b>2,548</b>	<b>(117)</b>	<b>2,431</b>	<b>742</b>	<b>(722)</b>	<b>73</b>	<b>166</b>	<b>2,690</b>
<b>Total funds</b>	<b>28,073</b>	<b>342</b>	<b>28,415</b>	<b>4,410</b>	<b>(4,648)</b>	<b>170</b>	<b>-</b>	<b>28,347</b>



# Dromore Diocesan Trust

## Notes *(continued)*

### **19 Movement in funds (continued)**

The curia unrestricted funds are overdrawn by £383,311 and this has arisen from the increased provision this year as set out in note 18. The charity is developing plans to address this deficit in the medium term and identify sources of income to rectify the position.

The prior year adjustment arises from:

An increase in net assets of £342,000 arising from the identification of additional assets at 31 December 2019, not previously recognised and a restatement of the opening reserves between the various funds.

The details of the restricted funds are as follows:

#### **Parishes**

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

#### **Clergy Support**

This fund represents the surplus of monies collected for the support of priests of the Diocese. The policy is to maintain a reserve for the long-term provision for priests' support which represents at least six months of expenditure.

#### **Diocesan Clerical Provident Society**

This fund provides support for sick and retired secular priests of the Diocese who may need financial assistance.

#### **Youth Commission**

This fund is used to support the operation of the Dromore Diocesan Youth Commission office.

#### **Family Care**

This fund is used to support agencies involved in family ministry within the Diocese and at a national level.

#### **Education of Priests**

This fund is used to support the education, training and living costs of seminarians and clergy of the Diocese.

#### **Bequests**

These funds are legacy bequests and are restricted for the purposes stipulated in the will of the testator or testatrix.

#### **General**

These funds are small donations received for specific purposes to defray costs incurred.

## Dromore Diocesan Trust

### Notes (continued)

#### 20 Amounts held as agent

There are various collections taken up during the year within the Diocese that are collections undertaken as agent on behalf of other organisations. These funds are lodged to the bank and then paid to the individual organisations. The asset and liability are not recognised within these financial statements. The amount of funds held by the trust as at 31 December 2019 was £56,900 (2018 - £88,120).

#### 21 Analysis of changes in net debt

	At start of year £'000	Cashflows £'000	At end of year £'000
Cash	6,799	572	7,371
Overdraft facility repayable on demand	(4,768)	496	(4,272)
	—	—	—
<b>Total</b>	<b>2,031</b>	<b>1,068</b>	<b>3,099</b>
	==	==	==

## Notes (continued)

	2018 (as restated)					
	Parishes		Curia			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	24,292	-	24,292	298	833	1,131
Investments properties	1,747	-	1,747	-	-	-
Fixed asset investments	-	-	-	258	715	973
Bank balances / (overdraft and loans)	(483)	408	(75)	1,575	531	2,031
Other net current assets / (liabilities)	230	-	230	(203)	(56)	(259)
Provisions	-	-	-	(1,730)	-	(1,730)
<b>TOTAL NET ASSETS</b>	<b>25,786</b>	<b>408</b>	<b>26,194</b>	<b>198</b>	<b>2,023</b>	<b>2,221</b>
						<b>28,415</b>

## Dromore Diocesan Trust

### Notes *(continued)*

#### **23 Trustee remuneration**

The Trustee neither received nor waived any emoluments nor made a claim for expenses incurred relating to duties carried out for the trust. Two directors of the Trustee received stipends, in aggregate, totaling £25,200 for the year to 31st December 2019 (2018 - £27,700). These stipends were paid to them in respect of their role as serving Ministers of the Church in Dromore and not as a result of their Trustee role. No pension contributions were paid on their behalf. Accommodation is provided for them exclusively as a consequence of their ministries within the Diocese. One director of the Trustee was entitled to a stipend for his role as a serving Minister of the Church in Dromore, but elected not to receive the stipend.

#### **24 Key management personnel**

The charity considers that the directors of the Trustee are the key management personnel and the remuneration of the key management personnel is set out in note 22.

#### **25 Capital commitments**

The charity has contracted for capital commitments as at 31 December 2019 of £28,350 (2018 - £nil).