

Charity registration number NIC107866

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

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THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Ex-officio Governor(s)

The Bishop of Down and Dromore: The Right Reverend D A McClay (co-chair)
The Bishop of Connor: The Right Reverend G T W Davison (co-chair)

Clerical Representative Governors

Down: The Rev'd C Darling
Connor: The Rev Dr A P Campbell
The Rev P R Benson - Until February 2022
Dromore: The Venerable T R West

Lay Representative Governors

Down: Mr J E Bunting
Connor: Mr N R Bolt
Mr R Gilbert
Dromore: Mr S Cassells
Honorary Treasurer Mr N R Bolt
Honorary Secretary Mr J E Bunting

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

LEGAL AND ADMINISTRATIVE INFORMATION

HMRC Charity number	NIC107866
NI Charity number	107866
Independent examiner	Moore (N.I.) LLP 4th Floor Donegall House 7 Donegall Square North Belfast BT1 5GB
Bankers	AIB 35 University Road Belfast BT7 1ND
Solicitors	Edwards & Co Solicitors 28 Hill Street Belfast BT1 2LA

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Governors present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act (Northern Ireland) 2008 & 2013 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The principal objective of the charity is to manage the property and financial assets vested with it as educational endowments, arising from the transfer to it of parochial school properties within the present dioceses of Down and Dromore, and Connor. Proceeds from the disposal of redundant school properties are held upon trust by the Charity, and the net income therefrom is transferred annually to the respective parishes under the terms of the scheme.

The main activities of the charity remain unchanged since last year.

Public Benefit

The expression of the precepts of the Christian religion through engagement with the public, and in particular by way of promoting religious education, is a public benefit. This can be measured and evidenced through increased social integration and pastoral care especially of the young. The direct benefits of this element of religious life include the encouragement of learning, the provision of premises for social and religious purposes, community cohesion through church based organisations and improved educational outcomes.

The beneficiaries are the general public as evidenced by social and inter-denominational organisations and church members through the provision of religious education at all levels and indeed for all ages. Any private benefit arising out of the fulfilment of this religious educational ministry is essential to the fulfilment of the purpose of the charity. No trustee receives remuneration, reward or other private benefit for carrying out their trustee responsibility with the exception of one co-opted trustee and secretarial staff who help with the provision of financial and other services through the agency of a separate body to which the charity makes payment.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

The Governors continued to review all operating and financial procedures.

The Charity completed an active year with net expenditure of (£430,707) (2021: net expenditure of £244,953). As the Charity makes no direct use of the properties impressed with it under Scheme 89, the parishes, being responsible as beneficial users, are required to insure, maintain and develop the properties for their own needs. Accordingly, the Governors have decided it is not appropriate to apply a depreciation sum on any of them and thus have allocated a rate of depreciation of 0% per annum. The basic value is established by insurance replacement values or governor's estimates.

Dividend income increased by £5,586 or 1.2%.

Donations from parishes decreased to £257 (2021: £300).

Unrestricted charitable expenditure decreased by £53,143 or -98.9% as 2021 included a grant payment to Kilwareen.

Core administration costs increased to £640 (2021: £480).

Governance costs increased to £2,511 (2021: £2,045) due to higher legal fees.

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The financial statements are presented in the standard format required by the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102. The Statement of Financial Activities (SOFA) shows the gross income from all sources.

The charity's declared unrestricted reserves at 31 December 2022 were £560,353. It is the charity's policy not to maintain unrestricted revenue reserves greater than 100% of actual resources expended in any normal year. The Board notes that of its stated unrestricted reserves of £560,353, £6,742 consists of unrealised gains on invested capital, an uncertain base which may not be relied upon in difficult economic circumstances.

With the exception of certain unrestricted reserves, the vast bulk of investment assets are held for restricted trusts normally arising from the proceeds of sale of redundant school properties.

Almost all investment assets are held by Church of Ireland Trustees. They are actively managed by Sarasin & Partners LLP of London and regular performance reports are given to the Board.

Risk management

The governors keep under review the major risks, to which the charity may become exposed, in particular those relating to the finances of the charity, and are satisfied that appropriate systems are kept in place to mitigate exposure to such major risks. As part of this strategy, investment assets were reinvested in Church of Ireland Trustee units in 2015 which provides a pooled investment structure consisting for the greater part of equities and bonds, and designed to provide a combination of capital and income growth.

The governors intend that the charity shall continue with its existing policy of governing and managing those assets with which it is impressed.

The process of registration with the Charities Commission for Northern Ireland was completed on the 15th February 2021, with the Charity registered under the name "The Parochial Schools of the Dioceses of Down and Connor, and Dromore".

Structure, governance and management

The charity is a body corporate framed under the Educational Endowments (Ireland) Act 1885 which established, under Scheme 89 of that Act, a structure for the government and management of the parochial schools of the dioceses of Down and Connor, and Dromore.

Scheme 89 was given final approval by the Lords Justices General and General Governors of Ireland with the consent of the Privy Council in Ireland at Dublin Castle, on the 6th November, 1893.

The charity is managed by a Governing Body, established under Scheme 89, consisting of two ex-officio Governors-The Bishop of Connor and The Bishop of Down and Dromore, Clerical Representative Governors and Lay Representative Governors from each diocese, elected by diocesan synods, and up to four co-opted Governors.

The Governing Body meets approximately four times per annum. Day to day administration is managed through the Executive Secretary, Assistant Secretary and other governors as required.

The members of the Governing Body as at 31st December 2022 are as outlined below:

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Ex-officio Governor(s)

The Bishop of Down and Dromore: The Right Reverend D A McClay (co-chair)
The Bishop of Connor: The Right Reverend G T W Davison (co-chair)

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Mr R Gilbert
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Honorary Treasurer Mr N R Bolt
Honorary Secretary Mr J E Bunting

Members of the Board are elected by the diocesan synods each year except for those who are co-opted under the powers provided by Scheme 89 to the Educational endowments (Ireland) Act 1885. All co-options are holders of offices which directly supplement the working of the board.

Taxation

The charitable status of the charity is recognised by His Majesty's Revenue and Customs and this status allows certain tax exemptions on income and profits from investments and surpluses on any activities carried on in furtherance of its primary objectives, if these profits and surpluses are applied solely for charitable purposes. The charity is not registered for VAT and accordingly all its expenditure is recorded inclusive of any VAT incurred.

Responsibility in respect of the Annual Financial Statements

The Governors are responsible for the preparation of the financial statements for each year which give a true and fair view of the state of affairs of the Board as at the end of the financial year and of the surplus or deficit of the Board of that period. In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Governors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board and to enable it to ensure that the financial statements comply with the Educational Endowments Act 1885 and United Kingdom Accounting Standards. The Governors' are also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND
CONNOR, AND DROMORE**

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Governors' report was approved by the Board of Governors.

+George Connor

Dated: 18/12/2023

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

INDEPENDENT EXAMINER'S REPORT

TO THE GOVERNORS OF THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

I report on the financial statements of the Charity for the year ended 31 December 2022, which are set out on pages 8 to 15.

Respective responsibilities of Governors and examiner

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the Charities Act (Northern Ireland) 2008.

In accordance with the terms of our engagement, and to assist you to fulfil your duties under the relevant charity laws and regulations, I have compiled the financial statements of The Down and Connor, and Dromore Diocesan Board of Education for the year ended 31 December 2022, set out on pages 8 to 15, from the accounting records and information and explanations you have given to me.

It is my responsibility to:

- (i) examine the financial statements under section 65 of the Charities Act
- (ii) follow the procedures laid down in the general Directions given by the Charity Commission under section 65(9)(b) of the Charity Act
- (iii) state whether particular matters have come to my attention.

Basis of independent examiner's report

I have examined your charity accounts as required under section 65 of the Charities Act and my examination was carried out in accordance with the general Directions given by the Charity Commission for Northern Ireland under section 65(9)(b) of the Charities Act.

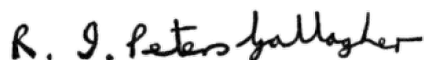
My examination included a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts and seeking explanations from you as charity Trustees concerning any such matters.

My role is to state whether any material matters have come to my attention giving me cause to believe:

- 1. That accounting records were not kept in accordance with section 63 of the Charities Act
- 2. That the accounts do not accord with those accounting records
- 3. That the accounts do not comply with the accounting requirements of the Charities Act
- 4. That there is further information needed for a proper understanding of the accounts to be reached.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission for Northern Ireland, I have found no matters that require drawing to your attention.



Dr R I Peters Gallagher OBE FCA
For and on behalf of Moore (N.I.) LLP

4th Floor Donegall House
7 Donegall Square North
Belfast
BT1 5GB

Dated: 07/12/2023

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds	Restricted funds	Total	As Restated Unrestricted funds	Restricted funds	As Restated Total
	Notes	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
<u>Income from:</u>							
Donations		257	-	257	300	-	300
Commission		-	-	-	20,940	-	20,940
Investments		4,272	115,056	119,328	4,272	109,470	113,742
Total income		4,529	115,056	119,585	25,512	109,470	134,982
<u>Expenditure on:</u>							
Charitable activities	3	4,310	103,830	108,140	8,132	104,214	112,346
Net gains (losses) on investments	6	(8,852)	(433,300)	(442,152)	18,245	252,543	270,788
Net movement in funds		(8,633)	(422,074)	(430,707)	35,625	257,799	293,424
Fund balances at 1 January 2022		568,986	16,699,529	17,268,515	533,361	16,441,730	16,975,091
Fund balances at 31 December 2022		560,353	16,277,455	16,837,808	568,986	16,699,529	17,268,515

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

All income and expenditure derive from continuing activities.

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	As Restated 2021 £	£
Fixed assets					
Investment properties	8	13,179,992		13,179,992	
Investments	9	3,607,677		4,049,829	
		<u>16,787,669</u>		<u>17,229,821</u>	
Current assets					
Cash at bank and in hand		66,247		40,794	
Creditors: amounts falling due within one year	10	<u>(16,108)</u>		<u>(2,100)</u>	
Net current assets			50,139		38,694
Total assets less current liabilities			<u>16,837,808</u>		<u>17,268,515</u>
Income funds					
Restricted funds		16,277,455		16,699,529	
Unrestricted funds		560,353		568,986	
		<u>16,837,808</u>		<u>17,268,515</u>	

The financial statements were approved by the Governors on 7/12/2023



Trustee

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Parochial Schools Of The Dioceses Of Down And Connor, and Dromore is a registered charity.

1.1 Accounting convention

The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102.

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

1.2 Charitable funds

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

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

1.3 Income

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when receivable.

Investment income is included when receivable.

1.4 Expenditure

Charitable activities expenditure is recognised on an accruals basis as a liability is incurred. Governance costs include those incurred in the governance of its assets and are primarily associated with constitutional and statutory requirements.

1.5 Investment properties

Buildings are stated at cost, except for those buildings which were not capitalised until many years after being acquired. Their original cost could not be ascertained and a reasonable estimate of their value to the charity had been used.

Buildings are not depreciated as the Board is of the opinion that both the depreciation charge and the accumulated depreciation are not material because the estimated residual value (based on reasonable estimates of their current value when recognised in the financial statements) of the asset is not materially different from the carrying amount of the asset. The buildings are subject to an annual impairment review.

1.6 Investments

All income from investments is accounted for on an accruals basis. Deposit interest receivable, expenses and interest payable are accounted for on an accruals basis. Listed investments comprise those quoted on a Stock Exchange.

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

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

2 Critical accounting estimates and judgements

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

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

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Charitable activities	Unrestricted Funds	Restricted Funds	As Restated		Restricted Funds	As Restated Total 2021
	2022 £	2022 £	Total 2022	2021 £	2021 £	£
Parochial dividends	-	103,830	103,830	-	104,214	104,214
Administrative: core costs	640	-	640	480	-	480
Administrative: sundry costs	159	-	159	2,507	-	2,507
Student grants	1,000	-	1,000	3,100	-	3,100
	1,799	103,830	105,629	6,087	104,214	110,301
Share of governance costs (see note 4)	2,511	-	2,511	2,045	-	2,045
	4,310	103,830	108,140	8,132	104,214	112,346
Analysis by fund						
Unrestricted funds	4,310	-	4,310	8,132	-	8,132
Restricted funds	-	103,830	103,830	-	104,214	104,214
	4,310	103,830	108,140	8,132	104,214	112,346

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Independent examination fees	-	1,620	1,620	-	1,620	1,620
Legal and professional	-	891	891	-	425	425
	-	2,511	2,511	-	2,045	2,045
Analysed between Charitable activities	-	2,511	2,511	-	2,045	2,045

Governance costs includes payments to the independent examiner of £1,620 (2021- £1,620) for independent examination fees.

5 Governors

None of the Governors (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

6 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £
Revaluation of investments	(8,852)	(433,300)	(442,152)	18,245	252,543
					270,788

7 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

8 Investment property

	2022 £
Fair value	
At 1 January 2022 and 31 December 2022	13,179,992

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2022 & 31 December 2022	4,049,829
Valuation changes	(442,152)
	<u>3,607,677</u>
Carrying amount	
At 31 December 2022	<u>3,607,677</u>
At 31 December 2021	<u>4,049,829</u>

10 Creditors: amounts falling due within one year

	2022 £	As Restated 2021 £
Other creditors	<u>16,108</u>	<u>2,100</u>

11 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £
Fund balances at 31 December 2022 are represented by:					
Investment properties	-	13,179,992	13,179,992	-	13,179,992
Investments	545,109	3,062,568	3,607,677	553,960	3,495,869
Current assets/(liabilities)	38,913	11,226	50,139	15,026	23,668
	<u>584,022</u>	<u>16,253,786</u>	<u>16,837,808</u>	<u>16,699,529</u>	<u>17,268,515</u>

12 Related party transactions

The Governors of the charity are affiliated with the various Parishes the Board represents. By nature this makes them related parties. However there are no transactions entered into with the individual parishes other than the dividends paid to them on their investments. These dividends are a representative share of the individual Parish's investment with the charity and as such there is no judgement in its calculation.

THE PAROCHIAL SCHOOLS OF THE DIOCESES OF DOWN AND CONNOR, AND DROMORE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Prior year adjustmnet

When preparing the 2022 financial statements an error was uncovered in the 2021 financial statements. A payment of £48,471 made to a parish church in relation to the sale of a building was recorded as a grant in the 2021 financial statements but it had previously been provided for as a creditor in the 2020 financial statements. As such the closing funds were understated in 2021 and have been restated to correct the position. The effect of the adjustment is set out on the face of the statement of financial activities including income and expenditure account.