

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

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 particularly 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
Dromore: Mr S Cassells

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