

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 2023

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

CONTENTS

	Page
Charity information	1 - 2
Governors' report	3 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 15

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 until June 2023

Connor: The Rev Dr A P Campbell*

The Rev Brian Lacey* from June 2023

Dromore: The Venerable T R West until June 2023

The Rev S Cooke* from June 2023

Lay Representative Governors

Down: Mr J E Bunting until June 2023

Connor: Mr N R Bolt

Mr R Gilbert* until June 2023

Dromore: Mr S Cassells*

Honorary Treasurer Mr N R Bolt

Honorary Secretary Mr J E Bunting until June 2023

The Rev Dr A P Campbell from June 2023

*Governors marked an asterix are Trustees for purposes of compliance with the Charity Commission of Northern Ireland.

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 2023

The Governors present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the 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

Significant activities and achievements against objectives

The Governors continued to review all operating and financial procedures.

The Charity completed an active year with net income of (£167,060 (2022: net expenditure of £430,707)). 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 decreased by £9,603 or 8%.

Donations from parishes increased to £550 (2022: £257).

Unrestricted charitable expenditure increased by £6,185.

Core administration costs increased to £4,345 (2022: £640).

Governance costs decreased to £1,620 (2022: £2,511).

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

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Going concern

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

Reserves policy

The charity's declared unrestricted reserves at 31 December 2023 were £569,324. 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 £569,324, £25,657 consists of unrealised gains on invested capital, an uncertain base which may not be relied upon in difficult economic circumstances.

Investment policy

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.

Major risks

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.

Plans for future periods

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 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 2023 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 2023

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 until June 2023

Connor: The Rev Dr A P Campbell*

The Rev Brian Lacey* from June 2023

Dromore: The Venerable T R West until June 2023

The Rev S Cooke* from June 2023

Lay Representative Governors

Down: Mr J E Bunting until June 2023

Connor: Mr N R Bolt

Mr R Gilbert* until June 2023

Dromore: Mr S Cassells*

Honorary Treasurer Mr N R Bolt

Honorary Secretary Mr J E Bunting until June 2023

The Rev Dr A P Campbell from June 2023

*Governors marked an asterisk are Trustees for purposes of compliance with the Charity Commission of Northern Ireland.

Recruitment and appointment of trustees

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

**GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

+ George Connor

Date: 2nd September 2024

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 2023, 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 2023, 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: 03/09/2024

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 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Income from:						
Donations		550	-	550	257	257
Investments		-	109,725	109,725	4,272	119,328
Total income		550	109,725	110,275	4,529	119,585
Expenditure on:						
Charitable activities	3	10,494	94,483	104,977	4,310	108,140
Net gains (losses) on investments	6	18,915	142,847	161,762	(8,852)	(442,152)
Net movement in funds		8,971	158,089	167,060	(8,633)	(430,707)
Fund balances at 1 January 2023		560,353	16,277,455	16,837,808	568,986	17,268,515
Fund balances at 31 December 2023		569,324	16,435,544	17,004,868	560,353	16,837,808

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

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

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

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investment properties	8	13,133,556		13,179,992	
Investments	9	3,768,507		3,607,677	
		<u>16,902,063</u>		<u>16,787,669</u>	
Current assets					
Cash at bank and in hand		107,802		66,247	
Creditors: amounts falling due within one year	10	<u>(4,997)</u>		<u>(16,108)</u>	
Net current assets			102,805		50,139
Total assets less current liabilities			<u>17,004,868</u>		<u>16,837,808</u>
Income funds					
Restricted funds	11	16,435,544		16,277,455	
Unrestricted funds		569,324		560,353	
		<u>17,004,868</u>		<u>16,837,808</u>	

The financial statements were approved by the Governors on 2nd September 2024

+ George Connor
Trustee

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 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.

1.5 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 Investment property

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.

1.7 Fixed asset 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.

1.8 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.

1.9 Employee benefits

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

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

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 2023

3 Expenditure on charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Direct costs						
Parochial dividends	-	94,483	94,483	-	103,830	103,830
Administrative: core costs	4,345	-	4,345	640	-	640
Administrative: sundry costs	169	-	169	159	-	159
Student grants	4,360	-	4,360	1,000	-	1,000
	<u>8,874</u>	<u>94,483</u>	<u>103,357</u>	<u>1,799</u>	<u>103,830</u>	<u>105,629</u>
Share of support and governance costs (see note 4)						
Governance	1,620	-	1,620	2,511	-	2,511
	<u>10,494</u>	<u>94,483</u>	<u>104,977</u>	<u>4,310</u>	<u>103,830</u>	<u>108,140</u>
Analysis by fund						
Unrestricted funds	10,494	-	10,494	4,310	-	4,310
Restricted funds	-	94,483	94,483	-	103,830	103,830
	<u>10,494</u>	<u>94,483</u>	<u>104,977</u>	<u>4,310</u>	<u>103,830</u>	<u>108,140</u>

4 Support costs

	Support costs £	Governance costs £	2023 £	Support costs £	Governance costs £	2022 £
Independent examination fees	-	1,620	1,620	-	1,620	1,620
Legal and professional	-	-	-	-	891	891
	<u>-</u>	<u>1,620</u>	<u>1,620</u>	<u>-</u>	<u>2,511</u>	<u>2,511</u>
Analysed between Charitable activities	-	1,620	1,620	-	2,511	2,511

Governance costs includes payments to the independent examiner of £1,620 (2022- £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.

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

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

6 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £
Revaluation of investments	18,915	141,915	160,830	(8,852)	(433,300)
Loss on sale of investment properties	-	932	932	-	-
	<u>18,915</u>	<u>142,847</u>	<u>161,762</u>	<u>(8,852)</u>	<u>(442,152)</u>

7 Taxation

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

8 Investment property

	2023 £
Fair value	
At 1 January 2023	13,179,992
Disposals	(46,436)
At 31 December 2023	<u>13,133,556</u>

9 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2023	3,607,677
Valuation changes	160,830
At 31 December 2023	<u>3,768,507</u>
Carrying amount	
At 31 December 2023	<u>3,768,507</u>
At 31 December 2022	<u>3,607,677</u>

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

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

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	4,997	16,108

11 Restricted funds

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

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
	16,277,455	109,725	(94,483)	142,847	16,435,544
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
	16,699,529	115,056	(103,830)	(433,300)	16,277,455

12 Unrestricted funds

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

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	560,353	550	(10,494)	18,915	569,324
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	568,986	4,529	(4,310)	(8,852)	560,353

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

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

13 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £
Fund balances at 31 December 2023 are represented by:					
Investment properties	13,133,556	-	13,133,556	-	13,179,992
Investments	3,768,507	-	3,768,507	545,109	3,607,677
Current assets/(liabilities)	99,848	2,957	102,805	38,913	50,139
	<u>17,001,911</u>	<u>2,957</u>	<u>17,004,868</u>	<u>584,022</u>	<u>16,837,808</u>

14 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.

