

## **Report of the Diocesan Council for the year ended 31 December 2024**

The Diocesan Council, who are the Trustees for charitable purposes, presents its report and audited annual financial statements for the Diocese for the year ended 31 December 2024. The Council has adopted the provisions of the Charities Acts (Northern Ireland) 2008 and 2013 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

### **Objectives and activities**

The objectives and activities of the Diocesan Council, which are unchanged from last year, are principally to manage certain affairs in relation to the cures in its area of operation, to assist with the strengthening and encouragement of those cures and other supporting activities which include financial and administration services to achieve these objectives.

The Trustees are aware of the Charity Commission's guidance on public benefit in The Advancement of Religion for the Public Benefit and have had regard to it in their administration of the Diocese. We believe that by promoting the work of the Church of Ireland in the Diocese of Connor we help to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that this provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for our members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

### **Achievements and performance**

In the year under review, the financial position of the Diocese was fairly static, with only a marginal increase. Expenditure surpassed income by £104,447 but this was offset by a rise in investments of £106,419.

Fair Share income is still the largest stream of income individually at 34.7% of overall income in 2024 (2023: 34.4%), but clerical costs being collected from parishes continues to rise. Although the Clergy Pension Scheme Income has reduced in 2024 to 28.6% of overall income (2023: 33.2%), there continues to be a rise in Stipends and allowances Income, as more clerics move onto central payroll (through the RCB). In 2024 this was 19.6% of overall income (2023: 15.3%).

Donations, External Grants, Investment Income and Other Income accounted for 11.8% of overall income (2023: 12.4%).

The value of investments held within assets saw a significant increase during 2024, with stock markets continuing to recover with strong growth.

Overall, the Diocesan Funds have increased from £4,225,051 in 2023 to £4,226,499 in 2024.

The review of the parish banding system which was carried out in 2023 was reported to Diocesan Council in 2024, and this indicated that a few parishes should be rebanded. It was decided that this would not occur until a parish became vacant.

A register of Trustee's interests have now been gathered.

## **Report of the Diocesan Council for the year ended 31 December 2024 (cont'd)**

### **Financial review**

The financial statements are presented in the standard format required by Statement of Recommended Practice 'Accounting and Reporting by Charities' as issued in March 2015. The Statement of Financial Activities (SOFA) shows gross income from all sources.

### **Results**

During 2024, the Diocese had net expenditure of £104,447 (2023: net expenditure £18,901).

Expenditure for the Diocesan Development programme increased to £243,036 (2023: £230,826).

This year the Diocesan Council has again included a significant provision for doubtful debts. The Council would be hopeful to collect all monies due, but prudence suggests that provision should be made in recognition that there may be difficulties in collecting certain items. The provision made for debtors in 2024 is £353,411 (2023: £313,620).

Our creditors this year increased from £83,577 in 2023 to £91,762 in 2024.

### **Going concern**

The Diocesan Council has reviewed its financial projections and is satisfied that adequate funding is in place to ensure the Diocese can continue its operations and that the financial statements for the year ended 31st December 2024 can be signed off as a going concern.

### **Structure, governance and management**

The Diocese of Connor was established in its present form by Act of the General Synod in 1945 and is regulated by General Synod of the Church of Ireland and its own diocesan regulations, authority for both stem from the provisions of the Irish Church Act 1869.

The Diocesan Council is a body elected by the Diocesan Synod which meets to consider and regulate the financial and other matters of the Diocese about five times per annum. Day to day work is delegated to the administrative staff with oversight given to the Diocesan Finance Committee. This committee is scheduled to meet five or six times per annum and takes a detailed look at all Diocesan financial matters.

Newly elected members will receive Trustee training from the RCB.

### **Principal risks**

The Diocesan Council in the normal course of its oversight of activities has given due consideration to the principal risks that it faces, in particular those related to the long term operational and financial well-being of the Diocese of Connor. Whilst keeping matters under review, the Diocesan Council is satisfied that systems are in place to mitigate major risks. Investment and financial risks are primarily under the purview of the Diocesan Finance Committee and the trustee bodies to whom the funds have been entrusted. The Diocesan Finance Committee had requested the creation of a formal Risk Register, this was agreed by the Diocesan Council presented at the February 2018 meeting and was reviewed in November 2020. A further review occurred during 2022 and was adopted by Diocesan Council at its November 2022 meeting.

## **Report of the Diocesan Council for the year ended 31 December 2024 (cont'd)**

### **Reserves policy**

The Diocesan Council generally raises such funds from the parishes in its care as are required to meet operational requirements. In addition, capital and revenue reserves are maintained under designated funds which are operationally controlled by the Diocesan Council, but which are under the trustee care of the Representative Church Body and Church of Ireland Trustees. As such, the Diocesan Council does not seek to maintain a specific ratio of reserves to, for example, revenue requirements, but it does seek both to protect its operational integrity and limit the call on parochial resources through careful use of all funds under its control.

The level of unrestricted reserves at 31 December 2024 were £1,111,320 and the level of restricted reserves were £3,115,179.

### **Investments**

All investments are held upon trust by either the Church of Ireland Trustees or the Representative Church Body, both are bodies corporate with full trust and investment powers. In almost all cases, the capital invested is held as a permanent endowment for diocesan funds and only the income is available for the revenue expenditure by the Diocesan Council.

Both bodies manage their investments under professional advisement to protect the long-term capital and income requirements of the dioceses, parishes, trusts etc.

### **Church of Ireland House**

Church of Ireland House has been held by a Declaration of Trust dated November 1994, between Church of Ireland Trustees and the Joint Committee of the Dioceses of Down and Dromore and Connor. Legal advice has shown that Church of Ireland House in Belfast is owned by the Joint Committee on behalf of the two Dioceses. Church of Ireland House was sold on the 31 July 2023, the funds of which are now held by the Joint Committee.

The Diocese of Connor's share in the Joint Committee is recognised as a tangible asset in its financial statements.

### **Taxation status**

The Diocesan Council of Connor has been granted charitable recognition by HMRC. The Diocesan Council is entitled to certain tax exemptions on income and profits from activities carried on in furtherance of primary objectives. Charities legislation in Northern Ireland will directly impact on the Diocesan Council and is expected to enhance and define charitable status.

The Diocesan Council is not registered for VAT and all expenditure is recorded inclusive of any VAT incurred.

## **Report of the Diocesan Council for the year ended 31 December 2024 (cont'd)**

### **Plans for future periods**

The Diocesan Council intends to continue with its basic supportive and administrative functions in developing the work and witness of the Church of Ireland in Connor.

The Permanent Commission for the Archdeaconry of Belfast got approval for the re-structuring of parishes that it brought to Diocesan Council in November 2024, with final approval from the RCB in December 2024. All Permanent Commissions keep an ongoing review of the parishes in their archdeaconry and when necessary, will bring forward any proposal for re-structuring to the Diocesan Council for consideration and approval.

The Diocese will again this year review its conflicts of interest policy and the risk register, to ensure good governance and best practice is being applied to its policies.

### **Diocesan Council responsibility in respect of the annual financial statements**

The Diocesan Council is responsible for the preparation of the financial statements for each financial year which give a true and fair view of the state of affairs of the Diocese as at the end of the financial year and of the surplus or deficit of the Diocese for that period. In preparing those financial statements, the Diocesan Council 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 Diocesan Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Diocese and to enable it to ensure that the financial statements comply with the Diocesan Regulations 2010 and any subsequent updates. It is also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

The auditors for the financial year ended 31 December 2024 are ASM (D) Ltd.

### **Statement of disclosure to auditors**

So far as the members of the Diocesan Council are aware there, is no relevant audit information of which the Diocese's auditors are unaware and they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Diocese's auditors are aware of that information.



**Mr T Lyttle OBE**  
Trustee  
10 April 2025