

Leeds Diocesan Trust

Registered Charity Number 249404

Report and Consolidated Financial Statements

For the year ended
31 March 2019



LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

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DIRECTORS AND ADVISORS

Trustee

Diocese of Leeds Trustee

(Company registration number 2886244)

Registered Office: Hinsley Hall, 62 Headingley Lane, Leeds, LS6 2BX

Directors

Rt Rev M Stock (Bishop of Leeds)

Rev Mgr P Fisher (Vicar General)

Rev Mgr A Summersgill

Mr M Booth

Mr M Gargan

Mr P Rogerson

Registered Office

Hinsley Hall, 62 Headingley Lane, Leeds, LS6 2BX

Company Secretary and Chief Operating Officer

Mr I Burrell

Auditor

Saffery Champness LLP, Mitre House, North Park Road, Harrogate, HG1 5RX

Banker

HSBC Bank plc, 33 Park Row, Leeds, LS1 1LD

Investment Managers

Investec Wealth & Investment, 100 Wood Street, London, EC2V 7AN

Rathbone Investment Management, 1 Curzon Street, London, W1J 5FB

Solicitor

DLA Piper UK LLP, Princes Exchange, Princes Square, Leeds, LS1 4BY

REPORT OF THE TRUSTEE

The Trustee presents its Annual Report and the audited Consolidated Financial Statements of the Charity for the year ended 31 March 2019.

CONSTITUTION AND AIMS

The Charity, the Leeds Diocesan Trust, is a registered charity with the registration number 249404. The Charity was established, in its current form, by a Trust Deed dated 20 December 1993. The sole Trustee of the Charity is a trust corporation, the Diocese of Leeds Trustee, company registration number 2886244.

The Leeds Diocesan Trust is the legal entity of the Diocese of Leeds (“the Diocese”).

In support of the mission of the Catholic Church, the principal objectives of the Charity are:

- the advancement of the Catholic Religion;
- the promotion of Catholic Teaching in the Diocese and beyond;
- the provision and care of Priests; and
- the maintenance of Churches, Presbyteries and Schools.

The Trustee confirms that it has complied with the requirements of the Charities Act 2011 section 17 to have due regard to the public benefit guidance published by the Charities Commission including the guidance “Public benefit: running a charity (PB2)” 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.

The Diocese consists of 78 Parishes, in West Yorkshire, North Yorkshire, the East Riding of Yorkshire, Greater Manchester and Lancashire. The administration of the Parish of St Mary’s, Knaresborough, was transferred from the Ampleforth Abbey Trust to the Charity on 1 April 2019. The Diocese also has 93 Catholic Schools, Academies and Colleges. Leeds Trinity University, a Catholic Foundation University, is also located within the Diocese.

REPORT OF THE TRUSTEE (continued)

GOVERNANCE

The operation of the Charity is overseen by the Trustee. The Directors of the Trustee are appointed by the Bishop of Leeds who is Chair of the Board. There were four Trustee Board meetings during the financial year. The Trustee Board is, for the purposes of Canon Law, the Finance Council of the Diocese.

The Bishop of Leeds and the Vicar General are ex-officio Directors of the Board. All other Directors are appointed for a term of three years which may be renewed subject to performance and review for an additional two terms of three years each.

Directors are recruited from senior Clergy and suitably qualified and experienced Lay faithful from the wider Catholic community. On appointment new Directors are introduced to their role and responsibilities by the Vicar General and the Chief Operating Officer at which time copies of the Trust Deed and the latest financial information are issued. Directors attend formal and informal training sessions as required.

As disclosed in Note 10 to the Financial Statements, Directors do not receive any payments in respect of their Office. No reimbursement of expenses was paid to the Directors of the Trustee in either the current or prior year.

In the day-to-day management of the Charity, the Bishop of Leeds refers ecclesiastical related matters to the Vicar General, and administrative matters to the Chief Operating Officer and Diocesan Officials employed by the Charity on behalf of the Diocese.

The Trustee Board, as the Diocesan Finance Council, delegates oversight of the Diocese's day-to-day financial, property, investment and administration matters to a Finance Sub-Committee ("the FSC"). During the year under review the FSC comprised four members; Monsignor K Heskin (Chairman) and Mr T Forbes, who are former Directors and Monsignor P Fisher and Monsignor A Summersgill who are current Directors. FSC members are supported and advised by the Chief Operating Officer and Officers from within the Curia.

The FSC meets on a monthly basis. In addition to considering all Diocesan financial, property, investment and administration matters, the FSC also monitors the operating performance of the Curia. This includes a quarterly review of Curia management accounts which assess actual outcomes against budgets.

Reflecting Canon Law, the activities of the Charity are separated in this Report into Parish and Curia functions.

REPORT OF THE TRUSTEE (continued)

Parishes

The Diocese is divided into distinct Parishes. Parish Priests are appointed by the Bishop to exercise pastoral care for the Parish community, which includes representing the Parish in all juridic affairs and ensuring that the Parish is administered in accordance with the norms of Canon Law, and so fulfil the aims of the Charity.

As encouraged by the “Directory for the Pastoral Ministry of Bishops”, the Bishop, in consultation with Priests and the Laity, reviews on a regular basis the Parish structure to ensure the long-term pastoral sustainability of the Parishes. The Bishop undertakes “Visitations” where he personally inspects the Parishes on a rolling five-year programme.

Each Parish is required by Canon Law to have a Finance Council to assist the Priest in the administration of the Parish. Parish Finance Councils include parishioners with knowledge and experience in finance, property management and administration.

Curia

The Diocesan Curia consists of Officers and Officials who assist the Bishop in the governance of the Diocese and especially in directing pastoral activity, administration and the exercise of judicial (canonical) power.

The remuneration of Key Management Personnel is disclosed in Note 10 to the Financial Statements. Annual pay changes are approved by the Trustee, and job roles and remuneration are reviewed periodically. Benchmarking against market rates is employed when new roles are created or when significant changes occur.

Safeguarding

The Bishop and the Directors are committed to safeguarding children, young people and vulnerable adults in accordance with both Civil Law and Church policy.

The aim of the Diocesan Safeguarding Team (comprising paid professional staff in the Diocesan Safeguarding Office and volunteers in all our Parishes) is to protect the young and the vulnerable working alongside statutory services. This work focuses on protection and creating a safe environment for the young and vulnerable within the Diocese. A priority is to promptly and effectively take action in the event of any concerns or allegations in accordance with legislation, policy and best practice as stated in the Church’s National Safeguarding Procedures. These procedures are publically available on the Catholic Safeguarding Advisory Service (CSAS) web site at <https://www.csas.uk.net/>.

REPORT OF THE TRUSTEE (continued)

Safeguarding (continued)

The Safeguarding Office reports to the Leeds Catholic Safeguarding Commission whose members include an independent lay chairperson, senior representatives from West Yorkshire Police and National Probation Service, and a manager of adult services.

Actions undertaken by the Safeguarding Office following allegations include:

- consultation with statutory authorities and referral to regulatory bodies;
- temporary withdrawal of the accused from active Ministry for members of the Clergy and from all roles within the Diocese for lay people;
- referral to CSAS and/or NCSC (National Catholic Safeguarding Commission);
- liaison with other Dioceses where cases cross borders;
- consistent reporting to the Leeds Catholic Safeguarding Commission;
- liaison and consultation with Parish Priests and safeguarding representatives;
- notification to the Chief Operating Officer.

The Safeguarding Office works closely with Parishes on the safer recruitment of any adult whose role and responsibilities include children or adults who may be at risk. In the year ended 31 March 2019 a total of 958 Disclosure and Barring Service checks were undertaken as part of this safer recruitment process.

In February 2019, an independent Quality Assurance Audit was carried out by CSAS for the three years from 1 January 2016 to 31 December 2018. It concluded that all referrals received by the Safeguarding Office are appropriately referred to the statutory authorities and agencies, in relation to referrals of allegations and concerns including the ongoing updating of cases to those authorities and agencies. It also concluded that the actions taken by the Safeguarding Office outlined above are appropriate and consistent in managing risk.

Health and Safety

The Trustee keeps under review its Health and Safety Policy and works with Health and Safety professionals to ensure that its processes and procedures follow best practice. Amendments to its Health and Safety Policy, and supporting documentation, are regularly communicated to Parishes to assist them in meeting their obligations.

The Diocese has prepared Asbestos Management Plans for all Parishes and these are being distributed with awareness training. The Diocese has also developed a comprehensive Fire Risk Assessment Register for Parishes. This is being rolled out to Parishes from June 2019.

The day-to-day management of the Diocese's Health and Safety Policy is undertaken by the Curia's Property Department which includes a full-time Health and Safety professional. In its

REPORT OF THE TRUSTEE (continued)

Health and Safety (continued)

work with Parishes (as disclosed in the Maintenance of Property section below), the Department ensures that Health and Safety is an integral part of its processes.

During the year an independent audit of the Diocese's Health and Safety processes was undertaken by Keoghs LLP. The Diocese has a good level of compliance in accordance with Health and Safety legislation.

Fundraising

The majority of funding is received from Parishioners principally through the weekly offertory collection, planned giving, special collections and fundraising activities. The Bishop and the Directors express their deepest gratitude and sincere thanks for this continuing generosity.

The Diocese is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice. The Diocese does not employ outside agencies to raise funds. In the year ended 31 March 2019 no complaints were received in respect of fundraising.

Internal Audit

The Diocese's internal audit policy is designed to provide independent assurance to the Trustee on the integrity of the financial accounting and governance procedures within Parishes. Quarterly Consolidated Financial Statements, which includes the financial performance of Parishes, are presented to the Board. This quarterly reporting enables risk to be identified and monitored. The Diocesan Finance Department works closely with individual Parishes as appropriate to mitigate these risks. In addition, Curia staff review Parishes on the appointment of a new Parish Priest.

The External Auditor randomly selects a sample of Parishes to be audited as part of its audit processes.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE

The Diocese's activities are reported in the Financial Statements between those performed in the Parishes and those performed through the Curia.

It is within Parishes that people experience what it is to be a member of the Catholic Church and where faith is nurtured and given expression. The majority of the funds in the Diocese are raised and expended within individual Parishes. The average number of people attending weekly Sunday Mass in the year ending 31 March 2019 was 25,768 (2018: 26,078).

Central to the Diocese being able to continue to fulfil its aims, is the role played by a significant number of volunteers who help in all aspects of the work of their Parish. Volunteers generously give of their time serving in various ministries, and caring for and visiting the sick, the housebound and those on the margins of society. They play a significant role in the upkeep of Parish property and they assist in financial and other administrative duties. These Parishioners are the lifeblood of their communities and their contribution is significant. It is not, however, possible to quantify the number of volunteers within Parishes nor to estimate the financial value of their work.

In pursuing the charitable aims of the Diocese, the Curia performs and coordinates a number of functions in addition to those undertaken in Parishes.

A review of the Diocese's four principal charitable objectives is outlined below and therefore excludes its trading subsidiary undertaking, Hinsley Properties Limited. The trading performance of Hinsley Properties Limited is reported in Note 14 (b) to the Financial Statements.

REPORT OF THE TRUSTEE (continued)

1. Advancement of the Catholic Religion

The Diocese supports and encourages the promotion of the Catholic Religion at a local, national and international level.

Locally, the Diocese encourages, facilitates and supports volunteering and a wide range of activities. The Diocese promotes second collections for local initiatives, including the Poor Missions Fund to support the smaller and poorer Parishes within the Diocese

Caritas Leeds coordinates the work of Catholic charities, agencies, projects and groups within the Diocese. During the year, Caritas Leeds together with Catholic Care, supported the work of the Diocesan Refugees and Asylum Seeker Group and worked with Growing Old Gracefully to launch in October 2018 a “Dementia Friendly Diocese.”

The development of St Patrick’s Mission, in Bradford City Centre, continued during the year. The Mission will be run with the co-operation of the Franciscan Friars of the Renewal. The Friars operate a soup kitchen and clothing bank that is used by approximately 200 homeless people each week. Renovation works to the Church are ongoing. The administration of the Mission was transferred from St Joseph’s Parish, Bradford, to the Curia during the year. On 1 April 2019, Bishop Marcus appointed Father Giles Barrie, a Franciscan Friar of the Renewal, as the Rector of the Church.

A Diocesan tradition was reintroduced with the Corpus Christi Procession taking place in June 2018 and the Diocese participated in the national Eucharistic Congress, “Adoremus”, held in Liverpool in September 2018.

Nationally, the Diocese supports the work of Catholic charities such as CAFOD and the St Vincent de Paul Society. The Diocese supports the Bishops’ Conference in its advocacy and promotion of the Catholic Religion.

The Diocese continues to support the work of the Church in Peru. The annual collection for the Diocese’s Peru Mission raised £33k (2018: £27k) and contributions of £47k (2018: £40k) were made to projects in Peru.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching

The Diocese has 79 Primary Schools, 12 High Schools, a Sixth Form College as well as a non-maintained residential special school (St John's Catholic School for the Deaf, a registered charity for which the Trustee is also the Trustee), which are designated as Catholic Schools. In line with the Bishop's vision for education in the Diocese "A Diocesan Family of Schools" (published in February 2018), Schools continue to join one of the five families of Catholic schools as Multi-Academy Trusts in the Diocese, thereby strengthening their presence by working together.

The Vicariate for Education is responsible for supporting the schools in delivering Catholic education and ensuring that their evangelising mission is promoted through close working with pupils' families, staff, local Parishes and communities. The Vicariate for Education has, over the last year, worked to integrate the work in schools with that of the Youth, Parish Catechesis and Formation teams into the School-Parish community as a whole. New Sacramental Catechesis programmes are being rolled out in Parishes alongside the development of youth activities including the Faith in Action programme and Young Leaders. This coordinated approach will enrich and deepen the opportunities for younger Catholics to be involved in their communities in a meaningful way, as well as gaining valuable leadership experience on an individual basis.

During the last year, a principal focus of the work of the Vicariate of Education has been to promote the place of the Virtues in Education. Generous grant funding from the Jubilee Centre for Character and Virtues at the University of Birmingham, allowed Dr C Devanny to publish a research paper on "Catholic Character Education – Growing in the virtues and celebrating human flourishing in Catholic schools". This was well received and has formed the basis of a number of ongoing projects during the current academic year (2018/19).

The Vicariate of Education continues to work closely within educational networks including other neighbouring Diocesan schools and the Catholic Education Service, to promote Catholic education across the Diocese as well as with regional bodies such as Ofsted, the Regional Schools Commissioner and local councils.

The requirements on School and Trust governance continue to grow and now, more than ever before, there is a need to recruit Governors who have the time and expertise to give to supporting our Schools within the complex educational landscape. Moreover, the importance of supporting the Mission of the Schools in proclaiming the Gospel is valued by the Trustee, who remains grateful to the 800 parishioners who serve the Diocese as School Governors.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching (continued)

The six Diocesan Teaching Schools continue to recruit for teacher training. The Teaching Schools are instrumental in working with the Diocese to provide a comprehensive range of professional development courses, ranging from training for encouraging newly qualified teachers to supporting those aspiring to be future leaders of our Schools. The Teaching Schools work together with Leeds Trinity University as their higher education partner. The development of “Formatio” and the North East hub coordinating the development of Catholic School leadership continues.

The Diocesan Music Department leads the Schools Singing Programme as a collaboration between Catholic Schools and Parishes across the Diocese. Established in 2003, the Programme delivers training in liturgical music to 4,000 children each week in 53 schools, comprising over 100 choral groups. The most recent choir was formed in January 2019 to serve the Parish of Maximilian Kolbe in Leeds.

The Programme’s strategic impact is measured in terms of evangelisation (focusing on the participation of young people in Parish life and whole School Acts of Worship to foster Catechesis, individual aspiration and collective flourishing) and inclusion (many of our Schools are located within communities that rank amongst the most deprived 10% nationally (Index of Multiple Deprivation 2015)). As well as the variety of liturgical celebrations, Choirs regularly participate in concerts, public broadcasts, recordings and musical festivals.

During the year, this included the Huddersfield Boys’ Choir tour to Norwich in February 2019 and the Bishop Konstant Boys’ and Girls’ Choirs vocal workshop day with Craig Lees. The Bradford Catholic Youth Choir (Senior Choirs) took part in a major new recording with the Gabrieli Consort and Players, which was released in March 2019. The Programme led concerts in partnership with the schools of Bishop Konstant Catholic Academy Trust and Blessed Christopher Wharton Catholic Academy Trust, as well as schools in Leeds and Kirklees.

As well as achieving excellence in liturgical music at regular Sunday Parish Masses and the daily Cathedral Services, the Schools Singing Programme makes a substantial contribution to the Catholic voice at a national level. The Choirs have broadcast BBC Midnight Mass and Sunday Worship on Radio 4, and Choral Vespers on Radio 3. Liturgical music is not seen as an end in itself but as a way of bringing the Sacred Scriptures and the Christian faith alive, both in the hearts of the children and young people who sing and also, in the hearts of their families, communities and all those who hear and see them.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching (continued)

A student choir, 'Trinity Voices', was launched in the 2018 Autumn Term as part of the ongoing partnership with Leeds Trinity University.

The Diocesan Organists' Training Programme now has 45 students, both adults and school children. Core funding from The Liz and Terry Bramall Foundation has enabled the Programme to forge new partnerships with the Royal College of Organists and the University of Huddersfield, and to support our associated 'Leeds International Organ Festival.'

3. Provision and Care of Priests

Central to Parish life is the relationship between the Parish Priest, Assistant Priests and Parishioners. The welfare of Priests is defined in Canon Law. Within the Diocese, Parishes are responsible for the support of their own Priests. During the year, Parishes paid £641k (2018: £666k) in allowances, £315k (2018: £327k) in housekeeping costs and £175k (2018: £178k) in travel expenses to Priests.

A programme of ongoing Spiritual and Pastoral Formation has been developed in the year. This has included study days on the theology of the Eucharist, pastoral care for those living with mental health issues and a workshop on Clergy self-care.

The programme is tailored to meet the specific needs of the Clergy including Junior Clergy (those ordained for less than ten years), Priests in active Ministry and Priests retired from active Ministry. It includes regular days of recollection and residential retreats giving Clergy the opportunity to reflect and recharge.

The ongoing Formation Directors participate in national forums to enable the growth of best practice in the Diocese.

Key to sustaining the advancement of Catholicism is the promotion and support of vocations to the Priesthood and the Diaconate. Currently the Diocese has seven (2018: five) men training to be Priests, with four additional candidates expected to commence training in September 2019.

In the year to 31 March 2019, the Diocese invested £217k (2018: £168k) in seminary fees and living allowances. This expenditure was partially funded by collections taken in the Parishes amounting to £30k (2018: £34k). Seminarian training continues to be supported by a grant from the Jesuit's Osterley Fund.

REPORT OF THE TRUSTEE (continued)

3. Provision and Care of Priests (continued)

Priests are supported in their full-time ministry by men ordained to the Permanent Diaconate. The Diocese has 22 Permanent Deacons (2018: 22) and has five candidates at various stages of formation. Permanent Deacons assist our Priests through teaching, sanctifying and giving pastoral governance in Parishes, and in specific pastoral responsibilities assigned to them by the Bishop.

Permanent Deacons are supported in their training and ongoing formation by the Director for the Permanent Diaconate and a Spiritual Director. Training and ongoing formation is managed to reflect their existing family and career responsibilities. The Assistant Director for Deacons has special responsibility for supporting Permanent Deacons finishing their training and moving into Pastoral Ministry, and those Permanent Deacons retired from active Ministry.

The Diocese continues to engage with men and women discerning vocations to the Priesthood, Religious and Consecrated Life. This is achieved through discernment groups and also through both the University Chaplaincies and the secondary schools in the Diocese.

The Curia is responsible for the welfare of Priests who have retired from active ministry. The Diocese fulfils this by providing appropriate living accommodation and an allowance to supplement their statutory pensions.

On 25 October 2018 the Council of Priests approved a new Retirement Policy for retired Clergy. This was ratified by the Board of Directors on 18 December 2018.

During the year, the Diocese paid £338k (2018: £328k) in grants to retired Clergy and in addition paid accommodation costs for retired Clergy. This was financed in part by £27k (2018: £26k) in donations from second collections in the Parishes and by £158k (2018: £185k) from dividend income. A further £158k (2018: £259k) was invested to finance the purchase of a property for use by a member of the retired Clergy.

REPORT OF THE TRUSTEE (continued)

4. Maintenance of Property

Churches and associated Parish buildings play a central role in the spiritual life of Parishioners and are often significant landmarks in their wider local communities. More than 90 per cent of the buildings owned by the Parishes are over 50 years old. Parishes, collectively, spent £2,100k (2018: £2,565k) on refurbishments, maintenance and repairs to Churches, Presbyteries and Parish Halls during the year. This level of investment equates to 18 per cent (2018: 24 per cent) of Total Operating Income and reflects the importance that the Diocese attaches to maintaining its Sacred Places.

During the year, the Diocese has substantially invested in repairs and refurbishment at St Patrick's Mission Church in Bradford, Our Lady and St Joseph of the Aire Valley, Cottingley, St Wilfrid, Ripon and St Edward King and Confessor, Clifford.

As well as raising funds locally for capital projects, Parish volunteers supported by Curia staff have been instrumental in securing grant funding to help fund these projects. Significant grant funding included grants from the Albert Gubay Foundation, the National Churches Trust, Allchurches Trust, the Yorkshire Historic Churches Trust and the National Lottery. The Curia also makes appropriate applications to the Listed Places of Worship (LPW) Grant Scheme, which makes grants to cover the VAT incurred in making repairs to those Listed buildings in use as Places of Worship.

The Curia employs a dedicated team of property professionals including experienced Architects and Chartered Surveyors. The team works with Parishes and Schools to ensure that refurbishments, maintenance and repairs take full account of the needs of the users of their properties, the historic architecture of the buildings, the requirements for accessibility for Parishioners and Pupils with disabilities, and that they meet all current Health and Safety legislation.

The Property team manage the delivery of the Diocese's Health and Safety Policy as disclosed above.

Future Plans

The intention for the future is to focus on delivering the four principal aims of the Charity. The narrative supporting each principal aim of the Charity includes references about future plans, initiatives and investments to be made in each area.

The future plans for the Charity's finances are set out in the Financial Strategy section below.

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW

The table below summarises the financial activities of the Parishes and Curia during the year.

	2019	2018
	£'000	£'000
Parishes		
Income	8,269	7,872
Expenditure	(6,813)	(6,344)
	<u>1,456</u>	<u>1,528</u>
Diocesan Assessment	(1,462)	(1,417)
Transfers	(144)	(108)
(Deficit)/Surplus	(150)	3
Net Gains on the Sale and Revaluation of Assets	2,747	156
Increase in Reserves	<u>2,597</u>	<u>159</u>
Curia		
Income	3,120	3,038
Diocesan Assessment	1,462	1,417
Transfers	144	108
Expenditure	(4,720)	(4,774)
Surplus/(Deficit)	6	(211)
Net Gains on the Sale and Revaluation of Assets	630	4,221
Increase in Reserves	<u>636</u>	<u>4,010</u>
Total Group Increase in Reserves	<u>3,233</u>	<u>4,169</u>

Details of the income and expenditure are shown in the Consolidated Statement of Financial Activities on page 23.

The Diocese continues to comply with current statutory requirements and its governing documents.

The total income for the Diocese in the year was £11,389k (2018: £10,910k) an increase of 4 per cent (2018: decrease of 2 per cent). The largest individual component of income is offertory income and amounted to £4,314k (2018: £4,311k) a small improvement compared with the prior year. This compares with the reduction of 1 per cent (2018: 6 per cent) in the recorded number of people attending Sunday Mass. Income from donations and legacies combined, which are less predictable, was £271k higher than the prior year.

Included within transfers is £251k in respect of the transfer of St Patrick's Mission Church from the Parish of St Joseph, Bradford, to the Curia.

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

The total expenditure in the year was £11,533k (2018: £11,118k) an increase of £415k compared with the prior year. Expenditure continues to be tightly managed and remained focussed on delivering the Diocese's charitable objectives. Charitable Expenditure is analysed in Note 6 to the Financial Statements. The Total Cost of Raising Funds is analysed in Note 5.

Net resources increased in the year by £3,233k (2018: £4,169k). The operational deficit in the year was £144k (2018: £208k).

As disclosed in Note 1 to the Financial Statements (Accounting Policies 1.12), occupied school properties are valued at £Nil (2018: £Nil) as the Directors consider these properties to be inalienable.

At 31 March 2019 the Diocese reported a net cash position of £1,666k (2018: net debt £3,108k). Cash generated from the proceeds of the sale of fixed asset investments and from the sale of surplus properties enabled the Diocese to repay the outstanding loan of £5,375k with HSBC Bank plc. Following these significant transactions, the Cash Flow Statement on page 26 shows a net decrease in cash and cash equivalents of £601k (2018: increase of £1,604k).

Investment Policy and Performance

The Trust Deed authorises the Trustee to make and hold investments using the general funds of the Diocese. The Diocese's funds are managed in one general fund (Main Fund) and four specific funds (Priests' Retirement Fund, Batley Carr Cockrem Fund, Episcopal Mensa Fund and Music Fund). The Diocese operates an ethical investment policy and has agreed an investment strategy with the investment managers. The investment managers manage the funds and their portfolio of investments on a discretionary basis within these guidelines. The investment managers provide quarterly reports and meet with the FSC annually to review fund performance and to consider the investment outlook.

The market value of investments reported in the Financial Statements at 31 March 2019 was £14,154k (2018: £14,447k). The movements are analysed in Note 14 to the Financial Statements. The main components comprise investment income generated of £386k (2018: £422k), cash withdrawn of £1,231k (2018: £1,681k) and profits arising on the sale of investments of £310k (2018: £308k). At the date of signing this report the market value of investments has been maintained.

REPORT OF THE TRUSTEE (continued)

Investment Policy and Performance (continued)

The Diocese holds a portfolio of investment properties that are either held for a long-term rental income stream, or are surplus to meeting its principal charitable objectives and which are planned for long term sale.

Reserves Policy

The total funds of the Diocese at 31 March 2019 were £49,028k (2018: £45,795k) of which £32,188k (2018: £29,591k) related to Parishes and £16,840k (2018: £16,204k) related to the Curia and subsidiary undertaking.

The reserves policy of the Diocese is to hold a value equivalent to at least three months of Total Operating Expenditure as Free Reserves. Free Reserves are defined as Unrestricted Funds less Tangible Fixed Assets. Funds invested in Tangible Fixed Assets are excluded from Free Reserves as these funds cannot be released without undermining the Diocese's ability to fulfil its principal charitable objectives. At 31 March 2019 Free Reserves were £10,031k (2018: £7,217k) and represented ten months (2018: eight months) of Total Operating Expenditure. The Directors consider that this level of Free Reserves is reasonable to enable the Diocese to fulfil its immediate financial obligations and commitments and to plan for future investment requirements. This includes the training of the Seminarians, Priests and Permanent Deacons, the welfare needs of retired Priests and the maintenance of the Diocese's Places of Worship.

Total Funds included £956k (2018: £956k) in Permanent Endowment Funds and £7,735k (2018: £7,775k) in Restricted Funds. The allocation of Permanent Endowment Funds and Restricted Funds are determined by the wishes of the donors and are disclosed in Note 23 to the Financial Statements. Unrestricted Funds of £40,337k (2018: £37,064k) comprise Designated Funds in Parishes of £31,531k (2018: £28,999k) and Designated and General Funds in the Curia of £8,806k (2018: £8,065k). Designated Funds in Parishes are raised to ensure the financial sustainability of the Parish and will be expended over the life of the Parish.

Subsidiary Trading Company

The Diocese holds an investment in a wholly owned trading subsidiary, Hinsley Properties Limited. The Directors of this subsidiary company are appointed from the Directors and Officers of the Trustee. Hinsley Properties Limited was formed to manage the Diocesan Pastoral Centre at Hinsley Hall and an investment property. The Diocesan Pastoral Centre is considered to be an important national centre for the Catholic community. As disclosed in Note 14(b) to the Financial Statements, during the year the company generated a turnover of £629k (2018: £762k) and reported an operating loss of £221k (2018: £25k). During the year rental income from the investment property reduced by £90k. This was due to the planned

REPORT OF THE TRUSTEE (continued)

Subsidiary Trading Company (Continued)

change in its use towards being a Diocesan facility. This planned change will include identifying partnerships with associated charities to ensure its financial sustainability.

The retained loss has been taken to unrestricted reserves.

Risk Management

The Trustee considers and assesses the major risks to which the Diocese is exposed. This will include strategic, financial, operational and reputational risks. The Trustee implements policies and procedures in order to mitigate or minimise these risks and also monitors the effectiveness of its risk management processes.

The operating activities of the Diocese have shown an excess of expenditure over income in recent years and Parish and Curia costs have been reduced in response to this challenge. Total expenditure is now close to total income and further action is being taken to improve this position. Delivering the financial strategy for the Diocese is a key priority.

Financial Strategy

In 2015, the Directors developed and agreed a three-year Financial Strategy with its principal aim being to eliminate the Diocese's Net Debt. The Diocese eliminated its Net Debt in September 2018 following the repayment of the loan with HSBC Bank plc. A new financial strategy is being developed.

The Directors remain committed to bringing the Diocese's expenditure into line with its income on an annual sustainable cash basis and to realise cash from the sale of surplus assets. The Directors also recognise the need to make appropriate investments in our Places of Worship and the need to invest in meeting the principal aims of the Charity.

Approved by the Trustee on 27 June 2019 and signed on its behalf by:



Rt Rev M Stock
Bishop of Leeds
Director

TRUSTEE'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors of the Trustee are responsible for preparing the Trustee's Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and the Group, and of its income and expenditure 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 of the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charitable Group will continue in business.

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 it to ensure that the Financial Statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. It is also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee did not have any beneficial interest in any contract to which the Charity was party during the year.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEEDS DIOCESAN TRUST

Opinion

We have audited the Financial Statements of the Leeds Diocesan Trust for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the 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 Group and Parent Charity's affairs as at 31 March 2019 and of the Group's and the Parent Charity's incoming resources and application 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 2011.

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 Group and the Parent 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEEDS DIOCESAN TRUST (continued)

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 where:

- the Trustee 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 Group's or the Parent 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 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEEDS DIOCESAN TRUST (continued)

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 2008 require us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the Financial Statements; or
- the Group and the Parent Charity has not kept sufficient accounting records; or
- the Parent's Financial Statements are not in agreement with the accounting records and returns; 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 the Financial Statements and for being satisfied that they 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 Group's and the Parent 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 Group or the Parent Charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under 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.

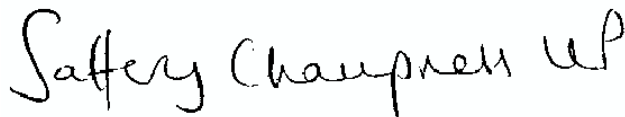
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE LEEDS DIOCESAN TRUST (continued)

Auditor's responsibilities for the Audit of the Financial Statements (continued)

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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 2008. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP
Chartered Accountants and Statutory Auditors
Mitre House
North Park Road
Harrogate
HG1 5RX

27 June 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2019

	Note	Parishes			Curia and Subsidiary				Group
		Designated Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:									
Donations, Legacies and Grants	2	6,149	898	7,047	415	260	-	675	7,722
Charitable Activities	3	98	-	98	948	-	-	948	1,046
Trading Activities		1,008	-	1,008	674	-	-	674	1,682
Investment Income	4	-	10	10	586	198	39	823	833
Other Income		106	-	106	-	-	-	-	106
Total Operating Income		7,361	908	8,269	2,623	458	39	3,120	11,389
Expenditure on:									
Total Cost of Raising Funds	5	-	-	-	974	-	-	974	974
Charitable Expenditure	6	6,072	741	6,813	2,748	961	37	3,746	10,559
Total Operating Expenditure		6,072	741	6,813	3,722	961	37	4,720	11,533
		1,289	167	1,456	(1,099)	(503)	2	(1,600)	(144)
Gross Transfer between Funds		(1,496)	(110)	(1,606)	1,496	113	(3)	1,606	-
Net Operating Income/(Expenditure)		(207)	57	(150)	397	(390)	(1)	6	(144)
Gains on Investment Assets		-	8	8	338	285	1	624	632
Net Gains on the Sale of Fixed Assets, Investment Properties and Properties Held for Sale		2,001	-	2,001	6	-	-	6	2,007
Net Income/(Expenditure)		1,794	65	1,859	741	(105)	-	636	2,495
Revaluation of Property Held for Sale		738	-	738	-	-	-	-	738
Net Movement in Funds	11	2,532	65	2,597	741	(105)	-	636	3,233
Reconciliation of Funds:									
Total Funds brought forward		28,999	592	29,591	8,065	7,183	956	16,204	45,795
Total Funds carried forward		31,531	657	32,188	8,806	7,078	956	16,840	49,028

All activities are from continuing operations.

The Notes from page 27 to 52 form part of these Financial Statements. There were no recognised gains or losses for the year ended 31 March 2019 other than those included in the Consolidated Statement of Financial Activities. The results of Hinsley Properties Limited are included in Curia Unrestricted Funds.

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2018

	Note	Parishes			Curia and Subsidiary				Group
		Designated Funds £'000	Restricted Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total Funds £'000	Total Funds £'000
Income and Endowments from:									
Donations, Legacies and Grants	2	6,212	720	6,932	237	228	-	465	7,397
Charitable Activities	3	28	-	28	971	-	-	971	999
Trading Activities		904	-	904	794	-	-	794	1,698
Investment Income	4	-	8	8	595	182	31	808	816
Total Operating Income		7,144	728	7,872	2,597	410	31	3,038	10,910
Expenditure on:									
Total Cost of Raising Funds	5	-	-	-	1,100	-	-	1,100	1,100
Charitable Expenditure	6	5,425	919	6,344	2,849	789	36	3,674	10,018
Total Operating Expenditure		5,425	919	6,344	3,949	789	36	4,774	11,118
		1,719	(191)	1,528	(1,352)	(379)	(5)	(1,736)	(208)
Gross Transfer between Funds		(1,417)	(108)	(1,525)	1,335	66	124	1,525	-
Net Operating Income/(Expenditure)		302	(299)	3	(17)	(313)	119	(211)	(208)
Net Gains/(Losses) on Investment Assets		-	4	4	392	(88)	-	304	308
Gains on the Sale of Investment Properties		152	-	152	1,469	-	-	1,469	1,621
Net Income/(Expenditure)		454	(295)	159	1,844	(401)	119	1,562	1,721
Revaluation of Property Held for Sale		-	-	-	2,448	-	-	2,448	2,448
Net Movement in Funds	11	454	(295)	159	4,292	(401)	119	4,010	4,169
Reconciliation of Funds:									
Total Funds brought forward		28,545	591	29,136	3,773	7,880	837	12,490	41,626
Reclassification of Restricted Funds		-	296	296	-	(296)	-	(296)	-
Total Funds carried forward		28,999	592	29,591	8,065	7,183	956	16,204	45,795

All activities are from continuing operations.

The Notes from page 27 to 52 form part of these Financial Statements. There were no recognised gains or losses for the year ended 31 March 2018 other than those included in the Consolidated Statement of Financial Activities. The results of Hinsley Properties Limited are included in Curia Unrestricted Funds.

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET

	Note	Group		Charity	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
Fixed Assets					
Tangible Assets	12	30,306	29,847	28,867	28,432
Investment Properties	13	5,109	5,256	4,209	4,356
Investments	14	14,154	14,447	15,880	16,394
Total Fixed Assets		49,569	49,550	48,956	49,182
Current Assets					
Inventories		5	6	-	-
Debtors	15	922	775	1,479	882
Properties Held for Sale	16	750	4,139	750	4,139
Cash at Bank and in Hand	18	1,666	2,267	1,672	2,264
Total Current Assets		3,343	7,187	3,901	7,285
Current Liabilities					
Creditors and Accrued Expenses	17	(3,884)	(5,567)	(3,829)	(5,297)
Bank Balances, Overdrafts and Loans	18	-	(500)	-	(500)
Creditors: Amounts falling due within one year		(3,884)	(6,067)	(3,829)	(5,797)
Net Current (Liabilities)/Assets		(541)	1,120	72	1,488
Total Assets less Current Liabilities		49,028	50,670	49,028	50,670
Creditors: Amounts falling due after more than one year	19	-	(4,875)	-	(4,875)
Net Assets		49,028	45,795	49,028	45,795
The Funds of the Charity:					
Unrestricted Funds					
- Designated Funds	23	31,531	28,999	31,531	28,999
- General Funds	23	8,806	8,065	8,806	8,065
Restricted Funds					
Permanent Endowments	23	956	956	956	956
Total Charity Funds		49,028	45,795	49,028	45,795

The Notes from page 27 to 52 form part of these Financial Statements.

These Financial Statements were approved and authorised by the Directors on 27 June 2019 and signed on their behalf by:

+ Marcus Stock

Rt Rev M Stock
Bishop of Leeds
Director

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

CONSOLIDATED CASH FLOW STATEMENT

	2019 £'000	2018 £'000
Cash Flows from Operating Activities		
Net Movement in Funds	3,233	4,169
Adjusted for:		
Deprecation Charges	627	620
Revaluation of Property Held for Sale	(738)	(2,448)
Gain on Disposal of Fixed Assets, Investment Properties and Properties Held for Sale	(2,007)	(1,621)
Net Gains on Investments	(632)	(308)
Investment Income	(833)	(816)
(Increase)/Decrease in Debtors	(147)	370
(Decrease)/Increase in Creditors	(588)	749
Decrease/(Increase) in Inventories	1	(4)
Other non cash Expenditure	111	104
Net cash (used in)/provided by Operating Activities	(973)	815
Cash Flows from Investing Activities		
Proceeds from the Disposal of Fixed Asset Investments	1,231	1,681
Payments to Acquire Fixed Asset Investments	-	(150)
Investment Properties Income	447	394
Proceeds from the Sale of Tangible Fixed Assets	1,305	-
Proceeds from the Sale of Investment Properties	119	3,263
Proceeds from the Sale of Assets Held for Sale	4,003	590
Payments to Acquire Tangible Fixed Assets	(1,358)	(1,681)
Net cash provided by Investing Activities	5,747	4,097
Cash Flows from Financing Activities		
Loans repaid	(5,375)	(3,308)
Net Cash used in Financing Activities	(5,375)	(3,308)
Net (Decrease)/Increase in Cash and Cash Equivalents	(601)	1,604
Cash and Cash Equivalents at the beginning of year	2,267	663
Cash and Cash Equivalents at the end of year	1,666	2,267

Analysis of Net Cash/ (Debt)

	2019 Movement		2018 Movement		2017
	£'000	£'000	£'000	£'000	£'000
Bank Loans	-	5,375	(5,375)	3,308	(8,683)
Cash at Bank and in Hand	1,666	(601)	2,267	1,604	663
Net Cash/(Debt)	1,666	4,774	(3,108)	4,912	(8,020)

The Notes from page 27 to 52 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

These Financial Statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed assets, and include the results of the Charity and its subsidiary's operations which are described in the Trustee's Report.

The Financial Statements are prepared in Sterling which is the functional currency of the entity. Monetary amounts in these Financial Statements are rounded to the nearest thousand pounds (£'000). The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Charity and its subsidiaries are a public benefit group for the purposes of FRS 102.

1.2 Going Concern

The Directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charitable Group to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of approval of the Financial Statements. In particular the Directors have considered the Charity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the Directors have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its Financial Statements.

1.3 Basis of Consolidation

The Statement of Financial Activities, Balance Sheet and Cash Flow consolidate the Financial Statements of the Charity, comprising the Curia and the Parishes, together with a subsidiary undertaking, Hinsley Properties Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.4 Income

Income, including grants, is included in the Statement of Financial Activities on the basis of the amounts receivable for the year. Income from trading activities is included in the period that the Charity is entitled to the receipt.

In Parishes, the majority of income is received from voluntary donations and legacies. Legacies are recognised following probate and once there is sufficient evidence that the receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, the details are disclosed as a contingent asset, if material, until the criteria for income recognition are met.

Curial income includes income from services carried out at the Diocesan Pastoral Centre, Hinsley Hall, and income from Investment Properties and other Investments.

Gifts of fixed assets are included at valuation and the equivalent value is recorded as donations. If a gifted asset is under construction then its value is recorded on completion.

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on the basis of the amounts payable for goods and services provided in the year.

Charitable expenditure consists of all expenditure directly relating to the objectives of the Diocese. Certain central costs, which cannot be directly apportioned, are allocated in proportion to the direct costs of the aims of the Charity.

The Diocese does not incur direct costs in its voluntary fundraising activities. The Diocese receives substantial voluntary help in its work and it is not possible to place a financial value on this work.

Investment management fees, interest costs and the cost of sales and administrative costs of the subsidiary company are included in the cost of raising funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.5 Expenditure (continued)

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes VAT where it cannot be fully recovered and is reported as part of the expenditure to which it relates.

Governance costs are those incurred in connection with the audit of the Charity and its compliance with constitutional and statutory requirements, including legal fees.

1.6 Commitments

Commitments that are made by the Trustee that are legally binding have been accrued. Those that are not legally binding have not been charged in the Financial Statements but have been disclosed in the Notes to the Financial Statements.

1.7 Grants Payable

Discretionary grants are paid as a contribution to the running costs of organisations whose objectives are consistent with those of the Charity. Grants are paid on an ad-hoc basis and payment in one financial year does not imply continued support in future financial years. Liabilities relating to grants payable are recognised once the Charity is irrevocably committed to the provision of the grant.

1.8 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted mid-market price. Realised and unrealised gains and losses on Investments are reported in the Statement of Financial Activities. Investment income plus any associated tax recoverable is credited to income on an accruals basis.

Investments in subsidiaries are accounted for at cost less impairment in the individual Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.9 Investment Properties

Investment property, which is property held to earn rentals and capital appreciation, is measured using the fair value model as at the balance sheet date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

1.10 Taxation

The Trustee considers that the exemption from taxation set out in the Income Tax Act 2007 and the Taxation of Chargeable Gains Act 1992 are met and, therefore, no provision is made for taxation.

1.11 Pension Scheme

The Charity makes defined contributions to a Group personal pension scheme for certain employees. Contributions payable for the year are charged in the Statement of Financial Activities. Contributions are also paid for eligible employees, to the Teachers' Pension Scheme (England and Wales), and further information regarding this scheme is disclosed in Note 9 to the Financial Statements. Contributions payable are charged as charitable expenditure in the Statement of Financial Activities.

1.12 Tangible Assets

Parish Property

The value of Parish properties is capitalised in the Financial Statements as follows:

- Properties acquired on or before 31 March 1997: these properties were capitalised at 10 per cent of their insurance value at that date.
- Properties acquired since 31 March 1997: these are capitalised at cost.

All Parish buildings are depreciated on a straight line basis of two per cent per annum.

Curial Freehold Buildings

A review of building valuations is carried out annually and, where required, an appropriate impairment charge is made in the Statement of Financial Activities. Curial freehold buildings are maintained to a high standard and depreciation is not provided for as, in the Trustee's opinion, the residual value is equal to the carrying value in the Financial Statements.

Freehold Property Improvements

Improvements to freehold properties are capitalised at cost and depreciated on a straight line basis of two per cent per annum.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.12 Tangible Assets (continued)

Fixtures, Fittings and Equipment

Fixtures, fittings and equipment are stated at cost less depreciation. Depreciation is calculated by the straight line method to write off the cost or value, less anticipated residual value, over the expected useful lives of the assets. Assets have an expected useful life of between 3 years and 10 years.

Impairment reviews are undertaken on an annual basis.

School Property

Certain school properties are owned by the Diocese and are occupied and run by independent charities in the form of Voluntary Aided (maintained) schools and Multi-Academy Trusts. There are significant legal restrictions on the disposal of these properties under education legislation. The Trustee considers the ownership of these assets to be in the nature of custodianship and they are therefore not capitalised in the Financial Statements.

1.13 Properties Held for Resale

Curia and Parish properties no longer used by the Diocese in pursuing its charitable aims, and whose sale is expected to complete within 12 months of the balance sheet date, are reported as Properties Held for Sale within current assets on the face of the Balance Sheet and are included at their estimated realisable value.

1.14 Schools Building Programme

The Diocese acts as agent on behalf of School Governors. Grants received, and contributions through the Voluntary Contributions Scheme (VCS), are netted off against total costs so that only the residual cost is included in the Financial Statements. As an agent, the Diocese is bound by agreement with each individual school and therefore has no discretion over the use of these funds.

1.15 Inventories

Inventories consist of purchased goods for resale and are valued at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1.16 Fund Accounting

General Funds are Unrestricted Funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

The Parishes in the Diocese are established and operate under Canon Law. This Law gives each Parish a distinct legal status within the Church. Unrestricted Parish funds are reported as Designated Funds in the Financial Statements, to reflect the relative autonomy given to the Parish Priest under Canon Law.

Restricted Funds are funds that are used in accordance with specific instructions made by donors or which have been raised by the Diocese for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each Restricted Fund is set out in these Notes to the Financial Statements.

The capital of Permanent Endowment Funds must be maintained intact with any income arising being available for restricted or general charitable purposes of the Diocese, according to the terms of the original gift.

1.17 Financial Instruments

Basic financial instruments are measured at amortised cost. The Group has no other financial instruments or basic financial instruments measured at fair value.

1.18 Critical Accounting Estimates

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in those financial statements. The following judgement and estimate is considered by the Trustee to have the most significant effect on amounts recognised in the Financial Statements.

Useful Economic Life: the annual depreciation charge for buildings, fixtures, fittings and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are re-assessed annually and are amended where necessary to reflect current circumstances.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. DONATIONS, LEGACIES AND GRANTS

	Parishes			2019			Group Total £'000
	Designated	Restricted	Total	Unrestricted	Restricted	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Offeratories	4,314	-	4,314	-	-	-	4,314
Donations and Gifts	375	-	375	253	114	367	742
Votives	282	-	282	-	-	-	282
Legacies	255	-	255	75	-	75	330
Gift Aid Tax Refunds	775	-	775	87	-	87	862
Parish Projects	-	213	213	-	-	-	213
Parish Second Collections	-	245	245	-	-	-	245
Diocesan Second Collections	-	145	145	-	-	-	145
National Second Collections	-	212	212	-	-	-	212
Grants	117	83	200	-	146	146	346
Other	31	-	31	-	-	-	31
Total	6,149	898	7,047	415	260	675	7,722

	Parishes			2018			Group Total £'000
	Designated	Restricted	Total	Unrestricted	Restricted	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	
Offeratories	4,311	-	4,311	-	-	-	4,311
Donations and Gifts	223	-	223	156	74	230	453
Votives	284	-	284	-	-	-	284
Legacies	291	-	291	-	57	57	348
Gift Aid Tax Refunds	710	-	710	61	-	61	771
Parish Projects	-	190	190	-	-	-	190
Parish Second Collections	-	170	170	-	-	-	170
Diocesan Second Collections	-	158	158	-	-	-	158
National Second Collections	-	202	202	-	-	-	202
Grants	168	-	168	20	97	117	285
Other	225	-	225	-	-	-	225
Total	6,212	720	6,932	237	228	465	7,397

3. INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities consists of:

	2019 £'000	2018 £'000
School Contribution Scheme	309	317
Music Contribution Scheme	125	98
Youth Pilgrimages	193	187
Conference Fees	28	41
Cemetery Fees	287	284
Other	104	72
Total	1,046	999

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. INVESTMENT INCOME

	2019			Total Funds £'000
	Unrestricted Fund	Restricted Fund	Permanent Endowment Fund	
	£'000	£'000	£'000	
Income arising from:				
Investment Properties	439	8	-	447
Listed Investments	147	200	39	386
Total	586	208	39	833

	2018			Total Funds £'000
	Unrestricted Fund	Restricted Fund	Permanent Endowment Fund	
	£'000	£'000	£'000	
Income arising from:				
Investment Properties	377	17	-	394
Listed Investments	218	173	31	422
Total	595	190	31	816

5. TOTAL COST OF RAISING FUNDS

The total cost of raising funds consists of:

	2019 £'000	2018 £'000
Interest Payable	93	299
Investment Management Fees	80	84
Hinsley Properties Limited Expenditure	801	717
Total	974	1,100

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. CHARITABLE EXPENDITURE

		2019				
		Aims of the Charity				
		Advancement of Catholic Religion £'000	Promotion of Catholic Teaching £'000	Care of Priests £'000	Maintenance of Properties £'000	Total £'000
Parishes	Grants Payable	37	-	-	-	37
	Other Direct Costs	1,522	58	1,259	3,023	5,862
	Support Costs	240	9	194	471	914
	Total	1,799	67	1,453	3,494	6,813
Curia	Grants Payable	125	33	361	-	519
	Other Direct Costs	323	1,047	424	394	2,188
	Support Costs	170	415	302	152	1,039
	Total	618	1,495	1,087	546	3,746
Total	Grants Payable	162	33	361	-	556
	Other Direct Costs	1,845	1,105	1,683	3,417	8,050
	Support Costs	410	424	496	623	1,953
	Total	2,417	1,562	2,540	4,040	10,559

		2018				
		Aims of the Charity				
		Advancement of Catholic Religion £'000	Promotion of Catholic Teaching £'000	Care of Priests £'000	Maintenance of Properties £'000	Total £'000
Parishes	Grants Payable	24	-	-	-	24
	Other Direct Costs	1,405	43	1,234	2,148	4,830
	Support Costs	220	7	190	1,073	1,490
	Total	1,649	50	1,424	3,221	6,344
Curia	Grants Payable	121	31	344	-	496
	Other Direct Costs	250	1,080	376	377	2,083
	Support Costs	157	475	304	159	1,095
	Total	528	1,586	1,024	536	3,674
Total	Grants Payable	145	31	344	-	520
	Other Direct Costs	1,655	1,123	1,610	2,525	6,913
	Support Costs	377	482	494	1,232	2,585
	Total	2,177	1,636	2,448	3,757	10,018

Support Costs have been apportioned across the four aims of the Charity by pro-rating those costs to the grants payable and other direct costs of the individual aims. Included in Support Costs are Governance Costs of £22k (2018: £22k).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ANALYSIS OF GRANTS PAYABLE

	2019			2018
	Grants to		Total £'000	Total £'000
	Institutions £'000	Individuals £'000		
Catholic Trust for England and Wales	78	-	78	81
Catholic Education Service	33	-	33	31
Clergy Retirement Grants	-	338	338	328
Seminarian Grants	-	23	23	15
Peru Mission	47	-	47	40
Local Organisations	37	-	37	25
	195	361	556	520

Grants paid to institutions are paid as a contribution to the running costs of charities with objectives similar to those of the Leeds Diocesan Trust. There were 45 (2018: 46) grants given for the benefit of Retired Clergy amounting to £338k (2018: £328k).

8. CLERGY COSTS

	Clergy Allowances		
	Parishes £'000	Curia £'000	Total £'000
	2019	641	151
2018	666	153	819

These allowances relate to Clergy in active ministry.

9. EMPLOYMENT COSTS AND NUMBERS

Staff costs comprise the following:

	2019			2018
	Parishes £'000	Curia £'000	Total £'000	Total £'000
	Salaries and Wages	579	1,305	1,884
Employers' National Insurance	75	103	178	166
Pension Costs	7	59	66	62
	661	1,467	2,128	1,996

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. EMPLOYMENT COSTS AND NUMBERS (Continued)

The number of employees who received a salary in excess of £60,000 per annum were as follows:

	2019	2018
£60,001 to £70,000	2	1
£70,001 to £80,000	1	1
	<u>3</u>	<u>2</u>

The Diocese contributes, for eligible staff, to one of two qualifying defined contribution pension schemes which are fully compliant with the requirements of auto-enrolment. The schemes are managed by an independent firm of pension administrators. The Diocese matches employee contributions up to a maximum of 6 per cent of pensionable salary. Each member of staff has their own individual pension account within the schemes.

In addition, the Diocese makes contributions to the Teachers' Pension Scheme (England and Wales) (TPS), a defined benefits scheme, for a small number of eligible staff.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest actuarial valuation of the TPS was prepared at 31 March 2012 and the valuation report published in June 2014, confirmed an employer contribution rate for the TPS of 16.40% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%

Following the TPS's actuarial valuation the employer rate has been set at 23.6% to take effect from 1 April 2020. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The average weekly number of full-time and part-time employees is analysed as follows:

	Total Diocesan Employees		
	Parishes	Curia	Total
2019	119	47	166
2018	111	51	162

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Directors do not receive any payments in respect of their Office. Directors who are members of the Clergy receive allowances and expenses for their work in active ministry which are paid by their Parish or by the Curia if they have a non-Parish role. No payments were made to Lay Directors in either the current year or the prior year. No reimbursement of expenses was paid to the Directors of the Trustee in either the current year or prior year.

The Charity considers that its key management personnel comprise the Directors and the Chief Operating Officer. The Directors did not receive any employment benefits in either the current year or the prior year. The Chief Operating Officer received total employment benefits in the year of £88,341 (2018: £85,938), including employers' National Insurance Contributions of £9,691 (2018: £9,430) and £Nil (2018: £Nil) of pension contributions.

Central to the fulfilment of the Leeds Diocesan Trust's objectives is the role played by volunteers in ministries in the Parishes. It is not practical to collate the number of volunteers involved across all 78 Parishes.

11. NET MOVEMENT IN FUNDS IN THE YEAR

Movement in net funds in the year is stated after charging:

	2019 £'000	2018 £'000
Auditor's Remuneration		
- audit services	21	21
- other services	1	1
Depreciation of Owned Assets	627	620
Operating Lease Rentals	<u>40</u>	<u>40</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE ASSETS

Group

	Total Charity			Subsidiary			Total Group		
	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000	Leasehold Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost or valuation									
At 1 April 2018	34,454	2,463	36,917	1,894	306	2,200	36,348	2,769	39,117
Additions	1,259	4	1,263	-	95	95	1,259	99	1,358
Disposals	(321)	-	(321)	-	-	-	(321)	-	(321)
Transfers	(58)	-	(58)	-	-	-	(58)	-	(58)
At 31 March 2019	35,334	2,467	37,801	1,894	401	2,295	37,228	2,868	40,096
Depreciation and impairments									
At 1 April 2018	7,693	792	8,485	706	79	785	8,399	871	9,270
Charge for the year	501	55	556	39	32	71	540	87	627
Disposals	(49)	-	(49)	-	-	-	(49)	-	(49)
Transfers	(58)	-	(58)	-	-	-	(58)	-	(58)
At 31 March 2019	8,087	847	8,934	745	111	856	8,832	958	9,790
Net book value at 31 March 2019	27,247	1,620	28,867	1,149	290	1,439	28,396	1,910	30,306
Net book value at 31 March 2018	26,761	1,671	28,432	1,188	227	1,415	27,949	1,898	29,847

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. TANGIBLE ASSETS (continued)

Charity

	Parishes			Curia			Total Charity		
	Church Properties £'000	Church Contents £'000	Total £'000	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost or valuation									
At 1 April 2018	25,512	2,383	27,895	8,942	80	9,022	34,454	2,463	36,917
Additions	610	-	610	649	4	653	1,259	4	1,263
Disposals	(168)	-	(168)	(153)	-	(153)	(321)	-	(321)
Transfers	(358)	-	(358)	300	-	300	(58)	-	(58)
At 31 March 2019	25,596	2,383	27,979	9,738	84	9,822	35,334	2,467	37,801
Depreciation and impairments									
At 1 April 2018	7,693	725	8,418	-	67	67	7,693	792	8,485
Charge for the year	501	48	549	-	7	7	501	55	556
Disposals	(49)	-	(49)	-	-	-	(49)	-	(49)
Transfers	(58)	-	(58)	-	-	-	(58)	-	(58)
At 31 March 2019	8,087	773	8,860	-	74	74	8,087	847	8,934
Net book value at 31 March 2019	17,509	1,610	19,119	9,738	10	9,748	27,247	1,620	28,867
Net book value at 31 March 2018	17,819	1,658	19,477	8,942	13	8,955	26,761	1,671	28,432

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. INVESTMENT PROPERTIES

	Charity			Subsidiary	Group
	Parishes £'000	Curia £'000	Total £'000	£'000	Total £'000
Cost or valuation					
At 1 April 2018	614	3,742	4,356	900	5,256
Disposals	(32)	(115)	(147)	-	(147)
At 31 March 2019	582	3,627	4,209	900	5,109
Depreciation and impairments					
At 1 April 2018 and 31 March 2019	-	-	-	-	-
Net book value at 31 March 2019	582	3,627	4,209	900	5,109
Net book value at 31 March 2018	614	3,742	4,356	900	5,256

Investment Properties are valued on the basis of market value as defined in the RICS Valuation and Appraisal Manual (7th Edition) every five years. The last valuation was carried out on 31 March 2017 by Sanderson Weatherall, Chartered Surveyors.

In the intervening years a review of Investment Properties is carried out annually and, where required, an appropriate impairment charge is made in the Statement of Financial Activities. In the Trustee's opinion, the net book value disclosed in the Balance Sheet reflects its best estimate of the fair value of Investment Properties at 31 March 2019.

The historic cost of the Group and Charity's Investment Properties at 31 March 2019 is £1,768k (2018: £1,915k).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. INVESTMENTS

a) GROUP

Listed Investments

	2019	2018
	£'000	£'000
Movement in Fixed Asset Investments:		
Market value at 1 April	14,447	15,352
Investment Income	386	422
Net Unrealised Gain / (Loss) on Revaluation	322	(20)
Net Realised Gains in the Year	310	308
Investment Managers' Costs Deducted from Investments	(80)	(84)
Addition to Investments	-	150
Withdrawn from Investments	(1,231)	(1,681)
Market Value at 31 March	14,154	14,447

Analysis of Market Value of Investment by Type:

Equities	10,373	10,402
Bonds	2,510	2,712
Properties	154	166
Alternative Investments	951	865
Cash	166	302
Market Value at 31 March	14,154	14,447

Analysis of Market Value of Investments between those held within and outside the United Kingdom:

Within the United Kingdom	9,179	9,645
Outside the United Kingdom	4,975	4,802
Market Value at 31 March	14,154	14,447

Analysis of Market Value by Fund:

Unrestricted	7,579	7,645
Restricted	5,619	5,846
Permanent Endowment	956	956
Market Value at 31 March	14,154	14,447
Historic Cost of Investments	11,329	11,947

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. INVESTMENTS (continued)

b) CHARITY

The investments of the Charity comprise:

	2019	2018
	£'000	£'000
Listed Investments (see Note 14(a) above)	14,154	14,447
Investment in Subsidiary Companies	1,726	1,947
	<u>15,880</u>	<u>16,394</u>

Investment in Subsidiary Companies

Hinsley Properties Limited (company registration number 2974080).

The Charity owns 100 per cent of the ordinary share capital of the company. A provision of £221k (2018: £25k) has been made against the investment in this company in the year. The principal activities of the company were the operation of the Diocesan Pastoral Centre at Hinsley Hall, Leeds, and the management of an investment property, Cathedral Chambers.

A summary of the company's audited trading results for the year ended 31 March 2019 is shown below:

	2019	2018
	£'000	£'000
Turnover	629	762
Cost of Sales	(412)	(403)
Administrative Expenses	(398)	(344)
Rent paid to the Diocese	(40)	(40)
Loss for the Financial Year	<u>(221)</u>	<u>(25)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. INVESTMENTS (continued)

b) CHARITY (continued)

A summary of the company's audited balance sheet at 31 March 2019 is shown below:

	2019 £'000	2018 £'000
Fixed Assets	2,339	2,315
Net Current Liabilities	<u>(613)</u>	<u>(368)</u>
Total Assets	<u>1,726</u>	<u>1,947</u>
Called up Share Capital	1,500	1,500
Profit and Loss Account	<u>226</u>	<u>447</u>
Equity Shareholders' Funds	<u>1,726</u>	<u>1,947</u>

Inter-Diocesan Fuel Management Limited

The Charity owns 11.1 per cent of the ordinary share capital of the company. The company was set up and is owned with a number of other dioceses in order to obtain competitively priced energy for the Diocese's properties.

Dormant Companies

The Charity owns 100 per cent of the ordinary share capital of Hinsley Hall Properties Limited and Hinsley Hall Limited. Both companies were dormant in both the current and prior year.

15. DEBTORS

	2019		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Debtors	140	65	205
Gift Aid Tax Recoverable	347	-	347
Other Debtors and Prepayments	351	19	370
Amounts due from Subsidiary Company	641	(641)	-
	<u>1,479</u>	<u>(557)</u>	<u>922</u>
	2018		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Debtors	66	50	116
Gift Aid Tax Recoverable	480	-	480
Other Debtors and Prepayments	96	83	179
Amounts due from Subsidiary Company	240	(240)	-
	<u>882</u>	<u>(107)</u>	<u>775</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PROPERTIES HELD FOR SALE

Properties held for sale comprises properties no longer used by the Diocese in pursuing its charitable aims and whose sale is expected to complete within 12 months of the balance sheet date. Properties are included in the Financial Statements at their estimated realisable value. At 31 March 2019 properties held of £750k (2018: £4,139k) were included in the balance sheet.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Creditors	3,397	25	3,422
Other Tax and Social Security	79	12	91
Accruals and Deferred Income	131	18	149
Other Creditors	222	-	222
	3,829	55	3,884
	2018		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Creditors	3,728	104	3,832
Other Tax and Social Security	43	29	72
Accruals and Deferred Income	1,313	137	1,450
Other Creditors	213	-	213
	5,297	270	5,567

Included in Trade Creditors is £2,788k (2018: £1,617k) in respect of the School Building Programme for which the Diocese acts as agent. As agent, the Diocese is bound by agreement with each individual school and therefore has no discretion over the use of these funds. As agent, during the year the Diocese received £4,680k (2018: £3,331k) and paid out £3,509k (2018: £3,241k).

Included in Accruals and Deferred Income, in the prior year, was £1,095k of deferred consideration in respect of the transfer of an Investment Property from a registered charity, St John's Catholic School for the Deaf. The deferred consideration was settled in full on 21 May 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. BANK BALANCES, OVERDRAFTS AND LOANS DUE WITHIN ONE YEAR

	2019		
	Charity £'000	Subsidiary £'000	Group £'000
Bank Balances/(Overdrafts)	1,672	(6)	1,666
Bank Loans (Note 20)	-	-	-
	1,672	(6)	1,666
	2018		
	Charity £'000	Subsidiary £'000	Group £'000
Bank Balances/(Overdrafts)	2,264	3	2,267
Bank Loans (Note 20)	(500)	-	(500)
	1,764	3	1,767

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Charity and Group	
	2019 £'000	2018 £'000
Bank Loans (Note 20)	-	4,875

20. BANK LOANS

Bank loans fall due for repayment as follows:

	Charity and Group	
	2019 £'000	2018 £'000
Due within one year (Note 18)	-	500
Due between two and five years	-	2,000
Due over five years	-	2,875
Total due after more than one year (Note 19)	-	4,875
Total Bank Loans	-	5,375

A term loan facility from HSBC Bank plc was fully repaid in the year.

The Diocese also has an overdraft facility of £3.0 million with HSBC Bank plc repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CAPITAL COMMITMENTS

The Diocese had capital commitments of £234k at 31 March 2019 (2018: £200k).

The Diocese entered into a Private Finance Initiative (PFI) arrangement for the building of a school on 4 June 1999. The Leeds Diocesan Trust is obliged to make a payment of £115k per annum until August 2025. The payment is recognised as a charge to the Statement of Financial Activities in the year in which it is incurred.

22. OPERATING LEASES

At 31 March 2019 the Diocese had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2019			2018
	Charity £'000	Subsidiary £'000	Group £'000	Group £'000
Expiry date:				
Within one year	41	8	49	39
Between two and five years	87	28	115	97
	128	36	164	136

23. ANALYSIS OF CHARITABLE FUNDS

a) Analysis of Unrestricted Fund Movements

	For the year ended 31 March 2019					At 31 March 2019 £'000
	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains/(Losses) £'000	
	Parishes - Designated Funds	28,999	7,361	(6,072)	(1,496)	
Curia - Designated Funds	2,947	-	(83)	-	-	2,864
Curia - General Funds	5,118	2,623	(3,639)	1,496	344	5,942
Curia - Unrestricted Funds	8,065	2,623	(3,722)	1,496	344	8,806
Total Group	37,064	9,984	(9,794)	-	3,083	40,337

	For the year ended 31 March 2018					At 31 March 2018 £'000
	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains/(Losses) £'000	
	Parishes - Designated Funds	28,545	7,144	(5,425)	(1,417)	
Curia - Designated Funds	-	-	(63)	3,010	-	2,947
Curia - General Funds	3,773	2,597	(3,886)	(1,675)	4,309	5,118
Curia - Unrestricted Funds	3,773	2,597	(3,949)	1,335	4,309	8,065
Total Group	32,318	9,741	(9,374)	(82)	4,461	37,064

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. ANALYSIS OF CHARITABLE FUNDS (continued)

a) Analysis of Unrestricted Fund Movements (continued)

Included in the transfer of funds from Parishes to Curia of £1,496k (2018: 1,417k) is £1,462k (2018: £1,417k) for the annual assessment that the Bishop of Leeds makes on Parishes to enable the Diocese to meet its pastoral and charitable objectives. The assessment is made on each Parish in proportion to its income.

Unrestricted Funds for Parishes are classified as Designated Funds to reflect the autonomy of an individual Parish given to it under Canon Law. The Designated Funds will be spent over the lifetime of the individual Parishes.

b) Analysis of Restricted Fund Movements

	For the year ended 31 March 2019						At 31 March 2019 £'000
	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Special Collections £'000	Transfers £'000	Investments Gains/(Losses) £'000	
Parishes							
Second Collections	34	603	(493)	(110)	-	-	34
Parish Fundraising	250	295	(248)	-	-	-	297
Total Collections	284	898	(741)	(110)	-	-	331
Batley Carr Cockrem Fund	308	10	-	-	-	8	326
Total Parishes	592	908	(741)	(110)	-	8	657
Curia							
Priests' Retirement Fund	6,249	161	(524)	27	-	281	6,194
Peru Mission Fund	184	10	(47)	23	-	-	170
Poor Mission Fund	301	13	(18)	18	3	-	317
Episcopal Mensa Fund	77	1	(7)	-	-	4	75
Leeds Cathedral Choir School Fund	11	2	-	-	-	-	13
Pastoral Development Fund	64	-	-	-	-	-	64
Priests' Training Fund	108	65	(108)	30	-	-	95
Other Funds	189	206	(257)	12	-	-	150
Total Curia	7,183	458	(961)	110	3	285	7,078
Total Restricted Funds	7,775	1,366	(1,702)	-	3	293	7,735

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. ANALYSIS OF CHARITABLE FUNDS (continued)

b) Analysis of Restricted Fund Movements (continued)

	For the year ended 31 March 2018						At 31 March 2018 £'000
	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Special Collections £'000	Transfers £'000	Investments Gains/(Losses) £'000	
Parishes							
Second Collections	17	530	(405)	(108)	-	-	34
Parish Fundraising	574	190	(514)	-	-	-	250
Total Collections	591	720	(919)	(108)	-	-	284
Batley Carr Cockrem Fund	296	8	-	-	-	4	308
Total Parishes	887	728	(919)	(108)	-	4	592
Curia							
Priests' Retirement Fund	6,597	214	(496)	26	-	(92)	6,249
Peru Mission Fund	197	6	(40)	21	-	-	184
Poor Mission Fund	213	-	(10)	16	82	-	301
Episcopal Mensa Fund	73	7	(7)	-	-	4	77
Leeds Cathedral Choir School Fund	13	30	(32)	-	-	-	11
Leeds Cathedral Music Fund	78	34	(34)	-	(78)	-	-
Pastoral Development Fund	89	-	(25)	-	-	-	64
Priests' Training Fund	111	106	(143)	34	-	-	108
Other Funds	213	13	(2)	11	(46)	-	189
Total Curia	7,584	410	(789)	108	(42)	(88)	7,183
Total Restricted Funds	8,471	1,138	(1,708)	-	(42)	(84)	7,775

The purposes of the principal funds are detailed below:

- Priests' Retirement Fund:** This fund provides accommodation and allowances for Priests who have retired from active ministry.
- Batley Carr Cockrem Fund:** This legacy has been invested for the sole benefit of St Joseph's Parish, Batley Carr.
- Peru Mission Fund:** The Diocese supports the Church's mission in Peru.
- Poor Mission Fund:** This fund provides assistance to less affluent Parishes within the Diocese.
- Episcopal Mensa Fund:** This fund is utilised to make a payment to support the Bishop of Leeds and appeals at his discretion.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. ANALYSIS OF CHARITABLE FUNDS (continued)

b) Analysis of Restricted Fund Movements (continued)

Leeds Cathedral Choir School Fund: This fund supports the Choir based at Holy Rosary and St Anne's Primary School, Leeds.

Priests' Training Fund: This fund pays for the seminary fees and other costs associated with training men for the Priesthood.

c) Analysis of Permanent Endowment Fund Movements

Curia	For the year ended 31 March 2019					At 31 March 2019 £'000
	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains/(Losses) £'000	
	Priests' Training Fund	750	26	(26)	-	
Poor Mission Fund	82	3	-	(3)	-	82
Leeds Cathedral Music Fund	78	8	(4)	-	1	83
Mass Intentions Account	46	2	(7)	-	-	41
Total Endowment Funds	956	39	(37)	(3)	1	956

Curia	For the year ended 31 March 2018					At 31 March 2018 £'000
	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains/(Losses) £'000	
	Priests' Training Fund	754	25	(29)	-	
Poor Mission Fund	83	3	(4)	-	-	82
Leeds Cathedral Music Fund	-	3	(3)	78	-	78
Mass Intentions Account	-	-	-	46	-	46
Total Endowment Funds	837	31	(36)	124	-	956

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2019

NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. NET ASSETS

	Parishes Funds			2019 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Permanent		Total £'000	Unrestricted £'000	Permanent		Total £'000
					Restricted £'000	Endowment £'000			Restricted £'000	Endowment £'000	
Tangible Fixed Assets	19,119	-	19,119	11,187	-	-	11,187	30,306	-	-	30,306
Investment Properties	582	-	582	4,527	-	-	4,527	5,109	-	-	5,109
Fixed Asset Investments	-	326	326	7,579	5,293	956	13,828	7,579	5,619	956	14,154
Bank Balances (Cash and Overdrafts)	6,681	331	7,012	(7,131)	1,785	-	(5,346)	(450)	2,116	-	1,666
Other Net Current Assets / (Liabilities)	902	-	902	(3,109)	-	-	(3,109)	(2,207)	-	-	(2,207)
Inter Parishes and Curia Loans (net)	4,247	-	4,247	(4,247)	-	-	(4,247)	-	-	-	-
TOTAL NET ASSETS	31,531	657	32,188	8,806	7,078	956	16,840	40,337	7,735	956	49,028

	Parishes Funds			2018 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Permanent		Total £'000	Unrestricted £'000	Permanent		Total £'000
					Restricted £'000	Endowment £'000			Restricted £'000	Endowment £'000	
Tangible Fixed Assets	19,477	-	19,477	10,370	-	-	10,370	29,847	-	-	29,847
Investment Properties	614	-	614	4,642	-	-	4,642	5,256	-	-	5,256
Fixed Asset Investments	-	308	308	7,645	5,538	956	14,139	7,645	5,846	956	14,447
Bank Balances(Cash, Overdrafts and Loans)	6,464	284	6,748	(6,626)	1,645	-	(4,981)	(162)	1,929	-	1,767
Other Net Current Assets / (Liabilities)	858	-	858	(1,505)	-	-	(1,505)	(647)	-	-	(647)
Inter Parishes and Curia Loans (net)	1,586	-	1,586	(1,586)	-	-	(1,586)	-	-	-	-
Bank Loans due after more than One Year	-	-	-	(4,875)	-	-	(4,875)	(4,875)	-	-	(4,875)
TOTAL NET ASSETS	28,999	592	29,591	8,065	7,183	956	16,204	37,064	7,775	956	45,795

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RELATED PARTY TRANSACTIONS

The Diocese of Leeds Trustee is also the Trustee of one other registered charity, the St John's Catholic School for the Deaf. As disclosed in Note 17 the Leeds Diocesan Trust paid, in full, the deferred consideration of £1,095k on 21 May 2018.

The Rt Rev Marcus Stock (Chair of the Trustee) is also a Trustee of a registered charity, Catholic Care. The Leeds Diocesan Trust made payments to Catholic Care in the year ended 31 March 2019 of £17k (2018: £19k) for care and other support services for retired Priests.

The Leeds Diocesan Trust operates a wholly owned trading subsidiary, Hinsley Properties Limited. Monsignor P Fisher is a Director of both the Diocese of Leeds Trustee and Hinsley Properties Limited.

During the year, the Charity received £50k (2018: £70k) in rents and management fees from Hinsley Properties Limited. At 31 March 2019 £641k (2018: £240k) was payable to the Leeds Diocesan Trust by Hinsley Properties Limited.