

Leeds Diocesan Trust

Registered Charity Number 249404

Report and Consolidated Financial Statements

For the year ended
31 March 2020



LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2020

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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 of the Trustee

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 to the Trustee and Chief Operating Officer of the Charity

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

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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 2020.

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 Charity 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 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 Directors were unable to meet in person for the Trustee's March 2020 meeting following the implementation of the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020. The Company Secretary co-ordinated the written decisions of each Director and these were recorded in the Board's Minute Book. 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 (Vicar General) and Monsignor A Summersgill who are current Directors. The 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.

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

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

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 fulfilling 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 reviews 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.

REPORT OF THE TRUSTEE (continued)

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.

Working alongside statutory services, the aim of the Diocesan Safeguarding Team (comprising paid professional staff in the Diocesan Safeguarding Office and volunteers in all Parishes), is to protect the young and the vulnerable. This work focuses on protection and maintaining 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 available on the Catholic Safeguarding Advisory Service (CSAS) web site at <https://www.csas.uk.net/>.

The Diocesan Safeguarding Team works in collaboration with the Leeds Catholic Safeguarding Commission, whose members are qualified and suitably experienced in a wide range of safeguarding fields including criminal law, police, social care and education.

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; and
- notification to the Chief Operating Officer.

With the support of the Commission, the Safeguarding Office extended its central training programme to more local and accessible venues in the communities that Clergy and Parish Safeguarding Representatives serve. The programme has been temporarily suspended to comply with the Government's Coronavirus regulations and will recommence as soon as the regulations permit.

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 2020 a total of 1,109 (2019: 958) Disclosure and Barring Service (DBS) checks were undertaken as part of this safer recruitment process.

During the year the Safeguarding Office established links with Survivors West Yorkshire who provide help and practical support to those who are dealing with the impact of abuse.

REPORT OF THE TRUSTEE (continued)

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 associated documentation, are regularly communicated, together with practical support to Parishes to assist them in meeting their obligations.

Asbestos Management Plans and a comprehensive Fire Risk Assessment Register have been developed for all Parishes. All documentation will be distributed and training provided in late 2020 and early 2021.

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 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.

An independent audit dated February 2019 rated the Diocese as having a good level of health and safety 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 both the current year and the prior year no complaints were received in respect of fundraising.

The Coronavirus Regulations have resulted in the closure of all Diocesan Churches since March 2020. As a consequence the weekly Offertory collection has not been possible. This has been mitigated by developing online and telephone donation facilities on the Diocesan and Parish websites and a text giving facility for all our Parishes and Diocesan agencies.

Internal Financial Reporting and Monitoring

The Diocese's internal Financial Reporting systems and processes are designed to provide assurance to the Trustee on the integrity of the financial accounting and governance procedures within Curia Departments and Parishes. Quarterly Consolidated Financial Statements are presented to the Board. The Charity's Risk Register is reviewed as part of this process. The Diocesan Finance Department works closely with individual Curia Departments and Parishes as appropriate to mitigate risk. In addition, Curia staff review Parishes on the appointment of a new Parish Priest.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE

The Diocese's activities are reported in the Financial Statements distinguishing 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 2020 was 24,829 (2019: 25,768).

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 life 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. During the current restrictions on social contact, they continue to play a major role with telephone and online communication being an effective alternative to home visits. Volunteers also 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 co-ordinates 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 Mission Fund to support the smaller and poorer Parishes and Religious Communities within the Diocese.

Caritas Leeds is a forum for all Catholic charities, agencies, projects and groups within the Diocese. Amongst its objectives is the development of ongoing formation in Catholic Social Teaching and to encourage and promote partnerships across the Diocese in the service of the poor. During the year, Caritas Leeds, together with Catholic Care, continued to support the work of the Diocesan Refugees and Asylum Seekers Group.

St Patrick's Mission is a centre for Catholic renewal based in the centre of Bradford. The active co-operation between the Diocese and the Franciscan Friars of the Renewal seeks to create a culture of Catholic spiritual renewal and missionary outreach in Bradford's city centre. It provides concrete works of Christian charity to the poor and destitute, through the operation of a soup kitchen and clothing bank, as well as providing opportunities for inner-city evangelisation to those who visit, work and shop in Bradford's city centre. It is also a place where people can reconnect with their faith through Catholic history and heritage. On 1 April 2019 Bishop Marcus appointed Father Giles Barrie CFR, a Franciscan Friar of the Renewal, as the Rector of the Church.

The closure of Places of Worship, under the Health Protection (Coronavirus, Restrictions) (England) Regulations 2020, prevented the Lay Faithful from taking part in the celebration of the Mass and other liturgies in our Churches. Across the Diocese many initiatives are now in place to enable Priests and Parishioners to provide spiritual and pastoral support through telephone calls and online facilities and social media platforms. Participation in the Mass and other devotions has been made possible through live streaming of these liturgies from Leeds Cathedral and Parish Churches.

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

Bishop Marcus has expressed his gratitude for the work undertaken by these and other Catholic and faith-based charities across the Diocese especially during this time when people are vulnerable during the Coronavirus pandemic.

REPORT OF THE TRUSTEE (continued)

1. Advancement of the Catholic Religion (continued)

The Diocese continues to support the work of the Church in Peru. The annual collection for the Diocese's Peru Mission raised £22k (2019: £33k) and grants of £47k (2019: £47k) were made to projects in Peru.

Based on the words of Pope Francis, "A faith without works, a faith that doesn't get you involved, isn't faith. It is words and nothing more than words." The work of the Vicariate for Education's Youth, Formation and Catechesis team is to provide opportunities for Parishioners across the Diocese to increase their knowledge, understanding and participation in the Catholic faith. In September 2019, following a pilot scheme, the Youth Team rolled out the Faith in Action programme to Schools and Parishes throughout the Diocese. During this year, nearly 700 young people were involved in the programme, exploring personal prayer, pilgrimage, Parish service and social service in their communities. This complements the work in Schools through the Mini Vinnies, SVP Youth and other Catholic organisations.

The Youth Team enables growing numbers of young people to participate in Diocesan pilgrimages including Lourdes, a monthly youth group 'Revelation' and 'World Youth Day at Home'. In September 2019, Bishop Marcus commissioned 'The Twelve', a group of young people who take their inspiration from the Twelve Apostles. This is a collaborative initiative working with Bishop Marcus, giving voice to young people in Diocesan decision making and contributing towards key events and activities aimed at young people.

The Formation and Catechesis team supported Parishes in completing the transition to the new first Sacraments and Confirmation programmes. Family catechesis was introduced into many Parishes to provide a family focused aspect for children preparing for the Sacraments. New resources have been written during the year to accompany the Sacramental programmes.

Initiatives across the Diocese during The Year of the Word include a series of speakers to give talks about the Scriptures. The Formation and Catechesis team have been proactive in developing online activities during the closure of the Diocese's Pastoral Centre as a result of the Coronavirus pandemic.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching

The Diocese has 79 Primary Schools, 12 High Schools, Notre Dame Sixth Form College and a non-maintained residential special school for the deaf (St John's Catholic School for the Deaf, a registered charity for which the Trustee is also the trustee) designated as Catholic Schools under the supervision of the Bishop of Leeds. Bishop Marcus set out his vision for education in the document "A Diocesan Family of Schools" (published in February 2018). At 31 March 2020 of the 91 Primary and High Schools, 37 Academies have been established within one of the five Catholic Multi-Academy Trusts, 36 Schools are in the process of converting and 18 will begin the conversion process during the financial year ending 31 March 2021. The conversion process demonstrates the co-operation between School Governors, Staff, the Vicariate for Education (the "Vicariate") and Curia departments.

The Vicariate is proactive in supporting the Diocese's Schools and College and has a particular responsibility to the Bishop of Leeds for the delivery of Catholic Education. The Vicariate is grateful to the 800 Parishioners who continue to give generously of their time and expertise to serve as Foundation Directors of Multi-Academy Trusts and Foundation Governors of our Schools and College in the education of children across the Diocese.

During the year ended 31 March 2020, the Vicariate has collaborated with Schools in putting into practice the research work "Catholic Character Education – Growing in the virtues and celebrating human flourishing in Catholic schools". This was undertaken by the Vicariate's Religious Education Co-ordinator for Schools together with the Jubilee Centre for Character and Virtues at the University of Birmingham. The principal focus of this collaboration has been to expand Catholic Virtue in Education (Character Education) across two aspects of education. The first is Virtues for Leadership, the role of virtues in leadership decision making and the second is Virtues to Live By, encouraging conscious practice of the virtues by pupils. The Vicariate for Education has developed a series of resources available to all Schools at www.virtuestoliveby.org.

The Episcopal Vicar for Education has expressed his gratitude to all the School staff who have supported this initiative and incorporated it so enthusiastically into their School's everyday practice. He also commends them for the positive commentary that has been made on it in Ofsted reports during the year.

Vicariate staff continued to work through the Coronavirus pandemic supporting Schools and liaising with the Department for Education and Local Authorities. All Diocesan Schools continue to serve their communities by providing support for vulnerable children and the children of key workers.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching (continued)

The Diocesan Music Department complements the work of the Vicariate in our Catholic Schools through its Schools Singing Programme and its Organists' Training Programme. Both programmes focus on bringing the Sacred Scriptures and the Christian faith alive, both in the hearts of the children and young people who sing and also in their families, communities and all those who hear and see them.

The Schools Singing Programme exists as a funding collaboration between our Schools, Parishes and the Music Department. Established in 2003, this programme now delivers training in liturgical music to 4,500 children each week in 53 Schools comprising over 100 choral groups. The Department's strategic impact is measured in terms of evangelisation and inclusion focusing on the participation of young people in Parish life and whole School acts of Worship. Children participate in a variety of liturgical celebrations, concerts, public broadcasts and musical festivals. Many of our schools are located within communities that rank amongst the most deprived 10% nationally (IMD 2019) and the Department strives to ensure that the Church's patronage of the arts is available to all to foster Catechesis, individual aspiration and collective flourishing. The Department also leads 'Trinity Voices' in partnership with Leeds Trinity University and benefits from the Cathedral Choir School established at Holy Rosary and St Anne's Primary School in Chapeltown.

The Choirs sing at Masses and other liturgies at Leeds Cathedral and in Parishes across the Diocese. The Department contributes to the Catholic voice at a national level. The Huddersfield Choirs broadcast live on BBC Radio 4 in July 2019 on 'Sunday Worship' and the Bradford Choirs broadcast live on Christmas Day morning on BBC One.

A new children's choir, the Calderdale Catholic Schools Choir, was launched in Autumn 2019, serving Schools in the Halifax Deanery. Significant events for Choirs during the year included the Bradford Boys' and Girls' Choirs tour to sing in Rome, which included singing in St Peter's Basilica, and the Huddersfield Youth Choir tour to London which included singing in Westminster and Southwark Cathedrals. The Bishop Konstant Boys' and Girls' Choirs had a vocal workshop day with BBC One Pitch Battle winner Craig Lees. In February 2020 a workshop was held to encourage boys to take up singing.

The Organists' Training Programme at 31 March 2020 had 50 (2019: 45) students learning piano and organ. The Programme benefits from partnerships with the Royal College of Organists and the University of Huddersfield. During the year, two students gained Oxbridge Organ Scholarships and students have now taken up organist roles in their Parishes.

REPORT OF THE TRUSTEE (continued)

2. Promotion of Catholic Teaching (continued)

In the second Leeds International Organ Festival a talk was given by Sir James MacMillan, a workshop was delivered by WOOFYT (Wooden One-octave Organ For Young Technologists) and a performance of Bob Chilcott's Mr Majeika and the Magic Organ was given to over 300 Primary School children in Leeds Cathedral.

In response to the challenges of the Coronavirus Regulations, The Music Department has developed online recorded lessons to enable all to continue with their singing lessons. Pupils from both School and their home and our eighteen choirs continue to meet weekly with their Choral Director through online platforms. The Music Department shares its online initiatives via webinars with other Dioceses, Cathedrals and Schools.

Key to the continuing success of the Schools Singing Programme and the Organists' Training Programme is a programme of continued professional development for the Department's staff introduced in 2018.

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 £701k (2019: £641k) in allowances and offerings, £311k (2019: £315k) in housekeeping costs and £181k (2019: £175k) in travel expenses to Priests.

To support Priests in their Ministry, the Directors of Ongoing Spiritual and Pastoral Formation provide a recollection and study programme consisting of residential and day events.

Seven recollection days were held throughout the year led by Priests from both Religious Orders and other Dioceses. Study days included (1) the Ministry of Deliverance and the Role of the Exorcist, (2) the Relationship between Faith and Science, (3) Health Care Ethics with a particular focus on Care of the Dying and (4) the Place of Canon Law within the Church, Procedures for Annulment and other Chancery issues.

Directors for Ongoing Formation participate in national forums to enable the growth of best practice in the Diocese.

Key to sustaining the advancement of the Catholic Religion is the promotion and support of vocations to the Priesthood and the Diaconate. Currently the Diocese has eight (2019: seven) men training to be Priests (including two Deacons preparing for Priestly ordination in the coming year). An additional candidate for the Priesthood is expected to commence his training in September 2021.

REPORT OF THE TRUSTEE (continued)

3. Provision and Care of Priests (continued)

In the year to 31 March 2020, the Diocese invested £177k (2019: £217k) in seminary fees and living allowances. This expenditure was partially funded by collections taken in the Parishes amounting to £28k (2019: £30k). Seminarian training continues to be supported by a grant from the Jesuit's Osterley Fund.

Priests are supported in their full-time ministry by men ordained to the Permanent Diaconate. The Diocese has 22 Permanent Deacons (2019: 22) and has six candidates at various stages of formation. Permanent Deacons assist 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, the Assistant Director for Deacons and a Spiritual Director. Training and ongoing formation is provided in a supportive atmosphere to reflect their existing family and career responsibilities.

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 Diocese supports Priests who have retired from active ministry by providing appropriate living accommodation and an allowance to supplement their statutory pensions. Retired Priests receive welfare and other practical support by Catholic Care. This is a bespoke service tailored to meet the changing needs of each Priest.

The Directors are grateful for the additional support and work undertaken by Catholic Care during the Coronavirus pandemic.

A second Annual Forum for Retired Priests and those Priests over 70 years of age was organised by the Directors of Ongoing Formation in November 2019. Bishop Marcus welcomed our Retired Priests and presentations were given by Curial staff, members of the Vicariate for Education and Catholic Care. The Forum, at the request of Priests attending, will become a biannual event.

During the year, the Diocese paid £335k (2019: £338k) in grants to retired Clergy and in addition paid accommodation costs for retired Clergy. This was financed in part by £25k (2019: £27k) in donations from second collections in the Parishes and by £150k (2019: £158k) from dividend income. A further £227k (2019: £158k) was invested to finance the purchase of property for use by 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. These are often significant landmarks in their wider local communities and serve as a social hub in those communities. More than 90 per cent of the buildings owned by the Parishes are over 50 years old. Parishes, collectively, spent £2,566k (2019: £2,100k) on refurbishments, maintenance and repairs to Churches, Presbyteries and Parish Halls during the year. This level of investment equates to 33 per cent (2019: 25 per cent) of Total Parish Operating Income and reflects the importance that the Diocese attaches to maintaining its Sacred Places.

The Property Department works with the Historic Churches Committee (a statutory body established under the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) England Order 2010) to oversee and approve all building works on Listed Places of Worship. The Property Department also work with the Diocesan Art Architecture and Heritage Committee which considers all applications to undertake building works on Diocesan properties. Members of the committees are drawn from the Clergy, Lay Professionals, Local Authority Planning Departments and the Amenity Societies.

During the year, the Diocese has invested in the improvement to Health and Safety in Parishes with considerable investment being made in asbestos management and the safety of gas and electrical installations.

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 some of these projects. Significant grant funding included grants from The Albert Gubay Charitable Foundation, the National Churches Trust, Allchurches Trust, the Yorkshire Historic Churches Trust and the The National Lottery Community Fund. The Curia also makes appropriate applications to the Listed Places of Worship (LPW) Grant Scheme, which makes grants to cover some of the VAT incurred in making repairs to those Listed Buildings in use as Places of Worship.

The Curia works with a dedicated team of external property professionals including experienced Architects and Chartered Surveyors. The team collaborates with Parishes and Schools to ensure that refurbishments, maintenance and repairs take full account of the needs of the users of these 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 manages the delivery of the Diocese's Health and Safety Policy as disclosed above.

REPORT OF THE TRUSTEE (continued)

Future Plans

The intention for the future continues to be the 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 year ending 31 March 2021 will be impacted by the Coronavirus pandemic. The Charity has complied with guidance provided by the Government and also from the Catholic Bishops' Conference of England and Wales.

The Trustee acknowledges that the pandemic will have a significant impact, particularly in the shorter term, on the operation of the Charity and the manner by which it is able to deliver its charitable objectives. The Clergy, employees and volunteers in the Charity have quickly adapted to the fast moving circumstances, whilst complying with Government's restrictions, to continue to serve the beneficiaries of the Charity.

Detailed preparations have been made to address these new circumstances and safeguarding and Health and Safety processes have been reviewed to enable Churches to reopen in line with Government guidelines.

The Directors remain focused on ensuring that future plans remain sufficiently flexible to deliver the charitable objectives.

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW

The table below summarises the financial activities of the Parishes and Curia (including the subsidiary company) during the year.

	2020	2019
	£'000	£'000
Parishes		
Income	7,788	8,269
Expenditure	(6,865)	(6,813)
	923	1,456
Diocesan Assessment	(1,493)	(1,462)
Transfers	-	(144)
Deficit	(570)	(150)
Net Gains on the Sale and Revaluation of Assets	4,084	2,747
Increase in Reserves	3,514	2,597
Curia		
Income	3,516	3,120
Diocesan Assessment	1,493	1,462
Transfers	-	144
Expenditure	(5,023)	(4,720)
(Deficit)/Surplus	(14)	6
Net (Losses)/Gains on the Sale and Revaluation of Assets	(1,346)	630
(Decrease)/Increase in Reserves	(1,360)	636
Total Group Increase in Reserves	2,154	3,233

Details of the income and expenditure are shown in the Consolidated Statement of Financial Activities on page 25.

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

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

The total income for the Diocese in the year was £11,304k (2019: £11,389k) a decrease of 1 per cent (2019: increase of 4 per cent). The largest individual component of income is from Offertories and amounted to £4,169k (2019: £4,314k) a fall of 3 per cent (2019: Nil) compared with the prior year. Due to the Coronavirus pandemic the Churches were closed on 20 March 2020 and two Sundays were included between this date and the year-end date of 31 March 2020. It is estimated that the loss of income arising from this amounted to around £150k. This would account for the reported shortfall. There was a reduction of 4 per cent (2019: 1 per cent) in the recorded number of people attending Sunday Mass. Income from Donations, Gifts and Legacies, which are less predictable, was £98k lower (2019: £271k higher) than the prior year.

The total expenditure in the year was £11,888k (2019: £11,533k) an increase of £355k compared with the prior year. Expenditure continues to be tightly managed and remained focused 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 £2,154k (2019: £3,233k). The operational deficit in the year was £584k (2019: £144k).

As disclosed in Note 1 to the Financial Statements (Accounting Policies 1.12), occupied school properties are valued at £Nil (2019: £Nil) as the Directors consider these properties to be inalienable.

At 31 March 2020 the Diocese reported a net cash position of £2,134k (2019: £1,666k). The Cash Flow Statement on page 28 shows a net increase in cash and cash equivalents of £468k (2019: decrease of £601k).

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.

REPORT OF THE TRUSTEE (continued)

Investment Policy and Performance (continued)

The market value of investments reported in the Financial Statements at 31 March 2020 was £11,471k (2019: £14,154k). The movements are analysed in Note 14 to the Financial Statements. The main components comprise investment income generated of £407k (2019: £386k), cash withdrawn of £1,440k (2019: £1,231k) and profits arising on the sale of investments of £386k (2019: £310k). The unrealised loss on revaluation of £1,996k (2019: gain £322k) occurred in the last quarter of the financial year as a result of Market reaction to the Coronavirus pandemic and its associated economic impact. At the date of signing this report the market value of investments has increased.

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 2020 were £51,182k (2019: £49,028k) of which £35,702k (2019: £32,188k) related to Parishes and £15,480k (2019: £16,840k) 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 2020, Free Reserves were £12,066k (2019: £10,031k) and represented twelve months (2019: ten months) of Total Operating Expenditure. The Directors consider that this level of Free Reserves is reasonable, especially at the present time, 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 £1,021k (2019: £956k) in Permanent Endowment Funds and £7,284k (2019: £7,735k) 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 20 to the Financial Statements. Unrestricted Funds of £42,877k (2019: £40,337k) comprise Designated Funds in Parishes of £35,172k (2019: £31,531k) and Designated and General Funds in the Curia of £7,705k (2019: £8,806k). Designated Funds in Parishes are raised to ensure the financial sustainability of the Parish and will be expended over the life of the Parish.

REPORT OF THE TRUSTEE (continued)

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 £793k (2019: £629k) and reported an operating loss of £223k (2019: £221k). The current year was negatively impacted by the Coronavirus pandemic.

The retained loss has been taken to Curia 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 most significant short term risk to the Charity is from the Coronavirus pandemic. This pandemic, and the Government's response to this, has resulted in the closure of all the Charity's Churches which has a significant negative impact on the cash based component of the Charity's income. The Charity has been quick to respond to develop alternative and new ways of replacing a proportion of the lost income. In addition, the expenditure commitments of the Charity have all been reviewed in order to partially offset the impact of the lost income. The Charity has, in recent years, developed the financial flexibility to ensure that it can manage through this severe short term impact on the Charity, and the wider economy, and that the charitable objectives continue to be delivered.

Financial Strategy

In 2015, the Directors developed a three-year Financial Strategy with the principal aim to eliminate the Charity's Net Debt. The Charity achieved this Financial Strategy successfully in September 2018 with the full repayment of its loans.

The current Financial Strategy provides the Charity with the financial flexibility required to deliver its charitable objectives. The Diocese's working capital enables Parishes, Curia departments and Diocesan agencies to operate efficiently. The Strategy includes the efficient management of the Charity's financial assets by maximising the income and capital growth of these financial assets in line with the Charity's ethical investment policy and minimising interest costs through the management of its cash position.

REPORT OF THE TRUSTEE (continued)

Financial Strategy (continued)

The Financial Strategy has been modified to enable the Charity to react to the fast-moving impact of the Coronavirus pandemic on its income streams. In addition to an eighteen month cash flow forecast, the Directors carried out Stress Testing on its cash income.

The Directors are satisfied, taking into account the results of the Stress Testing, that the Charity has sufficient flexibility within its financial assets and its existing bank facilities to withstand the short term impact of the Coronavirus pandemic to enable it to continue to deliver its charitable objectives.

Approved by the Trustee on 23 June 2020 and signed on its behalf by:

+ Marcus Stock

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 (FRS 102);
- make judgements and estimates that are reasonable and prudent; 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 applicable accounting regulations. 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 is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2020 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 2020 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.

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's 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.

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

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.

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 21, 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

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

Responsibilities of Trustee (continued)

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.

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

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

23 June 2020

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 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2020

	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	5,830	887	6,717	335	492	35	862	7,579
Charitable Activities	3	87	-	87	829	172	-	1,001	1,088
Trading Activities		974	-	974	863	-	-	863	1,837
Investment Income	4	-	10	10	583	170	37	790	800
Total Operating Income		6,891	897	7,788	2,610	834	72	3,516	11,304
Expenditure on:									
Total Cost of Raising Funds	5	-	-	-	1,106	-	-	1,106	1,106
Charitable Expenditure	6	5,989	876	6,865	3,077	803	37	3,917	10,782
Total Operating Expenditure		5,989	876	6,865	4,183	803	37	5,023	11,888
		902	21	923	(1,573)	31	35	(1,507)	(584)
Gross Transfer between Funds		(1,387)	(106)	(1,493)	1,357	106	30	1,493	-
Net Operating (Expenditure)/Income		(485)	(85)	(570)	(216)	137	65	(14)	(584)
Net Losses on Investment Assets		-	(42)	(42)	(1,107)	(461)	-	(1,568)	(1,610)
Net Gains on the Sale of Fixed Assets		-	-	-	8	-	-	8	8
Net (Expenditure)/ Income		(485)	(127)	(612)	(1,315)	(324)	65	(1,574)	(2,186)
Revaluation of Investment Properties		4,126	-	4,126	214	-	-	214	4,340
Net Movement in Funds	11	3,641	(127)	3,514	(1,101)	(324)	65	(1,360)	2,154
Reconciliation of Funds:									
Total Funds brought forward		31,531	657	32,188	8,806	7,078	956	16,840	49,028
Total Funds carried forward		35,172	530	35,702	7,705	6,754	1,021	15,480	51,182

All activities are from continuing operations. The Notes from page 29 to 54 form part of these Financial Statements. There were no recognised gains or losses for the year ended 31 March 2020 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 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2019

	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	6,149	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 (Expenditure)/Income		(207)	57	(150)	397	(390)	(1)	6	(144)
Net 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
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 29 to 54 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 2020

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET

	Note	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fixed Assets					
Tangible Assets	12	30,811	30,306	29,385	28,867
Investment Properties	13	9,828	5,109	8,928	4,209
Investments	14	11,471	14,154	12,974	15,880
Total Fixed Assets		52,110	49,569	51,287	48,956
Current Assets					
Inventories		7	5	-	-
Debtors	15	830	922	1,607	1,479
Properties Held for Sale	16	-	750	-	750
Cash at Bank and in Hand		2,134	1,666	2,123	1,672
Total Current Assets		2,971	3,343	3,730	3,901
Current Liabilities					
Creditors and Accrued Expenses	17	(3,899)	(3,884)	(3,835)	(3,829)
Creditors: Amounts falling due within one year		(3,899)	(3,884)	(3,835)	(3,829)
Net Current (Liabilities)/Assets		(928)	(541)	(105)	72
Total Assets less Current Liabilities		51,182	49,028	51,182	49,028
Net Assets		51,182	49,028	51,182	49,028
The Funds of the Charity:					
Unrestricted Funds					
- Designated Funds	20	35,172	31,531	35,172	31,531
- General Funds	20	7,705	8,806	7,705	8,806
Restricted Funds					
Permanent Endowments	20	7,284	7,735	7,284	7,735
	20	1,021	956	1,021	956
Total Charity Funds		51,182	49,028	51,182	49,028

The Notes from page 29 to 54 form part of these Financial Statements.

These Financial Statements were approved and authorised by the Directors on 23 June 2020 and signed on their behalf by:

+ Marcus Stock

Rt Rev M Stock
Bishop of Leeds
Director

CONSOLIDATED CASH FLOW STATEMENT

	2020	2019
	£'000	£'000
Cash Flows from Operating Activities		
Net Movement in Funds	2,154	3,233
Adjusted for:		
Deprecation Charges	629	627
Revaluation of Investment Properties	(4,340)	-
Revaluation of Property Held for Sale	-	(738)
Gain on Disposal of Investment Properties and Properties Held for Sale	-	(944)
Gain on Disposal of Fixed Assets	(8)	(1,063)
Net Losses/(Gains) on Investments	1,610	(632)
Investment Income	(800)	(833)
Decrease/(Increase) in Debtors	92	(147)
Increase/(Decrease) in Creditors	15	(588)
(Increase)/Decrease in Inventories	(2)	1
Other non cash Expenditure	80	111
Net Cash used in Operating Activities	(570)	(973)
Cash Flows from Investing Activities		
Proceeds from the Disposal of Fixed Asset Investments	1,440	1,231
Payments to Acquire Fixed Asset Investments	(40)	-
Investment Properties Income	393	447
Proceeds from the Sale of Tangible Fixed Assets	164	1,305
Proceeds from the Sale of Investment Properties	-	119
Proceeds from the Sale of Assets Held for Sale	750	4,003
Payments to Acquire Tangible Fixed Assets	(1,669)	(1,358)
Net Cash provided by Investing Activities	1,038	5,747
Cash Flows from Financing Activities		
Loans repaid	-	(5,375)
Net Cash used in Financing Activities	-	(5,375)
Net Increase/(Decrease) in Cash and Cash Equivalents	468	(601)
Cash and Cash Equivalents at the beginning of year	1,666	2,267
Cash and Cash Equivalents at the end of year	2,134	1,666

Analysis of Net Cash/ (Debt)

	2020 Movement		2019 Movement		2018
	£'000	£'000	£'000	£'000	£'000
Bank Loans	-	-	-	5,375	(5,375)
Cash at Bank and in Hand	2,134	468	1,666	(601)	2,267
Net Cash/(Debt)	2,134	468	1,666	4,774	(3,108)

The Notes from page 29 to 54 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) 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. 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 and to meet its net current liabilities. The Directors have made this assessment for a period of at least twelve months 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 Offertory, donation and investment income with a particular emphasis on the potential impact of the Coronavirus pandemic. 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 Charity is exempt from taxation and therefore no provision has been made for it.

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.

Impairment reviews are undertaken on an annual basis.

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 three years and ten 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 twelve 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, which 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 reassessed annually and are amended where necessary to reflect current circumstances.

Investment Properties are valued on the basis of market value every five years. In the intervening years a review of Investment Properties fair value is carried out annually and an appropriate revaluation credit or impairment charge is made in the Statement of Financial Activities.

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. DONATIONS, LEGACIES AND GRANTS

	2020							Group
	Parishes			Curia				
	Designated	Restricted	Total	Unrestricted	Restricted	Permanent		
						Endowment	Total	
Funds	Funds	Funds	Funds	Funds	Funds	Funds	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Offertories	4,159	-	4,159	-	10	-	10	4,169
Donations and Gifts	267	-	267	148	157	35	340	607
Votives	267	-	267	-	1	-	1	268
Legacies	209	-	209	147	11	-	158	367
Gift Aid Tax Refunds	791	-	791	40	-	-	40	831
Parish Projects	-	156	156	-	-	-	-	156
Parish Second Collections	-	184	184	-	-	-	-	184
Diocesan Second Collections	-	116	116	-	-	-	-	116
National Second Collections	-	197	197	-	-	-	-	197
Grants	-	234	234	-	313	-	313	547
Other	137	-	137	-	-	-	-	137
Total	5,830	887	6,717	335	492	35	862	7,579

	2019							Group
	Parishes			Curia				
	Designated	Restricted	Total	Unrestricted	Restricted	Permanent		
						Endowment	Total	
Funds	Funds	Funds	Funds	Funds	Funds	Funds	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Offertories	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

3. INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities consists of:

	2020	2019
	£'000	£'000
School Contribution Scheme	326	309
Music Contribution Scheme	146	125
Youth Pilgrimages	172	193
Conference Fees	39	28
Cemetery Fees	287	287
Other	118	104
Total	1,088	1,046

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENT INCOME

	2020			Total Funds £'000
	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Endowment Fund £'000	
	Income arising from:			
Investment Properties	387	6	-	393
Listed Investments	196	174	37	407
Total	583	180	37	800

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

5. TOTAL COST OF RAISING FUNDS

The total cost of raising funds consists of:

	2020 £'000	2019 £'000
Interest Payable	10	93
Investment Management Fees	80	80
Hinsley Properties Limited Expenditure	1,016	801
Total	1,106	974

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CHARITABLE EXPENDITURE

		2020				
		Aims of the Charity				
		Advancement of Catholic Religion	Promotion of Catholic Teaching	Care of Priests	Maintenance of Properties	Total
		£'000	£'000	£'000	£'000	£'000
Parishes	Grants Payable	29	-	-	-	29
	Other Direct Costs	1,441	44	1,301	3,111	5,897
	Support Costs	224	7	198	510	939
	Total	1,694	51	1,499	3,621	6,865
Curia	Grants Payable	118	33	360	-	511
	Other Direct Costs	364	1,187	418	427	2,396
	Support Costs	169	426	272	143	1,010
	Total	651	1,646	1,050	570	3,917
Total	Grants Payable	147	33	360	-	540
	Other Direct Costs	1,805	1,231	1,719	3,538	8,293
	Support Costs	393	433	470	653	1,949
	Total	2,345	1,697	2,549	4,191	10,782

		2019				
		Aims of the Charity				
		Advancement of Catholic Religion	Promotion of Catholic Teaching	Care of Priests	Maintenance of Properties	Total
		£'000	£'000	£'000	£'000	£'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

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 (2019: £22k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. ANALYSIS OF GRANTS PAYABLE

	2020			2019
	Grants to		Total	Total
	Institutions £'000	Individuals £'000	£'000	£'000
Catholic Trust for England and Wales	71	-	71	78
Catholic Education Service	33	-	33	33
Clergy Retirement Grants	-	335	335	338
Seminarian Grants	-	25	25	23
Peru Mission	47	-	47	47
Local Organisations	29	-	29	37
	180	360	540	556

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 (2019: 45) grants given for the benefit of Retired Clergy amounting to £335k (2019: £338k).

8. CLERGY COSTS

	Clergy Allowances		
	Parishes	Curia	Total
	£'000	£'000	£'000
2020	701	151	852
2019	641	151	792

These allowances relate to Clergy in active ministry.

9. EMPLOYMENT COSTS AND NUMBERS

Staff costs comprise the following:

	2020			2019
	Parishes	Curia	Total	Total
	£'000	£'000	£'000	£'000
Salaries and Wages	563	1,305	1,868	1,884
Employers' National Insurance	73	103	176	178
Pension Costs	7	59	66	66
	643	1,467	2,110	2,128

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:

	2020	2019
£60,001 to £70,000	2	2
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
	3	3

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 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. Under the definitions set out in FRS 102 the TPS is a multi-employer pension scheme. The Charity has accounted for its contributions to the Scheme as if it were a defined contribution pension scheme.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The previous 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%.

The latest valuation of the TPS has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation the Charity paid an increased contribution rate of 23.68% with effect from 1 September 2019 (this includes the administration levy of 0.08%). This employer rate will be payable until the completion and outcome of the next actuarial valuation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. EMPLOYMENT COSTS AND NUMBERS (continued)

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

	Total Diocesan Employees		
	Parishes	Curia	Total
2020	125	68	193
2019	119	63	182

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 were paid by their Parish or by the Curia if they had 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 £90,280 (2019: £88,341), including employers' National Insurance Contributions of £9,990 (2019: £9,691) and £Nil (2019: £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:

	2020 £'000	2019 £'000
Auditor's Remuneration		
- audit services	21	21
- other services	1	1
Depreciation of Owned Assets	629	627
Operating Lease Rentals	40	40

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2020

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 2019	35,334	2,467	37,801	1,894	401	2,295	37,228	2,868	40,096
Additions	1,598	4	1,602	-	67	67	1,598	71	1,669
Disposals	(156)	(63)	(219)	-	-	-	(156)	(63)	(219)
Transfers	(423)	-	(423)	-	-	-	(423)	-	(423)
At 31 March 2020	36,353	2,408	38,761	1,894	468	2,362	38,247	2,876	41,123
Depreciation and impairments									
At 1 April 2019	8,087	847	8,934	745	111	856	8,832	958	9,790
Charge for the year	496	53	549	38	42	80	534	95	629
Disposals	-	(63)	(63)	-	-	-	-	(63)	(63)
Transfers	(44)	-	(44)	-	-	-	(44)	-	(44)
At 31 March 2020	8,539	837	9,376	783	153	936	9,322	990	10,312
Net book value at 31 March 2020	27,814	1,571	29,385	1,111	315	1,426	28,925	1,886	30,811
Net book value at 31 March 2019	27,247	1,620	28,867	1,149	290	1,439	28,396	1,910	30,306

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2020

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 2019	25,596	2,383	27,979	9,738	84	9,822	35,334	2,467	37,801
Additions	783	-	783	815	4	819	1,598	4	1,602
Disposals	-	-	-	(156)	(63)	(219)	(156)	(63)	(219)
Transfers	(122)	-	(122)	(301)	-	(301)	(423)	-	(423)
At 31 March 2020	26,257	2,383	28,640	10,096	25	10,121	36,353	2,408	38,761
Depreciation and impairments									
At 1 April 2019	8,087	773	8,860	-	74	74	8,087	847	8,934
Charge for the year	496	48	544	-	5	5	496	53	549
Disposals	-	-	-	-	(63)	(63)	-	(63)	(63)
Transfers	(44)	-	(44)	-	-	-	(44)	-	(44)
At 31 March 2020	8,539	821	9,360	-	16	16	8,539	837	9,376
Net book value at 31 March 2020	17,718	1,562	19,280	10,096	9	10,105	27,814	1,571	29,385
Net book value at 31 March 2019	17,509	1,610	19,119	9,738	10	9,748	27,247	1,620	28,867

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INVESTMENT PROPERTIES

	Charity			Subsidiary £'000	Group Total £'000
	Parishes £'000	Curia £'000	Total £'000		
Cost or valuation					
At 1 April 2019	582	3,627	4,209	900	5,109
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluations	4,126	214	4,340	-	4,340
Transfers	78	301	379	-	379
At 31 March 2020	4,786	4,142	8,928	900	9,828
Depreciation and impairments					
At 1 April 2019 and 31 March 2020	-	-	-	-	-
Net book value at 31 March 2020	4,786	4,142	8,928	900	9,828
Net book value at 31 March 2019	582	3,627	4,209	900	5,109

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 of the Charity's Investment Properties was carried out on 31 March 2017 by Sanderson Weatherall, Chartered Surveyors. The last valuation of the Subsidiary's Investment Property was carried out on 8 September 2015 by Sanderson Weatherall, Chartered Surveyors.

In the intervening years a review of Investment Properties is carried out annually by senior management and the FSC 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 2020.

The historic cost of the Group and Charity's Investment Properties at 31 March 2020 is £2,191k (2019: £1,768k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INVESTMENTS

a) GROUP

Listed Investments

	2020 £'000	2019 £'000
Movement in Fixed Asset Investments:		
Market value at 1 April	14,154	14,447
Investment Income	407	386
Net Unrealised (Loss)/Gain on Revaluation	(1,996)	322
Net Realised Gains in the Year	386	310
Investment Managers' Costs Deducted from Investments	(80)	(80)
Addition to Investments	40	-
Withdrawn from Investments	(1,440)	(1,231)
Market Value at 31 March	11,471	14,154

Analysis of Market Value of Investment by Type:

Equities	8,040	10,373
Bonds	2,087	2,510
Properties	149	154
Alternative Investments	1,086	951
Cash	109	166
Market Value at 31 March	11,471	14,154

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

Within the United Kingdom	7,178	9,179
Outside the United Kingdom	4,293	4,975
Market Value at 31 March	11,471	14,154

Analysis of Market Value by Fund:

Unrestricted	6,075	7,579
Restricted	4,375	5,619
Permanent Endowment	1,021	956
Market Value at 31 March	11,471	14,154
Historic Cost of Investments	10,640	11,329

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INVESTMENTS (continued)

b) CHARITY

The investments of the Charity comprise:

	2020	2019
	£'000	£'000
Listed Investments (see Note 14(a) above)	11,471	14,154
Investment in Subsidiary Companies	1,503	1,726
	<u>12,974</u>	<u>15,880</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 £223k (2019: £221k) 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 2020 is shown below:

	2020	2019
	£'000	£'000
Turnover	793	629
Cost of Sales	(585)	(412)
Administrative Expenses	(391)	(398)
Rent paid to the Diocese	(40)	(40)
Loss for the Financial Year	<u>(223)</u>	<u>(221)</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 2020 is shown below:

	2020	2019
	£'000	£'000
Fixed Assets	2,326	2,339
Net Current Liabilities	(823)	(613)
Total Assets	<u>1,503</u>	<u>1,726</u>
Called up Share Capital	1,500	1,500
Profit and Loss Account	3	226
Equity Shareholders' Funds	<u>1,503</u>	<u>1,726</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 Diocese of Leeds Limited.

The Charity is the sole member of Hinsley Properties No. 2 Limited, a company limited by guarantee.

Hinsley Properties Limited owns 100 per cent of the ordinary share capital of Hinsley Hall Limited.

Diocese of Leeds Limited, Hinsley Properties No. 2 Limited and Hinsley Hall Limited were dormant in both the current and prior year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. DEBTORS

	2020		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Debtors	219	37	256
Gift Aid Tax Recoverable	359	-	359
Other Debtors and Prepayments	177	38	215
Amounts due from/(to) Subsidiary Company	852	(852)	-
	1,607	(777)	830
	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/(to) Subsidiary Company	641	(641)	-
	1,479	(557)	922

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 twelve months of the balance sheet date. Properties are included in the Financial Statements at their estimated realisable value. At 31 March 2020 properties held of £Nil (2019: £750k) were included in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Creditors	3,438	20	3,458
Other Tax and Social Security	36	27	63
Accruals and Deferred Income	165	15	180
Other Creditors	196	2	198
	3,835	64	3,899
	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

Included in Trade Creditors is £2,176k (2019: £2,788k) in respect of the School Building Programme for which the Diocese acts 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 £3,085k (2019: £4,680k) and paid out £3,697k (2019: £3,509k).

18. CAPITAL COMMITMENTS

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.

The Diocese had capital commitments of £1,250k at 31 March 2020 (2019: £234k).

19. OPERATING LEASES

At 31 March 2020 the Diocese had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2020			2019
	Charity £'000	Subsidiary £'000	Group £'000	Group £'000
Expiry date:				
Within one year	40	9	49	49
Between two and five years	75	25	100	115
	115	34	149	164

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS

a) Analysis of Unrestricted Fund Movements

	For the year ended 31 March 2020					At 31 March 2020 £'000
	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains/(Losses) £'000	
	Parishes - Designated Funds	31,531	6,891	(5,989)	(1,387)	
Curia - Designated Funds	2,864	-	(83)	-	-	2,781
Curia - General Funds	5,942	2,610	(4,100)	1,357	(885)	4,924
Curia - Unrestricted Funds	8,806	2,610	(4,183)	1,357	(885)	7,705
Total Group	40,337	9,501	(10,172)	(30)	3,241	42,877

	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

The transfer of funds from Parishes to the Curia of £1,387k consists of £1,493k (2019: £1,462k) for the annual assessment that the Bishop makes on Parishes to enable the Diocese to meet its pastoral and charitable objectives and £106k for special collections made in Parishes to support Diocesan groups and projects.

The annual 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.

LEEDS DIOCESAN TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS (continued)

b) Analysis of Restricted Fund Movements

	For the year ended 31 March 2020					At 31 March 2020 £'000
	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains/(Losses) £'000	
Parishes						
Parish Fundraising	331	887	(876)	(106)	-	236
Batley Carr Cockrem Fund	326	10	-	-	(42)	294
Total Parishes	657	897	(876)	(106)	(42)	530
Curia						
Priests' Retirement Fund	6,194	239	(335)	25	(456)	5,667
Peru Mission Fund	170	23	(47)	22	-	168
Poor Mission Fund	317	1	-	18	-	336
Episcopal Mensa Fund	75	1	(13)	-	(5)	58
Pastoral Development Fund	64	-	(16)	-	-	48
St Patrick's Mission Church	-	255	(21)	-	-	234
Priests' Training Fund	95	86	(125)	28	-	84
Other Funds	163	229	(246)	13	-	159
Total Curia	7,078	834	(803)	106	(461)	6,754
Total Restricted Funds	7,735	1,731	(1,679)	-	(503)	7,284

	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						
Parish Fundraising	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)	21	-	317
Episcopal Mensa Fund	77	1	(7)	-	4	75
Pastoral Development Fund	64	-	-	-	-	64
Priests' Training Fund	108	65	(108)	30	-	95
Other Funds	200	208	(257)	12	-	163
Total Curia	7,183	458	(961)	113	285	7,078
Total Restricted Funds	7,775	1,366	(1,702)	3	293	7,735

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS (continued)

b) Analysis of Restricted Fund Movements (continued)

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 and Religious Communities 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.
Priests' Training Fund:	This fund pays for the seminary fees and other costs associated with training men for the Priesthood.
St Patrick's Mission Church:	This is a Mission in the centre of Bradford and is operated jointly with the Franciscan Friars of the Renewal.

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS (continued)

c) Analysis of Permanent Endowment Fund Movements

Curia	For the year ended 31 March 2020					At 31 March 2020 £'000
	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investment Gains/(Losses) £'000	
Priests' Training Fund	750	29	(29)	-	-	750
Poor Mission Fund	82	3	(3)	-	-	82
Leeds Cathedral Music Fund	83	38	(3)	30	-	148
Mass Intentions Account	41	2	(2)	-	-	41
Total Endowment Funds	956	72	(37)	30	-	1,021

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)	-	-	750
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

LEEDS DIOCESAN TRUST
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NOTES TO THE FINANCIAL STATEMENTS (continued)

21. NET ASSETS

	Parishes Funds			2020 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Permanent		Unrestricted £'000	Restricted £'000	Permanent	
						Endowment £'000	Total £'000			Endowment £'000	Total £'000
Tangible Fixed Assets	19,280	-	19,280	11,531	-	-	11,531	30,811	-	-	30,811
Investment Properties	4,786	-	4,786	5,042	-	-	5,042	9,828	-	-	9,828
Fixed Asset Investments	-	293	293	6,075	4,082	1,021	11,178	6,075	4,375	1,021	11,471
Bank Balances (Cash and Overdrafts)	6,685	237	6,922	(7,460)	2,672	-	(4,788)	(775)	2,909	-	2,134
Other Net Current Assets / (Liabilities)	200	-	200	(3,262)	-	-	(3,262)	(3,062)	-	-	(3,062)
Inter Parishes and Curia Loans (net)	4,221	-	4,221	(4,221)	-	-	(4,221)	-	-	-	-
TOTAL NET ASSETS	35,172	530	35,702	7,705	6,754	1,021	15,480	42,877	7,284	1,021	51,182

	Parishes Funds			2019 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Permanent		Unrestricted £'000	Restricted £'000	Permanent	
						Endowment £'000	Total £'000			Endowment £'000	Total £'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, Overdrafts and Loans)	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

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. RELATED PARTY TRANSACTIONS

The Diocese of Leeds Trustee is also the Trustee of one other registered charity, St John's Catholic School for the Deaf.

The Rt Rev Marcus Stock (Chair of the Trustee) is also a Trustee of a registered charity, Catholic Care (Diocese of Leeds). The Leeds Diocesan Trust made payments to Catholic Care in the year ended 31 March 2020 of £17k (2019: £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 (2019: £50k) in rents and management fees from Hinsley Properties Limited. At 31 March 2020 £852k (2019: £641k) was payable to the Leeds Diocesan Trust by Hinsley Properties Limited.