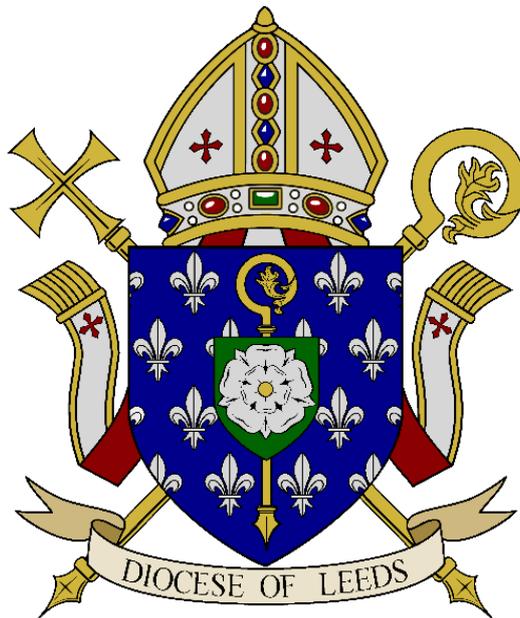


Leeds Diocesan Trust

Registered Charity Number 249404

Report and Consolidated Financial Statements

For the year ended
31 March 2022



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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)

Rt Rev Mgr P Fisher (Vicar General)

Rt Rev Mgr A Summersgill (Vicar General)

Mr M Booth (Resigned 22 June 2021)

Mr M Gargan

Mr P Rogerson

Mr P McDermott (Appointed 22 June 2021)

Registered Office

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

Company Secretary to the Trustee

Mr J Moran

Auditor

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

Banker

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

Investment Managers

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

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

Solicitor

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

REPORT OF THE TRUSTEE

The Trustee presents its Annual Report and the audited Consolidated Financial Statements of the Charity for the year ended 31 March 2022.

CONSTITUTION AND AIMS

The Charity, the Leeds Diocesan Trust (“the Diocese”), 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.

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 principal 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 Trustee Board under Canon Law is the Diocesan Finance Council.

The Bishop of Leeds and the Vicars 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 members of the wider Catholic community. On appointment, new Directors are introduced to their role and responsibilities by the Vicars General and the Company Secretary and are issued with copies of the Trust Deed and the latest financial information. Directors attend formal and informal training sessions on a regular basis.

As disclosed in Note 11 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.

The Trustee Board, as the Diocesan Finance Council, delegates oversight of the Diocese's day-to-day financial, property, investment and administration matters to the Finance Sub-Committee (the "FSC"). The FSC comprises four members: Rt Rev Mgr A Summersgill (Chair and the Moderator of the Curia) and Rt Rev Mgr P Fisher (both of whom are ex-officio Directors), Rev Mgr K Heskin and Mr T Forbes (both of whom are former Directors). The FSC members are supported and advised by the Company Secretary and Curia Officers.

The FSC meets on a monthly basis and advises the Board on property acquisitions and disposals, significant capital projects, property and overhead expenditures. On a quarterly basis, the FSC reviews the Consolidated Financial Statements and Cash Flow projections of the Diocese.

Reflecting Canon Law, this report separates the Charity's activities between Parish and Curia.

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, in fulfilment of the aims of the Charity.

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

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

Parishes (continued)

Each Parish is required by Canon Law to have a Finance Council to assist the Parish Priest in the administration of the Parish. Parish Finance Councils (often known locally as the Parish Finance Committee) include Parishioners with knowledge and experience in finance, property management and administration.

Curia

The Curia consists of Departments and Agencies to assist the Bishop in the good governance of the Diocese and to collaborate with Parishes in the Mission of the Catholic Church by fulfilling the Charity's principal objectives. The Curia works with Parishes to ensure that statutory obligations are met and to promote best practice in safeguarding, health and safety and financial management.

The remuneration of Key Management Personnel is disclosed in Note 10 to the Financial Statements. The annual pay award is approved by the Trustee and job roles and remuneration are reviewed periodically.

Safeguarding

The Bishop and the Directors are committed to safeguarding children, young people and adults who may be at risk or vulnerable in accordance with both Civil Law and Church policies.

As part of its commitment to integrate the findings of The Independent Inquiry into Child Sexual Abuse Report and the recommendations of the Elliott Review Report into the life and work of the Church, the Catholic Bishops' Conference of England and Wales (CBCEW) established the Catholic Safeguarding Standards Agency (CSSA) in June 2021.

The CSSA seeks to demonstrate accountability for safeguarding through a National Complaints Policy and nationally led external audit and compliance systems.

The Catholic Church in England and Wales is committed to a "One Church" approach, and all church bodies are required to adhere to 8 national standards:

1. Embed safeguarding in the Church body's leadership, governance, ministry and culture.
2. Communicate the Church's safeguarding message.
3. Engage with and care for those who report having been harmed.
4. Effectively manage all allegations and concerns.
5. Manage and support subjects of allegations and concerns.
6. Implement robust human resource management.
7. Provide access to training and support for safeguarding.
8. Quality assure compliance to continually improve practice.

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

Safeguarding (continued)

On 22 June 2021, the Trustee established the Safeguarding Sub-Committee (SSC) to its Board and appointed Mr Patrick McDermott as a Board Director and as Chair of the SSC. The SSC met for the first time on 23 November 2021 and its membership consists of:

- A Vicar General;
- West Yorkshire Police representative;
- Probationary Service representative;
- Safeguarding for Adults representative;
- Safeguarding for Children representative;
- Criminal and other legal specialist.

Safeguarding interventions and support services continued to focus on responding to the needs of victims and/or survivors and where necessary taking prompt action to protect children or adults who may be at risk. Online communication methods are well established between Parish volunteers and Curia staff and were effective in working within the changing Government's Coronavirus Regulations during the year.

The work of the Safeguarding Office is undertaken in accordance with legislation, policy and best practice as stated in the Catholic Church's National Safeguarding Procedures (these are published at <https://www.catholicsafeguarding.org.uk/>.) The Safeguarding Office also works in collaboration with the Board's SSC. Following an allegation, actions undertaken by the Safeguarding Office 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 the CSSA;
- liaison with other Dioceses where cases cross borders;
- consistent reporting to the Trustee's SSC;
- liaison and consultation with Parish Priests and safeguarding representatives; and
- notification to the Company Secretary.

The Safeguarding Office works closely with Parishes on the safer recruitment of any adult whose role and responsibilities include contact with children or adults who may be at risk and as part of this safer recruitment process 664 (2021: 422) Disclosure and Barring Service (DBS) checks were undertaken in the year ended 31 March 2022.

The Safeguarding Office provides a training programme that is delivered locally to Clergy and Parish Safeguarding Representatives.

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

Safeguarding (continued)

During the year, Bishop Marcus met with victims of sexual abuse perpetrated by members of the Comboni Missionary Order at their junior seminary in Mirfield, Leeds in the 1960s and 70s. During the meeting Bishop Marcus apologised to the victims:

“Those, like me, who have been entrusted with a ministry of leadership in the Church can only begin to contribute to the healing of the wounds of abuse if we are ready to listen with humility and a compassionate heart to those, like you, who seek to share their experiences and their sufferings with us. We must be prepared personally to sit face-to-face with you and to hear your stories. For many like you who have been abused, this response is the only way that your pain can genuinely be heard, and your dignity properly be respected.”

Bishop Marcus’ full statement is available on the diocese website:

www.dioceseofleeds.org.uk/comboni-survivors-receive-bishops-apology-from-the-heart/.

Post year end, on the 13 June 2022 members of the Comboni Survivors’ Group, accompanied by Bishop Marcus, attended a private audience with His Holiness Pope Francis.

In April 2022, at the conclusion of a two week trial at Leeds Crown Court, Bishop Marcus commented on the conviction of a priest of the Diocese:

“As the bishop and shepherd of the Diocese of Leeds, I wish to express my deep shame and sorrow for the crimes committed by Fr Smythe and to express my profound apologies to the survivors, who are now adults, for the abuse they suffered as children and the pain which they have carried over the course of their lives as a consequence of such grave offences. I thank you for the courage which you have shown in coming forward and bringing these crimes to justice. Our thoughts and prayers are with you and your families.”

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.

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. The Curia’s Property Department visit each Parish regularly to ensure that it meets all its Health and Safety obligations and, in line with Bishop Marcus’ shared services vision, it provides practical bespoke support to Parish Priests in the management of their property portfolios.

During the year, the Diocese made significant improvements in its asbestos management and the safety management of its gas and electrical installations.

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

Fundraising

The majority of funding is received from Parishioners principally through the weekly Offertory collection, planned giving, special collections and fundraising activities.

Bishop Marcus and the Directors express their sincere thanks and gratitude for the continuing generosity of Parishioners both during the lockdown and in these more recent times when there are increasing pressures on household budgets.

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 disruption and uncertainty associated with the changing nature of Government Coronavirus Regulations during the year, as well as a genuine apprehension of attending public gatherings, has had an impact on Offertory collections. The fall in Offertory collections has been mitigated by the provision of online donation facilities on the Diocesan and individual Parish websites, the promotion of Standing Orders, text giving, and the introduction of cashless giving devices in Churches.

Internal Financial Reporting and Planning

The Diocese's internal Financial Reporting systems and processes provide assurances to the Trustee, Curia Senior Management, Parish Priests and Parish Finance Committees 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 by the FSC on a quarterly basis. The Curia Finance Department works closely with individual Curia Departments and Parishes to mitigate any identified risks.

The Curia Finance Department works with Parishes, to develop their local financial strategy and plans, in order that they can both meet their day-to-day operational commitments and plan for larger non-recurring costs which are typically associated with the repairs and maintenance or upgrade of their property portfolios.

Volunteering

Volunteers play a central role in fulfilling the Mission of the Church in the Diocese (whose roles are a public benefit as articulated in the Charity's principal objectives). Parish volunteers are involved in all aspects of the spiritual, pastoral and social life of their Parish communities. Volunteers serve as Eucharistic Ministers and Catechists, welcomers, altar servers, musicians and cleaners. Within the wider Parish there are volunteers visiting the sick, the housebound and those on the margins of society as well as providing very practical support through operating food banks and delivering Christmas hampers. These ministries are often carried

REPORT OF THE TRUSTEE (continued)

GOVERNANCE (continued)

Volunteering (continued)

out with the co-operation of other Catholic charities such as CAFOD and the Society of St Vincent de Paul (SVP).

Volunteers also play a significant role in the governance, financial, and property management of their Parishes. Volunteers working in Curia agencies such as the Justice and Peace Commission, Caritas Leeds and St Patrick's Mission provide vital support to the most disadvantaged members of society throughout the Diocese, often engaging with Government and other national agencies and forums. This public benefit work is carried out irrespective of the faith, sexual orientation or ethnic background of those in need.

During the year over 80 Parishioners volunteered to act as facilitators for the "Listening Project: Parish to Mission and the Synod of Bishops 2023" (as outlined on page 18). This was a major commitment involving training days at Hinsley Hall before facilitating listening sessions in Parishes other than their own.

Bishop Marcus is grateful to the British Province of the Society of Jesus for providing the training of the volunteer facilitators and for the dedication of those volunteer facilitators in ensuring the success of the Listening Project.

It is not possible, given the diverse and interrelated work of volunteers, to quantify the number of volunteers in Parishes and Curia Agencies and therefore to estimate the financial value of their work in delivering the Charity's principal objectives. As an indicator of this financial value, however, a national survey undertaken in 2020 by the National Churches Trust estimated that each church in the United Kingdom averages 214 volunteer hours per month. On that basis employment costs at the foundation living wage would be the equivalent of over £2,000 per church per month.

All the Diocese's volunteers are DBS checked to the appropriate standards according to the roles they are undertaking. Parish Safeguarding Representatives work with the Safeguarding Office to ensure that all volunteers meet current DBS standards and incorporate best safeguarding practices in carrying out their Ministries.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE

A review of the Charity's principal charitable objectives is outlined below. The review excludes its trading subsidiary undertaking, Hinsley Properties Limited. The subsidiary undertaking manages the Diocese's Pastoral Centre and Curial offices. It undertakes commercial activities to support the Charity's principal objectives. The trading performance of Hinsley Properties Limited is reported in Note 15(b) to the Financial Statements.

1. Advancement of the Catholic Religion

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

Faith is nurtured and expressed by the Faithful within their Parishes. The Diocese's charitable objectives are carried out in the day-to-day works of Parishes supported by Curia Departments and Agencies. The majority of the funds in the Diocese are raised and expended within individual Parishes.

During the year, the levels of restrictions caused by the Government's Coronavirus Regulations were subject to frequent change. When formal restrictions were lifted, there continued to be different levels of confidence amongst Parishioners in attending Mass and other liturgies. Parish pastoral and social events were also slower to return to the pre-pandemic levels that were typical before March 2020. A Sunday Mass count taken in October 2021 reported an attendance of 14,616, a fall of 42% compared to the last pre-pandemic Sunday Mass count of 24,829 in October 2019. Mindful of the concerns that Parishioners continued to express, the Bishops of England and Wales delayed the re-introduction of the obligation of the Faithful to attend Sunday Mass until Pentecost Sunday on 5 June 2022.

Across the Diocese many initiatives were put in place to enable Priests and Parishioners to provide spiritual and pastoral support within the constraints of the Government's Coronavirus Regulations, with some Parishes continuing to live stream Mass and other liturgies. Sunday Mass livestreaming from Leeds Cathedral continues to be popular with 90,000 visits to the livestreaming website (www.LeedsCathedralLive.org.uk) during the year and 790,000 visits since it was introduced in March 2020. The Parish of The Sacred Heart and St William in Uppermill regularly has 6,000 people from Nicaragua joining their Sunday Mass livestream.

In Parishes, Second Collections are taken to support the work of the Church nationally and internationally (Peter's Pence, Stella Maris, World Mission Sunday (APF), Racial Justice, Peru Mission, Day for Life, the Catholic Education Service and Catholic Communication) and within the Diocese (Poor Mission Fund, Catholic Care, Retired Clergy Fund, Priest Training Fund, Lourdes Fund, Youth Services and Home Mission Sunday). Second Collections are disclosed collectively as a Restricted Fund in Note 20(b) to the Financial Statements.

Parishes are engaged in local initiatives with other charitable organisations whose objectives are compatible with the Charity, many Parishes have CAFOD and SVP groups. Financial support to these organisations is provided through local second collections and Parish social

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

1. Advancement of the Catholic Religion (continued)

events such as soup lunches (CAFOD Ukraine appeal) or garden parties for charities such as Hosanna House and Children's Pilgrimage Trust (HCPT).

Caritas Leeds is an agency of the Curia established by Bishop Marcus. This is a Diocesan umbrella organisation that co-ordinates the activities of Catholic charities and agencies across the Diocese. Its key objective is putting Catholic Social Teaching into practice through collegiate relationships across the Diocese in the service of the poor. Caritas Leeds co-ordinates its activities through the following forums:

- Criminal Justice Forum;
- Youth Leadership Forum;
- Dementia Friendly Forum;
- Disability Forum; and
- Refugee Support Forum.

Caritas Leeds, working with Parishes and Curia Departments, is committed to supporting refugees. A number of Parish properties have been identified and the Diocese is working with Government Departments and CSAN (Catholic Social Action Network, an agency of the Catholic Bishops' Conference of England and Wales (CBCEW)) to support the housing needs of refugees.

St Patrick's Mission is a centre for Catholic renewal based in the City of Bradford. This is a collaboration between the Diocese and the Franciscan Friars of the Renewal that creates 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 to evangelise those who visit, work, and shop in Bradford's city centre (www.facebook.com/StPioFriary/).

Bishop Marcus expresses his gratitude for the work undertaken by these, and other Catholic and faith-based charities across the Diocese, especially during the time of the pandemic when people have felt more vulnerable.

The Diocese continues to support the work of the Church in Peru. The annual collection for the Diocese's Peru Mission raised £8k (2021: £4k) and grants of £27k (2021: £18k) were made to projects in Peru. Local Parishes also supported the Church's International Outreach work in countries such as Ethiopia, India, Kenya, Pakistan and Zimbabwe.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2. Promotion of Catholic Teaching

The Diocese has 79 Primary Schools, 12 High Schools, a Sixth Form College, and a non-maintained residential Special School (St John's Catholic School for the Deaf, a registered charity for which the Trustee is also the Trustee). All of these are designated as Catholic Schools.

During the year, 17 Schools converted to Academy Status joining one of the five 'Diocesan Family of Schools' Catholic Multi-Academy Trusts (CMAT). At 31 March 2022, 76 per cent of Diocesan Schools had converted from Voluntary Aided Schools to Academy Status and a further 5 per cent of Diocesan Schools are in the process of converting from Voluntary Aided Schools to Academy Status.

During the year ended 31 March 2022 the Government's Coronavirus Regulations continued to have a significant impact on the education of our children. Bishop Marcus and the Directors are grateful to all school staff who have continued to provide essential support for learning during these difficult times.

The Vicariate for Education is pro-active in its collaboration with national and regional statutory bodies including Ofsted, the Regional Schools Commissioner, and Local Authorities to promote the highest educational standards throughout Diocesan Schools.

The Episcopal Vicar for Education is grateful to all those who volunteer to be Trust Directors and School Governors, their contribution is essential in ensuring that the Mission of the Church in Schools in proclaiming the Gospel is fulfilled.

During the year, the Trustee assigned two Chaplaincy properties to Notre Dame Sixth Form College to enable it to provide classroom accommodation for its new T Level studies programme.

The Vicariate for Education, supported by the Catholic Education Service, works closely with Schools in ensuring that a Catholic Ethos runs throughout the character of our Schools and in the provision of a Religious Education syllabus. The Vicariate for Education is working with Schools on developing a new Religious Education Curriculum Directory, a new Catholic School Inspection Framework and a Prayer and Liturgy Directory.

The Vicariate for Education works with RE Today (a Christian based educational charity) to provide a Continuing Professional Development programme for Religious Education teachers in Primary Schools. Training days facilitated by RE Today take place at Hinsley Hall. These are supplemented by regular on-line sessions and by making continuous improvements so that teaching resources are relevant and effective.

The Vicariate for Education produces resources for Parishes to deliver catechesis programmes and outreach, these have proved popular with families and catechists. Family Catechesis (both

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2. Promotion of Catholic Teaching (continued)

in person and online) continues to be an excellent model for engaging parents and other family members in the faith journey of their children.

The Bishop's Certificate in Catechesis was launched during the year and 25 Parishioners have enrolled on the first level of a three level programme. Two Parishioners were awarded the Loyola Certificate for Parish Ministry and a further three Parishioners are studying towards the Certificate. Bishop Marcus commends the Parish Catechists for their dedication to their ministry during these challenging times.

A series of talks 'Life Transfigured: Catholic Faith and the Arts' is taking place during 2022 at Hinsley Hall and Wheeler Hall. Guest speakers are exploring how faith and the arts interact through talks and workshops.

The Vicariate for Education continued to develop its online resources suitable for both personal and group use. New projects commenced in the year include 'Exploring Vatican II', 'The Church that Follows Jesus Christ', and 'The God Who Speaks: Encountering the Living God'. The 'Our Faith', 'Sacramental Preparation' and 'Parish Ministry' sections of the Vicariate for Education's website www.dioceseofleeds.org.uk/education/ have been substantially revised and work is beginning on new resources for the Rite of Christian Initiation of Adults (RCIA) programme. These online resources complement the formation days for Catechists, Leaders of Children's Liturgy of the Word and Eucharistic Ministers at Hinsley Hall.

The Youth Team continues to work with Bishop Marcus in supporting the Diocesan Youth Leadership Team of 13-18 year olds, "The Twelve". Named after the Twelve Apostles, they are young people committed to their faith who meet together for formation, fellowship and discussion. The Twelve's role is to collaborate with Bishop Marcus to give a voice to young people in the Diocese's decision-making on fulfilling the Mission of the Church. The Twelve are reviewing the strategic plan of the Youth Service, they assisted with the planning of The Eucharistic Procession, which took place on 15 May 2022 and they are working with the Diocese's Justice and Peace Commission, led by Sir John Battle, on practical Catholic Social Teaching projects for young people.

At a national level the Youth Team works with the Catholic Youth Ministry Federation (CYMFed) on the Flame Congress which will take place on 4 March 2023 at Wembley Arena. The Youth Team are collaborating with other Dioceses to enable young people to participate in the World Youth Day in Lisbon in August 2023.

Key to fulfilling the Diocese's youth ministry is the development of a social media strategy with the Director of Communications to enable the Youth Team to engage with young people in our Parishes and Schools.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2. Promotion of Catholic Teaching (continued)

The Schools Singing Programme is a collaboration between our Schools, Parishes, and the Curia Music Department. Established in 2003, the Programme delivers training in liturgical music to 6,000 (2021: 4,500) children each week in 66 (2021: 53) Diocesan Schools (60 primary schools, 5 secondary schools and Notre Dame Sixth Form College) and comprises more than 100 choral groups. The Curia Music Department's principal strategies are evangelisation and inclusion. These strategies are achieved by focusing on the participation of young people in their Parish life and their School Acts of Worship. Children participate in liturgical celebrations in Leeds Cathedral and in Parish Churches, concerts, public broadcasts (BBC Songs of Praise filmed in March 2022), and musical festivals. The Curia Music Department has regular articles published about its work and events by the Catholic Universe, the Royal College of Organists and Music Mark (the national association of music hubs).

Many schools are located within communities ranking amongst the 10 per cent most-deprived communities nationally and the Curia Music Department is committed to ensuring that the Church's patronage of the arts is available to all, fostering catechesis, individual aspiration and collective flourishing.

The Hamish Ogston Foundation is providing significant grant funding for two, five-year collaborative projects, to enable the Curia Music Department to expand its Schools Singing Programme into all schools across the Diocese and by the creation of a National Schools Singing Programme (NSSP) (www.nssp.org.uk); a collaboration with Dioceses throughout the United Kingdom to establish their own School Singing Programmes.

The grant funding received from the Hamish Ogston Foundation and the associated expenditure are disclosed as a Restricted Fund in Note 20(b) to the Financial Statements. Included in the year ended 31 March 2022 grants of £650k (2021: £Nil) were paid to 25 Dioceses and one independent Catholic college and grant funding of £230k (2021: £Nil) was used to support the expansion of the Diocese's own Schools Singing Programme. Senior members of the Music Department work with these Dioceses and the college to support them in creating their own programmes based on the Diocese's model. Foundation grant funding enabled the Curia's Music Department to fund the salaries of five Choral Directors. 16 Schools joined the Diocese's Schools Singing Programme in the year and new junior after-school choirs were established in Keighley, Bingley, Harrogate and Ripon. Two further Choral Directors have been recruited for the academic year commencing in September 2022.

The first NSSP conference was held at Hinsley Hall, the Diocese's Pastoral Centre, in March 2022. A NSSP curriculum is being developed which will be aligned to the Government's new Model Music Curriculum (MMC). This will be an essential tool to enable Dioceses to establish their own on-going sustainable relationships with their Schools. Bishop Marcus is grateful for the support that the Hamish Ogston Foundation is giving both to this Diocese and the Catholic Church throughout the United Kingdom in this important area of evangelisation.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2. Promotion of Catholic Teaching (continued)

In January 2022 a partnership was established with The Sixteen, an internationally-renowned choir that inspires children from diverse backgrounds to consider a career in, and broader participation in, the arts. This new partnership compliments the excellent partnerships with the Gabrieli Consort, the University of Texas at El Paso and Vanderbilt.

Post year end, in May 2022, The Leeds Cathedral Choir was awarded a significant grant from the Cathedral Music Trust. The grant funding will support four new Choral Scholarships. The Choir's success has its roots in the Schools Singing Programme. Bishop Marcus described the Schools Singing Programme as "*one of the most effective forms of evangelisation I have seen and experienced*".

The Keyboard Studies Programme has developed a pathway programme for children to learn a keyboard musical instrument. 830 children are learning to read music whilst playing the melodica, before advancing to the accordion, (these are low cost, durable and portable musical instruments). The pathway programme has enabled 35 children to begin organ studies.

The Liz and Terry Bramall Foundation continues to provide grant funding for bursaries so that all children can learn musical instruments, irrespective of their financial circumstances.

The Director of the Keyboard Studies Programme collaborates with the University of Huddersfield as Head of its Organ Studies Programme and is Guest Curator of the Huddersfield Town Hall Organ Festival.

Bishop Marcus is grateful to the Royal College of Organists, the Liz and Terry Bramall Foundation and the University of Huddersfield for their financial and practical support in the development of the Keyboard Studies Programme.

Pope Francis in his Encyclical Letter "Laudato Si': On Care for Our Common Home" called on the Catholic Church to make a significant commitment to the environment as responsible custodians of the earth's resources.

The Diocese was an 'early adopter' among the English and Welsh Dioceses in obtaining electricity and gas from renewable sources. The purchase of the Diocese's electricity and gas supplies is managed by the Inter-Diocesan Fuel Management Limited (IFM) a company in which the Diocese together with 8 other Catholic Dioceses is an Equity Shareholder (as disclosed in Note 15(b) to the Financial Statements).

This Renewable Electricity and Green Gas strategy continues to be a practical response to Pope Francis' call as expressed in Laudato Si. The Diocese, through IFM, now obtains 100 per cent of its electricity requirements from renewable sources (principally hydro-electric and wind power) and currently 71 per cent of its gas requirement from renewable sources, (for example biogas and syngas) the remaining 29 per cent whilst sourced from fossil fuels is 'offset' by investment in carbon-neutral projects, for example, a clean water project in Eritrea.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

2. Promotion of Catholic Teaching (continued)

A Diocesan Laudato Si' group encourages, supports and promotes practical and educational environmental initiatives in Parishes and Schools. Laudato Si' Mini-Pilgrimages regularly take place during the year in the Diocese's Myddelton Grange Estate and Calvary, a place that gives witness to conservation activities in farming and forestry.

At a national level, Curia officers are working with their national forums and the Guardians of Creation (a national environmental project between the Diocese of Salford, St Mary's University, and the Laudato Si' Research Institute at Campion Hall, University of Oxford) in developing a Diocesan strategy to achieve a carbon neutral footprint. Further information on the Diocese's environment initiatives can be found on the Diocese's website <https://www.dioceseofleeds.org.uk/environment/>

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. Parishes are responsible for the support of their own Priests. During the year, Parishes paid £615k (2021: £561k) in allowances and offerings, £302k (2021: £297k) in housekeeping costs and £114k (2021: £74k) in travel expenses to Priests.

Key to sustaining the advancement of the Catholic Religion is the promotion and support of vocations to the Priesthood and the Permanent Diaconate.

The Vocations Director engages with men and women discerning vocations to the Priesthood, Religious and Consecrated Life. This is achieved through individual accompaniment, discernment groups and through both the University Chaplaincies and the High Schools in the Diocese. A monthly 'open house' for reflection and informal conversation takes place on the last Wednesday of the month in Hinsley Hall.

Currently the Diocese has six (2021: five) men training for the Priesthood. In the year ended 31 March 2022, the Diocese invested £122k (2021: £185k) in seminary fees and living allowances. In the year ended 31 March 2022, Parish Second Collections contributed £15k (2021: £6k) to this expenditure.

To support Priests in their ministry, the Directors of Ongoing Spiritual and Pastoral Formation provide a programme of reflection and study consisting of residential and day events. Post year end, in May 2022, the Annual Presbyteral Conference took place at Hinsley Hall. This residential conference (delayed for two years due to the Government's Coronavirus Regulations) facilitated a sense of fraternity that has been missing for so many people during the pandemic.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

3. Provision and Care of Priests (continued)

The Directors of Ongoing Spiritual and Pastoral Formation have established a Mentoring Programme for recently ordained Priests. The programme was developed to provide a more consistent approach to a junior Priest's ongoing pastoral development. Priests with greater experience (mentors) were matched with those more recently ordained (mentees). The programme is now well developed and following their ordination Priests will be assigned a suitable mentor by Bishop Marcus. In March 2022, Directors of Ongoing Spiritual and Pastoral Formation attended a national conference in Rome to examine the Church's 'Ratio Fundamentalis', which encourages Priests to take charge of their own formation from seminary through to retirement. The conference also considered pastoral communication and the use of technology to build on the positive initiatives that helped Clergy to reach the Faithful during the pandemic.

Priests are supported in their full-time ministry by men ordained to the Permanent Diaconate. The Diocese currently has 22 Permanent Deacons (2021: 22), (two are serving in other Dioceses), and seven candidates in formation. Permanent Deacons assist our Priests through teaching, sanctifying and giving pastoral governance in Parishes, and in specific pastoral responsibilities assigned to them by Bishop Marcus.

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 being fully mindful of the family and career responsibilities of many of our Permanent Deacons.

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 through Catholic Care. This is a bespoke service, tailored to meet the changing needs of each Priest. Bishop Marcus is grateful for the additional support and work undertaken by Catholic Care during the Coronavirus pandemic.

In the year ended 31 March 2022, income of £11k (2021: £3k) was received from Parish Second Collections and £121k (2021: £118k) was received in dividend income (from the Retired Clergy Investment Fund) to support grant payments of £295k (2021: £317k) to retired Clergy.

Directors of Ongoing Spiritual and Pastoral Formation facilitated a Retired Priests Conference in March 2022 at Hinsley Hall. The day consisted of a thoughtful reflection on retirement and presentations from Catholic Care and Curia Officers, on practical support at all stages of retirement. The programme provided plenty of time for social mixing and "catching up" following periods of lockdowns and isolation. Priests retiring from active ministry in the near future also attended the Conference, which enabled them to learn from the experiences of older Priests and hear about the support available to them through the Curia offices and Catholic Care.

REPORT OF THE TRUSTEE (continued)

ACHIEVEMENTS AND PERFORMANCE (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 and serve as a social hub in their wider communities. Over 90 per cent of the buildings owned by Parishes are more than 50 years old. Collectively, Parishes spent £1,661k (2021: £1,379k) on refurbishments, maintenance and repairs to churches, presbyteries and parish halls during the year. This level of investment equates to 19 per cent (2021: 21 per cent) of Total Parish Operating Expenditure and reflects the importance that the Diocese continues to attach to maintaining its Sacred Places.

During the year, capital expenditure of £514k (2021: £1,801k) was invested in Churches, principally at St Wilfrid's, Church Ripon and at St Cuthbert's and First Martyrs of Rome, Bradford.

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 works 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. The Property Administrator acts as Secretary to these Committees.

Parish volunteers, supported by Curia Property and Finance Departments have been instrumental in local fundraising and securing grant funding towards financing property projects. Grants awarded in the year include £323k from Historic England for essential structural works at St Cuthbert's, Bradford and St Joseph's, Pontefract, both of which are Grade 2* listed buildings. During the year the National Lottery awarded grants of £110K for Community Facilities in 11 different Parishes and £48k was received in grants from the Benefact Trust for projects in 18 different Parishes. The Curia also makes appropriate applications, on behalf of Parishes, to the Listed Places of Worship (LPW) Grant Scheme. This Scheme awards grants based on the VAT element of expenditure incurred in the repair of Listed Churches.

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. As disclosed on page 6, the Curia Property Department manages the delivery of the Diocese's Health and Safety Policy.

REPORT OF THE TRUSTEE (continued)

LISTENING PROJECT: PARISH TO MISSION and the SYNOD OF BISHOPS 2023

In September 2019, at a meeting of the Diocesan Pastoral Council, Bishop Marcus initiated a Synodal process to assist in planning for the future Mission of the Church in the Diocese. A Steering Group was established to facilitate this process. The lockdown restrictions delayed the process and in early May 2021, Bishop Marcus announced the process of the listening project to the Council of Priests. Subsequently on 20 May 2021, Pope Francis published his mandate for the Universal Church to engage in the preparatory work for a Synod of Bishops in 2023 entitled “For a Synodal Church: Communion, Participation, Mission”. The link between the two initiatives enabled a common listening exercise to take place across the Diocese, firstly for the Synod of Bishops, and secondly a supplementary listening exercise for the Diocese’s Parish to Mission.

Bishop Marcus in his September 2021 pastoral letter, “From Parish to Mission and the Synod of Bishops 2023” invited the Diocese to pray that:

“Almighty God will grant us the Spirit of Wisdom to discern His will for the Church in this diocese and to understand how we can serve Him more completely in the work of evangelisation.”

The Vademecum for the Synod on Synodality, by the General Secretariat of the Synod of Bishops, defined the Synodal aims as:

“processes of listening, dialogue, and community discernment, in which each and every person can participate and contribute.”

The processes adopted by each Diocese had to ensure that:

“the maximum inclusion and participation, reaching out to involve the greatest number of people possible, and especially those on the periphery who are often excluded and forgotten”; and that “participation in the listening process treats each person equally, so that every voice can be duly heard.”

A meeting took place in every Parish and were attended by a total of 1,149 Parishioners. 709 group surveys were completed, involving 3,901 people. The Steering Group also received over 40 written submissions.

The insights identified by participants were grouped around five themes:

- Listening,
- Leadership,
- Participation,
- Formation, and
- Communication.

REPORT OF THE TRUSTEE (continued)

LISTENING PROJECT: PARISH TO MISSION and the SYNOD OF BISHOPS 2023 (continued)

Post year end, a report entitled “Synodal Synthesis Report – Diocese of Leeds” was presented to Bishop Marcus at a Mass at Leeds Cathedral by two members of The Twelve, on Saturday 2 April 2022.

In response to the synodal process undertaken during the year, Bishop Marcus commented:

“The years ahead will present many challenges and there will be a need for generosity in letting go of some of the models and structures that have been held dear but there will also be new opportunities for the Diocesan family to come to know Our Lord and Saviour Jesus Christ more intimately, to serve him in new and courageous ways and to bring others to him.”

The report has been published on the Diocese’s website: [Synthesis of Synodal Report - From Parish to Mission \(dioceseofleeds.org.uk\)](https://www.dioceseofleeds.org.uk) and has been submitted to the CBCEW and it will form part of the National Synthesis for the Synod of Bishops meeting in October 2023.

The Steering Group has commenced the supplementary listening exercise, from Parish to Mission, to help identify the pastoral priorities for our parishes, deaneries and the Diocese as a whole. Based on *Evangelii Gaudium* (Pope Francis’ Apostolic Exhortation to proclaim the Gospel in today’s world) that a Parish is a place for growth of Christian life, charitable outreach, worship and celebration, Parishes were asked to consider three questions:

- What, within our current practice as a Parish and Diocese, helps to fulfil this vision?
- What would our Parish and Diocese look like if this vision was being fully lived?
- What practical steps can we take to move towards that fully lived reality?

During the forthcoming year the Steering Group will synthesise the thoughts and views shared by Parishioners. The Steering Group supported by Curia Departments will then engage with Parishes and Deaneries to develop pastoral plans appropriate for their local communities.

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW

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

	2022	2021
	£'000	£'000
Parishes		
Income	8,699	5,802
Expenditure	(5,998)	(5,194)
	<u>2,701</u>	<u>608</u>
Diocesan Assessment	(1,153)	(1,296)
Transfers	25	(15)
	<u>1,573</u>	<u>(703)</u>
Surplus/(Deficit)		
Net (Losses)/Gains on the Sale and Revaluation of Assets	<u>(439)</u>	<u>3,151</u>
Increase in Reserves	<u>1,134</u>	<u>2,448</u>
Curia		
Income	3,653	2,636
Diocesan Assessment	1,153	1,296
Transfers	(25)	15
Expenditure	(5,896)	(4,216)
	<u>(1,115)</u>	<u>(269)</u>
Deficit		
Net Gains on the Sale and Revaluation of Assets	<u>1,282</u>	<u>3,416</u>
Increase in Reserves	<u>167</u>	<u>3,147</u>
Total Group Increase in Reserves	<u>1,301</u>	<u>5,595</u>

Details of the income and expenditure are shown in the Consolidated Statements of Financial Activities on pages 31 and 32.

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

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

The total income for the Diocese in the year was £12,352k (2021: £8,438k) an increase of 46 per cent (2021: a decrease of 25 per cent). The largest individual component of income is from Offertories amounting to £3,781k (2021: £3,240k) a rise of 17 per cent (2021: a decrease of 22 per cent) compared with the prior year. Due to the Coronavirus pandemic, churches were either closed or had restricted opening during the first part of the financial year and were only able to re-open free of restrictions later in the year. Income from Donations, Gifts and Legacies, which is less predictable, was £1,779k higher (2021: £262k lower) than the prior year.

The total expenditure in the year was £11,894k (2021: £9,410k) an increase of £2,484k compared with the prior year, which includes £718k (2021: £Nil) for an exceptional property write down and grants paid to other Catholic Dioceses in the United Kingdom of £650k (2021: £Nil). The Total Cost of Raising Funds is analysed in Note 5 to the Financial Statements and Charitable Expenditure is analysed in Note 6 to the Financial Statements. Expenditure continues to be tightly managed and remains focused on delivering the Diocese's charitable objectives.

The operational surplus in the year was £458k (2021: Deficit £972k) and Net Resources increased in the year by £1,301k (2021: £5,595k).

As disclosed in Note 1 to the Financial Statements (Accounting Policies 1.12), occupied School properties are valued at £Nil (2021: £Nil) as the Directors consider these properties to be inalienable and as disclosed in Note 7 to the Financial Statements, during the year a Chaplaincy property was re-assigned to be occupied by a School. The carrying value of the property was written down to £Nil. The Directors consider this re-assignment to be in the best interests of the Charity's commitment to fulfilling its Promotion of Catholic Teaching principal objective.

At 31 March 2022, the Diocese reported a net cash position of £3,596k (2021: £2,077k). The Cash Flow Statement on page 34 reports a net increase in cash and cash equivalents of £1,519k (2021: decrease of £57k), a net cash outflow from Operating Activities of £132k (2021: outflow £120k) and a net cash inflow from Investing Activities £1,651k (2021: inflow £63k).

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

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 its investment managers. The Investment Managers oversee the funds and their portfolio of investments on a discretionary basis within these guidelines. The Investment Managers provide quarterly reports and meet with the FSC annually to review fund performance and to consider the investment outlook.

The market value of investments reported in the Financial Statements at 31 March 2022 was £15,047k (2021: £14,569k). The movements are analysed in Note 15 to the Financial Statements. The main components comprise investment income generated of £318k (2021: £285k), cash withdrawn of £181k (2021: £281k) and profits arising on the sale of investments of £78k (2021: £341k). The unrealised gain on revaluation of £350k (2021: gain £2,832k) reflects the Markets' recovery from their initial reaction to the expected economic impact of the Coronavirus pandemic. No capital drawdowns were made in the year ended 31 March 2022 which helped prevent losses being realised on our investment portfolios. Working with Investment Managers and using cash forecasts, drawdowns will be managed to mitigate exposure to short term market fluctuations. At the date of signing this report the market value of investments has decreased by 10 per cent compared with 31 March 2022.

The Diocese holds a portfolio of investment properties that are held either for a long-term rental income stream or are no longer required for meeting its principal charitable objectives and are, therefore, planned for long-term sale.

Reserves Policy

The Total Funds of the Diocese at 31 March 2022 were £58,078k (2021: £56,777k) of which £39,284k (2021: £38,150k) related to Parishes and £18,794k (2021: £18,627k) related to the Curia and the subsidiary undertaking.

The Reserves Policy of the Diocese is to hold a value equivalent to at least three months of Total Operating Expenditure which is equivalent to £2,547k for the year ended 31 March 2022 (2021: £2,162k) 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 2022, Free Reserves were £18,410k (2021: £16,175k) and represented eighteen months (2021: twenty 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

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

Reserves Policy (continued)

Seminarians, Priests and Permanent Deacons, the welfare needs of retired Priests and the maintenance of the Diocese's Places of Worship.

Total Funds included £1,023k (2021: £1,023k) in Permanent Endowment Funds and £8,586k (2021: £8,646k) in Restricted Funds. The allocation of Permanent Endowment Funds and Restricted Funds is determined by the wishes of the donors and is disclosed in Note 20 (b) to the Financial Statements. Unrestricted Funds of £48,469k (2021: £47,108k) comprise Designated Funds in Parishes of £38,480k (2021: £37,348k) and General Funds in the Curia of £9,989k (2021: £9,760k). Designated Funds in Parishes ensure the financial sustainability of each Parish and will be expended over the life of that Parish.

Subsidiary Trading Company

The Diocese holds an investment in a wholly owned trading subsidiary, Hinsley Properties Limited. The Directors of this subsidiary company are appointed from the Directors and Officers of the Trustee. Hinsley Properties Limited was formed to manage the Diocesan Pastoral Centre at Hinsley Hall and an investment property, Cathedral Chambers. The Diocesan Pastoral Centre is also used by the wider national Catholic community. As disclosed in Note 15(b) to the Financial Statements, during the year the company generated a turnover of £614k (2021: £34k) and reported an operating loss of £252k (2021: loss £388k). The trading subsidiary, which derives turnover from the wider Hospitality Sector, has been adversely affected by the restrictions arising from the Coronavirus pandemic. The retained loss for the year of £252k (2021: £88k) has been taken to the consolidated unrestricted reserves

Risk Management

The Trustee considers and assesses the major risks to which the Diocese is exposed by a quarterly review of its Risk Register. This includes 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 the pace at which it returns to full pastoral and operational activities following the lifting of all Government restrictions. There is also a corresponding impact on the cash based component of the Charity's income. During the year, the Curia continued to work with Parishes replacing this lost cash income. The expenditure commitments of the Charity continue to be reviewed to offset the impact of this lost income.

Financial Strategy

The current Financial Strategy provides the Charity with the financial flexibility it requires to deliver its charitable objectives. The Strategy'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

REPORT OF THE TRUSTEE (continued)

FINANCIAL REVIEW (continued)

Financial Strategy (continued)

these financial assets in line with the Charity's ethical investment policy and minimising interest costs through the management of its cash position.

The Financial Strategy has been modified to enable the Charity to react to the fast-moving impact of the Coronavirus pandemic in both the current year ended 31 March 2022 and the prior year ended 31 March 2021 on its income streams and to ensure it can meet its current liabilities.

Having carried out an eighteen-month cash flow forecast which included Stress Testing the cash income of the Charity, the Directors are satisfied that the Charity has sufficient flexibility within its financial assets and its existing bank facilities to enable it to continue to deliver its charitable objectives.

Approved by the Trustee on 21 June 2022 and signed on its behalf by:



Rt Rev M Stock
Bishop of Leeds
Director

TRUSTEE'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

The law applicable to Charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and the Group, and of its incoming resources and application of resources of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charitable Group will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the Financial Statements comply with the Charities Act 2011 and 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 (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and Notes to the Financial Statements including 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 2022 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 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

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 parent charity has not kept sufficient accounting records; or
- the parent charity'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 the Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 25, 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 and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the group or the parent charity or to cease operations, or has no realistic alternative but to do so.

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

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 group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with the Trustee and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

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

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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

Use of our report

This report is made solely to the parent 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 parent charity 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 parent charity and the parent charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP
18/4/22

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

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 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2022

	Note	Parishes			Curia and Subsidiary			Group	
		Designated Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:									
Donations, Legacies and Grants	2	6,748	1,234	7,982	229	1,255	6	1,490	9,472
Charitable Activities	3	72	-	72	767	-	-	767	839
Trading Activities		637	-	637	646	-	-	646	1,283
Investment Income	4	-	8	8	419	127	28	574	582
Other Income		-	-	-	176	-	-	176	176
Total Operating Income		7,457	1,242	8,699	2,237	1,382	34	3,653	12,352
Expenditure on:									
Total Cost of Raising Funds	5	-	-	-	986	-	-	986	986
Charitable Expenditure	6	4,726	1,272	5,998	2,593	1,565	34	4,192	10,190
Charitable Expenditure - Asset Impairment	7	-	-	-	718	-	-	718	718
Total Operating Expenditure		4,726	1,272	5,998	4,297	1,565	34	5,896	11,894
		2,731	(30)	2,701	(2,060)	(183)	-	(2,243)	458
Gross Transfer between Funds		(1,153)	25	(1,128)	1,153	(25)	-	1,128	-
Net Operating Income/(Expenditure)		1,578	(5)	1,573	(907)	(208)	-	(1,115)	458
Net Gains on Investment Assets		10	7	17	272	146	-	418	435
Net Gains on the Sale of Investment Properties		50	-	50	21	-	-	21	71
Net Income/(Expenditure)		1,638	2	1,640	(614)	(62)	-	(676)	964
Revaluation of Investment Properties		(506)	-	(506)	843	-	-	843	337
Net Movement in Funds	12	1,132	2	1,134	229	(62)	-	167	1,301
Reconciliation of Funds:									
Total Funds brought forward		37,348	802	38,150	9,760	7,844	1,023	18,627	56,777
Total Funds carried forward		38,480	804	39,284	9,989	7,782	1,023	18,794	58,078

All activities are from continuing operations. The Notes from page 35 to 60 form part of these Financial Statements. There were no recognised gains or losses for the year ended 31 March 2022 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 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2021

	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	4,619	694	5,313	562	535	2	1,099	6,412
Charitable Activities	3	38	-	38	820	-	-	820	858
Trading Activities		446	-	446	92	-	-	92	538
Investment Income	4	-	5	5	476	124	25	625	630
Total Operating Income		5,103	699	5,802	1,950	659	27	2,636	8,438
Expenditure on:									
Total Cost of Raising Funds	5	-	-	-	761	-	-	761	761
Charitable Expenditure	6	4,696	498	5,194	2,887	543	25	3,455	8,649
Total Operating Expenditure		4,696	498	5,194	3,648	543	25	4,216	9,410
		407	201	608	(1,698)	116	2	(1,580)	(972)
Gross Transfer between Funds		(1,296)	(15)	(1,311)	1,243	68	-	1,311	-
Net Operating (Expenditure)/Income		(889)	186	(703)	(455)	184	2	(269)	(972)
Net Gains on Investment Assets		-	86	86	2,181	906	-	3,087	3,173
Net Gains on the Sale of Fixed Assets and Investment Properties		788	-	788	-	-	-	-	788
Net (Expenditure)/ Income		(101)	272	171	1,726	1,090	2	2,818	2,989
Revaluation of Investment Properties		2,277	-	2,277	329	-	-	329	2,606
Net Movement in Funds	12	2,176	272	2,448	2,055	1,090	2	3,147	5,595
Reconciliation of Funds:									
Total Funds brought forward		35,172	530	35,702	7,705	6,754	1,021	15,480	51,182
Total Funds carried forward		37,348	802	38,150	9,760	7,844	1,023	18,627	56,777

All activities are from continuing operations. The Notes from page 35 to 60 form part of these Financial Statements. There were no recognised gains or losses for the year ended 31 March 2021 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 2022

CONSOLIDATED BALANCE SHEET AND CHARITY BALANCE SHEET

	Note	Group		Charity	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Assets					
Tangible Assets	13	30,059	30,933	28,779	29,587
Investment Properties	14	11,615	12,939	10,415	11,739
Investments	15	15,047	14,569	17,210	16,984
Total Fixed Assets		56,721	58,441	56,404	58,310
Current Assets					
Inventories		8	4	-	-
Debtors	16	2,737	1,083	3,020	1,178
Cash at Bank and in Hand		3,596	2,077	3,556	2,066
Total Current Assets		6,341	3,164	6,576	3,244
Current Liabilities					
Creditors and Accrued Expenses	17	(4,984)	(4,828)	(4,902)	(4,777)
Creditors: Amounts falling due within one year		(4,984)	(4,828)	(4,902)	(4,777)
Net Current Assets/(Liabilities)		1,357	(1,664)	1,674	(1,533)
Total Assets less Current Assets/(Liabilities)		58,078	56,777	58,078	56,777
Total Net Assets		58,078	56,777	58,078	56,777
The Funds of the Charity:					
Unrestricted Funds					
- Designated Funds	20	38,480	37,348	38,480	37,348
- General Funds	20	9,989	9,760	9,989	9,760
Restricted Funds	20	8,586	8,646	8,586	8,646
Permanent Endowments	20	1,023	1,023	1,023	1,023
Total Charity Funds		58,078	56,777	58,078	56,777

The Notes from page 35 to 60 form part of these Financial Statements.

These Financial Statements were approved and authorised by the Directors on 21 June 2022 and signed on their behalf by:

+ Marcus Stock

Rt Rev M Stock
Bishop of Leeds
Director

CONSOLIDATED CASH FLOW STATEMENT

	2022 £'000	2021 £'000
Cash Flows from Operating Activities		
Net Movement in Funds	1,301	5,595
Adjusted for:		
Deprecation Charges	682	679
Impairment Charges	718	-
Revaluation of Investment Properties	(337)	(2,606)
Gain on Disposal of Investment Properties	(71)	(43)
Gain on Disposal of Fixed Assets	-	(745)
Net Gains on Investments	(435)	(3,173)
Investment Income	(582)	(630)
Increase in Debtors	(1,654)	(253)
Increase in Creditors	156	929
(Increase)/Decrease in Inventories	(4)	3
Other non cash Expenditure	94	124
Net Cash provided used in Operating Activities	<u>(132)</u>	<u>(120)</u>
Cash Flows from Investing Activities		
Proceeds from the Disposal of Fixed Asset Investments	181	281
Investment Properties Income	264	345
Proceeds from the Sale of Tangible Fixed Assets	-	755
Proceeds from the Sale of Investment Properties	1,732	488
Payments to Acquire Tangible Fixed Assets	(526)	(1,806)
Net Cash provided by Investing Activities	<u>1,651</u>	<u>63</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	1,519	(57)
Cash and Cash Equivalents at the beginning of year	<u>2,077</u>	<u>2,134</u>
Cash and Cash Equivalents at the end of year	<u>3,596</u>	<u>2,077</u>

Analysis of Net Cash

	2022 Movement		2021	Movement	2020
	£'000	£'000	£'000	£'000	£'000
Cash at Bank and in Hand	<u>3,596</u>	<u>1,519</u>	2,077	(57)	2,134

The Notes from page 35 to 60 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

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 is a public benefit entity 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. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

1.4 Income (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

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.

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 10 to the Financial Statements. Contributions payable are charged as charitable expenditure in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

ACCOUNTING POLICIES (continued)

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 judgements and estimates are 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 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. DONATIONS, LEGACIES AND GRANTS

	Parishes			2022				Group
	Designated	Restricted	Total	Unrestricted	Restricted	Permanent	Total	Total
	Funds	Funds	Funds	Funds	Funds	Endowment	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Offertories	3,767	-	3,767	-	14	-	14	3,781
Donations and Gifts	219	-	219	18	87	2	107	326
Votives	139	-	139	-	-	-	-	139
Legacies	1,800	-	1,800	132	233	-	365	2,165
Gift Aid Tax Refunds	691	-	691	48	4	4	56	747
Parish Projects	-	132	132	-	-	-	-	132
Parish Second Collections	-	116	116	-	-	-	-	116
Diocesan Second Collections	-	68	68	-	-	-	-	68
National Second Collections	-	152	152	-	-	-	-	152
Grants	20	766	786	31	917	-	948	1,734
Other	112	-	112	-	-	-	-	112
Total	6,748	1,234	7,982	229	1,255	6	1,490	9,472

	Parishes			2021				Group
	Designated	Restricted	Total	Unrestricted	Restricted	Permanent	Total	Total
	Funds	Funds	Funds	Funds	Funds	Endowment	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Offertories	3,226	-	3,226	-	14	-	14	3,240
Donations and Gifts	220	-	220	33	101	2	136	356
Votives	59	-	59	-	1	-	1	60
Legacies	301	-	301	30	25	-	55	356
Gift Aid Tax Refunds	664	-	664	33	-	-	33	697
Parish Projects	-	117	117	-	-	-	-	117
Parish Second Collections	-	84	84	-	-	-	-	84
Diocesan Second Collections	-	34	34	-	-	-	-	34
National Second Collections	-	46	46	-	-	-	-	46
Grants	116	413	529	466	394	-	860	1,389
Other	33	-	33	-	-	-	-	33
Total	4,619	694	5,313	562	535	2	1,099	6,412

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. INCOME FROM CHARITABLE ACTIVITIES

Income from charitable activities consists of:

	2022 £'000	2021 £'000
School Contribution Scheme	284	305
Music Contribution Scheme	134	124
Conference Fees	8	6
Cemetery Fees	289	321
Other	124	102
Total	839	858

4. INVESTMENT INCOME

	2022			Total Funds £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	
Income arising from:				
Investment Properties	259	5	-	264
Listed Investments	160	130	28	318
Total	419	135	28	582

	2021			Total Funds £'000
	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Endowment Fund £'000	
Income arising from:				
Investment Properties	340	5	-	345
Listed Investments	136	124	25	285
Total	476	129	25	630

5. TOTAL COST OF RAISING FUNDS

The total cost of raising funds consists of:

	2022 £'000	2021 £'000
Interest Payable	-	4
Investment Management Fees	85	77
Hinsley Properties Limited Expenditure	901	680
Total	986	761

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CHARITABLE EXPENDITURE

		2022				
		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	26	-	-	-	26
	Other Direct Costs	865	37	1,242	2,987	5,131
	Support Costs	146	6	204	485	841
	Total	1,037	43	1,446	3,472	5,998
Curia	Grants Payable	108	683	322	-	1,113
	Other Direct Costs	251	1,051	355	381	2,038
	Support Costs	119	573	223	126	1,041
	Total	478	2,307	900	507	4,192
Total	Grants Payable	134	683	322	-	1,139
	Other Direct Costs	1,116	1,088	1,597	3,368	7,169
	Support Costs	265	579	427	611	1,882
	Total	1,515	2,350	2,346	3,979	10,190

		2021				
		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	38	-	-	-	38
	Other Direct Costs	492	14	1,166	2,655	4,327
	Support Costs	101	3	223	502	829
	Total	631	17	1,389	3,157	5,194
Curia	Grants Payable	95	33	340	-	468
	Other Direct Costs	356	839	367	384	1,946
	Support Costs	194	376	305	166	1,041
	Total	645	1,248	1,012	550	3,455
Total	Grants Payable	133	33	340	-	506
	Other Direct Costs	848	853	1,533	3,039	6,273
	Support Costs	295	379	528	668	1,870
	Total	1,276	1,265	2,401	3,707	8,649

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 (2021: £22k).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. CHARITABLE EXPENDITURE – IMPAIRMENTS

The impairment charge of £718k (2021: £Nil) relates to the transfer of use of two properties from a Chaplaincy to a School. The Directors consider this transfer to be in the best interests of the Charity in delivering its principal charitable objectives. Following the transfer in the use of these properties, the Directors consider the ownership of these properties to be in the nature of a custodianship and they have therefore been written down to £Nil in the Financial Statements.

8. ANALYSIS OF GRANTS PAYABLE

	2022			2021
	Grants to		Total £'000	Total £'000
	Institutions £'000	Individuals £'000		
Catholic Dioceses in the United Kingdom	650	-	650	-
Catholic Trust for England and Wales	56	-	56	67
Catholic Education Service	33	-	33	33
Clergy Retirement Grants	-	295	295	317
Seminarian Grants	-	27	27	23
Peru Mission	52	-	52	18
Local Organisations	26	-	26	48
	817	322	1,139	506

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 41 (2021: 46) grants given for the benefit of Retired Clergy amounting to £295k (2021: £317k).

9. CLERGY COSTS

	Clergy Allowances		
	Parishes	Curia	Total
	£'000	£'000	£'000
2022	689	149	838
2021	606	153	759

These allowances relate to Clergy in active ministry.

10. EMPLOYMENT COSTS AND NUMBERS

Staff costs comprise the following:

	2022			2021
	Parishes	Curia	Total	Total
	£'000	£'000	£'000	£'000
Salaries and Wages	482	1,311	1,793	1,811
Employers' National Insurance	62	126	188	191
Pension Costs	6	86	92	92
Gross Employment Costs	550	1,523	2,073	2,094
Coronavirus Job Retention Scheme Grant	(20)	(81)	(101)	(465)
	530	1,442	1,972	1,629

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. EMPLOYMENT COSTS AND NUMBERS (continued)

During the year payments of £63k (2021: £17k) were paid to three employees (2021: seven employees) in relation to redundancy payments.

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

	2022	2021
£60,001 to £70,000	2	2
£80,001 to £90,000	1	1
	3	3

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. Following the Court of Appeal's ruling in the McCloud/Sargeant case on 2015 reforms to Public Service Pensions including the Teachers' Pensions, HM Government is undertaking a consultation process with employer and member representatives to agree how the discriminations identified in the Court's ruling can be remedied.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. 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
2022	94	65	159
2021	82	65	147

11. DIRECTORS AND KEY MANAGEMENT PERSONNEL

The Directors do not receive any payments in respect of their Office. Directors who are members of the Clergy receive allowances and expenses for their work in active ministry which are paid by their Parish or by the Curia, if they have a non-Parochial 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 the prior year.

The Charity considers that its key management personnel comprise the Directors and Senior Curia Officers. The Directors did not receive any employment benefits in either the current year or the prior year. Senior Curia Officers received total employment benefits in the year of £689k (2021: £678k), including employers' National Insurance Contributions of £36k (2021: £36k) and pension contributions of £19k (2021: £8k).

Central to the fulfilment of the Charity'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 and Diocesan agencies.

12. NET MOVEMENT IN FUNDS IN THE YEAR

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

	2022	2021
	£'000	£'000
Auditor's Remuneration		
- audit services	21	21
- other services	1	1
Depreciation of Owned Assets	682	679
Impairment of Owned Assets	718	-
Operating Lease Rentals	40	40

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. 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 2021	37,048	2,408	39,456	1,894	473	2,367	38,942	2,881	41,823
Additions	514	-	514	-	12	12	514	12	526
Disposals	-	-	-	-	(77)	(77)	-	(77)	(77)
At 31 March 2022	37,562	2,408	39,970	1,894	408	2,302	39,456	2,816	42,272
Depreciation and impairments									
At 1 April 2021	8,983	886	9,869	821	200	1,021	9,804	1,086	10,890
Charge for the year	555	49	604	38	40	78	593	89	682
Impairments in the year	718	-	718	-	-	-	718	-	718
Disposals	-	-	-	-	(77)	(77)	-	(77)	(77)
At 31 March 2022	10,256	935	11,191	859	163	1,022	11,115	1,098	12,213
Net Book Value 31 March 2022	27,306	1,473	28,779	1,035	245	1,280	28,341	1,718	30,059
Net Book Value 1 April 2021	28,065	1,522	29,587	1,073	273	1,346	29,138	1,795	30,933

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. 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 2021	27,815	2,383	30,198	9,233	25	9,258	37,048	2,408	39,456
Additions	514	-	514	-	-	-	514	-	514
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2022	28,329	2,383	30,712	9,233	25	9,258	37,562	2,408	39,970
Depreciation and impairments									
At 1 April 2021	8,983	868	9,851	-	18	18	8,983	886	9,869
Charge for the year	555	47	602	-	2	2	555	49	604
Impairments in the year	-	-	-	718	-	718	718	-	718
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2022	9,538	915	10,453	718	20	738	10,256	935	11,191
Net Book Value 31 March 2022	18,791	1,468	20,259	8,515	5	8,520	27,306	1,473	28,779
Net Book Value 1 April 2021	18,832	1,515	20,347	9,233	7	9,240	28,065	1,522	29,587

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INVESTMENT PROPERTIES

	Charity			Subsidiary	Group
	Parishes £'000	Curia £'000	Total £'000	Total £'000	Total £'000
Cost or valuation					
At 1 April 2021	6,945	4,794	11,739	1,200	12,939
Disposals	(589)	(1,072)	(1,661)	-	(1,661)
Revaluations	(506)	843	337	-	337
At 31 March 2022	5,850	4,565	10,415	1,200	11,615
Depreciation and impairments					
At 1 April 2021 and 31 March 2022	-	-	-	-	-
Net Book Value 31 March 2022	5,850	4,565	10,415	1,200	11,615
Net Book Value 1 April 2021	6,945	4,794	11,739	1,200	12,939

Investment Properties are valued on the basis of market value every five years.

Investment Properties held to generate a rental income are valued on the basis of market value as defined in the RICS Valuation and Appraisal Manual (7th Edition). The last valuations were carried out by Sanderson Weatherall, Chartered Surveyors, Lambert Smith Hampton, Chartered Surveyors and WBW Chartered Surveyors on 31 March 2022 for the Charity's Investment Properties and on 26 February 2021 for the Subsidiary's Investment Property.

Investment Properties earmarked for sale on the open market are valued on the basis of market value taking into consideration the advice of external professional Chartered Surveyors and their estimated net realisable value.

In the intervening years, a review of the fair value is undertaken at the Balance Sheet date and the resulting revaluation or impairment recognised 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 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. INVESTMENTS

a) GROUP

Listed Investments

	2022 £'000	2021 £'000
Movement in Fixed Asset Investments:		
Market value at 1 April	14,569	11,471
Investment Income	318	285
Net Unrealised Gain/on Revaluation	350	2,832
Net Realised Gains in the Year	78	341
Investment Managers' Costs Deducted from Investments	(87)	(79)
Withdrawn from Investments	(181)	(281)
Market Value at 31 March	15,047	14,569

Analysis of Market Value of Investment by Type:

Equities	9,983	10,427
Bonds	2,488	2,321
Properties	361	212
Alternative Investments	1,540	1,301
Cash	675	308
Market Value at 31 March	15,047	14,569

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

Within the United Kingdom	8,386	8,074
Outside the United Kingdom	6,661	6,495
Market Value at 31 March	15,047	14,569

Analysis of Market Value by Fund:

Unrestricted	8,270	9,014
Restricted	5,754	4,532
Permanent Endowment	1,023	1,023
Market Value at 31 March	15,047	14,569
Historic Cost of Investments	10,979	10,876

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. INVESTMENTS (continued)

b) CHARITY

The investments of the Charity comprise:

	2022	2021
	£'000	£'000
Listed Investments (see Note 15(a) above)	15,047	14,569
Investment in Subsidiary Companies	2,163	2,415
	<u>17,210</u>	<u>16,984</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 £252k (2021: £88k) 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 2022 is shown below:

	2022	2021
	£'000	£'000
Turnover	614	34
Cost of Sales	(536)	(437)
Administrative Expenses	(376)	(253)
Other Operating Income	86	308
Rent paid to the Parent Undertaking	<u>(40)</u>	<u>(40)</u>
Operating Loss	(252)	(388)
Revaluation	-	300
Loss for the Financial Year	<u>(252)</u>	<u>(88)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. INVESTMENTS (continued)

b) CHARITY (continued)

A summary of the company's audited Balance Sheet at 31 March 2022 is shown below:

	2022	2021
	£'000	£'000
Fixed Assets	2,480	2,546
Net Current Liabilities	(317)	(131)
Total Assets	<u>2,163</u>	<u>2,415</u>
Called up Share Capital	1,500	1,500
Profit and Loss Account	663	915
Equity Shareholders' Funds	<u>2,163</u>	<u>2,415</u>

Inter-Diocesan Fuel Management Limited (IFM)

The Charity owns 11.1 (2021: 11.1) per cent of the Ordinary share capital of the company.

IFM was established in 1994 under the Catholic ethos of 'brother helping brother'. IFM, in addition to achieving best pricing through bulk purchase, has sourced its electricity from renewable energy sources (principally hydro-electric and wind power) for over 20 years. Since 2017 it has been committed to sourcing 'green' gas (for example biogas and syngas) and where this has not been possible it has engaged with its suppliers in carbon neutral projects in the United Kingdom and developing countries.

Dormant Company

The trading subsidiary company, Hinsley Properties Limited, owns 100 per cent of the ordinary share capital of Hinsley Hall Limited.

Hinsley Hall Limited was dormant in both the current and the prior year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEBTORS

	2022		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Debtors	139	54	193
Gift Aid Tax Recoverable	321	-	321
Legacies Receivable	1,727	-	1,727
Grants Receivable	162	-	162
Other Debtors and Prepayments	314	20	334
Amounts due from/(by) Subsidiary Company	357	(357)	-
	3,020	(283)	2,737
	2021		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Debtors	124	2	126
Gift Aid Tax Recoverable	450	-	450
Other Debtors and Prepayments	290	53	343
Grants Receivable	164	-	164
Amounts due from/(by) Subsidiary Company	150	(150)	-
	1,178	(95)	1,083

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Creditors	4,530	37	4,567
Other Tax and Social Security	36	27	63
Accruals and Deferred Income	74	15	89
Other Creditors	262	3	265
	4,902	82	4,984
	2021		
	Charity £'000	Subsidiary £'000	Group £'000
Trade Creditors	4,287	34	4,321
Other Tax and Social Security	34	3	37
Accruals and Deferred Income	292	11	303
Other Creditors	164	3	167
	4,777	51	4,828

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Included in Trade Creditors is £3,988k (2021: £3,513k) 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 £2,551k (2021: £2,693k) and made payments of £2,076k (2021: £1,356k). Also included in Trade Creditors is £108k (2021: £108K) held on behalf of St Monica's Housing Trust Limited, a registered charity operating in the Diocese for the provision of accommodation for destitute women seeking asylum in the United Kingdom.

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.

In addition, the Diocese had capital commitments of £126k at 31 March 2022 (2021: £Nil).

19. OPERATING LEASES

At 31 March 2022 the Diocese had the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2022			2021
	Charity £'000	Subsidiary £'000	Group £'000	Group £'000
Expiry date:				
Within one year	43	52	95	90
Between two and five years	82	170	252	224
	125	222	347	314

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS

a) Analysis of Unrestricted Fund Movements

	For the year ended 31 March 2022					At 31 March 2022 £'000
	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains/(Losses) £'000	
	Parishes - Designated Funds	37,348	7,457	(4,726)	(1,153)	
Curia - Designated Funds	2,698	-	(69)	-	-	2,629
Curia - General Funds	7,062	2,237	(4,228)	1,153	1,136	7,360
Curia - Unrestricted Funds	9,760	2,237	(4,297)	1,153	1,136	9,989
Total Unrestricted Funds	47,108	9,694	(9,023)	-	690	48,469

	For the year ended 31 March 2021					At 31 March 2021 £'000
	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains £'000	
	Parishes - Designated Funds	35,172	5,103	(4,696)	(1,296)	
Curia - Designated Funds	2,781	-	(83)	-	-	2,698
Curia - General Funds	4,924	1,950	(3,565)	1,243	2,510	7,062
Curia - Unrestricted Funds	7,705	1,950	(3,648)	1,243	2,510	9,760
Total Unrestricted Funds	42,877	7,053	(8,344)	(53)	5,575	47,108

The transfer of funds from Parishes to the Curia of £1,153k (2021: £1,296k) is for the annual assessment that is made on Parishes to enable the Diocese to meet its pastoral and charitable objectives and its statutory obligations. 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 each Parish given to it under Canon Law. The Designated Funds will be spent over the lifetime of each Parish.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. ANALYSIS OF CHARITABLE FUNDS (continued)

b) Analysis of Restricted Fund Movements

	For the year ended 31 March 2022					At 31 March 2022 £'000
	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains £'000	
Parishes						
Parish Fundraising	417	898	(987)	76	-	404
Second Collections	-	336	(285)	(51)	-	-
Batley Carr Cockrem Fund	385	8	-	-	7	400
Total Parishes	802	1,242	(1,272)	25	7	804
Curia						
Priests' Retirement Fund	6,361	312	(502)	11	146	6,328
Peru Mission Fund	160	11	(52)	8	-	127
Poor Mission Fund	338	8	-	(67)	-	279
Episcopal Mensa Fund	64	1	-	-	-	65
Pastoral Development Fund	32	-	-	-	-	32
St Patrick's Mission Church	272	41	(8)	-	-	305
Priests' Training Fund	73	54	(79)	15	-	63
National Schools Singing Programme	375	815	(880)	-	-	310
Other Funds	169	140	(44)	8	-	273
Total Curia	7,844	1,382	(1,565)	(25)	146	7,782
Total Restricted Funds	8,646	2,624	(2,837)	-	153	8,586

	For the year ended 31 March 2021					At 31 March 2021 £'000
	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Investments Gains £'000	
Parishes						
Parish Fundraising	236	694	(498)	(15)	-	417
Batley Carr Cockrem Fund	294	5	-	-	86	385
Total Parishes	530	699	(498)	(15)	86	802
Curia						
Priests' Retirement Fund	5,667	120	(317)	3	888	6,361
Peru Mission Fund	168	6	(18)	4	-	160
Poor Mission Fund	336	1	-	1	-	338
Episcopal Mensa Fund	58	1	(13)	-	18	64
Pastoral Development Fund	48	-	(16)	-	-	32
St Patrick's Mission Church	234	52	(14)	-	-	272
Priests' Training Fund	84	58	(75)	6	-	73
National Schools Singing Programme	-	375	-	-	-	375
Other Funds	159	46	(90)	54	-	169
Total Curia	6,754	659	(543)	68	906	7,844
Total Restricted Funds	7,284	1,358	(1,041)	53	992	8,646

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 specific 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 supports the Bishop of Leeds and appeals made 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.
National Schools Singing Programme:	This fund is financed through a grant agreement with the Hamish Ogston Foundation. The grant agreement provides funding over five years for the development of the Schools Singing Programme both in the Diocese and through a collaborative project with other Catholic Dioceses throughout the United Kingdom.

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 2022				At 31 March 2022 £'000
	At 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	
	Priests' Training Fund	750	22	(22)	
Poor Mission Fund	82	2	(2)	-	82
Leeds Cathedral Music Fund	150	9	(9)	-	150
Mass Intentions Account	41	1	(1)	-	41
Total Endowment Funds	1,023	34	(34)	-	1,023

Curia	For the year ended 31 March 2021				At 31 March 2021 £'000
	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	
	Priests' Training Fund	750	19	(19)	
Poor Mission Fund	82	2	(2)	-	82
Leeds Cathedral Music Fund	148	5	(3)	-	150
Mass Intentions Account	41	1	(1)	-	41
Total Endowment Funds	1,021	27	(25)	-	1,023

LEEDS DIOCESAN TRUST
YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. NET ASSETS

	Parishes Funds			2022 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Permanent		Total £'000	Unrestricted £'000	Permanent		Total £'000
					Restricted £'000	Endowment £'000			Restricted £'000	Endowment £'000	
Tangible Fixed Assets	20,259	-	20,259	9,800	-	-	9,800	30,059	-	-	30,059
Investment Properties	5,850	-	5,850	5,765	-	-	5,765	11,615	-	-	11,615
Fixed Asset Investments	-	400	400	8,270	5,354	1,023	14,647	8,270	5,754	1,023	15,047
Bank Balances: (Cash/(Overdrafts))	6,620	404	7,024	(5,856)	2,428	-	(3,428)	764	2,832	-	3,596
Other Net Current Assets/(Liabilities)	1,875	-	1,875	(4,114)	-	-	(4,114)	(2,239)	-	-	(2,239)
Inter Parishes and Curia Loans (net)	3,876	-	3,876	(3,876)	-	-	(3,876)	-	-	-	-
TOTAL NET ASSETS	38,480	804	39,284	9,989	7,782	1,023	18,794	48,469	8,586	1,023	58,078
	Parishes Funds			2021 Curia Funds				Total Group and Charity Funds			
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Permanent		Total £'000	Unrestricted £'000	Permanent		Total £'000
					Restricted £'000	Endowment £'000			Restricted £'000	Endowment £'000	
Tangible Fixed Assets	20,347	-	20,347	10,586	-	-	10,586	30,933	-	-	30,933
Investment Properties	6,945	-	6,945	5,994	-	-	5,994	12,939	-	-	12,939
Fixed Asset Investments	-	383	383	9,014	4,149	1,023	14,186	9,014	4,532	1,023	14,569
Bank Balances: (Cash/(Overdrafts))	7,027	419	7,446	(9,064)	3,695	-	(5,369)	(2,037)	4,114	-	2,077
Other Net Current Assets/(Liabilities)	285	-	285	(4,026)	-	-	(4,026)	(3,741)	-	-	(3,741)
Inter Parishes and Curia Loans (net)	2,744	-	2,744	(2,744)	-	-	(2,744)	-	-	-	-
TOTAL NET ASSETS	37,348	802	38,150	9,760	7,844	1,023	18,627	47,108	8,646	1,023	56,777

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 2022 of £11k (2021: £11k) for care and other support services for retired Priests.

The Leeds Diocesan Trust operates a wholly owned trading subsidiary, Hinsley Properties Limited. Rt Rev Mgr P Fisher and Rt Rev Mgr A Summersgill are Directors of both the Diocese of Leeds Trustee and Hinsley Properties Limited.

During the year, the Charity received £50k (2021: £50k) in rents and management fees from Hinsley Properties Limited. At 31 March 2022 £350k (2021: £150k) was payable to the Leeds Diocesan Trust by Hinsley Properties Limited.

During the year, a member of Key Management Personnel used Charity systems for a personal procurement of £3k (2021: £1k) which was fully reimbursed and at 31 March 2022 £Nil (2021: £Nil) was owed to the Leeds Diocesan Trust.