

REGISTERED COMPANY NUMBER: 00155840 (England and Wales)
REGISTERED CHARITY NUMBER: 220966

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
FOR
LEEDS CHURCH INSTITUTE (INCORPORATED)**

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

LEEDS CHURCH INSTITUTE (INCORPORATED)

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FOR THE YEAR ENDED 31ST DECEMBER 2019**

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LEEDS CHURCH INSTITUTE (INCORPORATED)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

TRUSTEES

Mrs P J Sandbach (Retired)
Mrs A E Beal (Retired)
J V Betts (Retired)
Rev S J C Corley (Clerk In Holy Orders)
Rev J D Cortis (Retired)
Rev K A Fitzsimons (Anglican Clergy) (resigned 24/06/19)
Canon A D Nicholl (Lay Minister)
Revd S M Shaw (Minister Of Religion)
Revd M Harwood
Revd S Hancox (Anglican Clergy) (appointed 24/06/2019)

REGISTERED OFFICE

20 New Market Street
Leeds
LS1 6DG

REGISTERED COMPANY NUMBER 00155840 (England and Wales)

REGISTERED CHARITY NUMBER 220966

SENIOR STATUTORY AUDITOR Christopher Darwin FCA

INDEPENDENT AUDITORS

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

OPERATIONAL STAFF

Director	Dr. Helen Reid
Learning Centre Manager	Paul Mann
Administrator	Miriam O'Keeffe
Receptionist and Conferencing Organiser	Moira Ibbetson
Media and Events Coordinator	Lawrence Cockrill
Learning Centre Assistant	Karen Horner

LEEDS CHURCH INSTITUTE (INCORPORATED)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

ADVISORS

Bankers:

Clydesdale & Yorkshire Bank
94-96 Briggate, Leeds, LS1 6NP

Solicitors:

Wrigleys Solicitors LLP
19 Cookridge Street, Leeds, LS2 3AG

Investment Managers:

CCLA Investment Management Limited
Church of England Funds
80 Cheapside, London, EC2V 8DZ

LEEDS CHURCH INSTITUTE (INCORPORATED)

**REPORT OF THE PRESIDENT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

I am delighted to introduce this year's annual report. Once again Leeds Church Institute has enjoyed a year of growth and development and has sustained a varied and informative programme of events and projects. All of this is thanks to a great deal of work by the membership, members of council and the talented and committed staff team who work so hard on our behalf.

There is much to celebrate and much to look forward to as we continue in faithful learning and in effective engagement with the vibrant and diverse communities that make up our City.

The Reverend Canon Sam Corley

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's formal objects continue to be to promote, advance and maintain religion and education (both religious and secular) consistent with the Christian faith as expressed by churches together in England. The region in which the charity operates is within the part of the City of Leeds which is within the diocese of Ripon and Leeds and elsewhere in the area covered by the Anglican diocese.

The objects are pursued in a variety of ways including organising formal talks, seminars, training and other educational activities; resourcing the churches in their mission and ministry through consultancy, research, the development of specific projects and provision of a resource centre; and supporting the representation of churches and other faith communities in a number of public bodies.

Significant activities

Leeds Church Institute continued its work in the city, with the churches and people of different faiths through educational and representation initiatives, and conferencing.

Public benefit

In accordance with their duties pursuant to section 4 of the Charities Act 2011, the Trustees have considered the Institutes' objects and activities in light of the Charity Commission's general guidance on public benefit, "Charities and Public Benefit."

In relation to the first limb of the public benefit test set out in the guidance, the original object of the Institute as specified in the Memorandum of Association was to promote, advance and maintain (within that part of the City of Leeds which is within the Diocese of Ripon and Leeds and elsewhere in that Diocese) religion and education (both religious and secular) consistent with the Christian faith as expressed by Churches Together in England and the trustees are satisfied that these objectives are of benefit to the public. During the past year the Institute, through its educational programme, inter-faith work and the provision of subsidised conference facilities to local churches, religious organisations and charities has continued its religious and education role, working with all Christian denominations and other faiths, as they explore what it means to be a faithful city in a world very different from that inhabited by the founder of the Institute, Dean Hook.

In relation to the second limb of the test, the trustees ensure that the public at large benefits from the activities of the Institute and that there is no private benefit, incidental or otherwise. The trustees regularly keep the activities the Institute under review, to ensure that they are of sufficient benefit to the public and at present consider the following educational and related activities ensure the benefits of the Institute are widely available to the public.

- o Educational events, publications and research to assist all those involved in Christian ministry in Leeds to interpret the gospel for the city;
- o A Library that stocks up to date and relevant theological books to stimulate Christian engagement in the social, political and economic life of Leeds.
- o A Faith Voice engaging with issues and events in city life

LCI works closely with other charities which share its vision to explore issues of faith and social justice relevant to all the people of Leeds.

Staff

Moira Ibbetson retired at the end of January 2019, and there were contractual changes for the remaining staff when the Staffing Review was implemented. Most significantly, the Administrator and Learning Centre Assistant posts were made permanent.

LCI continues to maintain Living Wage Employer Status.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Events and Media Programme

In 2019 LCI ran 30 events attended by 1421 people. These figures include events that were run in partnership with others. The overall number of events was lower than in 2018 and the people attending was higher. This showed the success of the 2019 policy to invest more resources in fewer events.

An outline of events, initiatives and their common themes follows:

Environment and theology:

There were two Faith Leaders and Climate Change events which drew leaders from different faith communities together for education and encouragement. This led to an intensive eight-session Carbon Conversations course which trained leaders to teach others about responding to climate change.

Pilgrimage:

A series of events on pilgrimage including short pilgrimages around the city centre, and shared reflection on documentaries and books on pilgrimage.

Book-based events:

An author event for Preach It!; LCI hosted a poetry event at the first ever Leeds Lit Fest, and launched the new LCI publication Signs by Si Smith; Signs was also included in the Northern Short Story Festival.

LGBT inclusion: A national 'Christians Guide to Pride' day event based on the research undertaken by Revd Anthea Colledge when on a workplace research placement at LCI.

Creative reflection:

The Leeds Listening Yurt hosted pupils from Year 9 at Abbey Grange Church of England Academy and Bishop Young Church of England Academy.

Ecumenical mission:

Three 'Wisdom on the Way' events for Christians involved in community development; three 'Christians in Education' meetings and podcasts; the launch of the Leeds Lent Prayer Diary, and Diary distribution to all projects in the publication; hosted the city centre gathering for the World Day of Prayer in March. Phase 2 of research into ecumenical mission was completed with publication planned for 2020.

Perspectives:

Hosted the pilot of a new exhibition Eye As Witness from The National Holocaust Centre and funded by the Arts Council.

Poets, prophets and protestors:

Canon Mark Oakley gave the Hook Lecture 2019 on the theme of 'Poets, Prophets and Protestors: the shape of things to come?' which was attended by a wide range of people from the churches and city life. After the lecture, local playwright and lyricist, Testament, invited people to submit poems on this theme for a poetry anthology. LCI ran two poetry workshops to encourage and support people in their writing. By the closing date at the end of October, 120 poems had been received and 45 had been selected for the anthology, to be published in 2020.

Dementia Awareness:

An Open Day with workshops and a market place of stalls

Seeking Refuge:

An Open Day on the 'Realities and Possibilities in Leeds', with guest lecturer Frances Webber of the Institute of Race Relations, workshops and a market place of stalls. Follow up work with refugee initiatives has led to Tales of A City meeting at LCI, and the beginning of partnership projects around 'Musicultural' sessions for learning English and the Schools in Sanctuary Awards programme in Leeds, with work due to start in early 2020.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Study Centre:

Continues to be a central benefit offered to members. New books were purchased on topics relating to events and LCI subscribes to four regular publications produced by Anglican, Catholic, Ecumenical and Methodist publishers.

CITYtheology:

The LCI magazine was published four times and sent to members, local libraries, the British Library, and was available at LCI events. The Spring edition had a particular focus on Christians and education, and was distributed at the Senior Leaders in Education Conference at the Queens Hotel run by the Diocesan Board of Education.

2020 Bursary:

This key new initiative was developed and launched in 2019, and recruitment will be complete in 2020. The aim is to pair a theologian and visual artist to work together over a six month period to create resources for local churches in mission.

Learning Centre

In 2019, the Learning Centre enabled LCI to sustain a culture of hospitality, support various learning activities in the city, ensure a profile in city life and extend our network of contacts for city engagement. Footfall was 38,031 and the venue was in use seven days a week for 51 weeks of the year. Hospitality was offered, including 2,696 meals served and refreshments were provided for 11,969 people. Ninety percent of use of the room space was for LCI events, churches, charities and voluntary organisations, and the remainder of use was by public sector organisations.

City Engagement

LCI entered the third year of its partnership with Leeds Citizens with a focus on building leadership in faith communities and reflecting on economic, spiritual, religious and social life in Leeds. Work was carried out city-wide around mental health action and in the South Leeds area around developing community voice and action. A series of short videos focussing on the Common Good were recorded at shared meals in people's homes around Leeds. The presentation on Community Organising at the AGM was very positively received by members.

LCI continues to be a levy-paying member of Leeds Business Investment District.

FINANCIAL REVIEW

Financial position

The financial position for 2019 is as follows:

o Income

Income for 2019 decreased by £12,129 to £261,569.

o Expenditure

Total resources expended increased during 2019 by £50,626 to £288,974.

The net level of expenditure over income (after taking depreciation into account) has created a deficit of £27,405, after the prior year surplus of £35,350.

While in recent years our finances have suffered, a strategic review of the financial position was undertaken during 2011 and it was concluded that it would be possible to progress over a period of 5 years to a balanced position by encouraging the letting of space in 20 New Market Street through additional conferencing activity and being careful with costs. Following on from that review, 2019 gives us a clear justification of that conclusion as the conferencing company, LCI Trading Ltd., has enjoyed some longer term letting and the allocation of staff resources has ensured the conferencing offering is fully up to date and well managed. For 2019 the contribution from conferencing to the costs of the building and the work of the Institute amounted to £34,230 gift aid and £66,380 of property costs recharged to the trading company. There is also every indication that this level of contribution is sustainable, and benefits a wide range of charitable and public sector organisations which now use our city centre space.

Principal funding sources

The Institute continues to derive the majority of its funding from its investment activities. This is supplemented by trading income, both primary purpose trading and non- primary purpose trading. During 2019, this income has enabled it to continue to employ staff who are actively engaged in the delivery of its educational and research programme, in services to the membership and in support of conferencing and meeting facilities, used by church and voluntary organisations at heavily subsidised rates.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2019

FINANCIAL REVIEW

Investment policy and objectives

In order to guide the Investment Policy, the Council of the Institute has adopted the following objectives:

- To protect a steady annual real income which will allow the support of an equivalent level of activity of the Institute year on year over the longer term
- To follow an investment policy designed to provide for a level of income that matches inflation and protects the real value of capital over the long term
- To follow a policy which provides high security, with the highest achievable total return commensurate with the ethical guidelines of the Church of England

The strategy adopted is to invest the assets in a mix of direct property and marketable investments. The investments are held and managed by investment managers who have full discretion over the day to day management of the assets. The Institute has adopted the same ethical guidelines as the Church of England.

Investment performance

The value of the Charity's investments increased during 2019. Realised and unrealised net gains of £646,274 (2018: Losses of £204,187) were recorded for the year. The Charity's investments had a market value of £5,571,570 as at 31st December 2019 including the investment element of the market value of the freehold and leasehold interests of 20 New Market Street of £866,667. Given the importance of the market value of investments to the reserves of the Charity the Trustees continue to closely monitor the performance of the portfolio.

The investment policy is to hold the marketable investments with a medium risk profile. The investments are held mainly in The CBF Church of England Investment Fund. This fund reported a total return of 23.16% in the year to 31st December 2019. The Trustees note that, when compared with a Composite Benchmark of market indices based on the same diversification as the Fund, the above investment performance for the year exceeds the benchmark return of 17.07%.

The remaining assets of the charity of £630,480 as at 31st December 2019 were held as combination of debtors, bank deposit balances and book value of tangible fixed assets.

Reserves policy

The LCI holds substantial assets in the building from which it operates and in other investments which provide income. It is the aim that the income generated from these sources is fully spent each year on the work of the LCI. There is no long term intention to accumulate any of this income to create further reserves.

Taking a rolling 5 year view the amounts invested remain sufficient to provide a reserve against those times when the expenditure exceeds the annual income generated. This has been tested somewhat over the last 5 years since in several of those years a significant deficit has emerged.

To cover short term needs a balance representing over one month's expenses is held in cash. The CBF assets are readily marketable.

Going concern

During 2020, LCI intends to

- Run a varied and inclusive events, publications, research and media Programme
- Deepen member's involvement with LCI and increase diversity among members
- Sustain effective relationships with churches and denominations, and contribute to ecumenical mission
- Be actively engaged in wider city life
- Run a thriving Learning Centre that resources city life and learning
- Maintain the premises of 20 New Market Street to a high standard
- Run the organisation ethically and in accordance with its Memorandum and Articles, and Charity Commission rules
- Make work plans for 2021

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Notably, operations of the Charity have been impacted with a number of events postponed or cancelled. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2019

Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. As at 30th June 2020, the fair value of the Charity's investments was £4,630,363.

The Charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Governance

There were nine Council members in 2019: Canon Kathryn Fitzsimons resigned and Revd Sarah Hancox joined at the AGM in June. The LCI Council met regularly, received reports from the staff team, and approved the 2018 Annual Report. The AGM was held in June.

LCI Council worked with the staff team to review all LCI policies, guidance and procedures. A new Staff Handbook was produced and shared with all staff.

In 2019, 42 members joined LCI. The membership total at December 2019 was 122.

Charity constitution

The charity aims to promote education in order to interpret contemporary aspects of the gospel for the City, and is committed to partnership working with other organisations. The Institute was founded by the then Vicar of Leeds in 1857 to advance education - both religious and secular. It became a charitable company, limited by guarantee, in 1919. Its work is governed by a memorandum and articles of association, which were altered in 2002 to ensure that its governing body of trustees, the LCI Council, became more ecumenical in membership and character.

The LCI Council met regularly, received reports from the staff team, and approved the 2018 Annual Report. The AGM was held in June.

Recruitment and appointment of new trustees

Details of the Trustees who have served during the year are listed on page 1.

None of the Trustees had any personal beneficial interests requiring disclosure. New Trustees are appointed by the members and given an induction pack on the background of the LCI and their responsibilities.

Organisational structure and Decision making

The Council of Leeds Church Institute meets five times a year as a full Council. The Institute's staff have delegated authority to carry out the day to day work within policies agreed by Council. Financial standing orders give clear rules for necessary authorisation of different amounts.

Historically, the Institute has been closely associated with the Anglican Diocese of Leeds. It is now connected with all the major Christian denominations and ecumenical bodies regionally and locally. It also has connections with local and regional interfaith networks and relevant statutory and voluntary bodies.

Key management remuneration

The total paid to the Director (the only key management personnel) was £39,067. This remuneration level is benchmarked against other similarly responsible public sector positions and data relevant to this taken into account in reviews.

LEEDS CHURCH INSTITUTE (INCORPORATED)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees examine the major risks that the charity faces each financial year when preparing and updating the strategic plan, in particular those related to the operations and finances of the charity. The charity is satisfied that the systems are in place to mitigate its exposure to the major risks.

The assets of the Institute will be exposed to various financial and other risks. The Council has considered the following risks when agreeing their strategy which is monitored annually:

- The risk that investments will not deliver the increases in real capital or income values expected.
- The risk that properties or investment managers will not achieve the returns projected.
- The risk that key management personnel may leave and not easily be replaced.

Other areas of risk reviewed and addressed on a regular basis include those related to the occupation of the property. These risks are now effectively and formally managed on a day to day basis by the building agents and include health and safety risk management. Risks arising under Employment Law, Food Regulations and other regulatory requirements have been identified, monitored and controlled.

AUDITORS

The auditors, Thomas Coombs Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18th May 2020 and signed on its behalf by:

.....
Rev S J C Corley - Trustee

LEEDS CHURCH INSTITUTE (INCORPORATED)

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31ST DECEMBER 2019**

The trustees (who are also the directors of Leeds Church Institute (Incorporated) for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEEDS CHURCH INSTITUTE (INCORPORATED)

Opinion

We have audited the financial statements of Leeds Church Institute (Incorporated) (the 'charitable company') for the year ended 31st December 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2019 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEEDS CHURCH INSTITUTE (INCORPORATED)

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Darwin FCA (Senior Statutory Auditor)
for and on behalf of Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

Date: 20th July 2020

LEEDS CHURCH INSTITUTE (INCORPORATED)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	Notes	2019 Unrestricted funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	35,050	50,648
Charitable activities	5		
Licence fees		1,069	1,069
Other trading activities	3	950	526
Investment income	4	<u>224,500</u>	<u>221,455</u>
Total		261,569	273,698
EXPENDITURE ON			
Raising funds	6	63,872	62,661
Charitable activities	7		
Employee costs		85,311	60,417
Direct costs		58,310	50,569
Premises costs		10,007	5,781
General administrative expenses		49,640	37,307
Support costs		<u>21,834</u>	<u>21,613</u>
Total		288,974	238,348
NET INCOME (before gain/losses on Investments)			
		(27,405)	35,350
Net gains/(losses) on investments and fixed assets		<u>646,274</u>	<u>(204,187)</u>
NET INCOME/(EXPENDITURE)		618,869	(168,837)
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>5,570,001</u>	<u>5,738,838</u>
TOTAL FUNDS CARRIED FORWARD		<u>6,188,870</u>	<u>5,570,001</u>

The notes form part of these financial statements

LEEDS CHURCH INSTITUTE (INCORPORATED)

**BALANCE SHEET
AT 31ST DECEMBER 2019**

	Notes	2019 Unrestricted funds £	2018 Total funds £
FIXED ASSETS			
Tangible assets	13	479,478	469,235
Investments			
Investments	14	<u>5,571,570</u>	<u>4,925,296</u>
		6,051,048	5,394,531
CURRENT ASSETS			
Debtors	15	118,697	178,523
Cash at bank		<u>32,305</u>	<u>13,704</u>
		151,002	192,277
CREDITORS			
Amounts falling due within one year	16	<u>(13,180)</u>	<u>(16,757)</u>
NET CURRENT ASSETS		<u>137,822</u>	<u>175,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,188,870</u>	5,570,001
NET ASSETS		<u>6,188,870</u>	<u>5,570,001</u>
FUNDS	17		
Unrestricted funds:			
General fund		137,822	175,470
Designated- fixed asset		<u>6,051,048</u>	<u>5,394,531</u>
		<u>6,188,870</u>	<u>5,570,001</u>
TOTAL FUNDS		<u>6,188,870</u>	<u>5,570,001</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 18th May 2020 and were signed on its behalf by:

.....
Rev S J C Corley -Trustee

.....
J V Betts -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', including the amendments arising from Charities SORP Update Bulletin 2, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Rental income and interest/investment income are recorded on a receivable basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, such as statutory audit fees.

Critical accounting estimates and judgements

In the application of the charities accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Allocation and apportionment of costs

The Statement of Recommended Practice requires that costs are allocated where appropriate to charitable expenditure and to cost of raising funds. The Charity's central overheads, including staff costs, have been allocated to charitable activity and costs of raising funds on the basis of the allocated time spent by staff on those functions with the aim of ensuring that those costs remaining with governance costs relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

1. ACCOUNTING POLICIES – continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of the assets over their expected useful lives, as follows:-

Leasehold land and buildings	Over the remaining life of the lease
Plant & Equipment	10% - 25% reducing balance basis

A regular annual review of the likelihood of asset impairment is undertaken. The basis of this review is to examine the assets in their current use and ensure that the current value is not materially different from the value reported in the annual financial statements.

Freehold property is included at market value. Changes in market value are recognised in 'net gains / (losses) on investments and fixed assets' in the SOFA.

Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments and fixed assets' in the SOFA.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Monies earmarked by donors or by the terms of an appeal for particular projects are accounted for separately, in Restricted Funds. The notes to the accounts show the movements and balances on any such restricted funds. Unrestricted funds may be spent on any legitimate charitable aim as laid down in the Charity's memorandum of association.

Unrestricted funds are held in the general reserve except to the extent that the trustees consider it appropriate to make transfers to designated funds.

The charity's accounting systems allocate all income, expenditure, assets, liabilities and reserves between these funds. The statement of financial activities shows separately the income, expenditure and any transfers relating to restricted funds, designated funds and general reserves. Assets and liabilities attributed to each fund are disclosed in the notes to the financial statements

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension contributions

The Institute participates in the Church of England Defined Benefits Scheme section and Pension Builder Scheme section of the Church Workers Pension Fund.

The background of the schemes are detailed in note 19 of the financial statements.

In both cases the pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019

2. DONATIONS AND LEGACIES

Donation income includes a corporate gift aid donation of £34,230 (2018 : £50,000) from the trading subsidiary of the charity, LCI Trading Limited.

3. OTHER TRADING ACTIVITIES

	2019 Unrestricted funds £	2018 Total funds £
Sundry income	<u>950</u>	<u>526</u>
	<u>950</u>	<u>526</u>

4. INVESTMENT INCOME

	2019 Unrestricted funds £	2018 Total funds £
Net rents received	71,820	72,115
Unlisted investments	<u>152,680</u>	<u>149,340</u>
	<u>224,500</u>	<u>221,455</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2019 Licence fees £	2018 Total activities £
Licence fees	<u>1,069</u>	<u>1,069</u>

6. RAISING FUNDS

Investment management costs

	2019 Unrestricted funds £	2018 Total funds £
Staff costs	6,013	8,324
Property management and related fees	9,000	11,587
Property costs	<u>48,859</u>	<u>42,750</u>
	<u>63,872</u>	<u>62,661</u>

The unlisted investments are received net of an implicit investment management fee of approximately £27,127 (2018: £23,404).

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019

7. CHARITABLE ACTIVITIES COSTS

	Support costs (See note 8) £	Totals £
Employee costs	85,311	85,311
Direct costs	58,310	58,310
Premises costs	10,007	10,007
General administrative expenses	49,640	49,640
Support costs	<u>21,834</u>	<u>21,833</u>
	<u>225,102</u>	<u>225,101</u>

8. SUPPORT COSTS

	Education, research, events dissemination & grants £	Governance costs £	Totals £
Employee costs	85,311	-	85,311
Direct costs	58,310	-	58,310
Premises costs	10,007	-	10,007
General administrative expenses	49,640	-	49,640
Support costs	<u>17,496</u>	<u>4,338</u>	<u>21,834</u>
	<u>220,764</u>	<u>4,338</u>	<u>225,102</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditors' remuneration	4,338	2,190
Depreciation - owned assets	6,553	6,320
Other operating leases	<u>37,680</u>	<u>37,500</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

The trustees received no remuneration. Trustees' meeting expenses were £nil (2018: £nil). Travel expenses of £nil (2018: £nil) were reimbursed during the year.

Reimbursed expenses, which are all subject to the charity's processes of internal controls, do not form part of remuneration.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019

11. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	92,718	73,407
Social security costs	4,082	4,221
Other pension costs	<u>9,253</u>	<u>8,206</u>
	<u>106,053</u>	<u>85,834</u>

The remuneration (including pension contributions) of the key management personnel during the year was £45,289 (2018: £35,480).

Reimbursed expenses, which are all subject to the charity's processes of internal controls, do not form part of remuneration and are not included above.

All the trustees give their time freely and as reported in note 10 no trustee remuneration was paid in the year. During the year monetary donations in the form of membership fees contributed by the trustees to the charity totalled £100 (2018: £100).

The average monthly number of employees during the year was as follows:

	2019	2018
Administration, management, fundraising	<u>6</u>	<u>6</u>

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	50,648
Charitable activities	
Licence fees	1,069
Other trading activities	526
Investment income	<u>221,455</u>
Total	273,698
EXPENDITURE ON	
Raising funds	62,611
Charitable activities	
Employee costs	60,417
Direct costs	50,569
Premises costs	5,781
General administrative expenses	37,307
Support costs	<u>21,613</u>
Total	238,348
Net gains/(losses) on investments	<u>(204,187)</u>
NET INCOME/(EXPENDITURE)	(168,837)

LEEDS CHURCH INSTITUTE (INCORPORATED)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £
RECONCILIATION OF FUNDS	
Total funds brought forward	5,738,838
	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u><u>5,570,001</u></u>

13. TANGIBLE FIXED ASSETS

	Property £	Fixtures and fittings £	Totals £
COST OR VALUATION			
At 1st January 2019	433,333	205,032	638,365
Additions	-	16,796	16,796
Revaluations	-	-	-
Reclassification	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 2019	<u>433,333</u>	<u>221,828</u>	<u>655,161</u>
DEPRECIATION			
At 1st January 2019	-	169,130	169,130
Charge for year	-	6,553	6,553
Reclassification	-	-	-
	<hr/>	<hr/>	<hr/>
At 31st December 2019	<u>-</u>	<u>175,683</u>	<u>175,683</u>
NET BOOK VALUE			
At 31st December 2019	<u><u>433,333</u></u>	<u><u>46,145</u></u>	<u><u>479,478</u></u>
At 31st December 2018	<u><u>433,333</u></u>	<u><u>35,902</u></u>	<u><u>469,235</u></u>

The freehold and leasehold interests in the property held by the charity were valued by Sanderson Weatherall LLP on 27th January 2019 at open market value.

The legal ownership of the property is complex and the mixed property value provided by Sanderson Weatherall LLP was £1,300,000.

The trustees' best estimate of the apportionment of this value is £866,667 investment property (note 14) and £433,333 own use (note 13). In accordance with the requirements of Charities SORP update bulletin 2 the trustees have presented this split within the balance sheet for both the current and prior years. The previous treatment was to record the full value within tangible fixed assets.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019

14. FIXED ASSET INVESTMENTS

	Investment property £	Shares in group undertakings £	Unlisted Investments £	Totals £
MARKET VALUE				
At 1st January 2019	866,667	1	4,058,628	4,925,296
Revaluations	<u>-</u>	<u>-</u>	<u>646,274</u>	<u>646,274</u>
At 31st December 2019	<u>866,667</u>	<u>1</u>	<u>4,704,902</u>	<u>5,571,570</u>
NET BOOK VALUE				
At 31st December 2019	<u>866,667</u>	<u>1</u>	<u>4,704,902</u>	<u>5,571,570</u>
At 31st December 2018	<u>866,667</u>	<u>1</u>	<u>4,058,628</u>	<u>4,925,296</u>

There were no investment assets outside the UK.

Unlisted Investments

The unlisted investments comprise:

	2019 £	2018 £
CCLA Investment Management Limited		
The CBF Church of England Investment Fund 199,810.05 (2018: 199,810.05) Income Shares	3,830,179	3,226,633
The CBF Church of England Global Equity Income Fund 138,880.65 (2018: 138,880.65) Income Shares	307,621	249,610
The CBF Church of England Property Fund 416,435.67 (2018: 416,435.67) Income Shares	567,102	585,385

The above common investment funds were established under the Church Funds Investment Measure 1958 (as amended from time to time). The funds hold a wide spread of individual equities and investments. Further details of the CBF Church of England Funds can be obtained from www.ccla.co.uk

The company's investments at the balance sheet date in the share capital of companies include the following:

LCI Trading Limited

Nature of business: Conference provision

	%	2019 £	2018 £
Class of share:	holding		
Ordinary	100		
Aggregate capital and reserves		<u>1</u>	<u>1</u>

The articles of association of LCI Trading Limited require the profits of the company to be paid to the parent charity. Accordingly, £34,230 (2018 : £50,000) is recorded as a gift aid contribution to the Leeds Church Institute (Incorporated).

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	923	24,785
Amounts owed by group undertakings	57,802	62,010
Prepayments and accrued income	<u>59,972</u>	<u>91,728</u>
	<u><u>118,697</u></u>	<u><u>178,523</u></u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	5,870	10,208
Other creditors	1,333	1,333
Accruals and deferred income	<u>5,977</u>	<u>5,216</u>
	<u><u>13,180</u></u>	<u><u>21,797</u></u>

17. MOVEMENT IN FUNDS

	At 1/1/19	Net movement	At 31/12/19
	£	in funds	£
		£	
Unrestricted funds			
General fund	175,470	(37,648)	137,822
Designated- fixed asset	<u>5,394,531</u>	<u>656,517</u>	<u>6,051,048</u>
	<u>5,570,001</u>	618,869	6,188,870
	<u><u>5,570,001</u></u>	<u><u>618,869</u></u>	<u><u>6,188,870</u></u>
TOTAL FUNDS			

LEEDS CHURCH INSTITUTE (INCORPORATED)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	261,569	(288,974)	(10,243)	(37,648)
Designated- fixed asset	-	-	656,517	656,517
	<u>261,569</u>	<u>(288,974)</u>	<u>646,274</u>	<u>618,869</u>
TOTAL FUNDS	<u>261,569</u>	<u>(288,974)</u>	<u>646,274</u>	<u>618,869</u>

18. PENSION COMMITMENTS

Leeds Church Institute (PB Classic)

Leeds Church Institute participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the (i) Defined Benefits Scheme, (ii) deferred annuity section known as the Pension Classic and (iii) a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Scheme of the CWPF is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefits schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provided a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2019: £16,687, 2018 £12,461)

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Leeds Church Institute could become responsible for paying a share of that employer's pension liabilities.

At 31 December 2019 Leeds Church Institute had 4 employees within the PB classic (2018: 6 employees).

18. PENSION COMMITMENTS
- continued

Leeds Church Institute (DBS)

Leeds Church Institute participates in the Defined Benefits Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the (i) Defined Benefits Scheme, (ii) deferred annuity section known as the Pension Classic and (iii) a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

The Defined Benefits Scheme (DBS) section of the CWPF provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £14.2million and £nil was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £14.2million.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 34.1% of pensionable salary.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability if material to the financial statements.

Reflecting the fact that the Leeds Church Institute had no employees within the scheme at 31 December 2019, or during 2019, the calculated liability is £nil.

The departure of the last employee within the DBS triggered the Section 75 debt provisions. The Trustees have not yet received any indication or statement of the amount of any debt. However, while any employees remain enrolled in the PB Classic scheme, which is a status the Trustees envisage will continue indefinitely, any such debts owed to the DBS scheme will not require payment."

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st December 2019.

LEEDS CHURCH INSTITUTE (INCORPORATED)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2019**

20. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to in future years over the entire period of the lease:

	Land and buildings		Other operating leases	
	2019	2018	2019	2018
	£	£	£	£
Expiring:				
Within one year	-	-	-	-
Between one and five years	-	-	2,369	3,948
In more than five years	<u>1,500,000</u>	<u>1,537,500</u>	<u>-</u>	<u>-</u>
	<u>1,500,000</u>	<u>1,537,500</u>	<u>2,369</u>	<u>3,948</u>

A freehold property is held by the charity however a 99 year lease has been granted to a third party, dated 25th December 1960 such that there is still 40 years unexpired. The value of this arrangement is included in note 13 of the financial statements.

The charity subsequently took an assignment of the long leasehold. The assignment is for all the property except a proportion which is still occupied by the third party. The market value of the assignment of the long leasehold interest is also included in note 13 of the financial statements.

The above property lease commitment represents the total of the remaining payments under the assigned lease (the value of this commitment is not discounted).

21. CAPITAL

Leeds Church Institute (Incorporated) is a charitable company, limited by guarantee and has no share capital. The members have agreed to contribute £1 each to the Charity's assets in the event of it winding up, if its assets should prove insufficient to cover its liabilities. There are 122 members of the company (2018: 132 members).

22. POST BALANCE SHEET EVENTS - COVID-19

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Notably, operations of the Charity have been impacted with a number of events postponed or cancelled. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions

Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. As at 30th June 2020, the fair value of the Charity's investments was £4,630,363.

The Charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Charity for future periods.

LEEDS CHURCH INSTITUTE (INCORPORATED)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid	34,230	50,000
Subscriptions	<u>820</u>	<u>648</u>
	35,050	50,648
Other trading activities		
Sundry income	<u>950</u>	<u>526</u>
	950	526
Investment income		
Net rents received	71,820	72,115
Unlisted investments	<u>152,680</u>	<u>149,340</u>
	224,500	221,455
Charitable activities		
Licence fees	<u>1,069</u>	<u>1,069</u>
Total incoming resources	261,569	273,698
EXPENDITURE		
Raising Funds		
Staff costs transferred from support costs	6,013	8,324
Property management and related fees	9,000	11,587
Property costs transferred from premises costs	<u>48,859</u>	<u>42,750</u>
	63,872	62,661
Charitable activities		
Employee costs		
Staff salaries	72,342	50,387
Pensions for charitable staff	8,106	5,747
Employers NI	2,257	2,214
Training and welfare	2,191	1,854
Travel and subsistence	<u>415</u>	<u>215</u>
	85,311	60,417
Direct costs		
Conferencing and catering costs	122	2,036
Reading materials	1,233	2,249
Events & seminars	20,453	17,204
Carried Forward	<u>21,808</u>	<u>21,488</u>

This page does not form part of the statutory financial statements

LEEDS CHURCH INSTITUTE (INCORPORATED)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	2019 £	2018 £
Direct Costs		
Brought forward	21,808	21,488
Resource costs	28,779	24,297
Marketing services	<u>7,723</u>	<u>4,783</u>
	58,310	50,569
Premises costs		
Insurance	13,473	11,753
Light and heat	33,134	33,276
Rates	6,550	13,440
Cleaning and Refuse	35,683	29,831
Repairs	34,456	13,428
Security	1,950	1,500
Transfer to trading company	(66,380)	(54,697)
Transfer to costs of raising funds	<u>(48,859)</u>	<u>(42,750)</u>
	10,007	5,781
General administrative expenses		
Telephone	2,776	6,791
Postage and stationary	6,594	6,680
Subscriptions	1,195	4,089
Equipment expenses	16,197	9,216
Accountancy	3,764	2,649
Legal and professional	11,110	-
Sundry expenses	1,270	1,371
Depreciation	6,553	6,320
Bank charges	<u>181</u>	<u>191</u>
	49,640	37,307
Support Costs		
Volunteer expenses	161	261
Administration salaries	20,376	23,021
Pension costs	1,147	2,458
Employers NI	1,825	2,007
Staff costs reallocated to costs of raising funds	(6,013)	(8,324)
Auditors Remuneration	<u>4,338</u>	<u>2,190</u>
	21,834	21,613
Total resources expended	288,974	238,348
Net expenditure before gains and losses	(27,405)	35,350
Realised recognised gains and losses		
Unrealised gains/losses on investments and fixed assets	646,274	(204,187)
Realised gains on investments	-	-
Net income	618,869	(168,837)

This page does not form part of the statutory financial statements