

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
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)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Reference and Administrative Details	1 to 2
Report of the President	3
Report of the Trustees	4 to 8
Statement of Trustees' Responsibilities	9
Report of the Independent Auditors	10 to 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 to 25
Detailed Statement of Financial Activities	26 to 28

LEEDS CHURCH INSTITUTE (INCORPORATED)

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEES	Reverend S J C Corley P J Sandbach A Bland Reverend S A Hancox Reverend J D Cortis Canon A D Nicholl Reverend S M Shaw R Mapanga (appointed 28/09/2020) L Groenewald (appointed 28/09/2020) J V Betts (resigned 28/09/2020) A E Beal (resigned 28/09/2020) Reverend M Harwood (resigned 18/05/2020)
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 (until 31/12/2020)
Administrator	Miriam O'Keeffe
Media and Events Coordinator	Lawrence Cockrill (until 31/01/2020)
Learning Centre Assistant	Karen Horner (until 31/05/2020)
Events Assistant	Bethany Roberts
Venue Assistant	Leo Joslin (until 31/07/2020)

LEEDS CHURCH INSTITUTE (INCORPORATED)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 AND CHAIR OF COUNCIL OF LEEDS CHURCH INSTITUTE
FOR THE YEAR ENDED 31 DECEMBER 2020**

I am delighted to introduce this year's annual report.

2020 was the most extraordinary year in every sense. It was costly. Of course, the Covid-19 pandemic had severe implications for our income but it was the restrictions on our usual activities that we felt most grievously.

Through the decades we have adapted, refocussed and reenergised our approach. The pandemic has given us the opportunity to do all that afresh, with diligence and creativity, and we are now beginning to move forward into the next phase in Leeds Church Institute's history with hope and with confidence 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 31 DECEMBER 2020

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 31 December 2020. 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 Anglican Diocese of Leeds and elsewhere in the District 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 initiatives.

Public benefit

In accordance with their duties pursuant to section 4 of the Charities Act 2011, the Trustees have considered Leeds Church 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 Leeds Church 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 Anglican Diocese of 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 Leeds Church Institute, through its educational programme, inter-faith work, 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 Leeds Church Institute and that there is no private benefit, incidental or otherwise. The trustees regularly keep the activities 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 Leeds Church Institute are widely available to the public.

- o Educational events, publications and social media to assist all those involved in Christian ministry in Leeds to interpret the gospel for the city;
- o A Study Centre 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.

Leeds Church Institute 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

Lawrence Cockrill, Karen Horner and Leo Joslin left Leeds Church Institute in 2020 to take up new employment.

Following the decision to not reopen the Learning Centre Paul Mann was made redundant in December 2020.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

2020 got off to a strong start with the publication of our poetry anthology, a well-attended launch event for the Leeds Lent Prayer Diary, several smaller book-based events, the completion of the second phase of research into ecumenical mission and the start of the 2020 Arts and Theology Bursary. With the start of the national Lockdown on 23 March 2020, all work and planning for the charity changed effectively overnight. The initial response was to adapt to home working for staff and to transfer all events and media online. Leeds Church Institute also began new initiatives addressing the Covid-19 situation in terms of beginning research into Church Leaders' responses to the pandemic and appointing a Poet Theologian in Virtual Residence to write weekly blogs for the website commenting on the impact of Lockdown on the communities of Leeds using poetry as a medium for reflection.

As the year rolled on it became apparent that things would not be returning to 'normal' in either the short or medium term. During the second half of 2020, therefore, Leeds Church Institute began to reflect on its mission and ways of working at a deeper level acknowledging both the losses that Covid-19 has brought but also the innovation and opportunities too.

In 2020 Leeds Church Institute ran 20 events attended by 432 people, and these figures are significantly lower than in 2019. The loss is clear in terms of quantity of learning engagement, but we progressed online learning to a great degree thereby utilising advances in technology that had become available, and in such a way that would not have happened if we could have continued as normal. For example, the planned Open Day on 'Matters of Life and Death' planned for up to 75 people at the end of March was instead offered as a series of four online events in the Autumn involving 89 people, several of whom became members of Leeds Church Institute as a result. In this way, there were gains associated with imposed changes and new ways of working.

Our commitment to furthering learning around climate change began with events on ethical fashion and Carbon Conversations, and developed into our own real time learning about the environmental impact of Lockdown and sustainability for the future. This learning has impacted our understandings of mission and its practical implementation in terms of property management.

Our work around Seeking Refuge began with 'Musicultural Conversations' at a local community centre for those learning English as a second language which then became online sessions. We hosted the Asylum in Art Exhibition on a reduced scale at Leeds Church Institute but also virtually on the website. We published a booklet by a local writer, *Refugee Realities and Church Art*, held a virtual launch, and sold and distributed 250 copies.

CITYtheology, the Leeds Church Institute magazine, was published four times. The first two editions of 2020 were published in electronic format only due to the impact of staff homeworking. The second two were in printed format and sent to members and local libraries. All four editions are lodged with the British Library.

In these ways, Leeds Church Institute developed a hybrid approach combining online and in situ events, digital and printed media, real and virtual exhibitions that will be continued in the future as a way to reach a wider range of people, be more environmentally aware and be sustainable in varying and sometimes adverse conditions.

City Engagement

Leeds Church Institute entered the fourth 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. The Community Organiser, Becky Howcroft, has written a series of reflections on the work of Citizens for the Leeds Church Institute website and CITYtheology.

Leeds Church Institute continues to be a levy-paying member of Leeds Business Investment District and a partner in Leeds Lit Fest.

Learning Centre

From January to mid March 2020, the Learning Centre and Study Centre enabled Leeds Church Institute to sustain a culture of hospitality, support various learning activities in the city, ensure Leeds Church Institute had a profile in the city and a source of contacts for city engagement. Due to Covid-19 restrictions these closed in mid-March and did not re-open in 2020. Leeds Church Institute Council decided in November 2020, not to seek to re-open the Learning Centre judging it to be too great a risk to the current and future charitable work of the Charity. Council began to look at varying options for restructuring the work and premises of Leeds Church Institute, with decisions to be made in 2021. The process is guided by sustainability, being responsive to change and the wider environment, and re-invigorating commitment to the promotion of religion and education as in our charity objectives.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Investment performance

The value of the Charity's investments increased during 2020. Realised and unrealised net gains of £289,488 (2019: £646,274) were recorded for the year. The Charity's investments had a market value of £5,741,058 as at 31 December 2020 (2019: £5,571,570) including a market value of the freehold 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 a balance of direct property and 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 10.20% in the year to 31 December 2020. 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 3.95%. The remaining assets of the charity of £616,080 (2019: £630,480) as at 31 December 2020 were held as combination of debtors, bank deposit balances and book value of tangible fixed assets.

FINANCIAL REVIEW

Financial position

The financial position for 2020 is as follows:

o Income

Income for 2020 decreased by £27,878 to £233,691.

o Expenditure

Total resources expended increased during 2020 by £107,924 to £396,898.

The net level of expenditure over income (after taking depreciation into account) has created a deficit of £163,207 (2019: deficit of £27,405).

Early in 2020 the Covid-19 pandemic led to an unprecedented situation for all organisations, and the impact on Leeds Church Institute was all-encompassing. In previous years the Charity benefited from conferencing and room rental income from the Learning Centre, operating through LCI Trading Limited. However in 2020 demand for the Learning Centre's services plummeted due to the pandemic and ensuing lockdowns. As a result Council came to the decision that LCI Trading Limited should cease trading and sadly had to make a member of staff redundant. In previous years a proportion of the costs of running the building as well as staff costs related to conferencing were recharged to LCI Trading Limited. Furthermore, any profits made by LCI Trading Limited were gift aided to the Charity. However in 2020, due to limited conferencing and room hire, minimal costs were recharged (2020: £28,548; 2019: £131,367), and there was no profit to gift aid to the Charity (2019: £34,230). This is the main reason the Charity's deficit has increased in 2020.

Principal funding sources

The Charity 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, however in 2020 the income from trading has significantly reduced. Despite this reduction the Charity has continued to employ staff who are actively engaged in the delivery of its educational and research programme, and to maintain its building.

Investment policy and objectives

In order to guide the Investment Policy, Leeds Church Institute Council 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. Leeds Church Institute has adopted the same ethical guidelines as the Church of England.

Reserves policy

Leeds Church Institute holds substantial assets in the building from which it operates and in other investments which provide income. These assets are held as Designated funds, signifying that they are invested for the long term to generate income for the Charity's current and future activities. It is the aim that the income generated from these sources is fully spent each year on the work of Leeds Church Institute. There is no long term intention to accumulate any of this income to create further reserves.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves policy- continued

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, most recently in 2020. The Charity intends to review its reserves policy in 2021.

To cover short term needs a balance representing a minimum of one month's expenses is held in cash, these are categorised as the General fund i.e. free reserves. As well as this, the CBF assets are readily marketable.

Going concern

Despite a turbulent year and a significant operating deficit, the Charity is considered a going concern due to its high level of reserves. Even in 2020, the investments held have increased in value, more than enough to cover the deficit (Net income in 2020: £126,281).

Decisions are being made as to the appropriate way forward for the Charity but during 2021, Leeds Church Institute intends to continue its important work by:

- Running a varied and inclusive events, publications, research and media programme;
- Deepening member's involvement with Leeds Church Institute and increase diversity among members;
- Sustaining effective relationships with churches and denominations, and contribute to ecumenical mission;
- Being actively engaged in wider city life;
- Completing the review of mission and premises, and implement the decisions made;
- Running the organisation ethically and in accordance with its Memorandum and Articles, and Charity Commission rules;
- Making work plans for 2022 and beyond.

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.

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, Leeds Church Institute Council, became more ecumenical in membership and character.

Leeds Church Institute Council met regularly in 2020, received reports from the staff team, and approved the 2019 Annual Report. The AGM was held in September. Due to Covid-19 restrictions, Council meetings and the AGM were held online after March 2020. Council agreed *"for the purposes of Article 49 of the Memorandum and Articles of Association of the Leeds Church Institute (Incorporated) and for all business and matters conducted during the holding of these meetings approves meeting by means of Zoom conferencing as a suitable means through which all participants may communicate with all the other participants"*.

In 2020, 140 new members joined Leeds Church Institute. The membership total was 262 on 31 December 2020 (2020: 122)

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 by the Director on the background of the Leeds Church Institute and their responsibilities.

LEEDS CHURCH INSTITUTE (INCORPORATED)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and Decision making

The Council of Leeds Church Institute meets five times a year as a full Council. Leeds Church Institute 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, Leeds Church 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 £49,187 and includes pension contributions. This remuneration level is benchmarked against other similarly responsible public sector positions and data relevant to this taken into account in reviews.

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. 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 26th April 2021 and signed on its behalf by:



Rev S J C Corley - Trustee

LEEDS CHURCH INSTITUTE (INCORPORATED)

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees (who are also the directors of Leeds Church Institute (Incorporated) for the purposes of company law) are responsible for preparing the Report of the Trustees and 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 31 December 2020 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 31 December 2020 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

In auditing the financial statements, we have concluded that the trustees' 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 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 trustees with respect to going concern are described in the relevant sections of this report.

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.

Opinions 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.

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

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.

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the entity and sector in which it operates, we identified the principle risks of non-compliance with laws and regulations related to charitable trusts and the application of charitable funds. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated managements and those charged with governance, incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined the principle risks were related to management bias in accounting estimates, especially accruals.

In a response to these risks, audit procedures performed by the engagement team included:

- Discussions with management of known or suspected instances of non-compliance with laws and regulations and fraud.
- Challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to accruals.
- Identifying and testing journal entries.
- Reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non compliance of 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 relating to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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.

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

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.

C. Darwin

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: 26th April 2021

LEEDS CHURCH INSTITUTE (INCORPORATED)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME FROM					
Donations and legacies	2	233	-	233	35,050
Charitable activities	5				
Licence fees		267	-	267	1,069
Other income	3	21,775	3,650	25,425	950
Investment income	4	207,766	-	207,766	224,500
Total		230,041	3,650	233,691	261,569
EXPENDITURE ON					
Raising funds	6	112,053	-	112,053	63,872
Charitable activities	7				
Employee costs		105,045	-	105,045	85,311
Direct costs		81,609	3,650	85,259	58,310
Premises costs		15,308	-	15,308	10,007
General administrative expenses		54,977	-	54,977	49,640
Support costs		24,256	-	24,256	21,834
Total		393,248	3,650	396,898	288,974
NET EXPENDITURE (before gains on Investments)		(163,207)	-	(163,207)	(27,405)
Net gains on investments		289,488	-	289,488	646,274
NET INCOME		126,281	-	126,281	618,869
RECONCILIATION OF FUNDS					
Total funds brought forward		6,188,870	-	6,188,870	5,570,001
TOTAL FUNDS CARRIED FORWARD		6,315,151	-	6,315,151	6,188,870

The notes form part of these financial statements

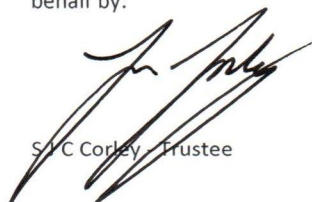
LEEDS CHURCH INSTITUTE (INCORPORATED)

BALANCE SHEET
31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	13	488,313	-	488,313	479,478
Investments					
Investments	14	5,741,058	-	5,741,058	5,571,570
		6,229,371	-	6,229,371	6,051,048
CURRENT ASSETS					
Debtors	15	71,254	-	71,254	118,697
Cash at bank		56,513	-	56,513	32,305
		127,767	-	127,767	151,002
CREDITORS					
Amounts falling due within one year	16	(41,987)	-	(41,987)	(13,180)
NET CURRENT ASSETS		85,780	-	85,780	137,822
TOTAL ASSETS LESS CURRENT LIABILITIES		6,315,151	-	6,315,151	6,188,870
NET ASSETS		6,315,151	-	6,315,151	6,188,870
FUNDS	17				
Unrestricted funds:					
General fund- free reserves				85,780	137,822
Designated- fixed asset				6,229,371	6,051,048
				6,315,151	6,188,870
TOTAL FUNDS				6,315,151	6,188,870

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 26th April 2021 and were signed on its behalf by:



S J C Corley - Trustee



L Groenewald - Trustee

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2019)', 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.

The Charity has recognised changes in lease income arising from COVID-19 rent concessions on a systematic basis over the periods the change in lease payments is intended to compensate.

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

The costs of raising funds consist of investment management fee, rental property expenses and those costs incurred in attracting voluntary income.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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:-

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.

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' in the SOFA.

Freehold properties

The trustees consider the residual value of buildings not to be materially different to cost and therefore no depreciation has been applied. This policy represents a departure from statutory accounting principles. However the trustees consider that this policy is necessary in order that the financial statements give a true and fair view.

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 20 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.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

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.

2. DONATIONS AND LEGACIES

Donation income includes a corporate gift aid donation of £nil (2019 : £34,230) from the trading subsidiary of the charity, LCI Trading Limited.

3. OTHER INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Sundry income	<u>21,775</u>	<u>3,650</u>	<u>25,425</u>	<u>950</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Net rents received	58,625	-	58,625	71,820
Investments	<u>149,141</u>	<u>-</u>	<u>149,141</u>	<u>152,680</u>
	<u>207,766</u>	<u>-</u>	<u>207,766</u>	<u>224,500</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2020 Licence fees £	2019 Total activities £
Licence fees	<u>267</u>	<u>1,069</u>

6. RAISING FUNDS

Investment management costs

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Staff costs	8,132	-	8,132	6,013
Property management and related fees	9,883	-	9,883	9,000
Property costs	<u>94,038</u>	<u>-</u>	<u>94,038</u>	<u>48,859</u>
	<u>112,053</u>	<u>-</u>	<u>112,053</u>	<u>63,872</u>

The investments are received net of an implicit investment management fee of approximately £27,935 (2019: £27,127).

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

7. CHARITABLE ACTIVITIES COSTS

	Support costs (see note 8)
	£
Employee costs	105,045
Direct costs	85,259
Premises costs	15,308
General administrative expenses	54,977
Support costs	<u>24,256</u>
	<u>284,845</u>

8. SUPPORT COSTS

	Education, research, events dissemination & grants £	Governance costs £	Totals £
Employee costs	105,045	-	105,045
Direct costs	85,259	-	85,259
Premises costs	15,308	-	15,308
General administrative expenses	54,977	-	54,977
Support costs	<u>18,976</u>	<u>5,280</u>	<u>24,256</u>
	<u>279,565</u>	<u>5,280</u>	<u>284,845</u>

9. NET INCOME/(EXPENDITURE)

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

	2020 £	2019 £
Auditors' remuneration	5,280	4,338
Depreciation - owned assets	8,260	6,553
Other operating leases	<u>46,875</u>	<u>37,680</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

The trustees received no remuneration. Trustees' meeting expenses were £nil (2019: £nil). Travel expenses of £nil (2019: £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 31 DECEMBER 2020

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	120,223	147,469
Redundancy costs	16,000	-
Social security	10,321	8,380
Other pension costs	13,059	15,191
Recharged to LCI Trading Limited	<u>(28,548)</u>	<u>(64,987)</u>
	<u>131,055</u>	<u>106,053</u>

The remuneration (including pension contributions) of the key management personnel during the year was £49,187 (2019: £45,289).

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 £232 (2019: £100).

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

2020	2019
<u>5</u>	<u>6</u>

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME FROM			
Donations and legacies	35,050	-	35,050
Charitable activities			
Licence fees	1,069	-	1,069
Other trading activities	950	-	950
Investment income	<u>224,500</u>	<u>-</u>	<u>224,500</u>
Total	261,569	-	261,569
EXPENDITURE ON			
Raising funds	63,872	-	63,872
Charitable activities			
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>-</u>	<u>21,834</u>
Total	288,974	-	288,974

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	5,570,001	-	5,570,001
TOTAL FUNDS CARRIED FORWARD	<u>6,188,870</u>	<u>-</u>	<u>6,188,870</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 January 2020	433,333	221,828	655,161
Additions	-	17,095	17,095
At 31 December 2020	<u>433,333</u>	<u>238,923</u>	<u>672,256</u>
DEPRECIATION			
At 1 January 2020	-	175,683	175,683
Charge for year	-	8,260	8,260
At 31 December 2020	-	<u>183,943</u>	<u>183,943</u>
NET BOOK VALUE			
At 31 December 2020	<u>433,333</u>	<u>54,980</u>	<u>488,313</u>
At 31 December 2019	<u>433,333</u>	<u>46,145</u>	<u>479,478</u>

The freehold and leasehold interests in the property held by the charity were valued by Sanderson Weatherall LLP on 27 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 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS

	Investment property £	Shares in group undertakings £	Investments £	Totals £
MARKET VALUE				
At 1 January 2020	866,667	1	4,704,902	5,571,570
Disposals			(120,000)	(120,000)
Revaluations	-	-	289,488	289,488
At 31 December 2020	<u>866,667</u>	<u>1</u>	<u>4,874,390</u>	<u>5,741,058</u>
NET BOOK VALUE				
At 31 December 2020	<u>866,667</u>	<u>1</u>	<u>4,874,390</u>	<u>5,741,058</u>
At 31 December 2019	<u>866,667</u>	<u>1</u>	<u>4,704,902</u>	<u>5,571,570</u>

There were no investment assets outside the UK.

Investments

The investments comprise:

	2020 £	2019 £
CCLA Investment Management Limited		
The CBF Church of England Investment Fund 197,294.91 (2019: 199,810.05) Income Shares	4,042,040	3,830,179
The CBF Church of England Global Equity Income Fund 111,290.99 (2019: 138,880.65) Income Shares	293,441	307,621
The CBF Church of England Property Fund 416,435.67 (2019: 416,435.67) Income Shares	538,909	567,102

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

Class of share:	% holding
Ordinary	100

	2020 £	2019 £
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, Enil (2019 : £34,230) is recorded as a gift aid contribution to the Leeds Church Institute (Incorporated).

Gross income of the group does not exceed the threshold set for the requirement of group accounts. As a result the Charity has taken advantage of exemptions from preparing group accounts.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	1,293	923
Amounts owed by group undertakings	5,437	57,802
Prepayments and accrued income	<u>64,524</u>	<u>59,972</u>
	<u>71,254</u>	<u>118,697</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	14,117	5,870
Other creditors	1,333	1,333
Accruals and deferred income	<u>26,537</u>	<u>5,977</u>
	<u>41,987</u>	<u>13,180</u>

17. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund- free reserves	137,822	(52,042)	85,780
Designated- fixed asset	<u>6,051,048</u>	<u>178,323</u>	<u>6,229,371</u>
	<u>6,188,870</u>	<u>126,281</u>	<u>6,315,151</u>
TOTAL FUNDS	<u>6,188,870</u>	<u>126,281</u>	<u>6,315,151</u>

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 – free reserves	230,041	(393,248)	111,165	(52,042)
Designated- fixed asset	<u>-</u>	<u>-</u>	<u>178,323</u>	<u>178,323</u>
	<u>230,041</u>	<u>(393,248)</u>	<u>289,488</u>	<u>126,281</u>
Restricted funds				
Grants	3,650	(3,650)	-	-
	<u>3,650</u>	<u>(3,650)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>233,691</u>	<u>(396,898)</u>	<u>289,488</u>	<u>126,281</u>

Designated-fixed assets represents funds invested in the long term assets by the trustees as distinct from the free reserves represented by working capital and bank reserves.

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 means 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, 2020 £13,059 (2019 £15,191)

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 2019.

For the Pension Builder Classic section, the provisional valuation revealed a deficit of £4.7m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the provisional valuation revealed a surplus of £2.3m on the accrued pods 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 (Incorporated) could become responsible for paying a share of that employer's pension liabilities.

The departure of the last employee within the Pension Builder Classic section would trigger the Section 75 debt provisions. If this had become due at 31 December 2019 then the estimate of that amount would have been £19,900 plus cessation expenses (typical level of expenses would be £4,000).

At 31 December 2020 Leeds Church Institute had 3 employees within the PB classic (2019: 4 employees).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2019. In this provisional valuation, the Life Risk Section was shown to be in deficit by £7.7 million and £7.7 million was notionally transferred from the employers' sub-pools to the Life Risk Pool. The overall deficit in the DBS was £11 million.

After the Life Risk Section levy the notional overall pension fund surplus allocated to the Charity was £72,900 at 31 December 2019.

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

Reflecting that the Leeds Church Institute had no employees within the scheme at 31 December 2020 or during 2019, the calculated liability is £nil.

The Fund has indicated that there is no section 75 debt as at 31 December 2019.

LEEDS CHURCH INSTITUTE (INCORPORATED)

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

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	
	2020	2019	2020	2019
	£	£	£	£
Expiring:				
Within one year	-	-	790	-
Between one and five years	-	-	-	2,369
In more than five years	<u>1,462,500</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
	<u>1,462,500</u>	<u>1,500,000</u>	<u>790</u>	<u>2,369</u>

A freehold property is held by the charity however a 99 year lease has been granted to a third party, dated 25 December 1960 such that there is still 41 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 disclosed 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 262 members of the company (2019: 122 members).

LEEDS CHURCH INSTITUTE (INCORPORATED)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME		
Donations and legacies		
Gift aid	-	34,230
Subscriptions	<u>233</u>	<u>820</u>
	233	35,050
Other trading activities		
Sundry income	25,425	950
Investment income		
Net rents received	58,625	71,820
Investments	<u>149,141</u>	<u>152,680</u>
	207,766	224,500
Charitable activities		
Licence fees	<u>267</u>	<u>1,069</u>
Total incoming resources	233,691	261,570
EXPENDITURE		
Raising funds		
Staff costs transferred from support costs	8,132	6,013
Property management and related fees	9,883	9,000
Property costs transferred from premises costs	<u>94,038</u>	<u>48,859</u>
	112,053	63,872
Charitable activities		
Employee costs		
Staff salaries	95,676	127,093
Pensions for charitable staff	13,059	14,044
Redundancy costs	16,000	-
Employers NI	7,761	6,555
Staff costs recharged to LCI Trading Limited	(28,548)	(64,987)
Training and welfare	1,002	2,191
Travel and subsistence	<u>95</u>	<u>415</u>
	105,045	85,311
Direct costs		
Conferencing and catering costs	172	122
Reading materials	1,027	1,233
Events and seminars	30,789	20,453
Resource costs	36,972	28,779
Marketing services	<u>16,299</u>	<u>7,723</u>
	85,259	58,310

This page does not form part of the statutory financial statements

LEEDS CHURCH INSTITUTE (INCORPORATED)**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Premises costs	2020	2019
Insurance	11,490	13,473
Light and heat	24,956	33,134
Rates	6,962	6,550
Cleaning and refuse	21,520	35,683
Repairs	35,298	34,456
Security	9,120	1,950
Property costs recharged to LCI Trading Limited	-	(66,380)
Property costs transferred to costs of raising funds	<u>(94,038)</u>	<u>(48,859)</u>
	15,308	10,007
General administrative expenses		
Telephone	3,247	2,776
Postage and stationary	4,752	6,594
Subscriptions	704	1,195
Equipment expenses	22,112	16,197
Accountancy	2,213	3,764
Legal and professional	8,845	11,110
Sundry expenses	4,718	1,270
Depreciation	8,260	6,553
Bank charges	<u>126</u>	<u>181</u>
	54,977	49,640
Support costs		
Volunteer expenses	-	161
Administration salaries	24,547	20,376
Pension costs	-	1,147
Employers NI	2,560	1,825
Staff costs transferred to costs of raising funds	<u>(8,132)</u>	<u>(6,013)</u>
Auditors remuneration	<u>5,281</u>	<u>4,338</u>
	24,256	21,834

LEEDS CHURCH INSTITUTE (INCORPORATED)

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Total resources expended	396,898	288,974
Net expenditure before gains and losses	(163,207)	(27,405)
Realised recognised gains and losses		
Unrealised gains on investments	<u>289,488</u>	<u>646,274</u>
Net income	<u>126,281</u>	<u>618,869</u>

This page does not form part of the statutory financial statements