

Archdiocesan Property Services Limited

(a Company limited by guarantee)

Report and Financial Statements

Year Ended

31 December 2020

Company Number: 03142451

Charity Number: 1055049

Archdiocesan Property Services Limited

Reference and Administrative Details

Directors and Trustees

Rev Canon A O'Brien
Rev S Kirwin

Secretary

J P McMahon

Principal Address & Registered office

Archdiocese of Liverpool
Croxteth Drive
Sefton Park
Liverpool
L17 1AA

Company number

03142451

Charity number

1055049

Banker

HSBC Plc, 99-101 Lord Street, Liverpool, L2 6PG

Auditor

BDO LLP, 5 Temple Square, Temple Street, Liverpool L2 5RH

Archdiocesan Property Services Limited

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Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2020

The Trustees present their report together with the audited financial statements for the year ended 31 December 2020.

The Report of the Trustees constitutes the Strategic Report requirements of the Companies Act 2006.

Structure, governance and management

Constitution

The Company is incorporated as a Company limited by guarantee (having no share capital), Company number 03142451, and is a registered Charity, Charity number 1055049. The Company is governed by the provisions of its Memorandum and Articles of Association incorporated 29 December 1995 as amended by special resolutions dated 7 February 1996 and 26 April 1996. The principal address and registered office of the Company is Archdiocese of Liverpool, Croxteth Drive, Sefton Park, Liverpool, L17 1AA.

Organisational structure and decision making

The affairs of the Company are governed by the Trustees. The Trustees are ultimately responsible for the administration and assets of the Charity and one of the Trustees is also a Trustee of Liverpool Roman Catholic Archdiocesan Trust, which is the parent entity.

The strategic decision-making process is undertaken through the organisational structure of the Archdiocese. In formulating the strategy of the Company, the Trustees implement the specific strategy of the Archdiocese in respect of building maintenance and repair, and financial decisions are made after consultation with the Financial Advisory Committee of the Archdiocese. Detailed decisions in respect of property and building matters are taken in consultation with the Building Projects Committee of the Archdiocese. The findings of both committees are recommended to the Trustees of the Archdiocese.

Corporate governance

The Board welcomed the update of the Charity Governance Code in 2020 and continues to review best practice as it aims to improve. The changes to the Equality, Diversity, and Inclusion (EDI) and the Integrity Principles are recognised and the Board continues to work towards meeting the recommendations within the code. The Board has made several steps forward in improving its governance and effectiveness as follows:

Organisational purpose – the trustees regularly review the charities' purposes and considers how it delivers public benefit. The Company undertakes or facilitates the building, maintenance, repair and development of archdiocesan church, school and other buildings which in turn supports the advancement of the Roman Catholic Religion, the advancement of education and the relief of poverty.

The board are satisfied that the charitable purposes have been achieved and the outcomes are reported through the archdiocesan committees that support the Liverpool Roman Catholic Archdiocesan Trust. The convocation of a Synod for the Archdiocese of Liverpool was decreed by the Archbishop of Liverpool in February 2019. This is known as Synod 2020, and the outcomes for the goals, structures, styles and methods of evangelization in the Archdiocesan community will be incorporated into the Company's review of its charitable purposes.

Leadership – the Chief Operating Officer has continued to review strategic priorities, governance, structures, and processes during the year. The Company and its parent are in transition to new governance arrangements which includes clarity of oversight of committees and subsidiary undertakings. The new governance arrangements include the regular review of the purposes of committees and subsidiaries, constructive challenge to the Chief Operating Officer and archdiocesan officers and the conditions in which officers are confident and enabled to provide information, advice and feedback to the board of trustees. The ethos and culture of the Charity supports its activities.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Corporate governance (*continued*)

Integrity – The transition to new governance arrangements includes the implementation of policies and procedures which support key outcomes in maintaining the reputation of the Company, its parent Charity, and how it is perceived by other people, partnerships and the public. Key themes in the implementation of policies and procedures include the expected standards of probity and behaviour, the requirements to operate responsibly and ethically in line with the mission of the Company and its parent charity, and compliance with relevant guidance, whether mandatory or non-mandatory. The Company and the parent charity understand their safeguarding responsibilities and are committed to a culture in which everyone feels safe and respected.

Decision making, risk and control – the organisation reviews the arrangements for matters reserved to the board and those that are delegated to archdiocesan officers, individual trustees, and committees. Work has continued on the implementation of an updated scheme of delegation with clear boundaries. Compliance will be monitored and reported regularly to an archdiocesan audit committee.

The revised governance arrangements include the regular review of committee terms of reference. The monitoring of organisational performance is a key component of the new governance arrangements and the implementation of key strategies with associated budgets is in progress. The development of strategies, policies and reporting includes the monitoring and management of financial and non-financial risks including departmental, subsidiary and archdiocesan risks.

There is an effective process in place for the appointment and review of auditors.

Board effectiveness – The arrangements for the cycle of board meetings has been reviewed as part of the new governance arrangements together with the information needed for directors and trustees to fulfil their duties. The mix of skills, knowledge and experience is kept under review and a recruitment process has commenced for the committees supporting the new governance arrangements.

Equality, diversity and inclusion – The board understands its responsibilities about equality, diversity and inclusion. The benefits of a diverse board are valued.

Openness and accountability – the Company and its parent charity are currently working towards the development of a transparent, well-publicised, effective and timely process for making and handling a complaint, with the aim of ensuring that internal and external complaints are handled constructively, impartially and effectively. The review of a strategy for regular and effective communication with key stakeholders is a priority for the organisation and includes consideration of how best to communicate with these stakeholders.

Directors and Trustees

The Trustees and directors of the charity during the year were:-

Rev Canon A O'Brien (Trustee of Liverpool Roman Catholic Archdiocesan Trust)
Rev S Kirwin

The appointment of new or additional Trustees is made in consultation with the Trustees of the Archdiocese. The induction process for any newly appointed Trustee is tailored to the requirements of the individual. The new Trustee receives copies of Charity Commission guidance, and the minutes of the most recent Trustees' meetings, and a copy of the most recent statutory accounts, ongoing training is provided for all Trustees.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Principal risks and uncertainties

The Charity is particularly dependent on income from archdiocesan school building projects. Funds for such projects are formulated at government level. The Charity is also exposed to the variable levels of technical complexity in projects identified by the Archdiocese of Liverpool.

The Covid-19 pandemic has led to a shortage in both construction materials and the availability of labour. This has led to an economic environment with significant cost uncertainties. In addition, there was a reduction in activities and decrease in income which has led to a net loss for the year. This has been addressed by the use of previously generated reserves, budgetary control and the use of income generated from investments.

Objectives, activities and public benefit

The Company's charitable objective is to promote the charitable purposes of Liverpool Roman Catholic Archdiocesan Trust (registered Charity number 232709) by undertaking or facilitating the building, maintenance, repair and development of Archdiocesan church, school and other buildings.

As many parish communities are faced with limited resources, the activities of the Charity in facilitating the construction of new church buildings and the management of maintenance and repair programmes for existing church buildings ensure that the public are able to worship in buildings that are compliant with relevant legislation.

By managing school building projects on behalf of the Archdiocese, the Charity is aiding in the provision of high-quality school buildings for the benefit of school children in Archdiocesan schools.

Due consideration is given to Charity Commission published guidance on compliance with the public benefit requirement.

Achievements and Performance

Effective control of both parish and school building projects has ensured that expenditure budgets set by the Archdiocese have been adhered to with the impact of managed costs being evident in the accounts of the School Projects Fund and parishes within the Archdiocese.

Financial review

The accounts for the year under review show net expenditure of £86,703 (2019 – net income of £39,567). After taking into account an unrealised loss on investments held of £46,116 (2019 – gain of £102,616) the funds carried forward at 31 December 2020 have decreased to a surplus of £22,539 (2019 - £155,358).

Income from surveying activities has decreased by £289,226 from 2019 and the annual objective of the Company is to generate savings on professional fees in respect of building projects rather than merely the generation of funds.

Investments

The Company's investments are held in the Liverpool Archdiocese unitised portfolio of listed investments managed by an external investment manager and details of the investment policy are given in the Archdiocesan accounts. The unrealised loss on investments of £46,116 (2019 – gain of £102,616) is in line with the expectations of the Investment Panel of the Archdiocese in the current economic climate.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Reserves

It is the policy of the Company to maintain unrestricted funds at a level sufficient to generate return on investments and cash management to cover annual expenditure in the medium to long term.

Reserves are maintained at a level to ensure that adequate working capital is kept within the Charity.

The trustees are working towards maintain free reserves in unrestricted (excluding fixed asset) funds at a level which equates to approximately 3 months of unrestricted charitable expenditure. The trustees consider this level will provide sufficient funds to ensure that expenditure and governance costs are covered. Should reserves fall above or below this threshold and explanation will be provided for trustees and appropriate plans will be presented to bring reserves back within the threshold.

Financial key performance indicators

The gross profit margin fell from 34% in 2019, to 30% in 2020 and the value of income over external surveying costs decreased from £387k to £252k.

Other key performance indicators

The Trustees do not believe there are any further relevant financial or non-financial key performance indicators requiring disclosure other than those discussed above.

Going concern

In preparing these financial statements, the Trustees are required to prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business. In satisfaction of this responsibility the Trustees have considered the company's ability to meet its liabilities as they fall due for a period of at least twelve months from signing date of the financial statements.

Due to the current environment arising from the global pandemic, management have made an assessment of the likely impact of COVID-19 on the company based on latest available information and government guidance. This assessment has looked at the likely duration of the crisis as well as the sales that could be expected to be generated.

The Trustees have considered the period of 12 months from the date of approval of these accounts and have reviewed working capital requirements for the period. As part of this review, reverse stress testing has also been performed, taking into account the potential business disruptions and reductions in revenue over the coming months. The parent charity has provided the company with legally binding letter of support that for at least 12 months from the date of approval of these financial statements, they will continue to provide financial support and make available such funds to meet working capital requirements as they fall due.

The Trustees therefore conclude that it remains appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being appropriate.

Post balance sheet events

There have been no significant events affecting the Charity since the year end.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Trustees' responsibilities statement

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable Company's auditor is 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 auditor is aware of that information.

A resolution for the reappointment of BDO LLP as auditor will be proposed.

Small Companies Regime

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

On behalf of the Board



J P McMahon
Secretary

Date: 15 December 2021

Archdiocesan Property Services Limited

Independent auditor's report to the members of Archdiocesan Property Services Limited

Opinion on the financial statements

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 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.

We have audited the financial statements of Archdiocesan Property Services Limited ("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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

Conclusions related 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 Charitable Company'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.

Archdiocesan Property Services Limited

Independent auditor's report to the members of Archdiocesan Property Services Limited (*continued*)

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 auditor's report thereon. The other information comprises the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

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 Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

Archdiocesan Property Services Limited

Independent auditor's report to the members of Archdiocesan Property Services Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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 Charitable Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting framework (Charities SORP 2019, FRS 102 and the Charities Act 2011) and we considered the extent to which non-compliance might have a direct impact and material effect on the Charitable Company Financial Statements or their continued operation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence if any.

The audit procedures to address the risks identified included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions made by management in their significant accounting estimates and judgements, in particular valuation of tangible fixed assets and investments;
- Identifying and testing journal entries posted to the financial statements;
- Discussions with management and Trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Reading minutes of meetings of those charged with governance and reviewing any correspondence with Charity Commission.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:


<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Archdiocesan Property Services Limited

Independent auditor's report to the members of Archdiocesan Property Services Limited (*continued*)

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

DocuSigned by:

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Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Liverpool, UK

Date: 16 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Archdiocesan Property Services Limited

Statement of Financial Activities (Including Income and Expenditure Account) for the year ended 31 December 2020

	Note	Unrestricted general funds 2020 £	Unrestricted general funds 2019 £
Income from:			
Investments	4	19,436	21,186
Charitable Activities	5	850,718	1,139,944
Government furlough income		20,220	-
Total		890,374	1,161,130
Expenditure on:			
Raising funds		3,501	5,777
Charitable activities	6	973,576	1,115,786
Total Expenditure		977,077	1,121,563
Net (expense)/income before other recognised (losses)/gains on investments		(86,703)	39,567
Net (losses)/gains on investments	9	(46,116)	102,616
Net movement in funds	12	(132,819)	142,183
Fund balance brought forward at 1 January 2020		155,358	13,175
Fund balance carried forward at 31 December 2020		22,539	155,358

All amounts relate to continuing operations.

The Company has no recognised gains or losses other than those included within the statement of financial activities.

The notes on pages 12 to 19 form an integral part of these financial statements.

Archdiocesan Property Services Limited

Balance sheet at 31 December 2020

Company number 03142451	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	8		1,561		3,304
Investments	9		860,810		906,926
			862,371		910,230
Current assets					
Debtors	10	51,988		88,492	
		51,988		88,492	
Creditors: amounts falling due within one year	11	(891,820)		(843,364)	
Net current liabilities			(839,832)		(754,872)
Net Assets			22,539		155,358
Accumulated funds					
Unrestricted general funds	12		22,539		155,358

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf and approved by the Board on 15 December 2021.



Rev Provost A O'Brien
Director/Trustee

The notes on pages 12 to 19 form an integral part of these financial statements.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1 General information

Archdiocesan Property Services Limited is a Company, limited by guarantee, incorporated in England and Wales under the Companies Act 2006 and Charities Act 2011. The address of the registered office is provided in Reference and administrative details. Details of the Charity's operations are provided in the Report of the Trustees.

2 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared according to the principles contained in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2019) and in accordance with the Companies Act 2006, Charities Act 2011 and Section 1A of Financial Reporting Standard 102.

The financial statements comply with current statutory requirements, with any further requirements of the Charity's governing document and with the SORP 2019.

The financial statements are prepared under the historical cost convention, modified by the revaluation of investments to market value.

The financial statements have been prepared in GBP and rounded to the nearest £.

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies (see note 3).

The following principal accounting policies have been applied:

Going Concern Policy

In preparing these financial statements, the Trustees are required to prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business. In satisfaction of this responsibility the Trustees have considered the company's ability to meet its liabilities as they fall due for a period of at least twelve months from signing date of the financial statements.

Due to the current environment arising from the global pandemic, management have made an assessment of the likely impact of COVID-19 on the company based on latest available information and government guidance. This assessment has looked at the likely duration of the crisis as well as the sales that could be expected to be generated.

The Trustees have considered the period of 12 months from the date of approval of these accounts and have reviewed working capital requirements for the period. As part of this review, reverse stress testing has also been performed, taking into account the potential business disruptions and reductions in revenue over the coming months. The parent charity has provided the company with legally binding letter of support that for at least 12 months from the date of approval of these financial statements, they will continue to provide financial support and make available such funds to meet working capital requirements as they fall due.

The Trustees therefore conclude that it remains appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being appropriate.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

2 Accounting policies (*continued*)

Income

Income is included in the Statement of Financial Activities on the basis of amounts receivable for the year in respect of work done and services provided or dividends received, excluding value added tax.

Government grants

Grants of a revenue nature are recognised in within the Statement of Financial Activities in the same period as the related expenditure. This includes the Government Coronavirus Retention Scheme ("Furlough"). The entity has not directly benefited from any other forms of government assistance.

Expenditure

Expenditure is included in the Statement of Financial Activities on the accruals basis. These are based on the amounts payable for work done or services provided in the year.

Raising funds

Expenditure on raising funds comprise all costs relating to attracting voluntary income.

Charitable activities

Charitable activities expenditure includes the costs identified as wholly or mainly attributable to achieving the charitable objectives of the Charity, including direct staff costs, other direct costs, and where appropriate, apportioned support costs.

Governance costs

Governance costs are those costs related to the governance of the Charity, to allow it to operate, and to generate information for public accountability. Direct costs will include audit and accountancy, legal advice to Trustees and costs of Trustees meetings.

Tangible Fixed Assets

Fixed assets are held at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Equipment (including IT) - 25% per annum of cost

Investments and investment gains and losses

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and subsequently valued at their fair value at the balance sheet date using the mid quoted market price.

Realised and unrealised investment gains and losses are included in the Statement of Financial Activities. Realised gains and losses are computed by comparing the proceeds received with the closing quoted market price brought forward and unrealised gains and losses represent the movement in mid quoted market price in the period.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

2 Accounting policies (*continued*)

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the entity to pay out resources.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

Pension costs

The Company and eligible employees make defined contributions to a group personal pension scheme, with the employer matching employee contributions up to 6% of pensionable remuneration. Contributions payable are included in resources expended in the Statement of Financial Activities.

Funds

All funds are classed as unrestricted for general use by the Charity in line with their objectives. The board has set no funds aside for a specific purpose.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the Statement of Financial Activities. The Charity follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 8)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4 Income from investments

	2020 £	2019 £
Income receivable from unitised investment portfolio	19,436	21,186

All income was unrestricted in the current and prior year.

5 Income from charitable activities

	2020 £	2019 £
Property surveying	850,718	1,139,944

All income was unrestricted in the current and prior year.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

6 Expenditure on charitable activities

	2020 £	2019 £
Property works	941,962	1,084,810
Depreciation	1,743	1,291
Computer costs	12,339	10,372
Governance cost	14,853	16,306
Investment Manager Fees	2,679	3,007
	<u>973,576</u>	<u>1,115,786</u>

All expenditure was unrestricted in the current and prior year.

Expenditure on charitable activities is the cost of providing charitable services, including staff costs.

Governance costs relate to the costs of the compliance with statutory requirements, including the external audit.

	2020 £	2019 £
Governance costs		
Statutory audit fees	14,853	14,435
Fees to statutory auditor for non-audit services	-	1,871
	<u>14,853</u>	<u>16,306</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2020 £	2019 £
Staff costs		
Wages and salaries	249,374	208,978
Social security costs	24,745	37,608
Pension contributions	30,211	40,014
	<u>304,330</u>	<u>286,600</u>

No remuneration was paid to any of the Directors (Trustees) for the year (2019 - £Nil). The average number of employees was 10 (2019 - 11).

The Directors (Trustees) did not receive reimbursement for any expenses in the year (2019 - £Nil).

No employees earned over £60,000 (2019 - None).

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (*continued*)

8 Tangible assets

E quipment
£

<i>Cost</i>	
At 1 January 2020	52,975
	<hr/>
At 31 December 2020	52,975
	<hr/>
<i>Depreciation</i>	
At 1 January 2020	49,671
Charge for the year	1,743
	<hr/>
At 31 December 2020	51,414
	<hr/>
<i>Net book value</i>	
At 31 December 2020	1,561
	<hr/>
At 31 December 2019	3,304
	<hr/>

All tangible fixed assets were used for charitable purposes.

9 Investments

£

At 1 January 2020	906,926
Change in market value	(46,116)
	<hr/>
At 31 December 2020	860,810
	<hr/>

As detailed in the Trustees' report, the Company's investments are held in the Liverpool Archdiocese unitised portfolio of listed investments managed by an external investment manager and details of the investments held are given in the notes to the Archdiocesan accounts.

10 Debtors: amounts falling due within one year

	2020 £	2019 £
Other debtors	84	83
Prepayments	10,457	7,946
Other taxation	4,904	-
Amounts due from fellow subsidiary	36,543	80,463
	<hr/>	<hr/>
	51,988	88,492
	<hr/>	<hr/>

Amounts due from group undertakings are interest free and repayable on demand.

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (*continued*)

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Amount due to Liverpool Roman Catholic Archdiocesan Trust	794,537	750,755
Sundry creditors and accruals	33,995	79,226
Other taxation	-	13,383
Trade creditors	63,288	-
	<hr/>	<hr/>
	891,820	843,364
	<hr/>	<hr/>

Within amounts due to Liverpool Roman Catholic Archdiocesan Trust, there is an amount of £898,286 (2019 - £688,855) which represents cash owed to Archdiocesan Property Services Limited but held within the group cash management pool at the year end.

12 Movement in funds

	Unrestricted general funds £
At 1 January 2020	155,358
Income	890,374
Expenditure	(977,077)
Losses on investments	(46,116)
	<hr/>
At 31 December 2020	22,539
	<hr/>
Movement in funds – previous year	Unrestricted general funds £
At 1 January 2019	13,175
Income	1,161,130
Expenditure	(1,121,563)
Gains on investments	102,616
	<hr/>
At 31 December 2019	155,358
	<hr/>

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

13 Analysis of net assets by fund - Unrestricted

	2020 £	2019 £
Tangible assets	1,561	3,304
Investments	860,810	906,926
Net current liabilities	(839,832)	(754,872)
	22,539	155,358

14 Related party transactions

The Company's activities during the year related to the management of the maintenance of Archdiocesan properties (properties of the Liverpool Roman Catholic Archdiocesan Trustees Incorporated, a registered Charity, and Charity number: 232709).

Liverpool Roman Catholic Archdiocesan Trust, the parent entity of the Company, has recharged salary costs in the year totalling £304,330 (2019 - £286,600). There is a year-end creditor balance owed to Liverpool Roman Catholic Archdiocesan Trust of £794,537 (2019 - £750,755).

Income included £850,718 (2019 - £1,139,944) from Tuneside Limited, a subsidiary of Liverpool Roman Catholic Archdiocesan Trust. The Company was also charged a management charge to Tuneside Limited of £29,295 (2019 - £38,346). At the year-end, £36,543 (2019 - £80,463) was owed by Tuneside Limited.

15 Pension Commitments

The Company operates a defined contribution pension plan and as at year end the amount outstanding was £Nil (2019 - £Nil).

16 Ultimate controlling party

The Company is a wholly owned subsidiary of Liverpool Roman Catholic Archdiocesan Trust, a registered Charity 232709. The primary aim of the parent is the advancement of the Catholic religion. The Trust is also the ultimate controlling party. The Company is consolidated within their accounts, which are available from the principal address of the parent. The principal address of the parent Charity is Liverpool Archdiocesan Office, Croxteth Drive, Liverpool, L17 1AA.

Archdiocesan Property Services Limited

Detailed profit and loss account for the year ended 31 December 2020

				Schedule A
	2020 £	2020 £	2019 £	2019 £
Income				
Surveying income		850,718		1,139,944
Investment income receivable		19,436		21,186
Government furlough income		20,220		
Total income		890,374		1,161,130
Cost of sales				
Surveying costs	598,972		753,255	
Staff costs	304,330		286,599	
Management charge to Tuneside	29,295		38,346	
		932,597		1,078,200
Operating (loss)/profit		(42,223)		82,930
Expenditure				
Audit and accountancy charges	14,853		16,306	
Legal and professional fees	9,366		6,610	
Depreciation	1,743		1,291	
Other expenditure	18,518		19,156	
		(44,480)		(43,363)
Net (expenditure)/income for the year		(86,703)		39,567
Unrealised (losses)/gains on investment		(46,116)		102,616
Net result for the year		(132,819)		142,183

This page does not form part of the statutory financial statements of the Company