

Archdiocesan Property Services Limited

(a Company limited by guarantee)

Report and Financial Statements

Year Ended

31 December 2021

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
Liverpool
Merseyside
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 2021

The Trustees present their report together with the audited financial statements for the year ended 31 December 2021.

The Report of the Trustees constitutes the Directors' Report requirements of the Companies Act 2006.

Structure, governance and management

Constitution

The Charitable 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 Charitable 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 Charitable Company is Archdiocese of Liverpool, Croxteth Drive, Sefton Park, Liverpool, L17 1AA.

Organisational structure and decision making

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

The assets, liabilities and operations of the main charity, the Liverpool Roman Catholic Archdiocesan Trust is Archdiocesan Charity, will transfer to a new Charitable Incorporated Organisation (CIO), the Archdiocese of Liverpool (Charity number 1199714), and the completion of this is planned for the end of 2022.

The strategic decision-making process is undertaken through the organisational structure of the Archdiocese. In formulating the strategy of the Charitable 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 Charitable 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 Charitable 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 Charitable 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 Charitable Company supports its activities.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2021 (*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 Charitable 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 Charitable Company and its parent charity, and compliance with relevant guidance, whether mandatory or non-mandatory. The Charitable 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 Charitable 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 2021 (*continued*)

Principal risks and uncertainties

The Charitable Company is particularly dependent on income from archdiocesan school building projects. Funds for such projects are formulated at government level. The Charitable Company 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. The Charitable Company generated a net surplus for the year of £124,986 (2020: deficit of £132,819).

Objectives, activities and public benefit

The Charitable 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 income of £28,481 (2020 – net expenditure of £86,703). After taking into account an unrealised gain on investments held of £96,505 (2020 – loss of £46,116) the funds carried forward at 31 December 2021 have increased to a surplus of £147,525 (2020 - £22,539).

Income from surveying activities increased by £62,421 from 2020 and the annual objective of the Charitable Company is to generate savings on professional fees in respect of building projects rather than merely the generation of funds.

Investments

The Charitable 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 gain on investments of £96,505 (2020 – loss of £46,116) 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 2021 (*continued*)

Reserves

It is the policy of the Charitable 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 Charitable Company.

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 rose to 33% in 2021, from 30% in 2020 and the value of income over external surveying costs rose from £252k to £303k.

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 Charitable Company will continue in business. In satisfaction of this responsibility the Trustees have considered the Charitable 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, the impact of the war in Ukraine and general economic uncertainty and inflation, management has made an assessment of the likely impact of these factors on the Charitable Company based on latest available information. This assessment has looked at the likely duration of these factors 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 Charitable 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 Charitable Company since the year end.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2021 (*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 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 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 Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 Charitable Company 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: 29 September 2022

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 2021 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 2021 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.

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. 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Archdiocesan Property Services Limited

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

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 are 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 Trustees' 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 by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company 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 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.

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.

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 (*continued*)

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 2020, 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.

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 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 the 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.

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 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:

Hamid Ghafoor

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Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool, UK
Date 30 September 2022

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 2021

	Note	Unrestricted general funds 2021 £	Unrestricted general funds 2020 £
Income from:			
Investment income	4	21,962	19,436
Charitable Activities	5	913,139	850,718
Government furlough income		3,223	20,220
Total income		938,324	890,374
Expenditure on:			
Raising funds	6	4,575	3,501
Charitable activities	7	905,268	973,576
Total Expenditure		909,843	977,077
Net income/(expense) before other recognised gains/(losses) on investments		28,481	(86,703)
Net gains/(losses) on investments	10	96,505	(46,116)
Net movement in funds	13	124,986	(132,819)
Fund balance brought forward at 1 January 2021		22,539	155,358
Fund balance carried forward at 31 December 2021	13	147,525	22,539

All amounts relate to continuing operations.

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

The notes on pages 11 to 18 form an integral part of these financial statements.

Archdiocesan Property Services Limited

Balance sheet at 31 December 2021

Company number 03142451	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		1,068		1,561
Investments	10		952,866		860,810
			<hr/>		<hr/>
			953,934		862,371
Current assets					
Debtors	11	42,353		51,988	
		<hr/>		<hr/>	
		42,353		51,988	
Creditors: amounts falling due within one year	12	(848,762)		(891,820)	
		<hr/>		<hr/>	
Net current liabilities			(806,409)		(839,832)
			<hr/>		<hr/>
Net assets			147,525		22,539
			<hr/>		<hr/>
Funds					
Unrestricted general funds	13		147,525		22,539
			<hr/>		<hr/>

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 29 September 2022



Rev Canon A O'Brien
Director/Trustee

The notes on pages 11 to 18 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 2021

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 Charitable Company will continue in business. In satisfaction of this responsibility the Trustees have considered the Charitable 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, the impact of the war in Ukraine and general economic uncertainty and inflation, management has made an assessment of the likely impact of these factors on the Charitable Company based on latest available information. This assessment has looked at the likely duration of these factors 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 Charitable 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 2021 (*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.

Income from property surveying is recognised on the basis of amounts receivable for the year in respect of services provided by the balance sheet date as a proportion of the total value of the engagement.

Income from investments represents interest from listed investments. Interest is recognised when receivable and when the amount can be measured reliably by the Charity, usually upon notification of the interest paid or payable by the investment managers.

Government grants

Grants of a revenue nature are recognised in "other operating income" within profit or loss 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 and investment management costs.

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 and other direct 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. Governance 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. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2 Accounting policies (*continued*)

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The charity has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

Debtors

Debtors are measured at transaction price less impairment. At each period end management perform an impairment assessment on balances owed. A bad debt provision is then recognised for any amounts deemed to be potentially irrecoverable.

Creditors

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 Charitable Company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2 Accounting policies (*continued*)

Pension costs

The Charitable 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.

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 judgement:

- 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.

4 Income from investments

	2021 £	2020 £
Income receivable from unitised investment portfolio	21,962	19,436

All income was unrestricted in the current and prior year.

5 Income from charitable activities

	2021 £	2020 £
Property surveying	913,139	850,718

All income was unrestricted in the current and prior year.

6 Expenditure on raising funds

	2021 £	2020 £
Investment manager fees	1,520	-
Other	3,055	3,501
	4,575	3,501

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

7 Expenditure on charitable activities

	2021 £	2020 £
Direct costs: property works		
Surveying costs	610,080	598,972
Staff costs	205,810	304,330
Management charge to Tuneside	26,887	29,295
Legal and professional fees	31,602	9,365
	<hr/>	<hr/>
	874,379	941,962
Support costs		
Depreciation	493	1,743
Computer costs	12,233	12,339
Governance cost	18,163	14,853
Investment manager fees	-	2,679
	<hr/>	<hr/>
	30,889	31,614
	<hr/>	<hr/>
Total expenditure on charitable activities	905,268	973,576
	<hr/>	<hr/>

All expenditure was unrestricted in the current and prior year.

Governance costs relate wholly to statutory audit costs.

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

	2021 £	2020 £
Staff costs		
Wages and salaries	183,775	249,374
Social security costs	16,646	24,745
Pension contributions	5,389	30,211
	<hr/>	<hr/>
	205,810	304,330
	<hr/>	<hr/>

No remuneration was paid to any of the Directors (Trustees) for the year (2020 - £Nil). The average number of employees was 7 (2020 - 10).

The Directors (Trustees) did not receive reimbursement for any expenses in the year (2020 - £Nil).

No employees earned over £60,000 (2020 - none).

Key management personnel are considered to be the directors and they received no remuneration in the current or prior year.

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

9 Tangible assets

Equipment
£

<i>Cost</i>	
At 1 January 2021	52,975
At 31 December 2021	52,975
<i>Depreciation</i>	
At 1 January 2021	51,414
Charge for the year	493
At 31 December 2021	51,907
<i>Net book value</i>	
At 31 December 2021	1,068
At 31 December 2020	1,561
All tangible fixed assets were used for charitable purposes.	

10 Investments

Fair value
£

At 1 January 2021	860,810
Investment manager fees paid from capital	(4,449)
Change in market value	96,505
At 31 December 2021	952,866

As detailed in the Trustees' report, the Charitable 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. There are no individual investments which compromise greater than 5% of the value of the portfolio.

If the investments had been held at historic cost their value would be £785,219 (2020 - £755,089).

11 Debtors

	2021 £	2020 £
Other debtors	32,643	84
Trade debtors	84	-
Prepayments	-	10,457
Other taxation	-	4,904
Amounts due from fellow subsidiary	9,626	36,543
	42,353	51,988

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 2021 (*continued*)

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Amount due to Liverpool Roman Catholic Archdiocesan Trust	742,994	794,537
Sundry creditors and accruals	16,455	33,995
Other taxation	16,205	-
Trade creditors	73,108	63,288
	<hr/>	<hr/>
	848,762	891,820
	<hr/>	<hr/>

Within amounts due to Liverpool Roman Catholic Archdiocesan Trust, there is an amount of £1,141,779 (2020 - £898,286) which represents cash owed to Archdiocesan Property Services Limited but held within the group cash management pool at the year end.

13 Movement in funds

	Unrestricted general funds £
At 1 January 2021	22,539
Income	938,324
Expenditure	(909,843)
Gains on investments	96,505
	<hr/>
At 31 December 2021	147,525
	<hr/>
Movement in funds – previous year	Unrestricted general funds £
At 1 January 2020	155,358
Income	890,374
Expenditure	(977,077)
Gains on investments	(46,116)
	<hr/>
At 31 December 2020	22,539
	<hr/>

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

14 Analysis of net assets by fund - Unrestricted

	2021 £	2020 £
Tangible assets	1,068	1,561
Investments	952,866	860,810
Debtors	42,353	51,988
Creditors	(848,762)	(891,820)
	<u>147,525</u>	<u>22,539</u>

15 Related party transactions

The Charitable 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 Charitable Company, has recharged salary costs in the year totalling £205,810 (2020 - £304,330). There is a year-end creditor balance owed to Liverpool Roman Catholic Archdiocesan Trust of £742,994 (2020 - £794,537).

Income included £913,139 (2020 - £850,718) from Tuneside Limited, a subsidiary of Liverpool Roman Catholic Archdiocesan Trust. The Charitable Company was also charged a management charge to Tuneside Limited of £26,887 (2020 - £29,295). At the year-end £9,626 (2020 owed by - £36,543) was owed by Tuneside Limited.

16 Pension Commitments

The Charitable Company operates a defined contribution pension plan and as at year end the amount outstanding was £Nil (2020 - £Nil).

17 Ultimate controlling party

The Charitable 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 Charitable 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.