

**Archdiocesan Property Services
Limited**

(a Company limited by guarantee)

Report and Financial Statements

Year Ended

31 December 2022

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 2022

The Trustees present their report together with the audited financial statements for the year ended 31 December 2022.

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 the Liverpool Roman Catholic Archdiocesan Trust (Registered Charity Number 232709), 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 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 charity's 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.

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 2022 (*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 2022 (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 Archdiocese of Liverpool has developed a strategy for archdiocesan schools joining Multi Academy Trusts, and it is anticipated that schools will move to one of several Multi Academy Trusts over number of years. The services provided by the company to the archdiocese and archdiocesan schools will be offered to Multi Academy Trusts and an appropriate model to deliver these services will be developed.

The Charitable Company is also exposed to the variable levels of technical complexity in projects identified by the Archdiocese of Liverpool and will further facilitate engagement with specialist professionals to ensure the highest levels of services are provided in respect of archdiocesan building projects.

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 before losses/gains on investments of £112,113 (2021 – £28,481). After taking into account an unrealised loss on investments held of £73,541 (2021 – gain of £96,505) the funds carried forward at 31 December 2022 have increased by £38,572 (2021- £124,986) to a surplus of £186,097 (2021 - £147,525).

Income from surveying activities increased by £109,686 from 2021 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 Archdiocese of Liverpool unitised portfolio of listed investments managed by external investment managers. Details of the investment policy are given in the Archdiocesan accounts. An unrealised loss on investments of £73,541 was experienced in the year (2021 – gain of £96,505). The performance of the investment managers is considered by the Investment Panel of the Archdiocese of Liverpool and their individual performances are assessed with reference to recognised benchmarks. The loss for the year is in line with the expectations of the Investment Panel in the current economic climate.

Archdiocesan Property Services Limited

Report of the Trustees for the year ended 31 December 2022 (*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 maintaining free reserves in unrestricted (excluding Tangible 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. Free reserves at the balance sheet date were £185,522 and are lower than the targeted amount of £235,000. Budgeted operational surpluses in future years and an anticipated long-term growth of investments will ensure that the Charitable Company achieves an adequate level of free reserves. Should reserves continue to remain below this threshold an explanation will be provided for trustees and further appropriate plans will be presented to bring reserves back within the threshold.

Financial key performance indicators

The gross profit margin rose to 38% in 2022, from 33% in 2021 and the value of income over external surveying costs (the gross profit) rose from £303k to £384k.

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.

Management has made an assessment of the likely impact of the present economic climate on the Charitable Company and 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.

Plans for future periods

The ongoing maintenance and improvement of archdiocesan properties continues to reflect the strategic direction of archdiocesan trustees in respect of the location and quality of church buildings. The Charitable Company shall continue to meet the needs of parishioners of the archdiocese in facilitating the maintenance of those properties for ongoing worship and enhancing those properties where they are strategically important and within the required archdiocesan cost control measures.

The Archdiocese of Liverpool has developed a strategy for archdiocesan schools joining Multi Academy Trusts, and it is anticipated that schools will move to one of several Multi Academy Trusts over number of years. The services provided by the company in respect of archdiocesan schools will be available to projects in respect of schools within Multi Academy Trusts. An appropriate model to deliver these services will be developed.

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 2022 (*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: 21 December 2023

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 2022 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 2022 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 take advantage of the small companies' exemptions in preparing the Trustees' 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:

Non-compliance with laws and regulations

Based on our understanding of the Charitable Company and the sector in which it operates; discussion with management and those charged with governance; and obtaining an understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be applicable accounting framework, being Financial Reporting Standard 102, the Companies Act 2006 and UK tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of supplier master data changes to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Testing a sample of income throughout the year back to supporting documents.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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*)

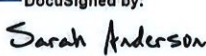
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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 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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Sarah Anderson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool, UK
Date 22 December 2023

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 2022

	Note	Unrestricted general funds 2022 £	Unrestricted general funds 2021 £
Income from:			
Investment income	4	21,278	21,962
Charitable Activities	5	1,022,825	913,139
Government furlough income		-	3,223
Total income		1,044,103	938,324
Expenditure on:			
Raising funds	6	5,703	4,575
Charitable activities	7	926,287	905,268
Total Expenditure		931,990	909,843
Net income before other recognised gains on investments		112,113	28,481
Net (losses)/gains on investments	10	(73,541)	96,505
Net movement in funds	13	38,572	124,986
Fund balance brought forward at 1 January 2022		147,525	22,539
Fund balance carried forward at 31 December 2022	13	186,097	147,525

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 12 to 20 form an integral part of these financial statements.

Archdiocesan Property Services Limited

Balance sheet at 31 December 2022

<i>Company number 03142451</i>	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		575		1,068
Investments	10		876,882		952,866
			<u>877,457</u>		<u>953,934</u>
Current assets					
Debtors	11	32,093		42,353	
		<u>32,093</u>		<u>42,353</u>	
Creditors: amounts falling due within one year	12	(723,453)		(848,762)	
		<u>(723,453)</u>		<u>(848,762)</u>	
Net current liabilities			(691,360)		(806,409)
			<u>(691,360)</u>		<u>(806,409)</u>
Net assets			186,097		147,525
			<u>186,097</u>		<u>147,525</u>
Funds					
Unrestricted general funds	13		186,097		147,525
			<u>186,097</u>		<u>147,525</u>

The financial statements were approved and authorised for issue by the trustees and were signed on its behalf and approved by the Board on 21 December 2023

A O'Brien

Rev Canon A O'Brien
Director/Trustee

The notes on pages 12 to 20 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 2022

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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (The Charities SORP 2nd Edition)" (SORP 2019) and in accordance with the Companies Act 2006, Charities Act 2011 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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.

Management has made an assessment of the likely impact of the present economic climate on the Charitable Company and 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 2022 (*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 financial activities.

Archdiocesan Property Services Limited

Notes forming part of the financial statements for the year ended 31 December 2022 (*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 Charitable Company 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 2022 (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

	2022 £	2021 £
Income receivable from unitised investment portfolio	21,278	21,962

All income was unrestricted in the current and prior year.

5 Income from charitable activities

	2022 £	2021 £
Property surveying	1,022,825	913,139

All income was unrestricted in the current and prior year.

6 Expenditure on raising funds

	2022 £	2021 £
Investment manager fees	2,660	1,520
Other	3,043	3,055
	5,703	4,575

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

7 Expenditure on charitable activities	2022	2021
	£	£
Direct costs: property works		
Surveying costs	639,054	610,080
Staff costs	204,094	205,810
Management charge to Tuneside (see note 15)	32,368	26,887
Legal and professional fees	23,189	31,602
	898,705	874,379
Support costs		
Depreciation	493	493
Computer costs	3,904	12,233
Governance cost	23,185	18,163
	27,582	30,889
Total expenditure on charitable activities	926,287	905,268

All expenditure was unrestricted in the current and prior year.

Governance costs relate to statutory audit costs of £22,035 (2021 - £17,313) and accounts preparation costs of £1,150 (2021 - £850).

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel	2022	2021
	£	£
Staff costs		
Wages and salaries	165,861	183,775
Social security costs	17,594	16,646
Pension contributions	20,639	5,389
	204,094	205,810

No remuneration was paid to any of the Directors (Trustees) for the year (2021 - £Nil). The average number of employees was 6 (2021 - 7).

The Directors (Trustees) did not receive reimbursement for any expenses in the year (2021 - £Nil).

No employees earned over £60,000 (2021 - Nil).

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 2022 (*continued*)

9 Tangible assets	Equipment £
<i>Cost</i> At 1 January 2022	52,975
At 31 December 2022	52,975
<i>Depreciation</i> At 1 January 2022 Charge for the year	51,907 495
At 31 December 2022	52,402
<i>Net book value</i> At 31 December 2022	575
At 31 December 2021	1,068

All tangible fixed assets were used for charitable purposes.

10 Investments	Fair value £
At 1 January 2022 Investment manager fees paid from capital Change in market value	952,866 (2,443) (73,541)
At 31 December 2022	876,882

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.

If the investments had been held at historic cost their value would be £668,301 (2021 - £668,301).

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

11 Debtors

	2022 £	2021 £
Other debtors	32,093	32,643
Trade debtors	-	84
Amounts due from fellow subsidiary	-	9,626
	<u>32,093</u>	<u>42,353</u>

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

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Amount due to Liverpool Roman Catholic Archdiocesan Trust	627,384	742,994
Sundry creditors and accruals	21,136	16,455
Other taxation	16,991	16,205
Trade creditors	7,848	73,108
Amounts due to fellow subsidiary	50,094	-
	<u>723,453</u>	<u>848,762</u>

Within amounts due to Liverpool Roman Catholic Archdiocesan Trust, there is an amount of £ 1,467,128 (2021 - £1,141,779) which represents cash owed to Archdiocesan Property Services Limited but held within the group cash management pool at the year end.

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

13 Movement in funds

	Unrestricted general funds £
At 1 January 2022	147,525
Income	1,044,103
Expenditure	(931,990)
Losses on investments	(73,541)
	<hr/>
At 31 December 2022	186,097
	<hr/>

Movement in funds – previous year

	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/>

14 Analysis of net assets by fund - Unrestricted

	2022 £	2021 £
Tangible assets	575	1,068
Investments	876,882	952,866
Debtors	32,093	42,353
Creditors	(723,453)	(848,762)
	<hr/>	<hr/>
	186,097	147,525
	<hr/>	<hr/>

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 £204,094 (2021 - £205,810). There is a year-end creditor balance owed to Liverpool Roman Catholic Archdiocesan Trust of £627,384 (2021 - £742,994).

Income included £1,022,825 (2021 - £913,139) from Tuneside Limited, a subsidiary of Liverpool Roman Catholic Archdiocesan Trust. The Charitable Company also charged a management charge to Tuneside Limited of £32,368 (2021 - £26,887). At the year-end £50,094 owed to (2021 owed by - £9,626) was owed by Tuneside Limited.

Archdiocesan Property Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

16 Pension Commitments

The Charitable Company operates a defined contribution pension plan and as at year end the amount outstanding was £Nil (2021 - £Nil).

17 Ultimate controlling party

The immediate and ultimate parent undertaking of the company is Liverpool Roman Catholic Archdiocesan Trust, a charity registered under the Charities Act, registered No. 232709. The trust is also the ultimate controlling party. The company is consolidated within their accounts which are available from the registered office as detailed in these accounts. The registered office of the parent company is Liverpool Archdiocese, Centre for Evangelisation, Croxteth Drive, Liverpool, L17 1AA.