

LIVERPOOL CATHEDRAL FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LIVERPOOL CATHEDRAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

President	The Earl of Derby DL
Vice Presidents	Dame Lorna Muirhead DCVO DBE DL Archbishop Malcom McMahon OP, Archbishop of Liverpool Rt Revd Paul Bayes, Bishop of Liverpool – ret. Feb 2022 Rt Hon Lord Alton of Liverpool
Patrons	Miss Joan Armatrading Ms Cherie Booth QC Mr Jonathon Porritt CBE Miss Gillian Reynolds MBE Dame Patricia Routledge DBE CBE
Trustees	The Corporation of the Cathedral Church of Christ in Liverpool
Managing Trustees	Mr Geoffrey Appleton MA LLB Mr John Crane Mr James Davies OBE DL (Chair) Revd Canon Myles Davies (retired 31.01.21) Mr Alistair Fletcher LLB Mr William Fulton DL FCA Mrs Judith Greensmith CBE DL Mr Anthony Hannay LLB Mrs Jayne Hauxwell Very Reverend Dr Sue Jones, Dean of Liverpool Mr David McDonnell CBE DL FCA Mr Dennis Morrison Dame Lorna Muirhead DCVO DBE DL Mr David Renison LLB
Charity Correspondent and Secretary	Mr Philip Daniel
Director of Fundraising	Ms Rachael Atkinson-White
Charity number	1094876
Registered office	Liverpool Cathedral Office St James House 20 St James Road Liverpool L1 7BY
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT

LIVERPOOL CATHEDRAL FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

CAF Bank
PO Box 289
West Malling
Kent
ME19 4TA

LIVERPOOL CATHEDRAL FOUNDATION

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LIVERPOOL CATHEDRAL FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and the audited accounts for the year ended 31st December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16th July 2014.

Objectives and activities

The objects of the charity are the furtherance of the religious and charitable work of the Cathedral Church of Christ in Liverpool with priority initially being given to discrete projects associated with the Centenary Appeal in 2004 and other projects as they arose. In November 2013 Chapter approved the 'Strategic Plan 2013' and the aims in this plan were to form the focus of the Foundation's work for the next 10 years.

As it is past the half way point of the 2024 Appeal, Chapter has undertaken a review of the Strategic Plan and the Foundation's role as a fundraising body has been superseded. The Foundation now serves as a monitoring body and its status as a charity assists the Cathedral's fundraising activity by receiving grants from bodies which are only permitted to make grants to a registered charity.

Public Benefit

The trustees and Managing Trustees continue to pay due regard to Public Benefit guidance issued by the Charity Commission, when considering which new charitable activities are to be undertaken.

Director of Fundraising

The role of Director of Development has become the Director of Fundraising and Rachael Atkinson-White was appointed to this role in May 2020. The intervention during the year of Covid-19 led to a review of the original aims of the 2024 Appeal and its scope for raising additional funds was reduced to 12 individual projects to be completed by 2024 and for which the Director of Fundraising continues to be responsible as well as for a legacy campaign, visitor donations, the People's Path and the general donor experience. From the start of the appointment and throughout 2021, the Director of Fundraising focused on a successful programme for winning major funding awards from national and local Covid Support Funds.

Fundraising Activities, Performance and Future Plans

The Foundation will continue to assist the Cathedral's fundraising activity by receiving grant awards where applicable and generally support the work of the Director of Fundraising.

Achievements and performance

Financial review

Income for the year to 31st December 2021 totalled £46,610 (2020: £10,524). Total expenditure was £40,286 (2020: £24,613). Funds carried forward at 31st December 2021 amounted to £27,525 (2020: £20,701). Note 15 & 16 of the Financial Statements shows the allocation of these monies by individual fund. The trustees are pleased with the results for the year considering the difficulties associated with raising income in the current economic climate.

The Foundation continues to bear employment costs of the Fundraising Office, in addition to other support costs. Details of all expenditure are given in Notes 5 to 7 in the Financial Statements.

Structure, governance and management

The Liverpool Cathedral Foundation is constituted under a trust deed dated 15 July 2002. It was registered with the Charity Commission on 2nd December 2002 and its registration number is 1094876.

LIVERPOOL CATHEDRAL FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Managing Trustees who served during the year were:

Mr Geoffrey Appleton MA LLB

Mr John Crane

Mr James Davies OBE DL (Chair)

Mr Alistair Fletcher LLB

Mr William Fulton DL FCA

Mrs Judith Greensmith CBE DL

Mr Anthony Hannay LLB

Mrs Jayne Hauxwell

Very Reverend Dr Sue Jones, Dean of Liverpool

Mr David McDonnell CBE DL FCA

Mr Dennis Morrison

Dame Lorna Muirhead DCVO DBE DL

Mr David Renison LLB

Revd Canon Myles Davies (Resigned 31 January 2021)

The Chapter Members of the Corporation of the Cathedral Church of Christ in Liverpool who served during the year were:

Revd Canon Myles Davies (Managing Trustee to 31.01.21)

Revd Canon Dr Philip Anderson (from 07.02.21)

Mrs Judith Greensmith CBE DL (Managing Trustee)

Mr Andrew Holroyd CBE

Mrs Linda Jones

Revd Canon Bob Lewis

Revd Canon Ellen Loudon

Very Reverend Dr Sue Jones, Dean of Liverpool (Managing Trustee)

Mrs Margaret Swinson

Revd Canon Dr Neal Barnes

Revd Canon Dr Mike Kirby

Mr Saro Esmaeili

Appointment of Trustees

The members of Liverpool Cathedral Chapter as the governing body of the Corporation of the Cathedral Church of Christ in Liverpool are the Trustees of the Charity. They have appointed a Committee of Managing Trustees which is charged with the general management and control of the Trust.

Section D (Appointment of Committee) of the Declaration of Trust states that there is to be a minimum of three and a maximum of fifteen Managing Trustees, all of whom shall be nominated by the Trustees. There is to be a minimum of two Trustees appointed as Managing Trustees.

The Managing Trustees meet twice a year, and the Trustees receive minutes of all meetings.

A newly appointed Trustee or Managing Trustee is provided with detailed information on the duties and responsibilities of Trustees, Liverpool Cathedral and the progress of the Foundation. A briefing meeting is held with the Secretary to the Trustees. Individuals are asked to sign a Declaration confirming their eligibility to act, and confirming that their duties will be carried out in good faith, in accordance with the law, and within the charity's objectives. They are also asked to disclose any potential conflicts of interest, to be disclosed at meetings where relevant.

LIVERPOOL CATHEDRAL FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Grant making policy

The charity's grant-funding has in the past been based on grant requests linked primarily with the girls' voices and specific projects. Unless specific needs arise, the Foundation will in future focus on support for the activities of the Director of Fundraising regarding fundraising connected with the 2024 Appeal and other areas. Restricted funds held by the Foundation are applied in line with the terms originally agreed.

Reserves policy

A modest retention within unrestricted funds is maintained to cover 6 months charity running costs.

Restricted funds are held with the unrestricted funds in an interest bearing charity deposit fund and will only be made available by the trustees against properly supported claims by the Cathedral or its associated entities for the purposes for which the money was originally given. There has been no long term objective to accumulate funds, as it is anticipated that there will be ongoing projects requiring support.

Risk Management

Risks are reviewed on an annual basis. Where identified, additional systems will be established and implemented to manage those risks.

Ethical policy

The trustees have adopted an Ethical Policy approved by the Cathedral Chapter and linked with Church of England guidelines.

Connected charities

The trustees of The Liverpool Cathedral Foundation are The Corporation of the Cathedral Church of Christ in Liverpool.

The Liverpool Cathedral Foundation is administered by Managing Trustees, some of whom are connected with or related to the Corporation of the Cathedral Church of Christ in Liverpool.

Where relevant, transactions between related parties have been disclosed in note 18 to the accounts.

The trustees' report was approved by the Board of Trustees.

Mrs Judith Greensmith CBE DL

Trustee

Dated: 31 October 2022

LIVERPOOL CATHEDRAL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES ***FOR THE YEAR ENDED 31 DECEMBER 2021***

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LIVERPOOL CATHEDRAL FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LIVERPOOL CATHEDRAL FOUNDATION

Opinion

We have audited the financial statements of Liverpool Cathedral Foundation (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity'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 Charities Act 2011.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to 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.

LIVERPOOL CATHEDRAL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LIVERPOOL CATHEDRAL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees 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 charity'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 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 section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery, and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

LIVERPOOL CATHEDRAL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LIVERPOOL CATHEDRAL FOUNDATION

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

LIVERPOOL CATHEDRAL FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LIVERPOOL CATHEDRAL FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BWM

Date 31 October 2022

Chartered Accountants

Statutory Auditor

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

BWM is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

LIVERPOOL CATHEDRAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	40,138	6,220	46,358	10,449
Investments	4	252	-	252	75
Total income		40,390	6,220	46,610	10,524
<u>Expenditure on:</u>					
Charitable activities	5	39,626	660	40,286	24,613
Total resources expended		39,626	660	40,286	24,613
Net gains/(losses) on investments	10	500	-	500	(704)
Net movement in funds		1,264	5,560	6,824	(14,793)
Fund balances at 1 January 2021		4,844	15,857	20,701	35,494
Fund balances at 31 December 2021		6,108	21,417	27,525	20,701

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LIVERPOOL CATHEDRAL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes			
<u>Income from:</u>				
Donations and legacies	3	4,764	5,685	10,449
Investments	4	75	-	75
Total income		4,839	5,685	10,524
<u>Expenditure on:</u>				
Charitable activities	5	3,270	21,343	24,613
Total resources expended		3,270	21,343	24,613
Net gains/(losses) on investments	10	(704)	-	(704)
Net movement in funds		865	(15,658)	(14,793)
Fund balances at 1 January 2020		3,979	31,515	35,494
Fund balances at 31 December 2020		4,844	15,857	20,701

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

LIVERPOOL CATHEDRAL FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11		2,482		1,982
Current assets					
Debtors	13	185		267	
Cash at bank and in hand		70,325		23,748	
		<u>70,510</u>		<u>24,015</u>	
Creditors: amounts falling due within one year	14	(45,467)		(5,296)	
Net current assets			<u>25,043</u>		<u>18,719</u>
Total assets less current liabilities			<u>27,525</u>		<u>20,701</u>
Income funds					
Restricted funds	15		21,417		15,857
Unrestricted funds			<u>6,108</u>		<u>4,844</u>
			<u>27,525</u>		<u>20,701</u>

The financial statements were approved by the Trustees on 31 October 2022.

Mrs Judith Greensmith CBE DL
Trustee

LIVERPOOL CATHEDRAL FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		46,325		(36,617)
Investing activities					
Interest received		252		75	
Net cash generated from investing activities			252		75
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			46,577		(36,542)
Cash and cash equivalents at beginning of year			23,748		60,290
Cash and cash equivalents at end of year			70,325		23,748

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Liverpool Cathedral Foundation is a charitable trust registered in England and Wales. The principal address is Liverpool Cathedral Office, St James House, 20 St James Road, Liverpool, L1 7BY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the 'going concern' basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset and disclosed in the accounts.

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(continued)

Grants are recognised in the statement of financial activities when the conditions for receipt have been complied with.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares and bank deposits. It includes dividends and interest. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

It is categorised under the following headings:

- Expenditure on charitable activities includes Grants payable to The Corporation of Liverpool Cathedral.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

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.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2 Critical accounting estimates and judgements

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

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

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	40,390	6,220	46,610	4,764	5,685	10,449
Donations and gifts						
Cathedral Boys and Girls' Voices	-	660	660	-	755	755
Organ Fund	-	1,240	1,240	-	610	610
General funds	40,390	-	40,390	4,764	-	4,764
2024 Appeal	-	-	4,320	-	4,320	4,320
	40,390	6,220	46,610	4,764	5,685	10,449

4 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Dividends	252	75

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities

	2021 £	2020 £
Grant funding of activities (see note 6)	38,071	22,439
Share of support costs (see note 7)	115	74
Share of governance costs (see note 7)	<u>2,100</u>	<u>2,100</u>
	<u>40,286</u>	<u>24,613</u>
Analysis by fund		
Unrestricted funds	660	
Restricted funds	<u>39,626</u>	
	<u>40,286</u>	
Analysis by fund		
Unrestricted funds		3,270
Restricted funds		<u>21,343</u>
		<u>24,613</u>

6 Grants payable

	2021 £	2020 £
Projects funded by grants:		
2024 Appeal	-	21,343
The Corporation of Liverpool Cathedral unrestricted grants	<u>38,071</u>	<u>1,096</u>
	<u>38,071</u>	<u>22,439</u>

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Administrative support costs	115	-	115	74	-	74
Audit fees	-	1,350	1,350	-	1,350	1,350
Accounts fees	-	750	750	-	750	750
	<u>115</u>	<u>2,100</u>	<u>2,215</u>	<u>74</u>	<u>2,100</u>	<u>2,174</u>
Analysed between Charitable activities	<u>115</u>	<u>2,100</u>	<u>2,215</u>	<u>74</u>	<u>2,100</u>	<u>2,174</u>

Governance costs includes payments to the auditors of £2,100 in respect of the accounts to the year ended 31 December 2021 (2020: £2,100).

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits/expenses from the charity during the year or the previous period.

9 Employees

There are no employees during the year. As the charity does not employ any of its own staff, it does not have any key management personnel costs.

10 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Fair value movement	<u>500</u>	<u>(704)</u>

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	1,982
Valuation changes	500
	<hr/>
At 31 December 2021	2,482
	<hr/>
Carrying amount	
At 31 December 2020	2,482
	<hr/>
At 31 December 2021	1,982
	<hr/>

12 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	70,325	24,015
Equity instruments measured at fair value	2,482	1,982
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	45,467	5,296
	<hr/>	<hr/>

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Gift Aid recoverable	185	267
	<hr/>	<hr/>

14 Creditors: amounts falling due within one year

	2021	2020
Grants due to The Corporation of Liverpool Cathedral	43,050	3,184
Other Creditors	2,417	2,112
	<hr/>	<hr/>
	45,467	5,294
	<hr/>	<hr/>

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Cathedral Boys and Girls' Voices	1,628	755	-	2,383	660	(660)	2,383
Organ	6,780	610	-	7,390	1,240	-	8,630
Education Learning Officer	1,679	-	-	1,679	-	-	1,679
2024 Appeal	21,343	4,320	(21,343)	4,320	4,320	-	8,640
SEPAS	85	-	-	85	-	-	85
	<u>31,515</u>	<u>5,685</u>	<u>(21,343)</u>	<u>15,857</u>	<u>6,220</u>	<u>(660)</u>	<u>21,417</u>

Cathedral Boys and Girls' Voices - to provide the funding necessary to run a girls' choir for an initial period which covered the period of the Cathedral's Centenary Celebrations and beyond.

Organ & Lady Chapel Organ - to provide funding for the maintenance of the cathedral organ.

Education Community Learning Officer - to provide funding for a new Education Department post to enable further ecumenical projects to be undertaken with Liverpool Metropolitan Cathedral.

2024 Appeal - 2024 refers to Liverpool Cathedral's '2024' Appeal launched on 20 July 2014 for £24m to provide for fabric repairs, major projects to be undertaken over the next ten years and an endowment fund for subsequent maintenance.

SEPAS - to provide funding for the weekly meeting of prayer, praise and Bible teaching translated into Farsi.

LIVERPOOL CATHEDRAL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Investments	2,482	-	2,482	1,982	-	1,982
Current assets/ (liabilities)	3,626	21,417	25,043	2,862	15,857	18,719
	<u>6,108</u>	<u>21,417</u>	<u>27,525</u>	<u>4,844</u>	<u>15,857</u>	<u>20,701</u>

17 Financial commitments, guarantees and contingent liabilities

There were no contingent liabilities or capital commitments at 31 December 2021 (2020: £Nil).

18 Related party transactions

The Liverpool Cathedral Foundation is administered by Managing Trustees who are nominated by the Corporation of the Cathedral Church of Christ in Liverpool. The results of the Liverpool Cathedral Foundation have, therefore, been included in the consolidated results of the Corporation. As a result the charity has taken advantage of the exemption available under FRS 102 not to disclose transactions with other consolidated entities.

Copies of the consolidated accounts of 'The Corporation of the Cathedral Church of Christ in Liverpool', may be obtained from the Administrator, Liverpool Cathedral, St James Mount, Liverpool L1 7AZ.

19 Cash generated from operations	2021 £	2020 £
(Deficit)/surplus for the year	6,824	(14,793)
Adjustments for:		
Investment income recognised in statement of financial activities	(252)	(75)
Fair value gains and losses on investments	(500)	704
Movements in working capital: (Increase)/decrease in debtors	82	(90)
(Decrease) in creditors	40,171	(22,363)
Cash (absorbed by)/generated from operations	<u>46,325</u>	<u>(36,617)</u>