

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021**

Registered Charity Number: 232709

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS	PAGE
Report of the Trustees	1 - 16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report to the Trustees	18 - 20
Consolidated Statement of Financial Activities	21 - 22
Charity Statement of Financial Activities	23 - 24
Consolidated Balance Sheet	25
Charity Balance Sheet	26
Consolidated Cash Flow Statement	27 - 28
Notes and Accounting Policies	29 - 72

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

MISSION STATEMENT

Taking to heart the last words of the Lord Jesus, we will go into the world to proclaim the Good News to the whole of creation.

REFERENCE AND ADMINISTRATIVE DETAILS

Trust Corporation

Liverpool Roman Catholic Archdiocesan Trustees Incorporated ('The trustees')

Trustees of the Trust Corporation

Most Rev M P McMahon OP (Chairman)

Rev Mgr J Devine OBE

Rev G Easton

Rev Canon M Fitzsimons

Dr M Goddard (Appointed 26 November 2021 and resigned 31 December 2022)

Mr I Hollows

Rev P Inch

Mr S Keyes

Mrs C Lawrence

Rt Rev T Neylon

Rev M Nunes

Rev Provost A O'Brien

Mrs C O'Brien

Rev Canon A Prescott (Appointed 27 May 2021)

Rt Rev T Williams

Episcopal Vicar for Finance

Rev Mgr John Devine OBE

Chief Operating Officer

Mr M Miller

Principal Address

St Margaret Clitherow Centre

Croxteth Drive

Liverpool

L17 1AA

Registered Charity Number: 232709

Auditors

BDO LLP

5 Temple Square

Temple Street

Liverpool

L2 5RH

Bankers

HSBC Bank plc

99-101 Lord Street

Liverpool

L2 4SW

Investment Managers

Evelyn Partners

45 Gresham Street

London

EC2V 7BG

Rathbone Investment Management Ltd

Port of Liverpool Building

Pier Head

Liverpool

L3 1NW

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Liverpool Roman Catholic Archdiocesan Trust (more commonly referred to as the Archdiocese of Liverpool) is a registered charity (No 232709), the governing instrument of which is a trust deed dated 18 March 1963. Its trustees are the members of Liverpool Roman Catholic Archdiocesan Trustees Incorporated, a body incorporated by order of the Charity Commissioners under the Charitable Trustees Incorporation Act 1872. The trustees of the corporate body are listed on page 1.

Organisational structure and decision making

The Catholic Church has a worldwide nature and identity and could be compared with a gathering together of family, with a common purpose and faith in Jesus Christ. Canon law (the law of the Church) establishes the rights and responsibilities of each member of this community. Church law applies universally and locally. The worldwide Church community, centred on Christ, under the Word of God and in communion with the Pope in Rome, is governed by canon law. Under canon law the Archbishop of Liverpool is responsible for the activities of the archdiocese, a geographical area in part of the north-west of England, which is a portion of the worldwide Church, making up the pilgrim People of God. He is assisted in archdiocesan executive matters by two auxiliary bishops, a vicar general and several episcopal vicars with delegated responsibilities for strategic oversight in specific matters of the life of the Church. The appointments of vicar general and episcopal vicars are made by the archbishop.

The affairs of the charity are governed by the trustees. The trustees are ultimately responsible for the administration and assets of the charity. The board of trustees, chaired by the archbishop, meets regularly to provide strategic direction and decision-making on key issues.

The pastoral oversight of the charity is conducted by the archbishop in regular consultation with the Archbishop's Council. This body assists the archbishop in all decisions affecting the life of the archdiocese.

The archdiocese consists of 13 deaneries, each made up of groups of parishes in each local area, in total containing 173 places of worship, extending from the Mersey to the Ribble, encompassing parts of Merseyside, Lancashire, Cheshire, Greater Manchester and the Isle of Man.

The purpose of each deanery is to provide for the pastoral, sacramental and community needs of its people. All priests and deacons are accountable to the archbishop. Parish priests are obliged by canon law to act in the person of the parish. They also act as the agents of the trustees of the archdiocese, who are responsible for the administration of the archdiocesan trust, which includes parish assets. It is a further requirement of canon law that every parish should have a finance committee to assist the parish priest in the financial administration of the parish. This committee enjoys consultative status with the parish priest and its constitution has been approved by the trustees.

Some Church policies are developed at a national level by the Catholic Bishops' Conference of England and Wales. The archdiocese is represented on this body by its bishops. The policies may be adopted by the trustees after considering the impact on the activities of the archdiocese.

Corporate governance

The trustees welcomed the introduction of the Charity Governance Code in 2017 and continue to review best practice as they aim to improve governance. They have made several steps forward in improving both governance and effectiveness as follows:

Organisational purpose

The trustees regularly review the charity's purposes and consider how it delivers public benefit as described on page 9 of this report. The trustees are satisfied that the charitable purposes of the organisation have been achieved.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Corporate governance *(continued)*

Leadership

The Chief Operating Officer continues the review of priorities, governance, structures, and processes. The charity is in transition to new governance arrangements which include clarity of oversight of committees and subsidiary undertakings.

The new governance arrangements include the regular review of the purposes of committees and subsidiaries, and constructive challenge to the Chief Operating Officer and archdiocesan officers. The ethos and culture of the charity supports its activities.

Several new policy committees have been established carry out detailed policy work on behalf of the trustees and Archbishop's Council and to make decisions on matters delegated to them.

The Pastoral Development Committee oversees the work of the Pastoral Development Department in relation to pastoral provision for better delivery of archdiocesan mission objectives and, as far as possible, will align pastoral considerations with deployment of lay and ordained ministries.

The Safeguarding Committee supports, assists and advises the trustees in discharging their duties in safeguarding, in accordance with their legal and regulatory responsibilities.

The Archdiocesan Education Committee will oversee the work of the Education Department and the development of education policy and practice consistent with the Catholic faith.

An Audit Subcommittee will advise the trustees alongside the reconstituted Finance Committee ensuring that there is detailed oversight of all archdiocesan financial activity and effective stewardship of resources. Subcommittees of the Finance Committee - the Investment Panel and the proposed Building Committee with an expansion of focus beyond schools to include all archdiocesan properties, and the boards of the subsidiary companies - will continue to advise the trustees through the Finance Committee.

Each of the committees are chaired by the relevant episcopal vicar with further trustee representation on the individual body. While several specialists are co-opted to the existing committees, a recruitment process for lay people with relevant experience, interested in serving as members, was ongoing in 2021. The committees meet on a regular basis and their findings are recommended to the trustees or operate under trustee-delegated authority.

Integrity

The transition to new governance arrangements includes the implementation of policies and procedures which support key outcomes in maintaining the reputation of the 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 archdiocese, and compliance with relevant guidance, whether mandatory or non-mandatory. The requirement for the declaration of actual or potential conflicts of interest is included within the new governance arrangements.

Decision-making, risk and control

The archdiocese reviews the arrangements for matters reserved to the trustee board and those that are delegated to archdiocesan officers, individual trustees, and committees. Progress has been made towards the implementation of a revised scheme of delegation with clear boundaries. Compliance will be monitored and reported regularly to the Audit Subcommittee.

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 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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Corporate governance *(continued)*

Board effectiveness

The arrangements for the cycle of board meetings were reviewed as part of the new governance arrangements together with the information needed for trustees to fulfil their duties. The mix of skills, knowledge and experience is kept under review and a recruitment process was completed recently.

Diversity

The trustees understand their responsibilities regarding diversity and value the benefits of a diverse trustee body. They aim to remove obstacles to attracting a diverse pool of candidates.

Openness and accountability

The charity is working towards the development of a transparent, well-publicised, effective, and timely process for making and handling complaints, with the aim of ensuring that internal and external complaints are handled constructively, impartially, and correctly. 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.

Trustee recruitment and appointment

By right of office, the archbishop chairs the board of trustees. The power of appointing new or additional trustees is vested in the archbishop.

The induction process for any newly appointed trustee is tailored to the requirements of the individual and includes an initial meeting with the archbishop. The new trustee receives copies of Charity Commission guidance, the minutes of the most recent trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all trustees.

Related parties

Various essential functions of the archdiocese are provided through subsidiaries. These include the commercial activities of the Metropolitan Cathedral through Metropolitan Cathedral Services Limited and the management of parish centres by Archdiocesan Parish Centres Management Company Limited. Building services for archdiocesan buildings are managed by Tuneside Limited and Archdiocesan Property Services Limited. The promotion of education standards to archdiocesan schools is undertaken by Archdiocese of Liverpool Primary Schools Improvement Trust and Archdiocese of Liverpool Secondary Schools Improvement Trust.

The boards of trustees of two charities are identical to that of the archdiocese. To reflect the level of reserves under the control of the trustees, the financial performance and position of these two charities are included in the consolidated accounts of the archdiocese.

The charitable objectives of The Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 224664) are the spiritual and temporal welfare of seafarers. The apostleship aims to achieve its objectives by working in ecumenical partnership with The Mersey Mission to Seafarers in the day-to-day operation of Liverpool Seafarers Centre. Through the facilities and service provided from the Seafarers Centre, the apostleship provides practical and pastoral care to seafarers. The charity had £4.47M of reserves in December 2021 (2020: £4.13M).

Liverpool Archdiocesan Education Trust (charity number 505264) aims to promote the charitable purposes of the archdiocese by facilitating the acquisition and holding of property for education purposes. Reserves of the charity amounted to £2.16M in December 2021 (2020: £2.11M).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

COVID-19

The global pandemic has had a catastrophic impact on the charitable activities and finances of the archdiocese and its subsidiaries. Continued disruption to activities experienced in 2021 and every effort was undertaken to ensure that all essential elements of archdiocesan activity continued during the year. Social distancing and the utilisation of parish grounds for services was common and the meeting of the Synod in June 2021 took place via Zoom. Clergy and lay chaplains continued to work in hospitals throughout this period.

Many COVID-19 secure measures continued to be observed at archdiocesan places of worship, parishes, the cathedral, and Liverpool Archdiocesan Office following the second national lockdown in late 2020 and many parish centres remained closed until May 2021.

The archdiocese made use of the Coronavirus Job Retention Scheme and the flexible furlough arrangements until September 2021 to assist with meeting the employment costs of staff who were unable to work from home or who had their typical working hours affected by reduced business activity. The application of the furlough afforded security of earnings, particularly for those working variable hours. Successful applications were made by the Metropolitan Cathedral to the National Lottery Heritage Recovery Fund for pandemic support, which generated further welcome cash flows in 2021.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the trust and are satisfied that systems are in place to mitigate exposure to the major risks.

While the average weekly Mass attendance of 19,887 for 2021 reflects the impact of Covid restrictions, the underlying trend continued to be down, with a decline from the 85,357 reported in 2000. Usually calculated from the average of the Mass attendance each Sunday in October as submitted by each parish priest to the chancellor of the archdiocese. The average age of parish congregations is generally increasing, and the proportion of younger people is reducing. A key aspect of outreach to young people continues to be the work carried out by Catholic schools and the Animate youth ministry team across the archdiocese and beyond, who are based at Lowe House in St Helens.

The impact of the declining number of active parishioners and total clergy is being addressed through the recommendations of Synod 2020 that have been incorporated into the pastoral plan that was published in Advent 2021.

The vocations director appointed by the archbishop runs events around the archdiocese to help develop vocations to the priesthood and religious life for those people yet to decide whether to embark on ministerial formation.

The health and safety of all individuals that encounter the Church through the many churches and other properties of the archdiocese receives particular attention. A key aspect of the ongoing parish health and safety risk assessment process is risk identification, and through several techniques and processes the trustees aim to take all appropriate steps to mitigate the likely impact of risks identified. Guidance was issued to parishes to ensure that the reopening of churches, initially for private prayer and subsequently for public worship, met the social distancing and hygiene requirements. The provision of personal protective equipment was facilitated centrally and distributed to parishes as required.

Regulation compliance processes are acted upon for subjects such as asbestos, confined spaces, water hygiene, fire safety and first aid. Quinquennial reporting, three-monthly parish building inspections and parish health and safety risk assessments are undertaken. A culture of reporting of accidents to a designated health and safety coordinator is being improved and visits to all accident sites following serious incidents are undertaken. Systems are in place to ensure that all notifiable incidents are reported to the appropriate authorities and regular newsletters are sent to all parishes. Monthly reports covering health and safety are reviewed by the Finance Committee. The minutes of these meetings are reported to the trustees.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and activities

The objects of the charity as declared in the governing document are:

- the advancement of the Roman Catholic religion
- the advancement of education
- the relief of poverty
- the cure or alleviation of sickness or disease

Achievements and performance

In 2017 Archbishop McMahon, having become aware of the most recent pastoral challenges in the archdiocese, decided to call an archdiocesan Synod. This enabled the whole archdiocese to be involved in charting the way forward, and its outcomes for the goals, structures, styles, and methods of evangelisation in the archdiocesan community are being incorporated into the charity's review of its charitable purposes. The members of the Synod were chosen by the parishes and deaneries from around the archdiocese. Additional Synod members represented religious congregations, retired priests, seminarians, and others who make up the archdiocesan community.

Archbishop McMahon called the Synod for the archdiocese to facilitate what the International Theological Commission calls a grace filled event in which the People of God together with the bishop meet to address the pastoral challenges of the time.

Following the announcement of the four Synod themes in 2019, further listening and reflection took place with the opportunity for Synod members and their communities to reflect on each theme in turn and to develop them into practical proposals for action. The four themes were:

- All are called and gifted by God
- Sharing the mission of Jesus
- How we pray together
- Building community, nurturing belonging

Due to the implications of the pandemic, the period of listening and reflection was extended to conclude in March 2021 and included extra time for reflection on the experience of being Church during the period affected by COVID-19. After hearing the preferences of Synod members for the proposals a set of 19 recommendations covering all areas were formalised. A Synod book, 'Together on the Road' was produced to help people discern how they would vote on the recommendations and a week of prayer was held in advance of the Synod.

The Synod met in June 2021 via Zoom to vote on the proposals and to celebrate the Synod process. Archbishop McMahon opened the day and members heard from Cardinal Mario Grech of the Office of the Synod of Bishops, and Archbishop Claudio Gugerotti, Apostolic Nuncio to Great Britain.

In response to what was heard through the Synod process the Pastoral Plan was published on the first Sunday of Advent 2021. The plan comprises three sections:

- Christ at the centre – our theological underpinnings
- Four signposts to the future
- Six areas of development:
 1. Becoming a Church that accompanies people through life
 2. Becoming a Church that honours the vocation of all the baptised
 3. Becoming a Church where synodality is embedded
 4. Becoming a Church that reviews its organisational structures and administers its property to serve its mission
 5. Becoming a Church where young people and young adults flourish
 6. Becoming a Church that cares for its priests

The pastoral plan is to serve as the charter for implementing the work of Synod 2020 with a detailed consideration of the six areas of development that will evolve and be worked on in future years.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The net movement in funds of the group from parochial and curial activities is summarised below.

	2021 £000's	Restated ¹ 2020 £000's
Net (outgoing) / incoming resources	(1,060)	4,049
Unrealised gain / (loss) on investments	13,631	(6,315)
Revaluation of investment properties	5,114	2,917
Net movement	17,685	651

Commercial trading operations and charitable activities were adversely impacted in many areas of the charity's mission but the gradual easing of COVID-19 restrictions through 2021 facilitated increased activity. Donors continued to utilise alternative methods of giving, such as online donations, and the use of standing orders and the pressure on reserves was eased by further actions to control the levels of operational expenditure in all areas of the charity.

Accelerated by the financial impact of the pandemic, the trustees undertook a restructuring of central services that was initiated in December 2020. To better align services with archdiocesan need, several new employment roles were created but a reduction in staff numbers was experienced in early 2021 through a redundancy process.

Voluntary income

While the pandemic continued to have a negative impact on Mass attendance in 2021, parishioners continue to generously support their parishes. Long term initiatives such as the centrally coordinated 'Responsible Giving Campaign' have contributed to the core strength of parish finances. Implemented by small teams of volunteer parishioners, the campaign highlights the rising level of running costs faced by parishes and encourages parishioners to increase their individual level of giving. Separately there have been coordinated gift aid campaigns to boost donations further. Parishes where a responsible giving campaign has been undertaken have experienced sustained increases in giving while other parishes report falling offertories. The coordination of such parish campaigns occurring once every five years, interspersed with gift aid campaigns, continues to maintain the effectiveness of donation levels whilst trying to avoid 'fundraising fatigue' for parishioners.

Parishioners responded to parish need by increasing the number and value of standing order donations made directly to parishes. They also used the online and text giving platforms to maintain their levels of support for their parishes. Offertory income amounted to £4.60M (2020: £3.91M), demonstrating a recovery from 2020 but below the level of giving of £5.78M reported in 2019.

The value of legacies received by the archdiocese was £1.39M in 2021 (2020: £0.46M). The Priests' Training Fund, George Andrew Fund, the cathedral, and individual parishes each continue to benefit from the generosity of parishioners through collection income and bequests. Legacies were reported in 20 individual parishes in 2021 (2020: 25).

The gradual easing of pandemic restrictions facilitated parishioners' abilities to respond to appeals and special collections during the year. £0.60M was received in 2021 (2020: £0.60M) and various external charities, including CAFOD and Nugent, benefited from the income generated in parishes.

Fundraising activities

The activities of the parish centres are consolidated within Archdiocesan Parish Centres Management Company Limited (APCMC). Trading continued to be disrupted until May 2021 when the majority of centres re-opened. The trustees decided that 20 parish centres would cease to trade commercially and the decision to end the licensed trade in those centres necessitated a redundancy consultation in 2021

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Fundraising activities *(continued)*

that resulted in the redundancy of 85 parish centre staff. While 37 parish centres continue to trade, all the parish centre buildings remain a valuable resource to parishes and the wider community, with the activities of the company enabling the funding of these costly sites on behalf of the parishes.

In 2021, APCMC obtained a £1.7M loan under the government-backed Coronavirus Business Interruption Scheme to mitigate the negative cash flow impact of the closure of parish centres arising from lockdown restrictions. The amount, calculated as the estimated net income lost by the company during the lockdown restrictions is secured against cash balances of APCMC and has no interest cost implications to the company or the archdiocese for the first year of the loan. The loan was repaid in 2022 before any interest became chargeable to the organisation.

Following a review of operations, the commercial activities of the Conference Centre at LACE have been streamlined. The building remains in use for archdiocesan and external groups, without dedicated conferencing and hospitality support.

Archdiocesan building projects are managed by Tuneside Limited and Archdiocesan Property Services Limited, and the activities of the subsidiaries have considerable influence in ensuring that building projects are managed in a cost-efficient manner to the benefit of the parishes and schools.

Investment policy and performance

The trust deed authorises the trustees to invest general funds of the charity in any lawful manner.

The investment portfolio is managed on a discretionary basis within the parameters of a general ethical investment policy restricting the investment managers from investing in any area that would be incompatible with the objectives of the trust. The policy states that no investments are to be made in companies which generate more than 10% of their turnover from military activity, the production of anything which threatens the sanctity of life, or the production of pornography. An enhanced policy is being developed which reflects the trustees' attitude to sustainable and socially responsible investing, ensuring that environmental and ethical considerations remain a key driver of archdiocesan investment strategy. The investment managers use the services of bodies such as the Investor Responsibility Research Service in endeavouring to ensure compliance with archdiocesan policy.

The Investment Panel has authority delegated from the trustees to set performance targets and to assess the actual performance of the investment managers against benchmarks, with advice from a specialist firm of investment advisers.

The archdiocesan investment portfolio is split into two separate portfolios managed by different investment managers and representatives of the investment managers meet periodically with the Investment Panel, who assess their relative performance and against benchmarks.

Following adverse performance against the agreed benchmarks and a full investment manager review in 2021, BlackRock Investment Management (UK) Limited was notified of the trustees' intention to transfer management of that element of the portfolio to Evelyn Partners. The transfer took place in 2022 with Rathbone Investment Management Limited continuing to manage the other element of the portfolio.

Investment income generated by the investment managers of the unitised portfolio was £3.86M (2020: £3.62M) and met the targets required by the archdiocese. The charity reported an unrealised gain on investments of £13.63M (2020: Loss £6.32M) but subsequent volatility in 2022 seen those unrealised gains eliminated.

All archdiocesan bank accounts are included within the offset banking system. After daily consideration of commitments and spending patterns, archdiocesan personnel evaluate the cash requirements, the balance being placed in a variety of cash deposits with institutions approved by the trustees.

The investment objective in respect of cash management is to maximise income from cash balances whilst maintaining sufficient available funds to meet the daily operating requirements and to facilitate the timely payment of liabilities.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Investment policy and performance *(continued)*

The low rates of interest available on cash balances continued to present a challenge in 2021. Income derived from cash management activities was limited but rate increases since December 2021 have contributed to increased returns in 2022.

Investment properties

The archdiocese sold several assets that were no longer being used as functional church properties and reported a realised gain on the disposal of properties of £0.09M (2020: £0.02M). The trustees have retained several properties no longer required for functional purposes to generate a rental income for individual parishes. Several properties that were previously retained for investment purposes have been returned to functional use during the year. A cyclical valuation programme is operated by the trustees and the revaluations created an unrealised gain of £5.11M in 2021 (2020: £2.92M).

Charitable activities and public benefit

The charity aims to satisfy its objects through four main areas of charitable activity:

- To support pastoral work in parishes and local communities
- To provide support to the clergy in training, ministry and retirement
- To support and direct lifelong Christian education in parishes and schools
- To preserve and invest in the property infrastructure of the archdiocese and parishes, facilitating worship and enabling the charitable work of the Church to take place

In considering the charitable activities of the archdiocese, the trustees have had regard to the charity Commission guidance on public benefit. Success is measured in several ways. The archbishop has oversight of the whole archdiocese, achieved through visitations to parishes and schools and through the wider knowledge and reviews below of the various activities of the organisation.

Pastoral work

Despite the pandemic and subject to varying levels of lockdown restrictions, the celebration of Mass in parishes within the archdiocese was attended by an average weekly congregation of 19,887 in 2021 and contributed to the spiritual well-being of society and the public in general. The adaptiveness of parishes and the cathedral in the facilitation of online streaming of regular and special services ensured that the archdiocese continued to have a positive impact.

Many activities coordinated through parishes of the archdiocese are focused on the needs of the vulnerable, both at home and abroad, and significant collections are undertaken on behalf of charities such as Nugent, CAFOD and natural disaster appeals. The pastoral work of the archdiocese extends through chaplaincy provision offering spiritual support to those in universities, hospitals, and prisons within the geographical area of operation. A regular and extensive provision of pastoral visiting to the sick at home and in nursing homes is undertaken by clergy and trained lay people.

While most pastoral work is undertaken locally, parishes are supported by the work of the archdiocesan Pastoral Development Department and other centrally funded departments and initiatives facilitate and encourage work in the local community.

The archdiocesan Department of Education through the Christian education section focuses on formation and ethos in our Catholic schools by means of staff training courses, professional catechetical and liturgical support, and statutory religious education inspections.

Parish work with young people is complemented by the activities of the Animate youth ministry team based at Lowe House in St Helens. A team of residential youth workers under the direction of the archdiocesan youth chaplain serves in parishes and schools, engaging with over 10,000 young people each year by undertaking preparation for sacraments, youth events, pilgrimages, and school missions.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Pastoral work *(continued)*

This interaction informs young people not only about religion but also about basic values which contribute to the common good of society.

For four decades Liverpool priests have volunteered to serve in Latin America, standing alongside the poor and deprived, supported by the people of the archdiocese. LAMP was established in 1979 to undertake this missionary work and attend to the needs of individuals within the parishes administered by archdiocesan priests operating in Latin America. Investment income derived from restricted investments and legacies currently support the daily activities and pastoral work of the priests, with emphasis on catechesis and the support of medical aid, as well as some of the property needs in their parishes.

Clergy support

At the local level, priests are actively involved in directing, coordinating and undertaking the mission of the Church and delivering the strategy of the archdiocese. Clergy are also responsible for the celebration of Masses as well as baptisms, marriages, funerals, and the provision of the sacraments generally. The priests and deacons of the archdiocese provide welfare to the sick, dying and their relatives through visiting and the administration of the sacraments.

Priests do not retire but can stand down from the full responsibilities of office at 75 years old, or earlier if their health requires. As the anticipated number of such 'retired' priests increases beyond the present number, the requirements on the George Andrew Fund to provide for the living needs of retired priests will increase and the fund value will diminish. The George Andrew Fund levy based on parish donations and income contributes to supporting priests during illness and after leaving office.

Properties in several locations within the archdiocese have been converted and refurbished to increase the level and variety of accommodation available to retired priests. An annual parish collection, 'Provision for Priests in Retirement' continues to be generously supported by parishioners. The proceeds of the annual collection will help to meet the future costs of converting and maintaining such properties and are held separately from those of the George Andrew Fund.

The archdiocese has seven students preparing for the priesthood and the proceeds of an annual parish collection, legacies and specific donations to the Priests' Training Fund provide for the cost of education of students for the priesthood and for continuing formation.

Education

In partnership with the trustees of religious orders, the archdiocese provides a network of schools across a very wide and disparate geographical area embracing eight local education authorities and the Isle of Man.

The Education Department ensures that there is in its schools, at both primary and secondary levels, a place available for every baptised Catholic child. Successive external reports give testament to the enduring quality of the network of schools, which continue to place as much emphasis on personal, spiritual, and moral formation as on academic progress. In celebrating the uniqueness of the individual and fostering independence alongside responsibility to others, the archdiocesan schools strive to offer mutual support for the common good in the wider society.

Through the School Projects Fund, the archdiocese approved 185 individual capital and repair projects to the value of £17.89M in the year (2020: 157 projects, £11.98M). The projects were financed through several different funding sources including Voluntary-Aided Schools Condition Allocation (VASCA) that was introduced in April 2020 as a replacement for the Locally Coordinated Voluntary-Aided Programme (LCVAP).

The introduction of VASCA gives the archdiocese ultimate control over the allocation of grant funding to individual schools. The monies are now included as income in the Statement of Financial Activities and the change in treatment necessitated an adjustment in respect of monies received since April 2020. Further information is available in note 31 to the accounts. VASCA income amounted to £11.63M in the

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Education *(continued)*

year (2020: £14,73M). Expenditure on school building projects was £10.67M (2020: £3.85M) is now reflected at 100%, incorporating the commitment of VASCA grant and the archdiocesan 10% contribution to the cost of the individual projects. The archdiocesan level of contribution can only be achieved with the support of parishioners and parents who contribute to the annual school levy collection. The School Projects Fund benefited from £0.58M (2020: £0.54M) of donations from parents via archdiocesan schools but in acknowledgement of the pandemic impact on parish and parishioners' finances no contribution was sought from this source in 2020 or 2021.

The year witnessed the development of two Catholic multi academy trusts (MATs). The Pope Francis Catholic MAT will initially support two high schools and the St Joseph MAT will provide intensive support to a number of schools with directive academy orders. The MATs will add to the existing provision offered by the All Saints MAT, which to date contains two joint Catholic and Anglican high schools.

Maintaining the policy direction established in recent years, capital investment in schools and colleges continued to focus on improving building condition. This year around 87% of the school capital funding accessed by archdiocesan schools was targeted at maintaining and improving the fabric of our school buildings.

The year saw the continuation of significant investment targeted on the improvement in the condition of Catholic high school buildings in the Wigan local authority area. This long-term strategy aims to provide support in each Catholic high school in each of the two target areas to deliver a significant improvement in the overall quality of the school buildings. This year saw completion of the funding allocation for St Mary's school in Wigan and focus will now move on to Savio Salesian College in Bootle. Following a successful engagement with the Department of Education, St John Fisher high school in Wigan will be rebuilt through the government's School Rebuilding Programme, following the successful conclusion of a feasibility study during the year. Development work also progressed for the new build project at St Aloysius primary school in Knowsley.

During the year a whole-school condition-led redevelopment of St Paul's and St Timothy's infant school in Liverpool progressed to site and further progress was made in the significant refurbishments and redevelopment projects at St Oswald's primary school, Liverpool, and St Aidan's primary school in Wigan. A project to improve accessibility and suitability at St Mary's Little Crosby was also developed with view to future delivery. An additional programme of work focussing on addressing heating projects at 15 schools across the archdiocese was also implemented.

An element of funding of school building projects is paid directly to schools using a formulaic allocation known as devolved formula capital (DFC). Most schools in the archdiocese opt to pay their DFC allocations into an archdiocesan bank account within which they are maintained on an individual basis until they are drawn down by the school. At the year end, the archdiocese was holding £6.92M (2020: £7.58M) on behalf of schools.

Through the Schools' Voluntary Contribution Scheme, the archdiocese can offer an enhanced level of support to schools. Contributions of £0.28M in 2021 (2020: £0.30M) from archdiocesan schools enabled the Education Department to support the development of leadership teams and advise on selection and appointment processes through effective induction, in-service and advanced programmes of training following appointment. In 2021 a significant number of new appointments made by governing bodies were undertaken with the support of archdiocesan officers.

Property

Establishment costs remain the most significant area of expenditure for parishes, with £6.14M (2020: £5.70M) incurred in property running costs, which included repairs and maintenance costs of £3.32M in 2021 (2020: £2.98M).

Effective control exercised through the Finance Committee, which considers and recommends to the trustees repair projects costing in excess of £5,000, and the efforts of the in-house surveying team in obtaining value for money has ensured that building projects remained good value for money with trustee consideration and approval.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

Property *(continued)*

The management of the maintenance and repair programme ensures that churches and parish halls are open to the whole community to benefit not only spiritually but also practically from the provision of pastoral care and the many activities provided by our parishes to the wider community.

During the year work continued on the major restoration of the organ of the Metropolitan Cathedral. At a cost of £1.14M the project will provide for the renewal of mechanical and electrical components and other associated works. Providing safe access for long-term maintenance, the organ which plays a key role in the daily life of the cathedral was fully active in December 2022.

Employees

The employees of the Archdiocese of Liverpool make an immense contribution to the life of the archdiocese. Information about the archdiocesan activities is communicated to employees in several ways including email and intranet and regular meetings are held with staff on general and specific matters.

The Staff Association, which has representation from all areas of employment within the archdiocese and its subsidiaries, exists to enhance the contribution made by employees and to ensure that the wellbeing of staff is a priority consideration by the trustees and management in their decision-making. The association is a forum where staff can consider employment, health and safety and social matters. It also offers the trustees and senior management the opportunity to consult over proposed strategies, policies, and guidance. Staff are encouraged to voice their ideas as well as any concerns.

It is the policy of the archdiocese to consider job applications from disabled persons, having due regard to their aptitudes and abilities, and to provide opportunities for the retention and retraining of employees who become disabled during their employment. Equal opportunities are also given for the training, career development and promotion of disabled persons.

Annual pay changes are considered by the trustees, and job roles and remuneration are reviewed periodically. Archdiocesan benchmarking is employed when new roles are created or when significant roles become vacant.

Grants

The archdiocese is not primarily a grant-making charity. A small number of discretionary grants were made by the trustees to contribute towards the costs of initiatives run by other charities where their objects correlated with those of the archdiocese. Further information on this can be found in note 19 to the accounts.

Reserves policy

On 31 December 2021 the reserves were:

	2021 £000's	Restated ¹ 2020 £000's
Restricted funds	30,647	28,180
Unrestricted funds: - general	101,255	91,617
- designated	89,726	84,146
	221,628	203,943

Restricted funds represent unexpended balances from collections, donations, legacies, and grants restricted by donors to specific purposes including the Priests' Training Fund and Foundation Mass capital. Balances on specific building projects at the Metropolitan Cathedral represent amounts of grant-

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy *(continued)*

aid and other financial support invested in the fabric of the building. A breakdown of amounts restricted is given and the purpose of the restrictions is explained further in note 16.

Designated funds have been set aside by the trustees for several purposes including school projects, central funds, the George Andrew Fund, and the Metropolitan Cathedral.

To ensure that the reserves of the George Andrew and 2021 funds are enough to support priests in retirement, periodic actuarial reviews are undertaken. The 2021 Fund was set up as a successor to the George Andrew Fund in anticipation of an increase in the number of clergy needing retirement support from 2021 onwards. The outcome of the most recent review was confirmation that the level of reserves held was adequate to meet the likely future costs of retirement. At December 2021 reserves of these two funds amounted to £16.83M (2020: £15.33M). Reflecting the long-term nature of the support provided by these two designated funds, the level of reserves that would otherwise be classified as freely available is more than the general target set for other funds of the archdiocese.

The central funds of the archdiocese which have been designated to meet the costs of central archdiocesan initiatives and support costs were £49.65M in December 2021 (2020: £47.72M). The assets of the funds are primarily investment property and holdings in the unitised investment portfolio. The income generated from these investments contributes to the costs of centrally coordinated charitable activities and the support and governance cost obligations of the charity. The level of reserves held ensures that parishes are not required to contribute to central costs by way of an annual levy.

Although collectively our parishes are financially secure, those parishes without sufficient reserves rely on or benefit from the generosity of fellow parishes through the Assessment Fund and offset banking system.

Parishes make voluntary contributions to the Assessment Fund based on income. The Assessment Fund committee, which is made up of parish priests, considers written applications for support from parishes and distributes grants to those parishes in need. In focusing on parishes with negative reserves, the committee has contributed to an improvement in reserves in many parishes.

The level of aggregated reserves held for general parish purposes is broadly consistent with that of the rest of the archdiocese. The collective reserves of parishes have exceeded the target set by the trustees. Around 33% of parishes are managing their activities without any freely available reserves representing an improvement from 35% in 2020. Reserves in another 37 parishes are below the overall target of 36 months (2020: 33 parishes).

Despite the significant increase in transactions arising from daily sweep activities, the offset banking system continues to ensure that those parishes with limited resources are spared the additional cost of interest charges on bank overdrafts and builds on the Church's values of solidarity with the poor and the common good.

The level of freely available reserves is ordinarily determined as the amount of total unrestricted (including designated) funds less fixed assets as these assets could not be realised without undermining the work of the archdiocese. Typically, this reserve figure is expressed in terms of monthly expenditure. Under this definition, the level of reserves freely available to spend on any or all of the charity's purposes amounted to approximately 59 months' expenditure (2020: 51 months).

Taking into consideration the specific demands in respect of funds designated to meet the costs of clergy in retirement, the trustees consider any meaningful target for reserves to meet general expenditure should exclude these funds. At December 2021, 51 months of expenditure were available (2020: 45 months).

The level of net current assets held by the archdiocese amounted to £20.22M (2020: £17.79M) and represents 9.85 months (2020: 7.34 months) of expenditure at December 2021.

While aiming to maintain working capital or net current assets of between 4 to 6 months' expenditure, the trustees consider that an overall level of reserves equating to 51 months' expenditure is sufficient to enable the charity to fulfil all of its obligations and commitments. While investment

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy *(continued)*

volatility has contributed to a change in the levels of reserves, as returns on cash management remain limited, it is felt the excess of reserves over 36 months is acceptable in the short to medium term. The trustees' expectations in respect of the desired levels of reserves in the longer term remain realistic.

Going concern

In preparing the financial statements, the trustees are required to prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation. In satisfaction of this responsibility the trustees have considered the charity's ability to meet its liabilities as they fall due for a period of at least 12 months from the signing date of the financial statements.

On 20 July 2022, a Charitable Incorporated Organisation, 'Archdiocese of Liverpool' was registered with the Charity Commission. The net assets and undertakings of the Liverpool Roman Catholic Archdiocesan Trust were transferred to the new entity, charity number 1199714, on 31 December 2022.

The net assets of the archdiocese have transferred to the new entity without impairment as the core objectives and activities remain consistent with the archdiocesan trust. The Charity Commission has categorised the archdiocesan trust as a linked charity of the new Charitable Incorporated Organisation.

Having regard to the challenging economic climate, the impact of the war in Ukraine and general economic uncertainty and other inflationary pressures, the trustees have made an assessment of the likely impact of these factors on the charity based on the latest available information.

The assessment has considered the direct consequences of significantly higher operating expenses, with particular reference to energy costs associated with the operation of churches and other parish properties. The trustees have considered the uncertainty arising from shortages of construction raw materials and the potential impact on the schools capital programme and the ongoing repair and maintenance of parish properties. An assessment of the potential impact of the present inflationary climate on the ability of donors to maintain their generous levels of voluntary giving has also been undertaken.

Forecasts have been prepared and reviewed for the forthcoming year, including a sensitivity analysis reflecting the uncertainties inherent in the current political and economic environment and have considered the potential impacts of various financial risks under a reverse stress test scenario.

The trustees conclude that it remains appropriate to prepare the financial statements on a going concern basis.

Plans for future periods

The proposals for action that emerged from the Synod as presented in the pastoral plan released at the start of Advent 2021 will drive the strategic direction of the archdiocese.

In becoming a Church that accompanies people through life, the Synod identified the key priority for the archdiocese is that it should look outwards and evangelise. The pastoral plan commits the archdiocese to the idea of 'accompaniment' as the paradigm within which the organisation operates. The trustees envisage this as impacting on every aspect of archdiocesan life with an aim to walk alongside all people in the joys and hopes, griefs and anxieties of the lives.

To become a Church that honours the vocation of all the baptised, the archdiocese is to be bold and creative in celebrating the call of Christ and in supporting people to respond. The trustees recognise the need to foster the gifts and callings of all the baptised, and to consider new models of leadership that engage directly with the realities of life today, building up collaboration and embedding synodality.

Becoming a Church where synodality is embedded and heeding the call of Pope Francis that the synodal model is the way of the Church in its third millennium, a new advisory body will replace the Archbishop's Council as the consultative body that meets regularly with the archbishop. Its membership

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future periods (continued)

will include lay people, as well as clergy. An archdiocesan synodal council will also be given the responsibility of monitoring the implementation of the pastoral plan.

To become a Church that renews its organisational structures and administers its property to serve its mission, the archdiocese has reorganised the 18 pastoral areas into 13 deaneries with a more stabilised and institutional grouping of various parishes.

In becoming a Church where young people and young adults flourish, the trustees intend to appoint a full-time youth adviser to create a networked youth ministry that brings together present and future provision across the archdiocese. The archdiocese will develop a Youth Council to bring concrete proposals to the agreed archdiocesan structures and increase support for Catholic life in schools by exploring a central archdiocesan chaplaincy structure.

Becoming a Church that cares for its priests, the archdiocese anticipates that the families of parishes created by the pastoral plan will encourage greater mutual support for archdiocesan priests. The archdiocese recognises that it is essential that the priests play an active role in developing plans in this regard and shall establish an externally facilitated process to explore with the priests of the archdiocese what needs to be developed to effectively support their flourishing in the human, spiritual, liturgical, theological, intellectual, and pastoral aspects of their lives.

Capital investment in schools and colleges will continue to focus on maintaining and improving building condition. Education Department officers will also continue to work closely and productively with central government to advocate for our schools on matters of education capital policy and with local authority colleagues to ensure that there continue to be sufficient places across the archdiocese to meet overall Catholic demand. The new year will see a movement to a new system of capital administration by the Department for Education, with school condition allocations aggregated to diocese level in a single allocation, along with greater flexibility at local level to move funding between financial years. This development will support a more efficient and responsive programme delivery.

Demand remains very high for places in archdiocesan schools but there is a very high level of assurance that all Catholic children can obtain a place at a local Catholic school. Work will continue to consider admission numbers that maintain our offer of sufficient places to Catholic families and which also deliver strong and sustainable schools. Where expansion or closures need to be considered officers will work closely with local and national government colleagues, and within the statutory school organisation frameworks, to take appropriate action.

Education department officers will work with the new MATs and the Department for Education to ensure that those schools converting to academy status can be fully and appropriately supported, and that appropriate governance, operational, and administrative structures are established to ensure that the focus of the academies continues to be on the provision of high quality education.

Volunteers

The trustees acknowledge the hard work of so many volunteers in our parishes who help in financial and property administration and also those who are involved in what are a variety of roles that assist in the life and service of the Church and trust and the wider society. They wish to thank them all for all their hard work and dedicated commitment to these aspects of the life of the Church. The monetary value of the volunteers' time is impossible to quantify.

In summary, the overall picture is one of consolidation and improvement of existing resources. The trustees are budgeting carefully in response to archdiocesan needs and priorities to preserve the level of reserves and maintain commitments to existing services, whilst also being able to periodically consider new initiatives in line with the pastoral plan.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditor

In respect of each trustee at the date the trustees report is signed:

- So far as we are aware, there is no information needed by the charity's auditor in connection with preparing their report (relevant audit information) of which they are unaware, and
- As the trustees of the charity, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint BDO LLP as auditors for the ensuing year will be proposed.

Signed on behalf of the trustees



Rev Mgr J Devine OBE
Episcopal Vicar for Finance

14 July 2023

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Charity 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 charity 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of the group's 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.

We have audited the financial statements of Liverpool Roman Catholic Archdiocesan Trust ("the parent charity") and its subsidiaries ("the group") for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement 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 group and the parent charity 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 group and the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
FOR THE YEAR ENDED 31 DECEMBER 2021

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 Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- adequate accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 liquidate the group or the parent charity 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 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.

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

**LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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 investment properties;
- Identifying and testing journal entries posted to the financial statements;
- Discussions with management and trustees, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Reading minutes of meetings of those charged with governance and reviewing any correspondence with Charity Commission.

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. 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 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP, statutory auditor
London, UK
Date 14 July 2023

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

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2021 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	7,248	583	599	8,430	177	-	41	218	8,648
Legacies		904	-	78	982	94	268	42	404	1,386
Grants	3.2	87	-	11,625	11,712	66	507	-	573	12,285
Other trading activities										
Fundraising	3.3	152	-	-	152	5,934	-	-	5,934	6,086
Investment income	3.4	1,666	275	7	1,948	484	2,354	161	2,999	4,947
Charitable activities	4	66	-	-	66	380	1,204	-	1,584	1,650
Other										
Net gains on disposal of assets		51	-	-	51	-	37	-	37	88
TOTAL INCOME		10,174	858	12,309	23,341	7,135	4,370	244	11,749	35,090
EXPENDITURE ON										
Raising Funds	5	213	28	1	242	6,789	295	19	7,103	7,345
Charitable activities										
Ministry support	6.1	1,209	-	-	1,209	44	1,010	212	1,266	2,475
Pastoral and community	6.2	3,257	-	447	3,704	750	2,243	142	3,135	6,839
Education	6.3	-	1,368	9,302	10,670	631	1,018	-	1,649	12,319
Provision for worship	6.4	6,138	-	-	6,138	401	633	-	1,034	7,172
TOTAL EXPENDITURE		10,817	1,396	9,750	21,963	8,615	5,199	373	14,187	36,150
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS		(643)	(538)	2,559	1,378	(1,480)	(829)	(129)	(2,438)	(1,060)
Net gains on investments	10	10,207	1,180	48	11,435	805	5,847	658	7,310	18,745
NET INCOME / (EXPENDITURE) AFTER INVESTMENT GAINS		9,564	642	2,607	12,813	(675)	5,018	529	4,872	17,685
TRANSFERS BETWEEN FUNDS	25	606	(250)	(643)	(287)	143	170	(26)	287	-
NET MOVEMENT IN FUNDS		10,170	392	1,964	12,526	(532)	5,188	503	5,159	17,685
Fund balances at 1 January 2021 (restated ¹)		81,852	1,237	13,544	96,633	9,765	82,909	14,636	107,310	203,943
FUND BALANCES AT 31 DECEMBER 2021	26	92,022	1,629	15,508	109,159	9,233	88,097	15,139	112,469	221,628

All amounts relate to continuing operations.
The notes on pages 29 to 72 form part of these accounts.

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

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

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Restated ¹ Parochial Restricted Funds £000's	Restated ¹ TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	Restated ¹ TOTAL 2020 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	6,347	546	598	7,491	121	58	30	209	7,700
Legacies		208	-	-	208	31	9	209	249	457
Grants	3.2	357	-	14,725	15,082	214	200	-	414	15,496
Other trading activities										
Fundraising	3.3	61	-	-	61	5,120	-	-	5,120	5,181
Investment income	3.4	1,588	243	6	1,837	424	2,514	134	3,072	4,909
Charitable activities	4	59	-	-	59	357	955	-	1,312	1,371
Other										
Net gains on disposal of assets		23	-	-	23	-	-	-	-	23
TOTAL INCOME		8,643	789	15,329	24,761	6,267	3,736	373	10,376	35,137
EXPENDITURE ON										
Raising Funds	5	107	25	1	133	7,459	350	14	7,823	7,956
Charitable activities	6									
Ministry support	6.1	1,397	-	-	1,397	43	1,374	288	1,705	3,102
Pastoral and community	6.2	3,429	-	463	3,892	866	2,419	124	3,409	7,301
Education	6.3	-	786	3,061	3,847	764	1,449	-	2,213	6,060
Provision for worship	6.4	5,705	-	-	5,705	389	575	-	964	6,669
TOTAL EXPENDITURE		10,638	811	3,525	14,974	9,521	6,167	426	16,114	31,088
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS / (LOSSES)		(1,995)	(22)	11,804	9,787	(3,254)	(2,431)	(53)	(5,738)	4,049
Net gains / (losses) on investments		116	(549)	(21)	(454)	(301)	(2,338)	(305)	(2,944)	(3,398)
NET INCOME AFTER INVESTMENT GAINS / (LOSSES)		(1,879)	(571)	11,783	9,333	(3,555)	(4,769)	(358)	(8,682)	651
TRANSFERS BETWEEN FUNDS		166	(312)	(130)	(276)	143	170	(37)	276	-
NET MOVEMENT IN FUNDS		(1,713)	(883)	11,653	9,057	(3,412)	(4,599)	(395)	(8,406)	651
Fund balances at 1 January 2020		83,565	2,120	1,891	87,576	13,177	87,508	15,031	115,716	203,292
FUND BALANCES AT 31 DECEMBER 2020		81,852	1,237	13,544	96,633	9,765	82,909	14,636	107,310	203,943

All amounts relate to continuing operations.

The notes on pages 29 to 72 form part of these accounts

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2021 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	7,248	583	599	8,430	176	-	41	217	8,647
Legacies		904	-	78	982	94	268	42	404	1,386
Grants	3.2	87	-	11,625	11,712	62	507	-	569	12,281
Other trading activities										
Fundraising	3.3	152	-	-	152	15	-	-	15	167
Investment income	3.4	1,666	275	7	1,948	311	2,354	161	2,826	4,774
Charitable activities	4	66	-	-	66	380	1,204	-	1,584	1,650
Other										
Net gains on disposal of assets		51	-	-	51	-	37	-	37	88
TOTAL INCOME		10,174	858	12,309	23,341	1,038	4,370	244	5,652	28,993
EXPENDITURE ON										
Raising Funds	5	213	28	1	242	9	295	19	323	565
Charitable activities										
Ministry Support	6.1	1,209	-	-	1,209	44	1,010	212	1,266	2,475
Pastoral and Community	6.2	3,257	-	447	3,704	579	2,243	141	2,963	6,667
Education	6.3	-	1,368	9,302	10,670	-	1,018	-	1,018	11,688
Provision for worship	6.4	6,138	-	-	6,138	401	633	-	1,034	7,172
TOTAL EXPENDITURE		10,817	1,396	9,750	21,963	1,033	5,199	372	6,604	28,567
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS		(643)	(538)	2,559	1,378	5	(829)	(128)	(952)	426
Net gains on investments	10	10,207	1,180	48	11,435	299	5,847	658	6,804	18,239
NET INCOME AFTER INVESTMENT GAINS		9,564	642	2,607	12,813	304	5,018	530	5,852	18,665
TRANSFERS BETWEEN FUNDS										
NET MOVEMENT IN FUNDS	25	606	(250)	(643)	(287)	(30)	170	30	170	(117)
FUND BALANCES AT 1 JANUARY 2021 (restated¹)		81,852	1,237	13,544	96,633	10,467	82,575	14,359	107,401	204,034
FUND BALANCES AT 31 DECEMBER 2021	26	92,622	1,629	15,508	109,159	10,741	87,763	14,919	113,423	222,582

All amounts relate to continuing operations
The notes on pages 29 to 72 form part of these accounts.

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

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

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Restated ¹ Parochial Restricted Funds £000's	Restated ¹ TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	Restated ¹ TOTAL 2020 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	6,347	546	598	7,491	121	58	30	209	7,700
Legacies		208	-	-	208	31	9	209	249	457
Grants	3.2	357	-	14,725	15,082	123	200	-	323	15,405
Other trading activities										
Fundraising	3.3	61	-	-	61	14	-	-	14	75
Investment income	3.4	1,588	243	6	1,837	305	2,514	134	2,953	4,790
Charitable activities	4	59	-	-	59	357	955	-	1,312	1,371
Other										
Net gains on disposal of assets		23	-	-	23	-	-	-	-	23
TOTAL INCOME		8,643	789	15,329	24,761	951	3,736	373	5,060	29,821
EXPENDITURE ON										
Raising Funds	5	107	25	1	133	21	350	14	385	518
Charitable activities										
	6									
Ministry Support	6.1	1,397	-	-	1,397	43	1,374	288	1,705	3,102
Pastoral and Community	6.2	3,429	-	463	3,892	732	2,419	123	3,274	7,166
Education	6.3	-	786	3,061	3,847	-	1,449	-	1,449	5,296
Provision for worship	6.4	5,705	-	-	5,705	389	575	-	964	6,669
TOTAL EXPENDITURE		10,638	811	3,525	14,974	1,185	6,167	425	7,777	22,751
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS		(1,995)	(22)	11,804	9,787	(234)	(2,431)	(52)	(2,717)	7,070
Net gains on investments	10	116	(549)	(21)	(454)	(119)	(2,338)	(305)	(2,762)	(3,216)
NET INCOME AFTER INVESTMENT GAINS		(1,879)	(571)	11,783	9,333	(353)	(4,769)	(357)	(5,479)	3,854
TRANSFERS BETWEEN FUNDS	25	166	(312)	(130)	(276)	83	170	19	272	(4)
NET MOVEMENT IN FUNDS		(1,713)	(883)	11,653	9,057	(270)	(4,599)	(338)	(5,207)	3,850
Fund balances at 1 January 2020		83,565	2,120	1,891	87,576	10,737	87,174	14,697	112,608	200,184
FUND BALANCES AT 31 DECEMBER 2020	26	81,852	1,237	13,544	96,633	10,467	82,575	14,359	107,401	204,034

All amounts relate to continuing operations.
The notes on pages 29 to 72 form part of these accounts.

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2021

	Notes	Parochial 2021 £000's	Curial 2021 £000's	Total 2021 £000's	Restated ¹ Parochial 2020 £000's	Curial 2020 £000's	Restated ¹ Total 2020 £000's
FIXED ASSETS							
Tangible assets							
- investment properties	11.1	19,488	12,669	32,157	15,020	15,154	30,174
- other	11.3	12,050	18,762	30,812	11,759	19,080	30,839
		31,538	31,431	62,969	26,779	34,234	61,013
Investments	12.1	59,814	78,629	138,443	53,843	71,330	125,173
Total Fixed Assets		91,352	110,060	201,412	80,622	105,564	186,186
CURRENT ASSETS							
Stock		-	222	222	-	119	119
Debtors							
- due within one year	13	2,288	2,001	4,289	4,080	2,032	6,112
Balance at bank		13,310	17,047	30,357	10,739	14,081	24,820
		15,598	19,270	34,868	14,819	16,232	31,051
CREDITORS							
- amounts falling due within one year	14	(7,184)	(7,468)	(14,652)	(8,543)	(4,714)	(13,257)
Inter designation balances	1.21	9,393	(9,393)	-	9,735	(9,735)	-
NET CURRENT ASSETS		17,807	2,409	20,216	16,011	1,783	17,794
Provisions for liabilities							
Deferred taxation	15	-	-	-	-	(37)	(37)
NET ASSETS		109,159	112,469	221,628	96,633	107,310	203,943
ACCUMULATED FUNDS							
Restricted funds	16	15,508	15,139	30,647	13,544	14,636	28,180
Unrestricted funds							
- Designated	17	1,629	88,097	89,726	1,237	82,909	84,146
- General		92,022	9,233	101,255	81,852	9,765	91,617
		109,159	112,469	221,628	96,633	107,310	203,943

The financial statements were approved and authorised for issue by the trustees on 14 July 2023 and signed on their behalf by

Melanie P. McAlister

Chairman of the trustees

The notes on pages 29 to 72 form part of these accounts.

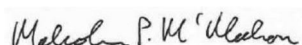
¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY BALANCE SHEET AT 31 DECEMBER 2021

	Notes	Parochial 2021 £000's	Curial 2021 £000's	Total 2021 £000's	Restated ¹ Parochial 2020 £000's	Curial 2020 £000's	Restated ¹ Total 2020 £000's
FIXED ASSETS							
Tangible assets							
- investment properties	11.2	19,488	11,079	30,567	15,020	13,604	28,624
- other	11.4	12,050	4,736	16,786	11,759	4,583	16,342
		31,538	15,815	47,353	26,779	18,187	44,966
Investments	12.2	59,814	73,989	133,803	53,843	67,205	121,048
Investment in related companies	12.3	-	22,558	22,558	-	22,558	22,558
Total Fixed Assets		91,352	112,362	203,714	80,622	107,950	188,572
CURRENT ASSETS							
Debtors							
- due within one year	13	2,288	1,523	3,811	4,080	1,335	5,415
Balance at bank		13,310	23,733	37,043	10,739	21,346	32,085
		15,598	25,256	40,854	14,819	22,681	37,500
LIABILITIES							
Creditors							
- amounts falling due within one year	14	(7,184)	(1,785)	(8,969)	(8,543)	(1,813)	(10,356)
Inter designation balances	1.21	9,393	(22,410)	(13,017)	9,735	(21,417)	(11,682)
NET CURRENT ASSETS		17,807	1,061	18,868	16,011	(549)	15,462
NET ASSETS		109,159	113,423	222,582	96,633	107,401	204,034
ACCUMULATED FUNDS							
Restricted funds	16	15,508	14,919	30,427	13,544	14,359	27,903
Unrestricted funds							
- Designated	17	1,629	87,763	89,392	1,237	82,575	83,812
- General		92,022	10,741	102,763	81,852	10,467	92,319
		109,159	113,423	222,582	96,633	107,401	204,034

The financial statements were approved and authorised for issue by the trustees on 14 July 2023 and signed on their behalf by



Chairman of the trustees

The notes on pages 29 to 72 form part of these accounts.

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £'000s	Restated ¹ 2020 £'000s
Cash flows from operating activities		
Net movement in funds	17,685	651
Adjustments for:		
Depreciation, impairment, and amortisation of fixed assets	1,103	1,463
Donation of property	(143)	-
Net interest receivable	(5)	(42)
Dividend income from fixed and current asset investments	(3,858)	(3,621)
Difference between net pension expense and cash contribution	(26)	(39)
Decrease in trade and other debtors	1,729	29
(Increase) / decrease in stocks	(103)	213
(Decrease) / increase in trade and other creditors	(279)	1,065
Decrease in provisions	(37)	-
Gains on revaluation of investment properties	(5,114)	(2,917)
(Gains) / losses on revaluation of investments	(13,631)	6,315
Profit on disposal of assets	(88)	(23)
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(2,767)	3,094
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	2,597	1,396
Purchases of tangible fixed assets	(314)	(411)
Interest received	5	42
Dividends received on fixed asset investments	3,956	3,741
Purchase of investments	-	-
Proceeds from sale of investments	360	321
	<hr/>	<hr/>
Net cash from investing activities	6,604	5,089
	<hr/>	<hr/>
Cash flows from financing activities		
New loans received	1,700	-
	<hr/>	<hr/>
Net cash inflow from financing	1,700	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	5,537	8,183
Cash and cash equivalents at beginning of year	24,820	16,637
	<hr/>	<hr/>
Cash and cash equivalents at end of year	30,357	24,820
	<hr/>	<hr/>
Cash and cash equivalents comprise:		
Cash at bank and in hand	30,357	24,820
	<hr/>	<hr/>

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED CASH FLOW STATEMENT (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

Analysis of changes in net debt	At 1 January 2021	Cashflows	Other non- cash movements	At 31 December 2021
Cash at bank and in hand	24,820	5,537	-	30,357
Debt due within one year	-	1,700	-	1,700
Total	<u>24,820</u>	<u>7,237</u>	<u>-</u>	<u>32,057</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Charity information

Liverpool Roman Catholic Archdiocesan Trust is a charity registered in England and Wales under the Charities Act 2011. The registered office is stated on the reference and administrative details page and the principal objective and activity of the charity is stated in the Report of the Trustees.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments and investment properties which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (Charities SORP (FRS 102)), the Charities Act 2011 and applicable reporting standards.

Liverpool Roman Catholic Archdiocesan Trust meets the definition of a public benefit entity under FRS 102.

The accounts are presented in sterling and are rounded to the nearest £1,000.

1.3 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 charity will continue in operation. In satisfaction of this responsibility the trustees have considered the charity's ability to meet its liabilities as they fall due for a period of at least 12 months from signing date of the financial statements.

Having regard to the challenging economic climate, the impact of the war in Ukraine and general economic uncertainty and other inflationary pressures, the trustees have made an assessment of the likely impact of these factors on the charity based on the latest available information.

The assessment has considered the direct consequences of significantly higher operating expenses, with particular reference to energy costs associated with the operation of churches and other parish properties. The trustees have considered the uncertainty arising from shortages of construction raw materials and the potential impact on the schools capital programme and the ongoing repair and maintenance of parish properties. An assessment of the potential impact of the present inflationary climate on the ability of donors to maintain their generous levels of voluntary giving has also been undertaken.

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, considering the potential disruptions and reductions in income over the coming months as well as the level of investment returns.

Although the Covid-19 pandemic and the climate of general economic uncertainty has impacted the finances and reserves of the charity, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due based on the carrying value of the assets held by the charity including cash, listed investments and investment property.

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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 Basis of consolidation

The consolidated financial statements include those of the subsidiary undertakings, as shown in note 22, which are consolidated on a line-by-line basis using appropriate headings for those subsidiaries which prepare their accounts under the Companies Act or SORP formats.

The consolidated accounts also include the net assets and transactions of other charities under the control of the charity.

The accounts do not include the net assets and results of connected charities as these entities are not under the control of the trustees.

The charity has taken advantage of the exemption from preparing a charity cash flow statement.

1.5 Incoming resources

Incoming resources are included in the Statement of Financial Activities once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Income from trading activities is included in the period that the relevant services are provided or goods supplied.

Legacies and donations are recognised when receipt is probable, the archdiocese becomes legally entitled to them and they can be measured in financial terms with sufficient reliability.

Collections and fundraising income is recognised on receipt. Investment income, which includes rental income, is recognised when receivable.

Grants receivable are included in the Statement of Financial Activities as soon as the conditions attaching to the grant are satisfied. Grants are mainly in relation to capital projects. Included within the grants figure on the statement of financial activities is £11,625k (2020:£ 14,725k) in relation to VASCA (Voluntary-Aided Schools Condition Allocation) grants from the Department for Education, £152k (2020: £540k) in relation to amounts received under the Coronavirus Job Retention Scheme "Furlough" and £10k from the Cathedral Choirs' Emergency Fund.

The charity receives substantial voluntary help in the work of the archdiocese, but it is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and the corresponding entry is recorded as donation income.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.6 Resources expended

Resources expended are 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 inclusive of irrecoverable VAT.

Costs of raising funds

Costs of raising funds comprises all costs relating to attracting voluntary income, the costs incurred in subsidiary trading and investment management fees.

Charitable activities

Expenditure on charitable activities 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 as well as support costs and costs relating to the governance of the charity apportioned to charitable activities

Governance costs

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

Support costs

All support costs are borne by central funds and have been apportioned to governance costs and charitable activities. The share of support costs attributable to governance reflects costs incurred in the preparation of the statutory accounts and the remaining costs have been allocated pro-rata based upon the charitable activity's share of central expenditure.

1.7 Investments and investment gains and losses

Investments and investment properties are included in the financial statements at fair value at the balance sheet date. Investment properties are valued internally annually and are professionally valued on a rolling basis as part of a five-year programme. Listed investments are included in the balance sheet at bid price.

Realised and unrealised gains and losses on investments and investment properties are charged / credited to the Statement of Financial Activities.

Unrealised gains and losses are calculated as the movement in fair value during the year. Realised gains are calculated as the difference between disposal proceeds and market value brought forward.

1.8 Tangible fixed assets - other than property

The cost of computer equipment, office equipment and fixtures and fittings is capitalised and depreciation is provided to write off the original cost, less any estimated residual value, over the expected useful life of the assets concerned. The rates of depreciation applied are as follows:

	% of cost per annum
Computer equipment	25
Office equipment and fixtures and fittings	20

Suitable capitalisation thresholds are adopted in the entities comprising the archdiocese.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.9 Tangible fixed assets - Functional church property

Prior to 31 December 1997 capital expenditure on functional church property was written off in full as incurred.

At 31 December 1997 the trustees considered that a reasonable approximation of the net book value of the functional church property held would be established by discounting the insurance values of those assets by 90%. This was the policy employed to include these assets on the balance sheet at estimated historic cost net of accumulated depreciation.

From 1 January 1998 to 31 December 2008 the cost of functional church property was capitalised and depreciated over its expected useful life of 20 years. From 2009 listed properties and other functional church properties have been depreciated over useful economic lives of 100 years and 50 years respectively. Commercial properties are considered to have useful economic lives of 20 years.

From 1 January 2019 parochial functional property is depreciated by component over the remaining expected useful life of the individual component as set out below.

Building component	% of cost	Average remaining life in 2021	Expected useful life
Roof	30%	23	75
Walls, foundations	50%	98	100
Windows	5%	18	50
Heating installations	5%	8	20
Interior	5%	8	20
Electrical installations	5%	8	20

Works of art, treasures and plate are not capitalised in these accounts as they are historic, have extraordinarily long lives and are worth preserving in perpetuity. They are heritage assets for the purposes of Charities SORP (FRS 102). The trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their values and usage in the accounts.

Where functional church property is no longer operational, impairment is fully recognised unless there is an investment value, in which case the property is transferred to investment properties.

1.10 Tangible fixed assets - School property

The freehold of the land and buildings legally owned by the archdiocese and occupied rent-free on behalf of the trustees of the governing bodies of catholic voluntary aided schools, which are separate charities and publicly funded, are valued at £Nil. The trustees consider that no meaningful value can be attributed to these assets, since they are not used directly by the archdiocese, do not generate income, and cannot be disposed of in the open market or put to alternative use while such occupation, which may be indefinite, continues.

1.11 Impairment

The carrying amounts of the archdiocese's fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount and is recognised in the Statement

1.12 Stocks

Stocks are stated at the lower of cost and net realisable value.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.13 Pension scheme

The charity and eligible employees make defined contributions to a group personal pension scheme. Contributions are also paid to the Teachers' Pension Superannuation Fund (TPS), a defined benefit scheme, on which further information is given in note 21 to the financial statements. As the TPS is a multi-employer scheme with assets and liabilities that cannot be separated, contributions payable are charged as Resources Expended in the Consolidated Statement of Financial Activities.

1.14 Operating leases

Operating leases in respect of equipment are charged as resources expended on a straight-line basis over the period of the lease. Such operating leases mainly relate to parishes and parish centres. Rentals receivable under operating leases are recognised on a straight-line basis over the period of lease term.

1.15 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments are measured at cost less impairment.

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

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

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

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.16 Recognition of liabilities

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

1.17 Liquid resources

Liquid resources are those associated with the cash management of the archdiocese.

1.18 Fund accounting

The funds within the archdiocese are split between Curial and Parochial. Curial Funds can be used across the whole of the archdiocese whereas Parochial Funds comprise funds relating to the individual parishes. These funds are shown separately and subdivided in the financial statements as follows.

Restricted funds

Restricted funds are funds that are used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Details of the restricted funds held are provided in note 16 to the financial statements.

Unrestricted funds - Designated

Designated funds are unrestricted funds that have been set aside by the trustees for specific purposes and are detailed in note 17 to the financial statements.

Unrestricted funds - General

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the objects of the charity and which have not been designated for other purposes.

1.19 Agency arrangements

The archdiocese acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of Catholic schools in the archdiocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors.

Voluntary-Aided Schools Condition Allocation (VASCA) grants and the associated allocation to individual school projects are recognised as income and expenditure as the archdiocese is not considered an agent of the Department of Education in this respect. See note 24.

1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Financial Activities.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

1.20 Current and deferred taxation *(continued)*

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.21 Inter designation balances

Inter designation balances represent financial interdependencies and interactions between dedicated funds and other operating units of the charity.

2 KEY ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the trustees have had to make the following judgments:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are indicators of impairment in the carrying value of investments in subsidiary undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future income generating potential of the subsidiary entity.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 11)

- Tangible fixed assets, other than investments properties, are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Investment properties are valued internally annually and are professionally valued on a rolling basis as part of a five-year programme. Valuations are made considering periodic external valuations, derived from current market rents and property yields for comparable real estate, adjusted, if necessary, for any difference in nature, location, or condition. Judgement is required in assessing the appropriateness of the assumptions and methodology in determining the fair value of investment properties.

Investments (see note 12)

- Estimates, assumptions, and judgments relate to the determination of carrying value of investments at fair value through the Statement of Financial Activities, the group 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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

3 INCOME	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
3.1 Collections and donations					
PAROCHIAL					
Group and Charity					
Collections	4,595	-	599	5,194	4,534
Donations	2,048	583	-	2,631	2,436
Gift Aid rebates	605	-	-	605	521
	<u>7,248</u>	<u>583</u>	<u>599</u>	<u>8,430</u>	<u>7,491</u>
CURIAL					
Group and Charity					
Collections	55	-	5	60	45
Donations	122	-	36	158	164
	<u>177</u>	<u>-</u>	<u>41</u>	<u>218</u>	<u>209</u>
TOTAL – GROUP AND CHARITY	<u>7,425</u>	<u>583</u>	<u>640</u>	<u>8,648</u>	<u>7,700</u>

Total income for the group and charity from collections and donations was £8,648K (2020: £7,700K). The income comprised unrestricted income of £7,425K (2020: £6,468K), designated income of £583K (2020: £604K) and restricted income of £640k (2020: £628K)

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

3.2 Grants	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	Restated¹ 2020 £000's
PAROCHIAL					
Group and Charity					
Voluntary-Aided Schools	-	-	11,625	11,625	14,725
Condition Allocation Grants					
Other grants	87	-	-	87	357
	<u>87</u>	<u>-</u>	<u>11,625</u>	<u>11,712</u>	<u>15,082</u>
CURIAL					
Group					
Other	66	507	-	573	414
Less income from trading subsidiaries	(4)	-	-	(4)	(91)
Charity	<u>62</u>	<u>507</u>	<u>-</u>	<u>569</u>	<u>323</u>
TOTAL - GROUP	<u>153</u>	<u>507</u>	<u>11,625</u>	<u>12,285</u>	<u>15,496</u>
TOTAL - CHARITY	<u>149</u>	<u>507</u>	<u>11,625</u>	<u>12,281</u>	<u>15,405</u>

Total group grant income was £12,285K (2020 restated¹: £15,496K). The income comprised unrestricted income of £153k (2020: £571K), designated income of £507K (2020: £200K) and restricted income of £11,625K (2020 restated¹: £14,725K).

Total charity grant income was £12,281K (2020 restated¹: £15,405K). The income comprised unrestricted income of £149K (2020: £480K), designated income of £507K (2020 restated¹: £200K) and restricted income of £11,625K (2020: £14,725K).

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

3.3 Fundraising	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
PAROCHIAL					
Group and Charity					
Parish events and other fundraising activities	152	-	-	152	61
	<u>152</u>	<u>-</u>	<u>-</u>	<u>152</u>	<u>61</u>
CURIAL					
Group					
Income from trading subsidiaries	5,919	-	-	5,919	5,106
Other	15	-	-	15	14
	<u>5,934</u>	<u>-</u>	<u>-</u>	<u>5,934</u>	<u>5,120</u>
Less income from trading subsidiaries	(5,919)	-	-	(5,919)	(5,106)
	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>14</u>
Charity					
	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>14</u>
TOTAL - GROUP	<u>6,086</u>	<u>-</u>	<u>-</u>	<u>6,086</u>	<u>5,181</u>
TOTAL - CHARITY	<u>167</u>	<u>-</u>	<u>-</u>	<u>167</u>	<u>75</u>

Total group fundraising income was £6,086K (2020: £5,181K). The income comprised unrestricted income of £6,086K (2020: £5,181).

Total charity fundraising income was £167K (2020: £75K). The income comprised unrestricted income of £167K (2020: £75K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

3.4 Investment Income	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
PAROCHIAL					
Group and Charity					
Income receivable from unitised portfolio	1,082	275	7	1,364	1,199
Rents and other income	584	-	-	584	638
	<u>1,666</u>	<u>275</u>	<u>7</u>	<u>1,948</u>	<u>1,837</u>
CURIAL					
Group					
Interest receivable	-	5	-	5	42
Income receivable from unitised portfolio	175	2,159	161	2,495	2,422
Rents and other income	309	190	-	499	608
	<u>484</u>	<u>2,354</u>	<u>161</u>	<u>2,999</u>	<u>3,072</u>
Less investment income from trading subsidiaries	(173)	-	-	(173)	(119)
Charity	<u>311</u>	<u>2,354</u>	<u>161</u>	<u>2,826</u>	<u>2,953</u>
TOTAL - GROUP	<u>2,150</u>	<u>2,629</u>	<u>168</u>	<u>4,947</u>	<u>4,805</u>
TOTAL - CHARITY	<u>1,977</u>	<u>2,629</u>	<u>168</u>	<u>4,774</u>	<u>4,790</u>

Total group investment income was £4,947K (2020: £4,805K). The income comprised unrestricted income of £2,150K (2020: £2,012K), designated income of £2,629K (2020: £2,653K) and restricted income of £168K (2020: £140K).

Total charity investment income was £4,774K (2020: £4,790K). The income comprised unrestricted income of £1,977K (2020: £1,893K), designated income of £2,629K (2020: £2,757K) and restricted income of £168K (2020: £140K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

4 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
PAROCHIAL					
Group and Charity					
Piety stall	60	-	-	60	45
Newspapers	6	-	-	6	14
	<u>66</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>59</u>
CURIAL					
Group and Charity					
Cemetery fees	336	-	-	336	315
School Contribution Scheme	-	302	-	302	305
Inspection fees and course income	-	130	-	130	205
Other	44	772	-	816	487
	<u>380</u>	<u>1,204</u>	<u>-</u>	<u>1,584</u>	<u>1,312</u>
TOTAL – GROUP AND CHARITY	<u>446</u>	<u>1,204</u>	<u>-</u>	<u>1,650</u>	<u>1,371</u>

Total group and charity income from charitable activities was £1,650K (2020: £1,371K). The income comprised unrestricted income of £446K (2020: £416K) and designated income of £1,204K (2020: £955K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

5 RAISING FUNDS	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
PAROCHIAL					
Group and Charity					
Parish events and other fundraising activities	81	-	-	81	10
Investment management fees	132	28	1	161	123
	<u>213</u>	<u>28</u>	<u>1</u>	<u>242</u>	<u>133</u>
CURIAL					
Group					
Expenditure by subsidiaries	6,780	-	-	6,780	7,438
Other	9	295	19	323	385
	<u>6,789</u>	<u>295</u>	<u>19</u>	<u>7,103</u>	<u>7,823</u>
Less expenditure by subsidiaries	(6,780)	-	-	(6,780)	(7,438)
Add impairment in value of subsidiary company	-	-	-	-	-
Charity	<u>9</u>	<u>295</u>	<u>19</u>	<u>323</u>	<u>385</u>
TOTAL - GROUP	<u>7,002</u>	<u>323</u>	<u>20</u>	<u>7,345</u>	<u>7,956</u>
TOTAL - CHARITY	<u>222</u>	<u>323</u>	<u>20</u>	<u>565</u>	<u>518</u>

Total group expenditure on raising funds was £7,345K (2020: £7,956K). The expenditure comprised unrestricted expenditure of £7,002K (2020: £7,566K), designated expenditure of £323K (2020: £375K) and restricted expenditure of £20K (2020: £15K).

Total charity expenditure on raising funds was £565K (2020: £518K). The expenditure comprised unrestricted expenditure of £222K (2020: £128K), designated expenditure of £323K (2020: £375K) and restricted expenditure of £20K (2020: £15K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restated ¹ Restricted Funds £000's	2021 £000's	Restated ¹ 2020 £000's
PAROCHIAL					
6.1 Ministry Support					
Group and Charity					
Clergy allowances	1,002	-	-	1,002	965
Travel	104	-	-	104	107
Supply	45	-	-	45	39
Other	58	-	-	58	286
	<u>1,209</u>	<u>-</u>	<u>-</u>	<u>1,209</u>	<u>1,397</u>
6.2 Pastoral and Community					
Group and Charity					
Diocesan and other collections	-	-	447	447	463
Liturgical and pastoral costs	420	-	-	420	624
Lay personnel costs	1,277	-	-	1,277	1,395
Housekeeping and hospitality	419	-	-	419	211
Printing, postage, stationery	163	-	-	163	209
Equipment hire	157	-	-	157	162
Telephone	173	-	-	173	214
Professional fees	29	-	-	29	74
Other office	99	-	-	99	178
Piety stall	48	-	-	48	39
Newspapers	13	-	-	13	31
Miscellaneous	459	-	-	459	292
	<u>3,257</u>	<u>-</u>	<u>447</u>	<u>3,704</u>	<u>3,892</u>
6.3 Education					
Group and Charity					
School costs	<u>-</u>	<u>1,368</u>	<u>9,302</u>	<u>10,670</u>	<u>3,847</u>
6.4 Provision for worship					
Group and Charity					
Repairs and maintenance	3,322	-	-	3,322	2,984
Depreciation	429	-	-	429	449
Heat and light	1,221	-	-	1,221	1,074
Insurance	457	-	-	457	542
Council tax and water rates	387	-	-	387	406
Grounds maintenance	322	-	-	322	250
	<u>6,138</u>	<u>-</u>	<u>-</u>	<u>6,138</u>	<u>5,705</u>
TOTAL PAROCHIAL – GROUP AND CHARITY	<u>10,604</u>	<u>1,368</u>	<u>9,749</u>	<u>21,721</u>	<u>14,841</u>

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

6	EXPENDITURE ON CHARITABLE ACTIVITIES <i>(continued)</i>	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
	CURIAL					
	6.1 Ministry Support					
	Group and Charity					
	Cathedral	44	-	-	44	43
	Priests' Training Fund	-	-	212	212	288
	Retirement costs	-	579	-	579	692
	Permanent Diaconate	-	44	-	44	81
	Sabbatical fund	-	3	-	3	-
	Share of central support costs	-	164	-	164	220
	Other	-	220	-	220	381
		<u>44</u>	<u>1,010</u>	<u>212</u>	<u>1,266</u>	<u>1,705</u>
	6.2 Pastoral and Community					
	Group					
	Cathedral	260	-	69	329	400
	Cemeteries	317	-	-	317	372
	Curia	-	21	-	21	5
	Tribunal	-	69	-	69	61
	Pastoral Development	-	239	-	239	321
	Justice and Peace	-	2	-	2	42
	Youth	-	117	-	117	129
	Safeguarding	-	94	-	94	145
	National levies	-	299	-	299	364
	Chaplaincies	-	313	-	313	269
	Ecumenical grants	-	24	-	24	27
	Share of central support costs	-	860	-	860	766
	Other	173	205	73	451	508
		<u>750</u>	<u>2,243</u>	<u>142</u>	<u>3,135</u>	<u>3,409</u>
	Less other costs associated with subsidiaries	<u>(171)</u>	<u>-</u>	<u>(1)</u>	<u>(172)</u>	<u>(135)</u>
	Charity	<u>579</u>	<u>2,243</u>	<u>141</u>	<u>2,963</u>	<u>3,274</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

6 EXPENDITURE ON CHARITABLE ACTIVITIES <i>(continued)</i>	Unrestricted Funds £000's	Designated Funds £000's	Restated¹ Restricted Funds £000's	2021 £000's	Restated¹ 2020 £000's
6.3 Education					
Group					
Education Department	631	627	-	1,258	1,744
Share of central support costs	-	391	-	391	469
	<u>631</u>	<u>1,018</u>	<u>-</u>	<u>1,649</u>	<u>2,213</u>
Less School Improvement Trust expenditure	(631)	-	-	(631)	(764)
Charity	<u>-</u>	<u>1,018</u>	<u>-</u>	<u>1,018</u>	<u>1,449</u>
6.4 Provision for worship					
Group and Charity					
Cathedral	401	21	-	422	391
Depreciation	-	145	-	145	140
Share of central support costs	-	235	-	235	185
Other	-	232	-	232	248
	<u>401</u>	<u>633</u>	<u>-</u>	<u>1,034</u>	<u>964</u>
TOTAL CURIAL - GROUP	<u>1,826</u>	<u>4,904</u>	<u>354</u>	<u>7,084</u>	<u>8,291</u>
TOTAL CURIAL - CHARITY	<u>1,024</u>	<u>4,904</u>	<u>353</u>	<u>6,281</u>	<u>7,392</u>
TOTAL - GROUP	<u>12,430</u>	<u>6,272</u>	<u>10,103</u>	<u>28,805</u>	<u>23,132</u>
TOTAL - CHARITY	<u>11,628</u>	<u>6,272</u>	<u>10,102</u>	<u>28,002</u>	<u>22,233</u>

Total group expenditure on charitable activities was £28,805K (2020: £23,132K). The expenditure comprised unrestricted expenditure of £12,430K (2020: £12,593K), designated expenditure of £6,272K (2020: £6,603K) and restricted expenditure of £10,103K (2020: £3,936K).

Total charity expenditure on charitable activities was £28,002K (2020: £22,233K). The expenditure comprised unrestricted expenditure of £11,628K (2020: £11,695K), designated expenditure of £6,272K (2020: £6,603K) and restricted expenditure of £10,102K (2020: £3,935K).

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Ministry Support £000's	Pastoral and Community £000's	Education £000's	Provision for worship £000's	2021 £000's	2020 £000's
7 SUPPORT COSTS						
CURIAL						
Group and Charity						
Office administration and governance						
- Office of the Chief Operating Officer	61	318	144	87	610	636
- Finance Department	42	221	100	60	423	461
- Premises	17	89	41	24	171	162
- Bank charges and interest	20	107	48	29	204	197
- Audit fees	12	66	30	18	126	81
- Other curial	12	59	28	17	116	103
	164	860	391	235	1,650	1,640

All support costs are borne by central funds and have been apportioned to governance costs and charitable activities. The share of support costs attributable to governance reflects costs incurred in the preparation of the statutory accounts and the remaining costs have been allocated pro-rata based upon the charitable activity's share of central expenditure.

In addition, other amounts paid to the auditors in relation to the audit of subsidiary companies were £102,000 (2020: £91,097). These are included within expenditure on charitable activities.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

8 STAFF COSTS

	Total 2021 £000's	Total 2020 £000's
Clergy allowances	1,110	1,073
Wages and salaries	6,526	8,256
Social security costs	396	391
Pension costs	225	411
	8,257	10,131

	2021 No.	2020 No.
The average number of employees during the year was:		
Central employees	116	138
Parish employees (excludes parish clergy)	122	128
Parish club employees (including part-time staff)	261	355
	499	621

The average number of employees as a full-time equivalent during the year was 302 (2020: 371).

The number of employees whose emoluments including taxable benefits in kind, but excluding pension contributions amounted to over £60,000 in the year was in bands as follows:

	2021 No.	2020 No.
The average number of employees during the year was:		
£60,001 to £70,000	2	2
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1
£120,001 to £130,000	-	1

The charity and eligible employees (see note 21) make defined contributions to a group personal pension scheme. The number of higher paid employees in the scheme in 2021 was 4 (2020:5). The total pension contributions made by the charity in respect of higher paid employees was £15,714 (2020: £23,459).

The day-to-day administrative, legal, and financial activity of the archdiocese is directed by the Chief Operating Officer and other members of the Senior Management Team who are the key management personnel of the charity. The total employment cost of key management personnel during the year was £271,392 (2020: £447,690).

9 TRUSTEES

Several of the trustees are clergy of the Liverpool Roman Catholic Archdiocesan Trust. The priests who are trustees are housed and remunerated by the archdiocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the archdiocese. The 9 (2020:12) trustees who were priests received £84,000 (2020: £94,627) in total remuneration during the year.

No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2020 - £nil expenses).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

10 Net gains / (losses) on investments	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2021 £000's	2020 £000's
PAROCHIAL					
Group and Charity					
Revaluation of investment properties	5,521	-	-	5,521	2,235
Unrealised gains on investments	4,686	1,180	48	5,914	(2,689)
	<u>10,207</u>	<u>1,180</u>	<u>48</u>	<u>11,435</u>	<u>(454)</u>
CURIAL					
Group					
Revaluation of investment properties	40	(447)	-	(407)	682
Unrealised gains on investments	765	6,294	658	7,717	(3,626)
	<u>805</u>	<u>5,847</u>	<u>658</u>	<u>7,310</u>	<u>(2,944)</u>
Less revaluation of investments subsidiaries	(506)	-	-	(506)	182
Charity	<u>299</u>	<u>5,847</u>	<u>658</u>	<u>6,804</u>	<u>(2,762)</u>
TOTAL - GROUP	<u>11,012</u>	<u>7,027</u>	<u>706</u>	<u>18,745</u>	<u>(3,398)</u>
TOTAL - CHARITY	<u>10,506</u>	<u>7,027</u>	<u>706</u>	<u>18,239</u>	<u>(3,216)</u>

11 TANGIBLE FIXED ASSETS

11.1 Investment property at valuation – Group

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2021	15,020	15,154	30,174
Additions	-	143	143
Disposals	(316)	(2,221)	(2,537)
Transfers	(737)	-	(737)
Net surplus on revaluation	5,521	(407)	5,114
At 31 December 2021	<u>19,488</u>	<u>12,669</u>	<u>32,157</u>

11.2 Investment property at valuation - Charity

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2021	15,020	13,604	28,624
Additions	-	143	143
Disposals	(316)	(2,221)	(2,537)
Transfers	(737)	-	(737)
Net surplus on revaluation	5,521	(447)	5,074
At 31 December 2021	<u>19,488</u>	<u>11,079</u>	<u>30,567</u>

Investment properties are included on a fair value basis. External revaluations were completed in November 2022 by Eddisons Real Estate and Business Valuers, Armistead Barnett, and Matthews Goodman and each entity is registered with the Royal Institute of Chartered Surveyors. A valuation exercise is performed annually by management and property valuations are informed by internal staff including a qualified chartered surveyor. The trustees have considered the valuations above as a fair reflection of the year end fair value.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

11.3 Other tangible fixed assets – Group	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2021	35,407	1,270	28,522	65,199
Additions	-	97	260	357
Transfers	550	-	-	550
Disposals	(621)	(95)	(7)	(723)
At 31 December 2021	35,336	1,272	28,775	65,383
Depreciation				
At 1 January 2021	23,648	1,025	9,687	34,360
Charge for the year	429	131	543	1,103
Transfers	(187)	-	-	(187)
Disposals	(604)	(94)	(7)	(705)
Impairment				
At 31 December 2021	23,286	1,062	10,223	34,571
Net book value	12,050	210	18,552	30,812
At 31 December 2021				
At 31 December 2020	11,759	245	18,835	30,839
11.4 Other tangible fixed assets - Charity	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2021	35,407	261	6,689	42,357
Additions	-	74	240	314
Transfers	550	-	-	550
Disposals	(621)	(13)	-	(634)
At 31 December 2021	35,336	322	6,929	42,587
Depreciation				
At 1 January 2021	23,648	199	2,168	26,015
Charge for the year	429	53	305	787
Transfers	(187)	-	-	(187)
Disposals	(604)	(12)	(198)	(814)
At 31 December 2021	23,286	240	2,275	25,801
Net book value	12,050	82	4,654	16,786
At 31 December 2021				
At 31 December 2020	11,759	62	4,521	16,342

All tangible fixed assets were used for charitable purposes.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS

12.1 Listed investments - Group	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2021	49,493	69,255	6,425	125,173
Transfers	280	(294)	14	-
Disposals	(149)	(193)	(19)	(361)
Net gain on revaluation	5,451	7,474	706	13,631
At 31 December 2021	55,075	76,242	7,126	138,443

There are no individual investments which comprise greater than 5% of the value of the portfolio.

All the quoted fixed asset investments are listed on a recognised Stock Exchange. Listed investments are included in the balance sheet at bid price.

At 31 December 2021 the investment portfolio was split into two funds managed by BlackRock Investment Management (UK) Limited and Rathbone Investment Management Limited respectively.

The investment funds are comprised of:

	2021 £000's	2020 £000's
UK Equities	54,916	51,652
Non-UK Equities	47,259	39,388
UK government securities and other fixed interest stocks	16,619	15,965
UK Property Unit Trusts	13,181	11,193
Cash instruments	6,468	6,975
	138,443	125,173

12.2 Listed investments - Charity	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2021	45,368	69,255	6,425	121,048
Transfers	207	(294)	14	(73)
Disposals	(128)	(192)	(18)	(338)
Net gain on revaluation	4,985	7,475	706	13,166
At 31 December 2021	50,432	76,244	7,127	133,803

There are no individual investments which comprise greater than 5% of the value of the portfolio.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS *(continued)*

12.3 Investments in subsidiaries	Total £000's
At 1 January 2021 and 31 December 2021	22,558

Investments in related companies comprise the cost of shareholdings in the subsidiary companies listed in note 22.

13 DEBTORS	Parochial	Curial	Total 2021	Total 2020
Group	£000's	£000's	£000's	£000's
Due within one year				
Trade debtors	-	898	898	446
Other debtors	-	246	246	2,806
Prepayments and accrued income	2,288	857	3,145	2,860
TOTAL	2,288	2,001	4,289	6,112
Charity				
Trade debtors	-	764	764	337
Other debtors	-	121	121	2,456
Prepayments and accrued income	2,288	638	2,926	2,622
TOTAL	2,288	1,523	3,811	5,415
14 CREDITORS				Restated ¹
Amounts falling due within one year	Parochial	Curial	Total 2021	Total 2020
Group	£000's	£000's	£000's	£000's
School funding in advance	6,680	-	6,680	8,037
Trade creditors	-	2,066	2,066	996
Other creditors	-	2,696	2,696	897
Accruals and deferred income	504	2,472	2,976	2,975
Other taxation and social security	-	234	234	352
TOTAL	7,184	7,468	14,652	13,257
Charity				
School funding in advance	6,680	-	6,680	8,037
Trade creditors	-	530	530	220
Other creditors	-	218	218	160
Accruals and deferred income	504	1,037	1,541	1,939
Other taxation and social security	-	-	-	-
TOTAL	7,184	1,785	8,969	10,356

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

15 DEFERRED TAXATION

	Parochial	Curial	Total
	£000's	£000's	£000's
Group			
Balance as at 1 January 2021	-	37	37
Credited to Statement of Financial Activities	-	(37)	(37)
Balance as at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

	Parochial	Curial	Total
	£000's	£000's	£000's
Charity			
Balance as at 1 January 2021	-	-	-
Charged to Statement of Financial Activities	-	-	-
Balance as at 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>

	2021	2020
	£000's	£000's
The deferred tax balance is made up as follows:		
Accelerated capital allowances	<u>-</u>	<u>37</u>

The deferred tax charge arose within Metropolitan Cathedral Services Limited.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

16 RESTRICTED FUNDS

Unexpended balances from collections, donations, legacies, and grants restricted by donors to specific purposes.

Analysis of Restricted Funds 2021	Opening Balance Restated¹ £000's	Net Incoming / (Outgoing) Resources £000's	Investment Gains £000's	Transfers £000's	Closing Balance £000's
Parochial - Group and Charity					
VASCA School Projects Fund	11,664	2,323	-	-	13,987
Foundation Mass capital	452	6	48	(16)	490
Other charitable collections	1,428	230	-	(627)	1,031
	<u>13,544</u>	<u>2,559</u>	<u>48</u>	<u>(643)</u>	<u>15,508</u>
Curial - Charity					
Priests' Training Fund	2,936	(93)	341	14	3,198
Metropolitan Cathedral Roof Appeal Fund	3,096	-	-	-	3,096
Metropolitan Cathedral	945	(28)	44	-	961
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral crypt project	1,791	-	-	-	1,791
Liverpool Archdiocesan Missionary Project	1,019	(20)	131	-	1,130
St Joseph's College	791	13	62	-	866
Provision for priests in retirement	5	-	-	9	14
Lenten alms	24	(7)	-	7	24
Other funds	862	7	80	-	949
	<u>14,359</u>	<u>(128)</u>	<u>658</u>	<u>30</u>	<u>14,919</u>
English Sports Council capital grants	55			(55)	-
Apostleship of the Sea	222	(1)	-	(1)	220
	<u>14,636</u>	<u>(129)</u>	<u>658</u>	<u>(26)</u>	<u>15,139</u>
Curial - Group					

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

16 RESTRICTED FUNDS *(continued)*

Analysis of Restricted Funds 2020	Opening Balance	Net Incoming / (Outgoing) Resources Restated¹	Investment Losses	Transfers	Closing Balance Restated¹
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
VASCA School Projects Fund	-	11,664	-	-	11,664
Foundation Mass capital	468	5	(21)	-	452
Other charitable collections	1,423	135	-	(130)	1,428
	<u>1,891</u>	<u>11,804</u>	<u>(21)</u>	<u>(130)</u>	<u>13,544</u>
Curial - Charity					
Priests' Training Fund	3,104	(16)	(156)	4	2,936
Metropolitan Cathedral Roof Appeal Fund	3,096	-	-	-	3,096
Metropolitan Cathedral	966	(5)	(20)	4	945
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral crypt project	1,791	-	-	-	1,791
Liverpool Archdiocesan Missionary Project	1,111	(31)	(61)	-	1,019
St Joseph's College	809	11	(29)	-	791
Provision for priests in retirement	-	-	-	5	5
Lenten alms	37	(19)	-	6	24
Other funds	893	8	(39)	-	862
	<u>14,697</u>	<u>(52)</u>	<u>(305)</u>	<u>19</u>	<u>14,359</u>
English Sports Council capital grants	111	-	-	(56)	55
Apostleship of the Sea	223	(1)	-	-	222
Curial - Group	<u>15,031</u>	<u>(53)</u>	<u>(305)</u>	<u>(37)</u>	<u>14,636</u>

PURPOSE OF FUNDS

VASCA School Projects Fund	-	Voluntary-Aided Schools Condition Allocation funding from the Department for Education for school building projects.
Foundation Mass capital	-	For Masses celebrated for the deceased.
Priests' Training Fund	-	Education of students to the priesthood continuing foundation.
Metropolitan Cathedral Roof Appeal Fund	-	English Heritage grants received and expended on substantial repair work to the cathedral roof.
Metropolitan Cathedral	-	Golden Book Foundation Mass funds and other donations made for specific cathedral projects.
Metropolitan Cathedral steps project	-	European objective 1 and regional development grants expended on the construction of the ceremonial steps.
Metropolitan Cathedral crypt project	-	European objective 1 and regional development grants expended on the crypt redevelopment project.

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

16 RESTRICTED FUNDS *(continued)*

PURPOSE OF FUNDS *(continued)*

Liverpool Archdiocesan Missionary Project	- To meet the costs of archdiocesan priests in their ministry in Latin America and other associated expenditure.
St Joseph's College	- Funds associated with priest training.
Provision for priests in retirement	- To meet the costs associated with retired clergy
Lenten alms	- To be expended on projects at the discretion of the archbishop.
English Sports Council capital grants	- English Sports Council grants received and expended on the construction of Cardinal Heenan sports centre.
Apostleship of the Sea	- For the spiritual and temporal welfare of seafarers.

17 DESIGNATED FUNDS

Funds set aside by the trustees for the following purposes:

Analysis of Designated Funds 2021	Opening Balance	Net Incoming / (Outgoing) Resources	Property & Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
School Projects Fund	899	(538)	1,180	-	1,541
Other funds	338	-	-	(250)	88
	<u>1,237</u>	<u>(538)</u>	<u>1,180</u>	<u>(250)</u>	<u>1,629</u>
Curial - Group and Charity					
Central funds	47,719	(1,513)	3,470	(30)	49,646
George Andrew Retirement Fund	7,182	(87)	610	-	7,705
2021 Fund	8,145	166	812	-	9,123
Metropolitan Cathedral Roof Appeal Fund	7,856	-	-	200	8,056
Metropolitan Cathedral	5,899	605	479	-	6,983
Liverpool inner-city parish reorganisation	1,289	-	-	-	1,289
Sabbatical Fund	2,174	34	179	-	2,387
Listed Building Fund	1,977	(30)	180	-	2,127
Other designated funds	668	(4)	117	-	781
	<u>82,909</u>	<u>(829)</u>	<u>5,847</u>	<u>170</u>	<u>88,097</u>
Less Other designated funds	<u>(334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334)</u>
Curial - Charity	<u>82,575</u>	<u>(829)</u>	<u>5,847</u>	<u>170</u>	<u>87,763</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

17 DESIGNATED FUNDS *(continued)*

Analysis of Designated Funds 2020	Opening Balance	Net Incoming / (Outgoing) Resources	Property/ Investment Losses	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
School Projects Fund	1,472	(24)	(549)	-	899
Other funds	648	2	-	(312)	338
	<u>2,120</u>	<u>(22)</u>	<u>(549)</u>	<u>(312)</u>	<u>1,237</u>
Curial - Group and Charity					
Central funds	51,402	(2,377)	(1,276)	(30)	47,719
George Andrew Retirement Fund	7,814	(365)	(267)	-	7,182
2021 Fund	8,352	146	(353)	-	8,145
Metropolitan Cathedral Roof Appeal Fund	7,656	-	-	200	7,856
Metropolitan Cathedral Liverpool inner-city parish reorganisation	5,897	225	(223)	-	5,899
Sabbatical Fund	1,293	(4)	-	-	1,289
Listed Building Fund	2,224	33	(83)	-	2,174
Other designated funds	2,127	(66)	(84)	-	1,977
	<u>743</u>	<u>(23)</u>	<u>(52)</u>	<u>-</u>	<u>668</u>
	<u>87,508</u>	<u>(2,431)</u>	<u>(2,338)</u>	<u>170</u>	<u>82,909</u>
Less Other designated funds	<u>(334)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334)</u>
Curial - Charity	<u>87,174</u>	<u>(2,431)</u>	<u>(2,338)</u>	<u>170</u>	<u>82,575</u>

PURPOSE OF FUNDS

School Projects Fund	- Funds raised by contributions from parishes and schools to support school building and refurbishment projects.
Central funds	- Fund for the archdiocesan central pastoral and administration functions.
George Andrew Retirement Fund	- Fund to support priests in retirement.
2021 Fund	- Funds to support priests in retirement.
Metropolitan Cathedral Roof Appeal Fund	- Investment income expended on the substantial repair work to the Cathedral roof.
Metropolitan Cathedral	- Funding running costs of the Cathedral.
Liverpool inner-city parish reorganisation	- Funds to provide for the reorganisation of the inner-city parishes.
Sabbatical Fund	- To provide for the costs of priests in sabbatical years.
Listed Building Fund	- For the preservation of listed buildings.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

18 ARCHDIOCESAN BANKING ARRANGEMENTS

An offset banking arrangement exists where the total of all individual bank account balances is invested in several deposits over a variety of timescales.

19 GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

The archdiocese provides full financial support for the furtherance of its activities and objectives but is not considered a grant-making organisation.

Several ecumenical grants are made annually to organisations with similar objectives to those of the archdiocese. Grants were made to two such organisations totalling £24,060 (2020 - three organisations £27,099). Other small grants totalled £12,828 in 2021 (2020 - £48,623).

The archdiocese covered the tuition and living costs of several individuals studying for the priesthood in the year.

20 COMMITMENTS

	Gross	Net of
	£000's	grant
		£000's
At 31 December 2021 commitments to future expenditure were as follows:		
School property	11,189	1,176
Parochial and other property	1,537	365
	<u>12,726</u>	<u>1,541</u>
At 31 December 2020 commitments to future expenditure were as follows:		
School property	6,474	691
Parochial and other property	1,210	1,210
	<u>7,684</u>	<u>1,901</u>

The above commitments represent committed property expenditure that has been approved by the trustees on building projects at the year end.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

21 PENSION ARRANGEMENTS

21.1 Personal Pension Schemes

The archdiocese contributes, for eligible staff, to one of two qualifying pension schemes which are fully compliant with the requirements of auto-enrolment. The schemes are managed by an independent firm of pension administrators. The archdiocese has a policy of matching employee contributions up to 6% of pensionable salary and each member has their own individual pension account within the scheme. The archdiocese is neither liable to finance any funding shortfall nor entitled to benefit from any overfunding.

21.2 The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers can opt out of the TPS.

The Teachers' Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers started to pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation was to align its introduction with employers' budget planning cycles.

The employer's pension costs paid to TPS in the period amounted to £35,327 (2020 - £50,871).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Teachers' Pension Scheme *(continued)*

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS.

A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. DfE is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be considered when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS

The charity has interests in subsidiary and associated undertakings, which are consolidated in the financial statements. Each entity is incorporated in England and Wales with a year-end of 31 December apart from school improvement trusts with year-ends of 31 August. A summary of their trading results (including intercompany trading) is as follows:

Subsidiary Companies at 31 December 2021	Associated Church Clubs Limited	Metropolitan Cathedral Services Limited	Tuneside Limited	Cardinal Heenan Sports Centre Limited	Archdiocesan Parish Centres Management Company Limited	Archdiocesan Property Services Limited	Archdiocese of Liverpool Primary School Improvement Trust	Archdiocese of Liverpool Secondary School Improvement Trust
% holding in ordinary shares	100	100	100	100	Guarantee Company	Charity Guarantee Company	Guarantee Company	Guarantee Company
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Income from								
Fundraising	-	90	13,228	140	4,966	916	434	395
Investment Income	-	-	-	-	-	22	-	-
Total Income	-	90	13,228	140	4,966	938	434	395
Expenditure on								
Raising Funds	-	1,038	13,430	123	5,375	910	357	274
Total Expenditure	-	1,038	13,430	17	5,375	910	357	274
Net gains on investments	-	-	-	-	-	97	-	-
Net income / (expenditure)	-	(948)	(202)	17	(409)	125	77	121
Total assets	175	12,940	7,379	101	1,132	996	511	391
Total liabilities	(10)	(1,442)	(2,494)	(62)	(2,905)	(848)	(462)	(431)
Total capital and reserves	165	11,498	4,885	39	(1,773)	148	49	(40)

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

Subsidiary Companies at 31 December 2020	Associated Church Clubs Limited	Metropolitan Cathedral Services Limited	Tuneside Limited	Cardinal Heenan Sports Centre Limited	Archdiocesan Parish Centres Management Company Limited	Archdiocesan Property Services Limited	Archdiocese of Liverpool Primary School Improvement Trust	Archdiocese of Liverpool Secondary School Improvement Trust
% holding in ordinary shares	100	100	100	100	Guarantee Company	Charity Guarantee Company	Guarantee Company	Guarantee Company
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Income from								
Fundraising	-	206	13,183	102	4,131	870	383	273
Investment Income	-	-	-	-	-	19	-	-
Total Income	-	206	13,183	102	4,131	889	383	273
Expenditure on								
Raising Funds	-	579	13,661	84	6,017	977	391	373
Total Expenditure	-	579	13,661	84	6,017	977	391	373
Net gains on investments	-	-	-	-	-	(46)	-	-
Net income	-	(373)	(478)	18	(1,886)	(134)	(8)	(100)
Total assets	165	13,123	6,668	85	1,128	914	269	140
Total liabilities	-	(677)	(1,581)	(63)	(2,492)	(892)	(296)	(300)
Total capital and reserves	165	12,446	5,087	22	(1,364)	22	(27)	(160)

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

Associated Church Clubs Limited (company number 02724031) coordinates the bulk purchase of stock for supply to archdiocesan parish centres and other members of the scheme operated by the company.

Metropolitan Cathedral Services Limited (company number 03115000) manages the commercial aspects of the Metropolitan Cathedral including income generation from its activities, building services and maintenance.

Tuneside Limited (company number 02316276) coordinates the building services scheme for archdiocesan buildings obligations under the Construction Industry Scheme and commercial activities of the Conference Centre.

Cardinal Heenan Sports Centre Limited's (company number 03822516) principal activity is the operation of a sports centre within the grounds of Cardinal Heenan Roman Catholic High School, Liverpool.

Archdiocesan Parish Centres Management Company Limited (company number 03422332) manages the parish centres within the archdiocese.

Archdiocesan Property Services Limited (company number 03142451 charity number 1055049) manages professional services in respect of maintenance, repair and refurbishment of archdiocesan properties.

Archdiocese of Liverpool Primary School Improvement Trust (company number 10912407) promote education standards in primary education.

Archdiocese of Liverpool Secondary School Improvement Trust (company number 10912398) promote education standards in secondary education.

The companies limited by guarantee are wholly controlled by the charity. All the companies are incorporated in the United Kingdom.

The operations of several other registered charities which have common trustees are under the control of the charity and therefore their incoming resources and resources expended, and net assets have been consolidated with those of the charity on these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

The charities concerned are as follows:

Controlled charities at 31 December 2021	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	2	-
Investment income	101	50
Total Income	103	50
Expenditure on		
Charitable activities	172	-
Total expenditure	172	-
Net gains on investments	408	-
Net income	338	50
Total assets	4,479	2,164
Total liabilities	(10)	(1)
Total reserves	4,469	2,163

Controlled charities at 31 December 2020	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	-	-
Investment income	90	10
Total Income	90	10
Expenditure on		
Charitable activities	136	1
Total expenditure	136	1
Net loss on investments	(135)	-
Net (expenditure) / income	(181)	9
Total assets	4,140	2,113
Total liabilities	(9)	(1)
Total reserves	4,131	2,112

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

The charitable purpose of the Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 224664) is the spiritual and temporal welfare of seafarers.

Liverpool Archdiocesan Education Trust (charity number 505264) acquires and holds property for education purposes.

In accordance with FRS 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of activity.

A balance of £164,176 (2020: £164,176) was owed to Associated Church Clubs Limited at the year end.

The charity recharged salary costs of £120,137 (2020: £175,242) to Archdiocesan Parish Centres Management Company Limited, a subsidiary of the charity. A balance of £312,737 was owed from the company at the year end. (2020: £1,761,349 owed from the company)

The charity recharged salary costs of £205,810 (2020: £304,330) to Archdiocesan Property Services Limited, a subsidiary of the charity. A balance of £775,259 (2020: £791,607) was owed from the company at the year end.

No salary costs were recharged by the charity in 2021 (2020: £66,220) to Metropolitan Cathedral Services Limited, a subsidiary of the charity. A balance of £1,076,107 (2020: £451,243) was owed from the company at the year end.

The charity recharged salary costs of £90,238 (2020: £282,943) to Tuneside Limited, a subsidiary of the charity. A balance of £4,122,671 (2020: £5,591,227) was owed to the company at the year end.

A balance of £300,929 (2020: £436,338) was owed to Apostleship of the Sea (Liverpool Archdiocesan Council) at the year end.

A balance of £1,063,493 (2020: £1,013,493) was owed to Liverpool Archdiocesan Education Trust at the year end.

A balance of £193,918 (2020: £58,406) was owed from Archdiocese of Liverpool Primary School Improvement Trust at the year end.

A balance of £118,360 (2020: £21,538) was owed from Archdiocese of Liverpool Secondary School Improvement Trust at the year end.

Associated companies	% holding in ordinary shares	Activity
Inter-Diocesan Fuel Management Limited	11	Fuel and power distribution
Catholic National Mutual Limited	6	Insurance

In the year £2,369,927 (2020 - £1,750,898) of fuel was purchased from Inter-Diocesan Fuel Management Limited by the group.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

23 CONNECTED CHARITIES

Charities with common trustees with the archdiocese and associated subsidiary undertakings are as follows:

	Charity Number
Nugent Care 2019	1187072
Christ's and Notre Dame College, Liverpool	526463
The Friends of Liverpool Metropolitan Cathedral	513469
Caritas Social Action	1101431
St Mary's College Crosby Trust Limited	1110311
Catholic Trust for England and Wales	1097482
St Cuthbert's College Ushaw	527408
The Catholic Children's Society (Shrewsbury Diocese) Inc	509793
Caritas Diocese of Shrewsbury	1169317
Ushaw Trust	1197075
Leprosy Mission Isle of Man	IOM 1251

The following transactions occurred with these connected charities;

Individual parishes have collections throughout the year where donations are collected on behalf of the Nugent Care 2019 and paid directly to the charity.

The archdiocese made payments totalling £258,672 (2020 : £389,713) to the Catholic Trust for England and Wales in respect of activities undertaken at a national level in common with other dioceses.

No other transactions occurred with connected charities.

24 SCHOOL BUILDING PROJECTS

The charity assists archdiocesan voluntary aided schools with the administration of funding for school building projects. Historically the archdiocese acted as the agent of school governing bodies in receiving funding from the Department for Education (DfE) under the Locally Coordinated Voluntary-Aided Programme (LCVAP), local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. Monies that continue to be received through these activities are not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the archdiocese.

In April 2020 the Voluntary-Aided Schools Condition Allocation (VASCA) system was introduced and superseded the LCVAP. The change in funding gives the archdiocese ultimate control over the application of grants to specific schools, therefore the VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities.

Total grant income to the School Projects Fund amounted to £11.63M (2020: £14.73M). Total expenditure on school building projects during the year was £10.67M (2020: £3.85M). Balances due to individual archdiocesan schools in relation to devolved formula capital projects amounted to £6.92M (2020: £7.53M).

In 2021 no money (2020: £0.28M) was received from the DfE in relation to LCVAP projects. £0.22M was expended on these projects in 2021 (2020: £1.71M). £0.31M (2020: £0.53M) was held by the archdiocese as an agent at the end of the year and is included within creditors.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

25 TRANSFERS

For the year ended 31 December 2021

	PAROCHIAL				CURIAL				
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	Total 2021
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
INTRA-DIOCESAN TRANSFERS									
Assessment Fund grants	-	(250)	-	(250)	50	200		250	-
Parish contributions to restricted collections	606	-	(643)	(37)		(37)	30	(7)	(44)
Other	-	-	-	-	(80)	7		(73)	(73)
	<u>606</u>	<u>(250)</u>	<u>(643)</u>	<u>(287)</u>	<u>(30)</u>	<u>170</u>	<u>30</u>	<u>170</u>	<u>(117)</u>
INTRA-GROUP TRANSFER									
Other	-	-	-	-	173	-	(56)	117	117
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173</u>	<u>-</u>	<u>(56)</u>	<u>117</u>	<u>117</u>
TOTAL	<u>606</u>	<u>(250)</u>	<u>(643)</u>	<u>(287)</u>	<u>143</u>	<u>170</u>	<u>(26)</u>	<u>287</u>	<u>-</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

25 TRANSFERS *(continued)*
For the year ended 31 December 2020

	PAROCHIAL				CURIAL				
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	2020 £000's
INTRA-DIOCESAN TRANSFERS									
Assessment Fund grants	62	(312)	-	(250)	50	200	-	250	-
Parish contributions to restricted collections	104		(130)	(26)	-	11	15	26	-
Other	-	-	-	-	33	(41)	4	(4)	(4)
	<u>166</u>	<u>(312)</u>	<u>(130)</u>	<u>(276)</u>	<u>83</u>	<u>170</u>	<u>19</u>	<u>272</u>	<u>(4)</u>
INTRA-GROUP TRANSFER									
Other	-	-	-	-	60	-	(56)	4	4
TOTAL	<u>166</u>	<u>(312)</u>	<u>(130)</u>	<u>(276)</u>	<u>143</u>	<u>170</u>	<u>(37)</u>	<u>276</u>	<u>-</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

26 ANALYSIS OF NET ASSETS

Group	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2021 £000's
Restricted Funds				
- Parochial	-	486	15,022	15,508
- Curial	-	6,641	8,498	15,139
	-	7,127	23,520	30,647
Designated Funds				
- Parochial	-	11,927	(10,298)	1,629
- Curial	10,873	64,315	12,909	88,097
	10,873	76,242	2,611	89,726
Unrestricted General Funds				
- Parochial	31,538	47,400	13,084	92,022
- Curial	20,558	7,674	(18,999)	9,233
	52,096	55,074	(5,915)	101,255
Total	62,969	138,443	20,216	221,628

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

26 ANALYSIS OF NET ASSETS *(continued)*

Group 2020	Tangible Fixed Assets	Investments	Restated¹ Current Assets less Creditors £000's	Restated¹ Total 2020 £000's
	£000's	£000's	£000's	£000's
Restricted Funds				
- Parochial	-	434	13,110	13,544
- Curial	-	5,991	8,645	14,636
	-	6,425	21,755	28,180
Designated Funds				
- Parochial	-	10,775	(9,538)	1,237
- Curial	13,261	58,480	11,168	82,909
	13,261	69,255	1,630	84,146
Unrestricted General Funds				
- Parochial	26,779	42,634	12,439	81,852
- Curial	20,973	6,859	(18,067)	9,765
	47,752	49,493	(5,628)	91,617
Total (restated¹)	61,013	125,173	17,757	203,943

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

26 ANALYSIS OF NET ASSETS *(continued)*

Charity	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2021 £000's
Restricted Funds				
- Parochial	-	486	15,022	15,508
- Curial	-	6,641	8,278	14,919
	-	7,127	23,300	30,427
Designated Funds				
- Parochial	-	11,927	(10,298)	1,629
- Curial	10,873	86,873	(9,983)	87,763
	10,873	98,800	(20,281)	89,392
Unrestricted General Funds				
- Parochial	31,538	47,400	13,084	92,022
- Curial	4,942	3,034	2,765	10,741
	36,480	50,434	15,849	102,763
Total	47,353	156,361	18,868	222,582

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

26 ANALYSIS OF NET ASSETS *(continued)*

Charity 2020	Tangible Fixed Assets £000's	Investments £000's	Restated ¹ Current Assets less Creditors £000's	Restated ¹ Total 2020 £000's
Restricted Funds				
- Parochial	-	434	13,110	13,544
- Curial	-	5,991	8,368	14,359
	-	6,425	21,478	27,903
Designated Funds				
- Parochial	-	10,775	(9,538)	1,237
- Curial	13,260	81,038	(11,723)	82,575
	13,260	91,813	(21,261)	83,812
Unrestricted General Funds				
- Parochial	26,779	42,634	12,439	81,852
- Curial	4,927	2,734	2,806	10,467
	31,706	45,368	15,245	92,319
Total (restated¹)	44,966	143,606	15,462	204,034

¹ Further information on the restated amounts can be found in note 31

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021

27 OPERATING LEASES

Throughout the archdiocese there are numerous low value operating leases primarily in relation to equipment. The annual payments in relation to these have not been quantified but they are not deemed to be material to the financial statements.

28 CONTINGENT LIABILITIES

The trustees are reviewing the structure of the organisation from a VAT perspective with initial findings indicating that registration for VAT is probable. There remains potential that a future registration may be applied retrospectively but as this likelihood and size of potential liability cannot be fully assessed at this point, no provision has been made within the financial statements.

29 GUARANTEE

An index-linked product amounting to £2.10M (2020: £1.93M) is used as security against any potential liability in connection with a landfill site. The likelihood of this liability falling due on the charity is considered remote.

30 POST BALANCE SHEET EVENT

In June 2022, Archdiocesan Parish Centres Management Company Limited repaid in full the £1.7M loan received in 2021 from the government backed Coronavirus Business Loan Interruption Scheme (CBILS). This event is non-adjusting and has not impacted the figures included in the 2021 financial statements.

On 20 July 2022, a Charitable Incorporated Organisation, 'Archdiocese of Liverpool' was registered with the Charity Commission. The net assets and undertakings of the Liverpool Roman Catholic Archdiocesan Trust were transferred to the new entity, charity number 1199714, on 31 December 2022.

The net assets of the archdiocese have transferred to the new entity without impairment as the core objectives and activities remain consistent with the archdiocesan trust. The Charity Commission has categorised the archdiocesan trust as a linked charity of the new Charitable Incorporated Organisation.

31 PRIOR YEAR RESTATEMENT

The archdiocese is the legal owner of properties comprising voluntary aided schools and academies. As explained in the principal accounting policies these properties are valued at £nil for the purpose of these accounts. The responsibility for the improvement, extension and repair of the buildings lies with the governors. Grants towards such work are paid to the governors by the DfE and the Local Authorities.

The archdiocese assists voluntary aided schools with their building and repair and refurbishment projects. Historically it acted as the agent of the governors in helping to arrange funding through the DfE and Local Authorities, and funds received under the Locally Coordinated Voluntary-Aided Programme (LCVAP) were not included in the Statement of Financial Activities as the archdiocese had no control over the funds and the transactions were those of the school governors rather than the archdiocese which administered these monies as managing agent and made the appropriate payments to contractors for work carried out. LCVAP funding covered 90% of the costs of approved building projects with the remaining 10% being met by the School Projects Fund. Any LCVAP monies due from or held on behalf of archdiocesan schools are treated as debtors or creditors respectively.

In April 2020 the Voluntary-Aided Schools Condition Allocation (VASCA) system was introduced and superseded LCVAP. The change in funding gives the archdiocese ultimate control over the application of grants to specific schools, therefore the VASCA grant funding received and the related expenditure are recognised in the Statement of Financial Activities rather than as creditor balances.

The 2020 accounts incorrectly treated VASCA funding on the same basis as LCVAP. A subsequent review of the funding arrangements has required the restatement of 2020 amounts in respect of grants

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2021

31 PRIOR YEAR RESTATEMENT (continued)

received and education expenditure. The value of the restatement of the individual lines of income and expenditure within the Statement of Financial Activities is shown below. The change to reserves and creditors at December 2020 and the impact of the revised treatment for 2021 is also disclosed. Although there is no impact on cash flows, the reconciliation of the net movement in funds to net cash flow from operating activities has been restated for these changes.

	2021 £000's	2020 £000's
Increase in grant income	11,625	14,725
Increase in education expenditure	(9,302)	(3,061)
Net increase in reserves and decrease in creditors	<u>2,323</u>	<u>11,664</u>