

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2022**

Registered Charity Number: 232709

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

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 (resigned 17 June 2024)

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

Rt Rev T Williams (Resigned 25 March 2023)

Rev G J Callacher (Appointed 19 December 2023)*

Rev G Dunne (Appointed 17 June 2024)*

*Rev G J Callacher was appointed as a trustee of the Archdiocese of Liverpool (registered charity (No 1199714) on 19 December 2023

Rev G Dunne was appointed as a trustee of the Archdiocese of Liverpool (registered charity (No 1199714) on 17 June 2024

Episcopal Vicar for Finance

Rev Mgr John Devine OBE (until 17 June 2024)

Rev Graeme Dunne (from 18 June 2024)

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

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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. The archbishop was assisted during 2022 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 Rt Rev T Williams, auxiliary bishop of Liverpool retired on 25th March 2023.

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 recently formed Archbishop's Advisory Group – a body formed as a result of the 2022 synodal processes which comprises clerical and lay advisers from various strands within the archdiocese. 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 171 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 parish¹. 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.

¹ The Code of Canon Law makes a distinction between actual persons (*persona humana*) and a person (*persona nonficta*) who is a subject of rights and obligations. In the Church this means that there are individual physical persons and juridical personhoods. Canon law assigns canonical identity to various groups and entities within the Church such that they are recognised as subjects of rights and obligations, and these are referred to as juridical persons. A parish therefore is a juridical person, and it is the parish priest who acts in the person of the parish in all juridical matters, and importantly to ensure that parish goods are administered in accordance with the law. Can. 532 In all juridic affairs the pastor represents the parish according to the norm of law. He is to take care that the goods of the parish are administered according to the norm of cann. 1281-1288.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

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Corporate governance *(continued)*

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 10 of this report. The trustees are satisfied that the charitable purposes of the organisation have been achieved.

Leadership

The Chief Operating Officer continues the review of priorities, governance, structures, and processes. The charity has continued its 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 to carry out detailed policy work on behalf of the trustees 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 (established in November 2023) will oversee the work of the Education Department and the development of education policy and practice consistent with the Catholic faith.

An Audit Committee (established in April 2023) 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 advise the trustees through the Finance Committee.

Each of the committees are chaired by the relevant episcopal vicar, or vicar general, 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 was undertaken during 2022 with appointments made to the Finance Committee and other committees during the year. Induction for the Finance Committee members took place in 2022 and appointments to the Audit Committee were made during 2023. 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.

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Corporate governance *(continued)*

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. A revised scheme of reservation and delegation was implemented in 2022 with clear boundaries. Compliance will be monitored and reported regularly to the Audit Committee.

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

Board effectiveness

The arrangements for the cycle of board meetings 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.

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 provision is planned 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 was undertaken by Archdiocese of Liverpool Primary Schools Improvement Trust and Archdiocese of Liverpool Secondary Schools Improvement Trust. The work of the primary improvement trust was consolidated into the archdiocesan Education Department in 2023 and progress has been made towards rationalising the organisation structure of the secondary school improvement trust.

The boards of trustees of the Liverpool Archdiocesan Education Trust (1199714-3) and the Apostleship of the Sea Liverpool Archdiocesan Council (Linked charity 1199714-2) 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 and from 2023 onwards both charities shall be regarded by the Charity Commission as linked to and treated as forming part of the Charitable Incorporated Organisation, Archdiocese of Liverpool (charity number 1199714).

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Corporate governance *(continued)*

The charitable objectives of The Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 1199714-2) 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 £4.13M of reserves at 31 December 2022 (2021: £4.47M) and from 2023 will be accounted for as part of the Charitable Incorporated Organisation, Archdiocese of Liverpool (charity number 1199714).

Liverpool Archdiocesan Education Trust (charity number 1199714-3) 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 £2.21M at 31 December 2022 (2021: £2.16M).

The transactions and activities of the Liverpool Archdiocesan Education Trust will be accounted for as part of the Charitable Incorporated Organisation, Archdiocese of Liverpool (charity number 1199714) from 1st January 2023.

COVID-19 and global economic conditions

The global pandemic had a catastrophic impact on the charitable activities and finances of the archdiocese and its subsidiaries until the lifting of all lockdown restrictions in July 2021; while we have seen some recovery, the pandemic continues to have implications for the archdiocese. More recent significant challenges - the war in Ukraine, global economic uncertainty and UK inflation – have also impacted the archdiocese significantly. The cost of energy and construction related activities continue to present significant challenges to the archdiocese in respect of the financial sustainability of buildings.

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 25,327 for 2022 (2021: 19,887) reflects a 27% increase on 2021, the underlying trend continues to be down, with a decline from the 85,357 reported in 2000. Average Mass attendance is 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 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.

Regulation compliance processes are in place for matters such as asbestos, confined spaces, water hygiene, fire safety and first aid. Quinquennial reporting, regular 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, including reporting of all notifiable incidents to the appropriate authorities.

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Regular newsletters are sent to all parishes. Quarterly reports covering health and safety are reviewed by the Health and Safety Committee and reported to the trustees.

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 2021 the period of listening and reflection on the experience of being Church during the period affected by COVID-19 concluded, and after hearing the preferences of Synod members for proposals, a set of 19 recommendations covering all areas was formalised. A Synod book, 'Together on the Road' helped people discern how they would vote on the recommendations and a week of prayer was held in advance of the Synod. After the vote and a celebration of 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

In March 2022 Archbishop Malcolm went to Rome, to fulfil his promise when he first called for a Synod in the Archdiocese in 2017. Archbishop Malcolm handed the final Synod Report to the Congregation for Bishops and to the Synod Office and he also took to the dicasteries, the issues that were raised that could not form part of the Synod report (issues outside the remit of a Diocesan Synod).

At the Synod Office, Cardinal Mario Grech and Sister Natalie Becquart were delighted to receive the report of the Liverpool Synod. In handing over the final synod report, the result of all the listening and the Pastoral Plan, Archbishop Malcolm was entrusting the work that has taken place over almost five years to the universal Church.

The archdiocese recognises that the Pastoral Plan is not just a document, it represents the hopes and dreams of the local Church.

Work carried out on the development areas of the pastoral plan included an exploration of what accompaniment means. Three side by side events, run by The Proximity Project – A National Group (backed by Jesuits, Benedictines and others) were attended by 131 people from across the archdiocese to explore accompaniment with external facilitators. Sr Lynne Baron, FCJ, was appointed as Archbishop Malcolm's delegate for Catholic social action. Sr Lynne is a key member of the Archbishop's Advisory Body ensuring that the voice of a woman will be heard as the archbishop makes important decisions.

Further achievements during 2022 include the appointment of a social action co-ordinator and the regular celebration of Mass bringing together the LGBTQ+ community. This work has been further developed to focus on what is meant, and not meant, by accompaniment and how this relates to synodality.

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Achievements and performance *(continued)*

The need for developing programmes to identify the different accompaniment needs of specific groups has been recognised. Specific groups include parents with young children, those preparing for marriage, elderly, those in mixed marriages, those freshly graduated, catechists, social action groups, sick, disabled, those who are divorced and separated, LGBTQ+, bereaved, single parents, those struggling with cost of living, prisoners and their families, families with children or adults with special needs, Catholic children in special schools or in non-Catholic schools, teachers and others.

Exploration of a joint formation programme for future priests, deacons and lay ministers to train together were explored under the development area of becoming a Church that honours the vocation of all the baptised. Early conversations were undertaken around the new ministries of catechists and an appointment was made to a new training coordinator post in the Pastoral Development Department.

Becoming a Church where synodality is embedded was significantly developed during the year with the decision to incorporate the archdiocese as a Charitable Incorporated Organisation (CIO) with the structure implemented at the end of 2022. The project was subsequently awarded 'Governance Project of the Year' by the Chartered Governance Institute UK and Ireland in an awards ceremony in 2023.

The review of the statutes of the Metropolitan Cathedral Chapter (last revised in 1955) took place between November 2021 and April 2022 with a new set of statutes that the Chapter proposed to the Archbishop for approval. The Archbishop gave his approval with the new statutes coming into effect on Pentecost Sunday, 5 June 2022. Following this the Archbishop transferred the functions of the College of Consultors from Archbishop's Council to the Chapter of Canons. This made it possible to create the Archbishop's Advisory Body as a replacement for Archbishop's Council as the consultative body that meets most regularly with the Archbishop. Appointments to this new body can be members who are not priests.

Becoming a Church that renews its organisational structures and administers its property to serve its mission included developments such as a terms of reference for the Deanery Synodal Council, meeting for the first time in 2022, with lay people appointed by the archbishop to work in partnership with the deans. The audit of archdiocesan land and buildings continued during 2022 and supported the work on the new CIO structure. Work commenced to create families of parishes.

Work was undertaken on the development of a post to coordinate the way forward for youth ministry in the archdiocese in association with the current youth provision as part of the work on becoming a Church where young people and young adults flourish.

A major piece of work involving 104 out of 106 priests meeting with an external facilitator was carried out as part of becoming a Church that cares for its priests. Religious priests and retired priests also met with the facilitator. The outcome of this work was suggestions exploring support for priests flourishing in the human, spiritual, liturgical, theological, intellectual and pastoral aspects of their lives.

Financial review

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

| | 2022 | Restated ¹ |
|---|-----------------|-----------------------|
| | £000's | 2021 |
| | | £000's |
| Net outgoing resources | (2,925) | (1,132) |
| Unrealised (loss) / gain on investments | (10,650) | 13,631 |
| Revaluation of investment properties | 6,021 | 5,114 |
| Net movement | (7,554) | 17,613 |

¹ Further information on the restated amount can be found in note 29

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Financial review *(continued)*

Commercial trading operations and charitable activities increased during 2022. 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.

Overall staff numbers have reduced, primarily due to the cessation of trading and rationalisation of roles in parish centres.

Voluntary income

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 £5.11M (2021: £4.60M), 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 £1.14M in 2022 (2021: £1.39M). 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 25 individual parishes in 2022 (2021: 20).

Parishioners responded to appeals and special collections during the year with £0.90M received in 2022 (2021: £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). 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 lock down restrictions was secured against cash balances of APCMC and had 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.

The commercial activities of the Conference Centre in the St. Margaret Clitherow Centre were streamlined following the restrictions imposed by the pandemic. The building remained in use for archdiocesan and external groups, without dedicated conferencing and hospitality support. The demand for the facilities of the Conference Centre started to increase during 2022 and this will be kept under review to optimise income generation opportunities.

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Fundraising activities *(continued)*

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 archdiocese is committed to investing responsibly and in line with the mission and teachings of the Catholic Church, the United Nations principles for Responsible Investment and the UK Stewardship Code. The archdiocese position is the commitment to align investments to build a better, more just, and peaceful world, with the contribution of all: people and institutions. During 2022 an Ethical Advisory Group (EAG) was convened to consider, discuss and prepare a Responsible Investment Policy aligned with Gospel consistent values. This was supported by presentations by archdiocesan investment managers and agreement was reached to make recommendations to the board of trustees, who agreed the implementation of the Responsible Investment Policy. The investment portfolio is managed on a discretionary basis within the parameters of the Responsible Investment Policy which includes a range of exclusions and restrictions which filter out investments on the grounds that they are not consistent with the mission and teachings of the Catholic Church. 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 £2.76M (2021: £3.86M) and met the targets required by the archdiocese. The charity reported an unrealised loss on investments of £10.65M (2021: Gain £13.63M)

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. Interest rate increases on cash balances during 2022 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 £0.10M (2021: £0.09M). 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 £6.02M in 2022 (2021: £5.11M).

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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

The celebration of Mass in parishes within the archdiocese was attended by an average weekly congregation of 25,627 in 2022 and contributed to the spiritual well-being of society and the public in general.

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 #Liverpool4Ukraine appeal was launched in 2022 to support those affected by the war in Ukraine. In addition to prayer, humanitarian aid, generously donated by people across the archdiocese, was delivered to the Polish border with Ukraine and handed over to Bishop Gregory Komar of the Diocese of Sambir-Drohobych, an eparchy of the Ukrainian Greek Catholic Church with headquarters in Lviv.

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.

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.

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.

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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 158 individual capital and repair projects to the value of £13.60M in the year (2021: 185 projects, £17.89M). The projects were financed through several different funding sources including Voluntary-Aided Schools Condition Allocation (VASCA).

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. VASCA income amounted to £12.46M in the year (2021: £11.63M).

Expenditure on school building projects was £12.60M (2021: £10.67M) 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 £0.56M (2021: £0.58M) of donations from parents via archdiocesan schools.

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 £11.34M (2021: £6.92M) on behalf of schools.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Education *(continued)*

Through the Schools' Voluntary Contribution Scheme, the archdiocese can offer an enhanced level of support to schools. Contributions of £0.27M in 2022 (2021: £0.28M) 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 2022 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 £6.34M (2021: £6.14M) incurred in property running costs, which included repairs and maintenance costs of £2.96M in 2022 (2021: £3.32M).

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.

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.

The major restoration of the organ of the Metropolitan Cathedral was completed in December 2022. At a total cost of £1.14M the project provided for the renewal of mechanical and electrical components and other associated works while also providing safe access for long-term maintenance to the organ which plays a key role in the daily life of the cathedral.

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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 18 to the accounts.

Plans for future periods

The plans for the charity will be continued by the new Charitable Incorporated Organisation, 'Archdiocese of Liverpool' (charity number 1199714) as described below. The Liverpool Roman Catholic Archdiocesan Trust (charity number 232709) is a linked charity to the new CIO and will remain in place for a period of 24 months to facilitate the collection of donations and legacies before their transfer to the new entity and will be indemnified by the new entity to settle properly incurred liabilities. The proposals for action that emerged from the Synod as presented in the pastoral plan released at the start of Advent 2021 will continue to 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 replaced the Archbishop's Council as the consultative body that meets regularly with the archbishop. Its membership includes lay people, as well as clergy.

An archdiocesan synodal council will also be given the responsibility of monitoring the implementation of the pastoral plan. The Archdiocesan Synodal Council met on 25th November 2023 for the first meeting, with 120 people gathered into small groups around tables, listening, discerning and spending periods of time in silence to identify suggested priorities for the next 12 months.

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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for future periods *(continued)*

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.

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 school's 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 to the end of 2026, 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.

Reserves policy

On 31 December 2022 the reserves were:

| | 2022 £000's | Restated ¹ 2021 £000's |
|-------------------------------|------------------------------|---|
| Restricted funds | 32,483 | 30,647 |
| Unrestricted funds: - general | 95,769 | 98,843 |
| - designated | 83,410 | 89,726 |
| | 211,662 | 219,216 |

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-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 15.

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.

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves policy *(continued)*

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 2022 reserves of these two funds amounted to £15.64M (2021: £16.83M).

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 £46.88M December 2022 (2021: £49.65M). 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. Reserves in another 34 parishes are below the overall target of 36 months (2021: 37 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 47 months' expenditure (2021: 59 months).

The trustees consider that an overall level of reserves, inclusive of designated funds, equating to 47 months' expenditure is sufficient to enable the charity to fulfil all of its obligations and commitments. While investment volatility has contributed to a change in the levels of reserves 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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves policy (continued)

Freely available reserves:

| | 2022 | Restated¹ |
|-------------------------------------|---------------|-----------------------------|
| | £000s | £000s |
| Unrestricted reserves Curial | 5,910 | 6,821 |
| Unrestricted reserves Parochial | 89,859 | 92,022 |
| Less: | | |
| Tangible assets Curial | (17,919) | (18,146) |
| Tangible assets Parochial | (33,997) | (31,538) |
| Freely available reserves | 43,853 | 49,159 |
| Unrestricted expenditure Curial | 10,516 | 8,687 |
| Unrestricted expenditure Parochial | 11,194 | 10,817 |
| Total unrestricted expenditure | 21,710 | 19,504 |
| Monthly expenditure | 1,809 | 1,625 |
| Months of freely available reserves | 24 | 30 |

The level of net current assets held by the archdiocese amounted to £16.92M (2021: £20.22M) and represents 6.99 months (2021: 9.85 months) of expenditure on 31 December 2022.

Taking into consideration the specific demands in respect of designated funds set aside by the trustees for specific purposes, the trustees consider any meaningful target for reserves to meet general expenditure should exclude these funds. A target level of reserves of between 24 and 30 months expenditure, while preserving liquidity with net current assets of between 4 and 6 months expenditure, is considered appropriate. The archdiocese held 24 months of freely available reserves at 31 December 2022 (2021: 30 months). The decline in freely available reserves since 2021 is reflective of losses on the investment portfolio and the trustees continue to include consideration of reserves on the schedule of risks which is reviewed regularly.

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 1 January 2023. The new Charitable Incorporated Organisation will become the new reporting entity from the accounting period 1st January to 31st December 2023 and will account for all activities of the Liverpool Roman Catholic Archdiocesan Trust. The charity will continue to collect legacies, donations and any other income due to it. The charity will transfer assets and liabilities to the new charity under the Charity Commission order dated 5 December 2022 which also authorises the granting of an indemnity by the new charity under section 105 of the Charities Act 2011 to settle liabilities properly incurred.

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.

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

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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 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.

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 appoint Haysmacintyre LLP as auditors to replace BDO LLP for the ensuing year was made by the trustees at their meeting on 19th March 2024.

Signed on behalf of the trustees



Rev Graeme Dunne
Episcopal Vicar for Finance

30 July 2024

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 2022 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 2022 which comprise the consolidated and charity statement of financial activities, the consolidated and 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

Matters on which we are required to report by exception

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; 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 statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 151 of the Charities Act 2011 and report in accordance with the Acts 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:

Non-compliance with laws and regulations

Based on our understanding of the Group and Charity and the sector in which it operates; discussion with management and those charged with governance including the Audit Committee; and obtaining and understanding of the Group and Charity's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be the applicable accounting framework, Financial Reporting Standard 102, Charities Act 2011 and UK tax legislation.

Our procedures in respect of the above included:

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

Fraud

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

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

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

Our procedures in respect of the above included:

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

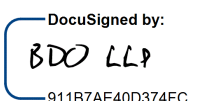
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an 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:

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BDO LLP, statutory auditor
Liverpool, UK
Date: 02 August 2024

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 2022

| | 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 2022 £000's |
|---|-----------|--|--|--|---------------------------------------|---|---|---|------------------------------------|-------------------------|
| INCOME FROM | | | | | | | | | | |
| Donations and legacies | | | | | | | | | | |
| Collections and donations | 3.1 | 8,377 | 444 | 903 | 9,724 | 235 | - | 311 | 546 | 10,270 |
| Legacies | | 386 | - | 5 | 391 | 26 | 655 | 66 | 747 | 1,138 |
| Grants | 3.2 | - | - | 12,862 | 12,862 | - | 8 | - | 8 | 12,870 |
| Other trading activities | | | | | | | | | | |
| Fundraising | 3.3 | 127 | - | - | 127 | 8,896 | - | - | 8,896 | 9,023 |
| Investment income | 3.4 | 1,615 | 266 | 7 | 1,888 | 463 | 1,498 | 147 | 2,108 | 3,996 |
| Charitable activities | 4 | 98 | - | - | 98 | 380 | 637 | 107 | 1,124 | 1,222 |
| Other | | | | | | | | | | |
| Net gains on disposal of assets | | 92 | - | - | 92 | - | 10 | - | 10 | 102 |
| TOTAL INCOME | | 10,695 | 710 | 13,777 | 25,182 | 10,000 | 2,808 | 631 | 13,439 | 38,621 |
| EXPENDITURE ON | | | | | | | | | | |
| Raising Funds | 5 | 146 | 33 | 1 | 180 | 8,531 | 234 | 17 | 8,782 | 8,962 |
| Charitable activities | | | | | | | | | | |
| Ministry support | 6.1 | 1,304 | - | - | 1,304 | 47 | 1,177 | 219 | 1,443 | 2,747 |
| Pastoral and community | 6.2 | 3,402 | - | 709 | 4,111 | 809 | 2,840 | 269 | 3,918 | 8,029 |
| Education | 6.3 | - | 1,333 | 11,270 | 12,603 | 671 | 1,269 | - | 1,940 | 14,543 |
| Provision for worship | 6.4 | 6,342 | - | - | 6,342 | 458 | 465 | - | 923 | 7,265 |
| TOTAL EXPENDITURE | | 11,194 | 1,366 | 11,980 | 24,540 | 10,516 | 5,985 | 505 | 17,006 | 41,546 |
| NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS | | (499) | (656) | 1,797 | 642 | (516) | (3,177) | 126 | (3,567) | (2,925) |
| Net losses on investments | 10 | (1,192) | (921) | (37) | (2,150) | (437) | (1,529) | (513) | (2,479) | (4,629) |
| NET INCOME / (EXPENDITURE) AFTER INVESTMENT LOSSES | | (1,691) | (1,577) | 1,760 | (1,508) | (953) | (4,706) | (387) | (6,046) | (7,554) |
| TRANSFERS BETWEEN FUNDS | 25 | (472) | (7) | 422 | (57) | 42 | (26) | 41 | 57 | - |
| NET MOVEMENT IN FUNDS | | (2,163) | (1,584) | 2,182 | (1,565) | (911) | (4,732) | (346) | (5,989) | (7,554) |
| Fund balances at 1 January 2022 (restated ¹) | | 92,022 | 1,629 | 15,508 | 109,159 | 6,821 | 88,097 | 15,139 | 110,057 | 219,216 |
| FUND BALANCES AT 31 DECEMBER 2022 | 26 | 89,859 | 45 | 17,690 | 107,594 | 5,910 | 83,365 | 14,793 | 104,068 | 211,662 |

All amounts relate to operations that will continue under the new Charitable Incorporated Organisation see note 1.
The notes on pages 31 to 73 form part of these accounts.

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

| | Parochial Unrestricted Funds £000s | Parochial Designated Funds £000s | Parochial Restricted Funds £000s | TOTAL Parochial Funds £000s | Curial Unrestricted Funds £000s | Curial Designated funds £000s | Curial Restricted Funds £000s | TOTAL Curial Funds £000s | TOTAL 2022 £000s |
|---|---|---|---|--------------------------------------|--|--|--|-----------------------------------|------------------------|
| Fund balances at 1 January 2022 as previously reported | 92,022 | 1,629 | 15,508 | 109,159 | 9,233 | 88,097 | 15,139 | 112,469 | 221,628 |
| Prior period adjustment | | | | | (2,412) | | | (2,412) | (2,412) |
| Fund balances at 1 January 2022 as restated ¹ | <u>92,022</u> | <u>1,629</u> | <u>15,508</u> | <u>109,159</u> | <u>6,821</u> | <u>88,097</u> | <u>15,139</u> | <u>110,057</u> | <u>219,216</u> |

Prior period adjustment

The prior period adjustment relates to an error in the useful economic life historically in relation to Metropolitan Cathedral Services Limited. This has resulted in a restatement of fixed assets, opening reserves and depreciation charge for the year.

¹ Further information on the restated amount can be found in note 29

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 | Restated ¹ Curial Unrestricted Funds £000's | Curial Designated Funds £000's | Curial Restricted Funds £000's | Restated ¹ TOTAL Curial Funds £000's | Restated ¹ 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 | 6,861 | 295 | 19 | 7,175 | 7,417 |
| 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 | 8,687 | 5,199 | 373 | 14,259 | 36,222 |
| NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS / (LOSSES) | | (643) | (538) | 2,559 | 1,378 | (1,552) | (829) | (129) | (2,510) | (1,132) |
| Net gains / (losses) on investments | | 10,207 | 1,180 | 48 | 11,435 | 805 | 5,847 | 658 | 7,310 | 18,745 |
| NET INCOME AFTER INVESTMENT GAINS / (LOSSES) | | 9,564 | 642 | 2,607 | 12,813 | (747) | 5,018 | 529 | 4,800 | 17,613 |
| TRANSFERS BETWEEN FUNDS | | 606 | (250) | (643) | (287) | 143 | 170 | (26) | 287 | - |
| NET MOVEMENT IN FUNDS | | 10,170 | 392 | 1,964 | 12,526 | (604) | 5,188 | 503 | 5,087 | 17,613 |
| Fund balances at 1 January 2021 | | 81,852 | 1,237 | 13,544 | 96,633 | 7,425 | 82,909 | 14,636 | 104,970 | 201,603 |
| FUND BALANCES AT 31 DECEMBER 2021 | | 92,022 | 1,629 | 15,508 | 109,159 | 6,821 | 88,097 | 15,139 | 110,057 | 219,216 |

All amounts relate to operations that will continue under the new Charitable Incorporated Organisation see note 1.

The notes on pages 31 to 73 form part of these accounts.

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

| | 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 2022 £000's |
|---|------|--|--|--|---------------------------------------|---|---|---|------------------------------------|-------------------------|
| INCOME FROM | | | | | | | | | | |
| Donations and legacies | | | | | | | | | | |
| Collections and donations | 3.1 | 8,377 | 444 | 903 | 9,724 | 234 | - | 311 | 545 | 10,269 |
| Legacies | | 386 | - | 5 | 391 | 26 | 655 | 66 | 747 | 1,138 |
| Grants | 3.2 | - | - | 12,862 | 12,862 | - | 8 | - | 8 | 12,870 |
| Other trading activities | | | | | | | | | | |
| Fundraising | 3.3 | 127 | - | - | 127 | 12 | - | - | 12 | 139 |
| Investment income | 3.4 | 1,615 | 266 | 7 | 1,888 | 292 | 1,498 | 147 | 1,937 | 3,825 |
| Charitable activities | 4 | 98 | - | - | 98 | 380 | 637 | 107 | 1,124 | 1,222 |
| Other | | | | | | | | | | |
| Net gains on disposal of assets | | 92 | - | - | 92 | - | 10 | - | 10 | 102 |
| TOTAL INCOME | | 10,695 | 710 | 13,777 | 25,182 | 944 | 2,808 | 631 | 4,383 | 29,565 |
| EXPENDITURE ON | | | | | | | | | | |
| Raising Funds | 5 | 146 | 33 | 1 | 180 | 22 | 234 | 17 | 273 | 453 |
| Charitable activities | | | | | | | | | | |
| Ministry Support | 6.1 | 1,304 | - | - | 1,304 | 47 | 1,176 | 219 | 1,442 | 2,746 |
| Pastoral and Community | 6.2 | 3,402 | - | 709 | 4,111 | 652 | 2,839 | 269 | 3,760 | 7,871 |
| Education | 6.3 | - | 1,333 | 11,270 | 12,603 | - | 1,269 | - | 1,269 | 13,872 |
| Provision for worship | 6.4 | 6,342 | - | - | 6,342 | 458 | 465 | - | 923 | 7,265 |
| TOTAL EXPENDITURE | | 11,194 | 1,366 | 11,980 | 24,540 | 1,179 | 5,983 | 505 | 7,667 | 32,207 |
| NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS | | (499) | (656) | 1,797 | 642 | (235) | (3,175) | 126 | (3,284) | (2,642) |
| Net losses on investments | 10 | (1,192) | (921) | (37) | (2,150) | (80) | (1,529) | (513) | (2,122) | (4,272) |
| NET INCOME AFTER INVESTMENT LOSSES | | (1,691) | (1,577) | 1,760 | (1,508) | (315) | (4,704) | (387) | (5,406) | (6,914) |
| TRANSFERS BETWEEN FUNDS | 24 | (472) | (7) | 422 | (57) | (5) | (26) | 42 | 11 | (46) |
| NET MOVEMENT IN FUNDS | | (2,163) | (1,584) | 2,182 | (1,565) | (320) | (4,730) | (345) | (5,395) | (6,960) |
| Fund balances at 1 January 2022 | | 92,022 | 1,629 | 15,508 | 109,159 | 10,741 | 87,763 | 14,919 | 113,423 | 222,582 |
| FUND BALANCES AT 31 DECEMBER 2022 | 25 | 89,859 | 45 | 17,690 | 107,594 | 10,421 | 83,033 | 14,574 | 108,028 | 215,622 |

All amounts relate to operations that will continue under the new Charitable Incorporated Organisation see note 1. .
The notes on pages 31 to 73 form part of these accounts.

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 | 24 | 606 | (250) | (643) | (287) | (30) | 170 | 30 | 170 | (117) |
| NET MOVEMENT IN FUNDS | | 10,170 | 392 | 1,964 | 12,526 | 274 | 5,188 | 560 | 6,022 | 18,548 |
| Fund balances at 1 January 2021 | | 81,852 | 1,237 | 13,544 | 96,633 | 10,467 | 82,575 | 14,359 | 107,401 | 204,034 |
| FUND BALANCES AT 31 DECEMBER 2021 | 25 | 92,022 | 1,629 | 15,508 | 109,159 | 10,741 | 87,763 | 14,919 | 113,423 | 222,582 |

All amounts relate to operations that will continue under the new Charitable Incorporated Organisation see note 1.
The notes on pages 31 to 73 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022

| | Notes | Parochial 2022 £000's | Curial 2022 £000's | Total 2022 £000's | Parochial 2021 £000's | Restated ¹ Curial 2021 £000's | Restated ¹ Total 2021 £000's |
|---|-------|-----------------------------|--------------------------|-------------------------|-----------------------------|---|--|
| FIXED ASSETS | | | | | | | |
| Tangible assets | | | | | | | |
| Property, plant and equipment | 11.1 | 12,371 | 15,580 | 27,951 | 12,050 | 16,350 | 28,400 |
| Investments | | | | | | | |
| Listed investments | 12.1 | 56,042 | 72,449 | 128,491 | 59,814 | 78,629 | 138,443 |
| Investment properties | 12.4 | 21,626 | 16,673 | 38,299 | 19,488 | 12,669 | 32,157 |
| Total investments | | 77,668 | 89,122 | 166,790 | 79,302 | 91,298 | 170,600 |
| Total Fixed Assets | | 90,039 | 104,702 | 194,741 | 91,352 | 107,648 | 199,000 |
| CURRENT ASSETS | | | | | | | |
| Stock | | - | 254 | 254 | - | 222 | 222 |
| Debtors | | | | | | | |
| - due within one year | 13 | 3,081 | 1,361 | 4,442 | 2,288 | 2,001 | 4,289 |
| Balance at bank | | 16,026 | 10,526 | 26,552 | 13,310 | 17,047 | 30,357 |
| Current assets | | 19,107 | 12,141 | 31,248 | 15,598 | 19,270 | 34,868 |
| LIABILITIES | | | | | | | |
| Creditors - amounts falling due within one year | 14 | (9,635) | (4,692) | (14,327) | (7,184) | (7,468) | (14,652) |
| Inter designation balances | 1.21 | 8,083 | (8,083) | - | 9,393 | (9,393) | - |
| Current liabilities | | (1,552) | (12,775) | (14,327) | 2,209 | (16,861) | (14,652) |
| NET CURRENT ASSETS | | 17,555 | (634) | 16,921 | 17,807 | 2,409 | 20,216 |
| Provisions for liabilities | | | | | | | |
| Deferred taxation | | | | | - | - | - |
| NET ASSETS | | 107,594 | 104,068 | 211,662 | 109,159 | 110,057 | 219,216 |
| ACCUMULATED FUNDS | | | | | | | |
| Restricted funds | 15 | 17,690 | 14,793 | 32,483 | 15,508 | 15,139 | 30,647 |
| Unrestricted funds | | | | | | | |
| - Designated | 16 | 45 | 83,365 | 83,410 | 1,629 | 88,097 | 89,726 |
| - General | | 89,859 | 5,910 | 95,769 | 92,022 | 6,821 | 98,843 |
| | | 107,594 | 104,068 | 211,662 | 109,159 | 110,057 | 219,216 |

The financial statements were approved and authorised for issue by the trustees on 30 July 2024 and signed on their behalf by

Malcolm P. McAllister

Chairman of the trustees

The notes on pages 31 to 73 form part of these accounts.

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY BALANCE SHEET AT 31 DECEMBER 2022

| | Notes | Parochial 2022 £000's | Curial 2022 £000's | Total 2022 £000's | Parochial 2021 £000's | Curial 2021 £000's | Total 2021 £000's |
|---|-------|-----------------------------|--------------------------|-------------------------|-----------------------------|--------------------------|-------------------------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | | | | | | | |
| Property, plant and equipment | 11.2 | 12,371 | 4,335 | 16,706 | 12,050 | 4,736 | 16,786 |
| Investments | | | | | | | |
| Listed Investments | 12.2 | 56,042 | 68,093 | 124,135 | 59,814 | 73,989 | 133,803 |
| Investment in group undertakings | 12.3 | - | 22,558 | 22,558 | - | 22,558 | 22,558 |
| Investment properties | 12.5 | 21,626 | 15,083 | 36,709 | 19,488 | 11,079 | 30,567 |
| Total investments | | 77,668 | 105,734 | 183,402 | 79,302 | 107,626 | 186,928 |
| Total Fixed Assets | | 90,039 | 110,069 | 200,108 | 91,352 | 112,362 | 203,714 |
| CURRENT ASSETS | | | | | | | |
| Debtors | | | | | | | |
| Debtors - due within one year | 13 | 3,081 | 706 | 3,787 | 2,288 | 1,523 | 3,811 |
| Balance at bank | | 16,026 | 21,749 | 37,775 | 13,310 | 23,733 | 37,043 |
| Current assets | | 19,107 | 22,455 | 41,562 | 15,598 | 25,256 | 40,854 |
| LIABILITIES | | | | | | | |
| Creditors | | | | | | | |
| Creditors - amounts falling due within one year | 14 | (9,635) | (1,421) | (11,056) | (7,184) | (1,785) | (8,969) |
| Inter designation balances | 1.21 | 8,083 | (23,075) | (14,992) | 9,393 | (22,410) | (13,017) |
| Current liabilities | | (1,552) | (24,496) | (26,048) | 2,209 | (24,195) | (21,986) |
| NET CURRENT ASSETS | | 17,555 | (2,041) | 15,514 | 17,807 | 1,061 | 18,868 |
| NET ASSETS | | 107,594 | 108,028 | 215,622 | 109,159 | 113,423 | 222,582 |
| ACCUMULATED FUNDS | | | | | | | |
| Restricted funds | 15 | 17,690 | 14,574 | 32,264 | 15,508 | 14,919 | 30,427 |
| Unrestricted funds | | | | | | | |
| - Designated | 16 | 45 | 83,033 | 83,078 | 1,629 | 87,763 | 89,392 |
| - General | | 89,859 | 10,421 | 100,280 | 92,022 | 10,741 | 102,763 |
| | | 107,594 | 108,028 | 215,622 | 109,159 | 113,423 | 222,582 |

The financial statements were approved and authorised for issue by the trustees on 30 July 2024 and signed on their behalf by

Melanie P. McKeown

Chairman of the trustees

The notes on pages 31 to 73 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022 £'000s | Restated ¹ 2021 £'000s |
|---|----------------|---|
| Cash flows from operating activities | | |
| Net movement in funds | (7,554) | 17,613 |
| Adjustments for: | | |
| Depreciation, impairment, and amortisation of fixed assets | 1,197 | 1,175 |
| Donation of property | (287) | (143) |
| Net interest receivable | (207) | (5) |
| Dividend income from fixed and current asset investments | (2,758) | (3,858) |
| Difference between net pension expense and cash contribution | - | (26) |
| (Increase) / decrease in trade and other debtors | (511) | 1,729 |
| Increase in stocks | (32) | (103) |
| Increase / (decrease) in trade and other creditors | 1,372 | (279) |
| Decrease in provisions | - | (37) |
| Gains on revaluation of investment properties | (6,021) | (5,114) |
| Losses / (gains) on revaluation of investments | 10,650 | (13,631) |
| Profit on disposal of assets | (102) | (88) |
| Net cash outflow from operating activities | (4,253) | (2,767) |
| Cash flows from investing activities | | |
| Proceeds from sale of tangible fixed assets | 830 | 2,597 |
| Purchases of tangible fixed assets | (1,313) | (314) |
| Interest received | 207 | 5 |
| Dividends received on fixed asset investments | 2,069 | 3,956 |
| Proceeds from sale of investments | 355 | 360 |
| Net cash from investing activities | 2,148 | 6,604 |
| Cash flows from financing activities | | |
| New loans received | - | 1,700 |
| Loan repayments | (1,700) | - |
| Net cash (outflow) / inflow from financing | (1,700) | 1,700 |
| Net (decrease) / increase in cash and cash equivalents | (3,805) | 5,537 |
| Cash and cash equivalents at beginning of year | 30,357 | 24,820 |
| Cash and cash equivalents at end of year | 26,552 | 30,357 |
| Cash and cash equivalents comprise: | | |
| Cash at bank and in hand | 26,552 | 30,357 |

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED CASH FLOW STATEMENT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

| Analysis of changes in net debt | At 1 January 2022 | Cashflows | Other non- cash movements | At 31 December 2022 |
|---------------------------------|----------------------|----------------|---------------------------------|------------------------|
| Cash at bank and in hand | 30,357 | (3,805) | - | 26,552 |
| Debt due within one year | (1,700) | 1,700 | - | - |
| Total | <u>28,657</u> | <u>(2,105)</u> | <u>-</u> | <u>26,552</u> |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 1 January 2023.. The new Charitable Incorporated Organisation will become the new reporting entity from the accounting period 1st January to 31st December 2023 and will account for all activities of the Liverpool Roman Catholic Archdiocesan Trust. The charity will continue to collect legacies, donations and any other income due to it. The charity will transfer assets and liabilities to the new charity under the Charity Commission order dated 5 December 2022 which also authorises the granting of an indemnity by the new charity under section 105 of the Charities Act 2011 to settle liabilities properly incurred.

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.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

1.4 Basis of consolidation

The consolidated financial statements include those of the subsidiary undertakings, as shown in note 21, 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 Income

Income is 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 are 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 £12,862K (2021: £11,625K) in relation to VASCA (Voluntary-Aided Schools Condition Allocation) grants from the Department for Education.

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 2022

1.6 Expenditure

Expenditure is included in the Statement of Financial Activities on the accruals basis. These are based on the amounts payable for work done or services provided in the year 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 2022

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 2022 | Expected useful life |
|--------------------------|-----------|--------------------------------|----------------------|
| Roof | 30% | 22 | 75 |
| Walls, foundations | 50% | 97 | 100 |
| Windows | 5% | 17 | 50 |
| Heating installations | 5% | 7 | 20 |
| Interior | 5% | 7 | 20 |
| Electrical installations | 5% | 7 | 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 2022

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 2022

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 Cash and cash equivalents

Cash and cash equivalents are those associated with the cash management of the archdiocese. To facilitate the effective operation of the archdiocesan investment portfolio, some liquid assets are held by investment managers. These amounts are not considered to be cash and cash equivalents in the financial statements.

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 15 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 16 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 23.

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 2022

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 2022

| 3 INCOME | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--------------------------------------|--|--|--|------------------------|------------------------|
| 3.1 Collections and donations | | | | | |
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Collections | 5,115 | - | 903 | 6,018 | 5,194 |
| Donations | 2,471 | 444 | - | 2,915 | 2,631 |
| Gift Aid rebates | 791 | - | - | 791 | 605 |
| | <u>8,377</u> | <u>444</u> | <u>903</u> | <u>9,724</u> | <u>8,430</u> |
| CURIAL | | | | | |
| Group and Charity | | | | | |
| Collections | 75 | - | 12 | 87 | 60 |
| Donations | 160 | - | 299 | 459 | 158 |
| | <u>235</u> | <u>-</u> | <u>311</u> | <u>546</u> | <u>218</u> |
| Less income from subsidiaries | (1) | - | - | (1) | - |
| Charity | <u>234</u> | <u>-</u> | <u>311</u> | <u>545</u> | <u>218</u> |
| TOTAL - GROUP | <u>8,612</u> | <u>444</u> | <u>1,214</u> | <u>10,270</u> | <u>8,648</u> |
| TOTAL - CHARITY | <u>8,611</u> | <u>444</u> | <u>1,214</u> | <u>10,269</u> | <u>8,648</u> |

Total income for the group from collections and donations was £10,270K (2021: £8,648K). The income comprised unrestricted income of £8,612K (2021: £7,425K), designated income of £444K (2021: £583K) and restricted income of £1,214K (2021: £640K).

Total income for the charity from collections and donations was £10,270K (2021: £8,648K). The income comprised unrestricted income of £8,611K (2021: £7,425K), designated income of £444K (2021: £583K) and restricted income of £1,214K (2021: £640K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

3.2 Grants

| | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|---------------------------------------|---------------------------------|-------------------------------|-------------------------------|----------------------|----------------|
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Voluntary-Aided Schools | - | - | 12,862 | 12,862 | 11,625 |
| Condition Allocation Grants | - | - | - | - | 87 |
| Other grants | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>12,862</u> | <u>12,862</u> | <u>11,712</u> |
| CURIAL | | | | | |
| Group | | | | | |
| Other | - | 8 | - | 8 | 573 |
| Less income from trading subsidiaries | - | - | - | - | (4) |
| Charity | <u>-</u> | <u>8</u> | <u>-</u> | <u>8</u> | <u>569</u> |
| TOTAL - GROUP | <u>-</u> | <u>8</u> | <u>12,862</u> | <u>12,870</u> | <u>12,285</u> |
| TOTAL - CHARITY | <u>-</u> | <u>8</u> | <u>12,862</u> | <u>12,870</u> | <u>12,281</u> |

Total group grant income was £12,870K (2021: £12,285K). The income comprised unrestricted income of £nil (2021: £153K), designated income of £8K (2021: £507K) and restricted income of £12,862K (2021: £11,625K).

Total charity grant income was £12,870K (2021: £12,281K). The income comprised unrestricted income of £nil (2021: £149K), designated income of £8K (2021: £507K) and restricted income of £12,862K (2021: £11,625K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

3.3 Fundraising

| | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--|---------------------------------|-------------------------------|-------------------------------|----------------|----------------|
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Parish events and other fundraising activities | 127 | - | - | 127 | 152 |
| | <u>127</u> | <u>-</u> | <u>-</u> | <u>127</u> | <u>152</u> |
| CURIAL | | | | | |
| Group | | | | | |
| Income from trading subsidiaries | 8,884 | - | - | 8,884 | 5,919 |
| Other | 12 | - | - | 12 | 15 |
| | <u>8,896</u> | <u>-</u> | <u>-</u> | <u>8,896</u> | <u>5,934</u> |
| Less income from trading subsidiaries | (8,884) | - | - | (8,884) | (5,919) |
| | <u>12</u> | <u>-</u> | <u>-</u> | <u>12</u> | <u>15</u> |
| Charity | | | | | |
| | <u>12</u> | <u>-</u> | <u>-</u> | <u>12</u> | <u>15</u> |
| TOTAL - GROUP | <u>9,023</u> | <u>-</u> | <u>-</u> | <u>9,023</u> | <u>6,086</u> |
| TOTAL - CHARITY | <u>139</u> | <u>-</u> | <u>-</u> | <u>139</u> | <u>167</u> |

Total group fundraising income was £9,023K (2021: £6,086K). The income comprised unrestricted income of £9,023K (2021: £6,086K).

Total charity fundraising income was £139K (2021: £167K). The income comprised unrestricted income of £139K (2021: £167K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 3.4 Investment Income | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--|--|--|--|------------------------|------------------------|
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Income receivable from unitised portfolio | 1,050 | 266 | 7 | 1,323 | 1,364 |
| Rents and other income | 565 | - | - | 565 | 584 |
| | <u>1,615</u> | <u>266</u> | <u>7</u> | <u>1,888</u> | <u>1,948</u> |
| CURIAL | | | | | |
| Group | | | | | |
| Interest receivable | - | 207 | - | 207 | 5 |
| Income receivable from unitised portfolio | 172 | 1,116 | 147 | 1,435 | 2,495 |
| Rents and other income | 291 | 175 | - | 466 | 499 |
| | <u>463</u> | <u>1,498</u> | <u>147</u> | <u>2,108</u> | <u>2,999</u> |
| Less investment income from trading subsidiaries | (171) | - | - | (171) | (173) |
| Charity | <u>292</u> | <u>1,498</u> | <u>147</u> | <u>1,937</u> | <u>2,826</u> |
| TOTAL - GROUP | <u>2,078</u> | <u>1,764</u> | <u>154</u> | <u>3,996</u> | <u>4,947</u> |
| TOTAL - CHARITY | <u>1,907</u> | <u>1,764</u> | <u>154</u> | <u>3,825</u> | <u>4,774</u> |

Total group investment income was £3,996K (2021: £4,947K). The income comprised unrestricted income of £2,078K (2021: £2,150K), designated income of £1,764K (2021: £2,629K) and restricted income of £154K (2021: £168K).

Total charity investment income was £3,825K (2021: £4,774K). The income comprised unrestricted income of £1,907K (2021: £1,977K), designated income of £1,764K (2021: £2,629K) and restricted income of £154K (2021: £168K).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 4 INCOME FROM CHARITABLE ACTIVITIES | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--|--------------------------------------|------------------------------------|------------------------------------|------------------------|------------------------|
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Piety stall | 95 | - | - | 95 | 60 |
| Newspapers | 3 | - | - | 3 | 6 |
| | <u>98</u> | <u>-</u> | <u>-</u> | <u>98</u> | <u>66</u> |
| CURIAL | | | | | |
| Group and Charity | | | | | |
| Cemetery fees | 319 | - | - | 319 | 336 |
| School Contribution Scheme | - | 280 | - | 280 | 302 |
| Inspection fees and course income | - | 83 | - | 83 | 130 |
| Other | 61 | 274 | 107 | 442 | 816 |
| | <u>380</u> | <u>637</u> | <u>107</u> | <u>1,124</u> | <u>1,584</u> |
| TOTAL – GROUP AND CHARITY | <u>478</u> | <u>637</u> | <u>107</u> | <u>1,222</u> | <u>1,650</u> |

Total group and charity income from charitable activities was £1,222K (2021: £1,650K). The income comprised unrestricted income of £478K (2021: £446K), designated income of £637K (2021: £1,204K) and restricted income of £107K (2021: £nil).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 5 RAISING FUNDS | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | Restated ¹ 2021 £000's |
|--|---------------------------------|-------------------------------|-------------------------------|----------------|---|
| PAROCHIAL Group and Charity | | | | | |
| Parish events and other fundraising activities | 25 | - | - | 25 | 81 |
| Investment management fees | 121 | 33 | 1 | 155 | 161 |
| | <u>146</u> | <u>33</u> | <u>1</u> | <u>180</u> | <u>242</u> |
| CURIAL Group | | | | | |
| Expenditure by subsidiaries | 8,509 | - | - | 8,509 | 6,852 |
| Other | 22 | 234 | 17 | 273 | 323 |
| | <u>8,531</u> | <u>234</u> | <u>17</u> | <u>8,782</u> | <u>7,175</u> |
| Less expenditure by subsidiaries | (8,509) | - | - | (8,509) | (6,852) |
| Add impairment in value of subsidiary company | - | - | - | - | - |
| Charity | <u>22</u> | <u>234</u> | <u>17</u> | <u>273</u> | <u>323</u> |
| TOTAL - GROUP | <u>8,677</u> | <u>267</u> | <u>18</u> | <u>8,962</u> | <u>7,417</u> |
| TOTAL - CHARITY | <u>168</u> | <u>267</u> | <u>18</u> | <u>453</u> | <u>565</u> |

Total group expenditure on raising funds was £8,962K (2021 restated¹: £7,417K). The expenditure comprised unrestricted expenditure of £8,677K (2021 restated¹: £7,074K), designated expenditure of £267K (2021: £323K) and restricted expenditure of £18K (2021: £20K).

Total charity expenditure on raising funds was £453K (2021: £565K). The expenditure comprised unrestricted expenditure of £168K (2021: £222K), designated expenditure of £267K (2021: £323K) and restricted expenditure of £18K (2021: £20K).

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

6 EXPENDITURE ON CHARITABLE ACTIVITIES

| | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--|---------------------------------|-------------------------------|-------------------------------|----------------|----------------|
| PAROCHIAL | | | | | |
| 6.1 Ministry Support | | | | | |
| Group and Charity | | | | | |
| Clergy allowances | 970 | - | - | 970 | 1,002 |
| Travel | 164 | - | - | 164 | 104 |
| Supply | 92 | - | - | 92 | 45 |
| Other | 78 | - | - | 78 | 58 |
| | <u>1,304</u> | <u>-</u> | <u>-</u> | <u>1,304</u> | <u>1,209</u> |
| 6.2 Pastoral and Community | | | | | |
| Group and Charity | | | | | |
| Diocesan and other collections | - | - | 709 | 709 | 447 |
| Liturgical and pastoral costs | 559 | - | - | 559 | 420 |
| Lay personnel costs | 1,320 | - | - | 1,320 | 1,277 |
| Housekeeping and hospitality | 479 | - | - | 479 | 419 |
| Printing, postage, stationery | 214 | - | - | 214 | 163 |
| Equipment hire | 176 | - | - | 176 | 157 |
| Telephone | 179 | - | - | 179 | 173 |
| Professional fees | 65 | - | - | 65 | 29 |
| Other office | 108 | - | - | 108 | 99 |
| Piety stall | 82 | - | - | 82 | 48 |
| Newspapers | 6 | - | - | 6 | 13 |
| Miscellaneous | 214 | - | - | 214 | 459 |
| | <u>3,402</u> | <u>-</u> | <u>709</u> | <u>4,111</u> | <u>3,704</u> |
| 6.3 Education | | | | | |
| Group and Charity | | | | | |
| School costs | - | 1,333 | 11,270 | 12,603 | 10,670 |
| 6.4 Provision for worship | | | | | |
| Group and Charity | | | | | |
| Repairs and maintenance | 2,963 | - | - | 2,963 | 3,322 |
| Depreciation | 518 | - | - | 518 | 429 |
| Heat and light | 1,546 | - | - | 1,546 | 1,221 |
| Insurance | 552 | - | - | 552 | 457 |
| Council tax and water rates | 407 | - | - | 407 | 387 |
| Grounds maintenance | 356 | - | - | 356 | 322 |
| | <u>6,342</u> | <u>-</u> | <u>-</u> | <u>6,342</u> | <u>6,138</u> |
| TOTAL PAROCHIAL – GROUP AND CHARITY | | | | | |
| | <u>11,048</u> | <u>1,333</u> | <u>11,979</u> | <u>24,360</u> | <u>21,721</u> |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 6 EXPENDITURE ON CHARITABLE ACTIVITIES <i>(continued)</i> | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | Restated¹ 2021 £000's |
|---|--|--|--|------------------------------|---|
| CURIAL | | | | | |
| 6.1 Ministry Support Group | | | | | |
| Cathedral | 47 | - | - | 47 | 44 |
| Priests' Training Fund | - | - | 219 | 219 | 212 |
| Retirement costs | - | 579 | - | 579 | 579 |
| Permanent Diaconate | - | 57 | - | 57 | 44 |
| Sabbatical fund | - | 20 | - | 20 | 3 |
| Share of central support costs | - | 210 | - | 210 | 164 |
| Other | - | 311 | - | 311 | 220 |
| | <u>47</u> | <u>1,177</u> | <u>219</u> | <u>1,443</u> | <u>1,266</u> |
| Less other costs associated with subsidiaries | - | (1) | - | (1) | - |
| Charity | <u>47</u> | <u>1,176</u> | <u>219</u> | <u>1,442</u> | <u>1,266</u> |
| 6.2 Pastoral and Community Group | | | | | |
| Cathedral | 324 | - | 37 | 361 | 329 |
| Cemeteries | 328 | - | - | 328 | 317 |
| Curia | - | 31 | - | 31 | 21 |
| Tribunal | - | 89 | - | 89 | 69 |
| Pastoral Development | - | 291 | - | 291 | 239 |
| Justice and Peace | - | - | - | - | 2 |
| Youth | - | 209 | 138 | 347 | 117 |
| Safeguarding | - | 98 | - | 98 | 94 |
| National levies | - | 255 | - | 255 | 299 |
| Chaplaincies | - | 284 | - | 284 | 313 |
| Ecumenical grants | - | 28 | - | 28 | 24 |
| Share of central support costs | - | 1,033 | - | 1,033 | 860 |
| Other | 157 | 522 | 94 | 773 | 451 |
| | <u>809</u> | <u>2,840</u> | <u>269</u> | <u>3,918</u> | <u>3,135</u> |
| Less other costs associated with subsidiaries | (157) | (1) | - | (158) | (172) |
| Charity | <u>652</u> | <u>2,839</u> | <u>269</u> | <u>3,760</u> | <u>2,963</u> |

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

| | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | Restated ¹ 2021 £000's |
|---|---------------------------------|-------------------------------|-------------------------------|----------------|---|
| 6.3 Education | | | | | |
| Group | | | | | |
| Education Department | 671 | 807 | - | 1,478 | 1,258 |
| Share of central support costs | - | 462 | - | 462 | 391 |
| | 671 | 1,269 | - | 1,940 | 1,649 |
| Less School Improvement Trust expenditure | (671) | - | - | (671) | (631) |
| Charity | - | 1,269 | - | 1,269 | 1,018 |
| 6.4 Provision for worship | | | | | |
| Group and Charity | | | | | |
| Cathedral | 458 | - | - | 458 | 422 |
| Depreciation | | 136 | - | 136 | 145 |
| Share of central support costs | | 169 | - | 169 | 235 |
| Other | | 160 | - | 160 | 232 |
| | 458 | 465 | - | 923 | 1,034 |
| TOTAL CURIAL - GROUP | 1,985 | 5,751 | 488 | 8,224 | 7,084 |
| TOTAL CURIAL - CHARITY | 1,157 | 5,749 | 488 | 7,394 | 6,281 |
| TOTAL - GROUP | 13,033 | 7,084 | 12,467 | 32,584 | 28,805 |
| TOTAL - CHARITY | 12,205 | 7,082 | 12,467 | 31,754 | 28,002 |

Total group expenditure on charitable activities was £32,584K (2021: £28,805K). The expenditure comprised unrestricted expenditure of £13,033K (2021: £12,430K), designated expenditure of £7,084K (2021: £6,272K) and restricted expenditure of £12,467K (2021: £10,103K).

Total charity expenditure on charitable activities was £31,754K (2021: £28,002K). The expenditure comprised unrestricted expenditure of £12,205K (2021: £11,628K), designated expenditure of £7,082K (2021: £6,272K) and restricted expenditure of £12,467K (2021: £10,102K).

¹ Further information on the restated amounts can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| | Ministry Support £000's | Pastoral and Community £000's | Education £000's | Provision for worship £000's | 2022 £000's | 2021 £000's |
|---|-------------------------------|--|---------------------|------------------------------------|---------------------|----------------|
| 7 SUPPORT COSTS | | | | | | |
| CURIAL | | | | | | |
| Group and Charity | | | | | | |
| Office administration and governance | | | | | | |
| - Office of the Chief Operating Officer | 80 | 395 | 177 | 65 | 717 | 610 |
| - Finance Department | 47 | 233 | 104 | 38 | 422 | 423 |
| - Premises | 26 | 127 | 57 | 21 | 231 | 171 |
| - Bank charges and interest | 27 | 135 | 60 | 22 | 244 | 204 |
| - Audit fees | 20 | 97 | 43 | 16 | 176 | 126 |
| - Other curial | 10 | 46 | 21 | 7 | 84 | 116 |
| | <u>210</u> | <u>1,033</u> | <u>462</u> | <u>169</u> | <u>1,874</u> | <u>1,650</u> |

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 £125,000 (2021: £102,000). These are included within expenditure on charitable activities.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

8 STAFF COSTS

| | Total 2022 £000's | Total 2021 £000's |
|-----------------------|----------------------------------|----------------------------------|
| Clergy allowances | 1,096 | 1,110 |
| Wages and salaries | 6,461 | 6,526 |
| Social security costs | 451 | 396 |
| Pension costs | 380 | 225 |
| | 8,388 | 8,257 |

| | 2022 No. | 2021 No. |
|--|---------------------|---------------------|
| The average number of employees during the year was: | | |
| Central employees | 106 | 116 |
| Parish employees (excludes parish clergy) | 122 | 122 |
| Parish club employees | 241 | 261 |
| | 469 | 499 |

The average number of employees as a full-time equivalent during the year was 294 (2021: 302).

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:

| | 2022 No. | 2021 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 |
| £100,001 to £110,000 | 1 | - |

The charity and eligible employees (see note 20) make defined contributions to a group personal pension scheme. The number of higher paid employees in the scheme in 2022 was 5 (2021:4). The total pension contributions made by the charity in respect of higher paid employees was £19,399 (2021: £15,714).

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 £338,838 (2021: £271,392).

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 (2021:9) trustees who were priests received £82,800 (2021: £84,000) in total remuneration during the year.

No trustee received any remuneration or expenses in respect of their services as a trustee during the year (2021 - £nil expenses).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 10 Net gains / (losses) on investments | Unrestricted Funds £000's | Designated Funds £000's | Restricted Funds £000's | 2022 £000's | 2021 £000's |
|--|------------------------------|----------------------------|----------------------------|----------------|----------------|
| PAROCHIAL | | | | | |
| Group and Charity | | | | | |
| Revaluation of investment properties | 2,447 | - | - | 2,447 | 5,521 |
| Unrealised gains on investments | (3,639) | (921) | (37) | (4,597) | 5,914 |
| | <u>(1,192)</u> | <u>(921)</u> | <u>(37)</u> | <u>(2,150)</u> | <u>11,435</u> |
| CURIAL | | | | | |
| Group | | | | | |
| Revaluation of investment properties | 155 | 3,419 | - | 3,574 | (407) |
| Unrealised gains on investments | (592) | (4,948) | (513) | (6,053) | 7,717 |
| | <u>(437)</u> | <u>(1,529)</u> | <u>(513)</u> | <u>(2,479)</u> | <u>7,310</u> |
| Less revaluation of investments subsidiaries | 357 | - | - | 357 | (506) |
| Charity | <u>(80)</u> | <u>(1,529)</u> | <u>(513)</u> | <u>(2,122)</u> | <u>6,804</u> |
| TOTAL - GROUP | <u>(1,629)</u> | <u>(2,450)</u> | <u>(550)</u> | <u>(4,629)</u> | <u>18,745</u> |
| TOTAL - CHARITY | <u>(1,272)</u> | <u>(2,450)</u> | <u>(550)</u> | <u>(4,272)</u> | <u>18,239</u> |

11 TANGIBLE FIXED ASSETS

| 11.1 Property, plant and equipment | Parochial Property & Equipment £000's | Restated ¹ Curial Fixtures & Equipment £000's | Restated ¹ Curial Property £000's | Restated ¹ Total £000's |
|---|--|---|---|---------------------------------------|
| Cost | | | | |
| At 1 January 2022 | 35,336 | 1,272 | 28,775 | 65,383 |
| Additions | 911 | 114 | 142 | 1,167 |
| Transfers | (268) | | | (268) |
| Disposals | - | (368) | (885) | (1,253) |
| At 31 December 2022 | 35,979 | 1,018 | 28,032 | 65,029 |
| Depreciation | | | | |
| At 1 January 2022 | 23,286 | 1,060 | 12,637 | 36,983 |
| Charge for the year | 518 | 98 | 581 | 1,197 |
| Transfers | (196) | | | (196) |
| Disposals | - | (340) | (566) | (906) |
| Impairment | - | | | |
| At 31 December 2022 | 23,608 | 818 | 12,652 | 37,078 |
| Net book value at 31 December 2022 | 12,371 | 200 | 15,380 | 27,951 |
| At 31 December 2021 | 12,050 | 212 | 16,138 | 28,400 |

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

| 11.2 Property, plant and equipment - Charity | Parochial Property & Equipment £000's | Curial Fixtures & Equipment £000's | Curial Property £000's | Total £000's |
|---|--|---|---------------------------------------|-------------------------|
| Cost | | | | |
| At 1 January 2022 | 35,336 | 322 | 6,929 | 42,587 |
| Additions | 911 | 20 | 65 | 996 |
| Transfers | (268) | | | (268) |
| Disposals | - | (38) | (397) | (435) |
| At 31 December 2022 | 35,979 | 304 | 6,597 | 42,880 |
| Depreciation | | | | |
| At 1 January 2022 | 23,286 | 240 | 2,275 | 25,801 |
| Charge for the year | 518 | 36 | 114 | 668 |
| Transfers | (196) | | | (196) |
| Disposals | | (14) | (85) | (99) |
| At 31 December 2022 | 23,608 | 262 | 2,304 | 26,174 |
| Net book value | | | | |
| At 31 December 2022 | 12,371 | 42 | 4,293 | 16,706 |
| At 31 December 2021 | 12,050 | 82 | 4,654 | 16,786 |

All tangible fixed assets were used for charitable purposes.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

12 INVESTMENTS

| 12.1 Listed investments - Group | Unrestricted £000's | Designated £000's | Restricted £000's | Total £000's |
|--|--------------------------------|------------------------------|------------------------------|-------------------------|
| At 1 January 2022 | 55,075 | 76,242 | 7,126 | 138,443 |
| Additions / Transfers | 1,066 | (29) | 18 | 1,055 |
| Disposals | (141) | (197) | (19) | (357) |
| Net losses on revaluation | (4,231) | (5,869) | (550) | (10,650) |
| At 31 December 2022 | 51,769 | 70,147 | 6,575 | 128,491 |

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 2022 the investment portfolio was split into two funds managed by Evelyn Partners and Rathbone Investment Management Limited respectively.

The investment funds are comprised of:

| | 2022 £000's | 2021 £000's |
|--|------------------------|------------------------|
| UK Equities | 31,284 | 54,916 |
| Non-UK Equities | 72,494 | 47,259 |
| UK government securities and other fixed interest stocks | 12,679 | 16,619 |
| UK Property Unit Trusts | 5,021 | 13,181 |
| Cash instruments | 7,013 | 6,468 |
| | 128,491 | 138,443 |

| 12.2 Listed investments - Charity | Unrestricted £000's | Designated £000's | Restricted £000's | Total £000's |
|--|--------------------------------|------------------------------|------------------------------|-------------------------|
| At 1 January 2022 | 50,435 | 76,242 | 7,126 | 133,803 |
| Transfers | 980 | (29) | 18 | 969 |
| Disposals | (130) | (196) | (18) | (344) |
| Net loss on revaluation | (3,874) | (5,869) | (550) | (10,293) |
| At 31 December 2022 | 47,411 | 70,148 | 6,576 | 124,135 |

| 12.3 Investments in subsidiaries | Total £000's |
|---|-------------------------|
| At 1 January 2022 and 31 December 2022 | 22,558 |

Investments in related companies comprise the cost of shareholdings in the subsidiary companies listed in note 21.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

12 INVESTMENTS *(continued)*

| 12.4 Investment property at valuation – Group | Parochial £000's | Curial £000's | Total £000's |
|--|-----------------------------|--------------------------|-------------------------|
| At 1 January 2022 | 19,488 | 12,669 | 32,157 |
| Additions | - | 430 | 430 |
| Disposals | (381) | - | (381) |
| Transfers | 72 | - | 72 |
| Net surplus on revaluation | 2,447 | 3,574 | 6,021 |
| At 31 December 2022 | 21,626 | 16,673 | 38,299 |

| 12.5 Investment property at valuation - Charity | Parochial £000's | Curial £000's | Total £000's |
|--|-----------------------------|--------------------------|-------------------------|
| At 1 January 2022 | 19,488 | 11,079 | 30,567 |
| Additions | - | 430 | 430 |
| Disposals | (381) | - | (381) |
| Transfers | 72 | - | 72 |
| Net surplus on revaluation | 2,447 | 3,574 | 6,021 |
| At 31 December 2022 | 21,626 | 15,083 | 36,709 |

Investment properties are included on a fair value basis. External revaluations were completed in November 2023 by Eddisons Real Estate and Business Valuers, Armistead Barnett, and Matthews Goodman and each entity is registered with the Royal Institution 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 2022

| 13 DEBTORS | Parochial | Curial | Total 2022 | Total 2021 |
|--|------------------|---------------|-----------------------|-----------------------|
| Group | £000's | £000's | £000's | £000's |
| Due within one year | | | | |
| Trade debtors | - | 570 | 570 | 898 |
| Other debtors | 580 | 465 | 1,045 | 246 |
| Prepayments and accrued income | 2,501 | 326 | 2,827 | 3,145 |
| TOTAL | 3,081 | 1,361 | 4,442 | 4,289 |
| Charity | | | | |
| Trade debtors | - | 397 | 397 | 764 |
| Other debtors | 580 | 116 | 696 | 121 |
| Prepayments and accrued income | 2,501 | 193 | 2,694 | 2,926 |
| TOTAL | 3,081 | 706 | 3,787 | 3,811 |
| 14 CREDITORS | Parochial | Curial | Total 2022 | Total 2021 |
| Amounts falling due within one year | £000's | £000's | £000's | £000's |
| Group | | | | |
| School funding in advance | 8,920 | - | 8,920 | 6,680 |
| Trade creditors | - | 1,532 | 1,532 | 2,066 |
| Other creditors | - | 1,083 | 1,083 | 2,696 |
| Accruals and deferred income | 715 | 1,839 | 2,554 | 2,976 |
| Other taxation and social security | - | 238 | 238 | 234 |
| TOTAL | 9,635 | 4,692 | 14,327 | 14,652 |
| Charity | | | | |
| School funding in advance | 8,920 | - | 8,920 | 6,680 |
| Trade creditors | - | 148 | 148 | 530 |
| Other creditors | - | 271 | 271 | 218 |
| Accruals and deferred income | 715 | 1,002 | 1,717 | 1,541 |
| Other taxation and social security | - | - | - | - |
| TOTAL | 9,635 | 1,421 | 11,056 | 8,969 |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

15 RESTRICTED FUNDS

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

| Analysis of Restricted Funds 2022 | Opening Balance | Net Incoming / (Outgoing) Resources | Investment Gains / (Losses) | Transfers | Closing Balance |
|--|----------------------------|--|--|------------------|----------------------------|
| | £000's | £000's | £000's | £000's | £000's |
| Parochial - Group and Charity | | | | | |
| VASCA School Projects Fund | 13,987 | 1,592 | - | - | 15,579 |
| Foundation Mass capital | 490 | 6 | (37) | - | 459 |
| Other charitable collections | 1,031 | 199 | - | 422 | 1,652 |
| | <u>15,508</u> | <u>1,797</u> | <u>(37)</u> | <u>422</u> | <u>17,690</u> |
| Curial – Charity | | | | | |
| Priests' Training Fund | 3,198 | (84) | (267) | 21 | 2,868 |
| Metropolitan Cathedral Roof Appeal Fund | 3,096 | - | - | - | 3,096 |
| Metropolitan Cathedral | 961 | 81 | (34) | - | 1,008 |
| Metropolitan Cathedral steps project | 2,890 | - | - | - | 2,890 |
| Metropolitan Cathedral crypt project | 1,791 | - | - | - | 1,791 |
| Liverpool Archdiocesan Missionary Project | 1,130 | (4) | (102) | 1 | 1,025 |
| St Joseph's College | 866 | 12 | (48) | - | 830 |
| Provision for priests in retirement | 14 | - | - | 13 | 27 |
| Lenten alms | 24 | (4) | - | 7 | 27 |
| Other funds | 949 | 125 | (62) | - | 1,012 |
| | <u>14,919</u> | <u>126</u> | <u>(513)</u> | <u>42</u> | <u>14,574</u> |
| English Sports Council capital grants | - | - | - | - | - |
| Apostleship of the Sea | 220 | - | - | (1) | 219 |
| Curial – Group | <u>15,139</u> | <u>126</u> | <u>(513)</u> | <u>41</u> | <u>14,793</u> |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

15 RESTRICTED FUNDS *(continued)*

| Analysis of Restricted Funds 2021 | Opening Balance Restated | Net Incoming / (Outgoing) Resources | Investment Gains | Transfers | Closing Balance |
|--|---|--|-----------------------------|------------------|----------------------------|
| | £000's | £000's | £000's | £000's | £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 | | | | | |

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. |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

15 RESTRICTED FUNDS *(continued)*

PURPOSE OF FUNDS *(continued)*

| | |
|---------------------------------------|---|
| Metropolitan Cathedral crypt project | - European objective 1 and regional development grants expended on the crypt redevelopment project. |
| 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. |

16 DESIGNATED FUNDS

Funds set aside by the trustees for the following purposes:

| Analysis of Designated Funds 2022 | Opening Balance | Net Incoming / (Outgoing) Resources | Property & Investment Gains / (Losses) | Transfers | Closing Balance |
|---|----------------------------|--|---|------------------|----------------------------|
| | £000's | £000's | £000's | £000's | £000's |
| Parochial - Group and Charity | | | | | |
| School Projects Fund | 1,541 | (656) | (921) | (7) | (43) |
| Other funds | 88 | - | - | - | 88 |
| | <u>1,629</u> | <u>(656)</u> | <u>(921)</u> | <u>(7)</u> | <u>45</u> |
| Curial - Group and Charity | | | | | |
| Central funds | 49,646 | (3,130) | 390 | (26) | 46,880 |
| George Andrew Retirement Fund | 7,705 | (17) | (538) | - | 7,150 |
| 2021 Fund | 9,123 | 6 | (637) | - | 8,492 |
| Metropolitan Cathedral Roof Appeal Fund | 8,056 | - | - | - | 8,056 |
| Metropolitan Cathedral Liverpool inner-city parish reorganisation | 6,983 | - | (373) | - | 6,610 |
| Sabbatical Fund | 1,289 | 2 | - | - | 1,291 |
| Listed Building Fund | 2,387 | (20) | (92) | - | 2,275 |
| Other designated funds | 2,127 | (19) | (139) | - | 1,969 |
| | <u>781</u> | <u>1</u> | <u>(140)</u> | <u>-</u> | <u>642</u> |
| | <u>88,097</u> | <u>(3,177)</u> | <u>(1,529)</u> | <u>(26)</u> | <u>83,365</u> |
| Less Other designated funds | <u>(334)</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>(332)</u> |
| Curial - Charity | <u>87,763</u> | <u>(3,175)</u> | <u>(1,529)</u> | <u>(26)</u> | <u>83,033</u> |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

16 DESIGNATED FUNDS *(continued)*

| 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> |

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 2022

17 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.

18 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 three such organisations totalling £27,630 (2021 - two organisations £24,060). Other small grants totalled £4,452 in 2022 (2021 - £12,828).

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

19 COMMITMENTS

| | Gross | Net of |
|--|---------------|---------------|
| | £000's | grant |
| | | £000's |
| At 31 December 2022 commitments to future expenditure were as follows: | | |
| School property | 5,113 | 511 |
| Parochial and other property | 2,245 | 1,746 |
| | <u>7,358</u> | <u>2,257</u> |
| 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> |

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 2022

20 PENSION ARRANGEMENTS

20.1 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.

20.2 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 2019. 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 £34,931 (2021 - £35,327).

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 2022

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 2022

21 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 2022 | 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 | - | 368 | 17,813 | 159 | 7,443 | 1,023 | 497 | 395 |
| Investment Income | - | - | - | - | - | 21 | - | - |
| Total Income | - | 368 | 17,813 | 159 | 7,443 | 1,044 | 497 | 395 |
| Expenditure on | | | | | | | | |
| Raising Funds | - | 1,097 | 18,056 | 168 | 6,675 | 932 | 454 | 243 |
| Total Expenditure | - | 1,097 | 18,056 | 168 | 6,675 | 932 | 454 | 243 |
| Net gains / (losses) on investments | - | - | - | - | - | (73) | - | - |
| Net income / (expenditure) | - | (729) | (243) | (9) | 768 | 39 | 43 | 152 |
| Total assets | 175 | 10,282 | 6,168 | 114 | 1,523 | 909 | 488 | 515 |
| Total liabilities | (10) | (1,925) | (1,526) | (85) | (2,527) | (723) | (396) | (403) |
| Total capital and reserves | 165 | 8,357 | 4,642 | 29 | (1,004) | 186 | 92 | 112 |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

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

| Subsidiary Companies at 31 December 2021 | Associated Church Clubs Limited | Restated ¹ 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 | - | 74 | 13,228 | 140 | 4,966 | 916 | 434 | 395 |
| Investment Income | - | - | - | - | - | 22 | - | - |
| Total Income | - | 74 | 13,228 | 140 | 4,966 | 938 | 434 | 395 |
| Expenditure on | | | | | | | | |
| Raising Funds | - | 1,096 | 13,430 | 123 | 5,375 | 910 | 357 | 274 |
| Total Expenditure | - | 1,096 | 13,430 | 123 | 5,375 | 910 | 357 | 274 |
| Net gains on investments | - | - | - | - | - | 97 | - | - |
| Net income / (expenditure) | - | (1,022) | (202) | 17 | (409) | 125 | 77 | 121 |
| Total assets | 175 | 10,528 | 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 | 9,086 | 4,885 | 39 | (1,773) | 148 | 49 | (40) |

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Associated Church Clubs Limited (company number 02724031) historically coordinated the bulk purchase of stock for supply to archdiocesan parish centres and other members of the scheme operated by the company. This activity has transferred to Archdiocesan Parish Centres Management Company Limited (company number 03422332) and the directors plan to dissolve Associated Church Clubs Limited (company number 2724031).

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 2022

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

The charities concerned are as follows:

| Controlled charities at 31 December 2022 | Apostleship of the Sea (Liverpool Archdiocesan Council) £000's | Liverpool Archdiocesan Education Trust £000's |
|---|---|--|
| Income from | | |
| Collections and donations | 2 | - |
| Investment income | 100 | 50 |
| Total Income | 102 | 50 |
| Expenditure on | | |
| Charitable activities | 158 | - |
| Total expenditure | 158 | - |
| Net loss on investments | (283) | - |
| Net expenditure | (339) | 50 |
| Total assets | 4,143 | 2,214 |
| Total liabilities | (14) | (2) |
| Total reserves | 4,129 | 2,212 |

| 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 gain on investments | 408 | - |
| Net income | 339 | 50 |
| Total assets | 4,479 | 2,164 |
| Total liabilities | (10) | (1) |
| Total reserves | 4,469 | 2,163 |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

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

The charitable purpose of the Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 1199714-2) is the spiritual and temporal welfare of seafarers.

Liverpool Archdiocesan Education Trust (charity number 1199714-3) 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 (2021: £164,176) was owed to Associated Church Clubs Limited at the year end.

The charity recharged salary costs of £112,230 (2021: £120,137) to Archdiocesan Parish Centres Management Company Limited, a subsidiary of the charity. A balance of £1,725,358 was owed from the company at the year end. (2021: £312,737 owed from the company)

The charity recharged salary costs of £204,094 (2021: £205,810) to Archdiocesan Property Services Limited, a subsidiary of the charity. A balance of £627,384 (2021: £775,259) was owed from the company at the year end.

No salary costs were recharged by the charity in 2022 (2021: £Nil costs) to Metropolitan Cathedral Services Limited, a subsidiary of the charity. A balance of £696,352 (2021: £1,076,107) was owed from the company at the year end.

The charity recharged salary costs of £96,552 (2021: £90,238) to Tuneside Limited, a subsidiary of the charity. A balance of £4,327,318 (2021: £4,122,671) was owed to the company at the year end.

A balance of £173,704 (2021: £300,929) was owed to Apostleship of the Sea (Liverpool Archdiocesan Council) at the year end.

A balance of £1,113,493 (2021: £1,063,493) was owed to Liverpool Archdiocesan Education Trust at the year end.

A balance of £130,403 (2021: £193,918) was owed from Archdiocese of Liverpool Primary School Improvement Trust at the year end.

A balance of £50,025 (2021: £118,360) 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 £2,623,380 (2021 - £2,369,927) 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 2022

22 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 £165,805 (2021: £258,672) 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.

23 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 £12.46M (2021: £11.63M). Total expenditure on school building projects during the year was £12.60M (2021: £10.67M). Balances due to individual archdiocesan schools in relation to devolved formula capital projects amounted to £11.34M (2021: £6.92M).

In 2022 £Nil (2021: £Nil) was received from the DfE in relation to LCVAP projects. £0.18M was expended on LCVAP projects in 2022 (2021: £0.22M). £0.14M (2021: £0.31M) 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 2022

24 TRANSFERS

For the year ended 31 December 2022

| | 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 | 2022 £000's |
| INTRA-DIOCESAN TRANSFERS | | | | | | | | | |
| Parish contributions to restricted collections | (472) | | 422 | (50) | (5) | (33) | 42 | 4 | (46) |
| Other | | (7) | | (7) | | 7 | | 7 | - |
| | (472) | (7) | 422 | (57) | (5) | (26) | 42 | 11 | (46) |
| INTRA-GROUP TRANSFER | | | | | | | | | |
| Other | - | - | - | - | 47 | - | (1) | 46 | 46 |
| TOTAL | (472) | (7) | 422 | (57) | 42 | (26) | 41 | 57 | - |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

24 TRANSFERS (continued)

For the year ended 31 December 2021

| | 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 | 2021 |
| | | | | | | | | | £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) |
| | 606 | (250) | (643) | (287) | (30) | 170 | 30 | 170 | (117) |
| INTRA-GROUP TRANSFER | | | | | | | | | |
| Other | - | - | - | - | 173 | - | (56) | 117 | 117 |
| TOTAL | 606 | (250) | (643) | (287) | 143 | 170 | (26) | 287 | - |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

25 ANALYSIS OF NET ASSETS

| Group | Tangible Fixed Assets £000's | Investments £000's | Current Assets less Creditors £000's | Total 2022 £000's |
|-----------------------------------|--|------------------------------------|---|---------------------------------------|
| Restricted Funds | | | | |
| - Parochial | - | 455 | 17,235 | 17,690 |
| - Curial | - | 6,121 | 8,672 | 14,793 |
| | - | 6,576 | 25,907 | 32,483 |
| Designated Funds | | | | |
| - Parochial | - | 10,976 | (10,931) | 45 |
| - Curial | 3,866 | 69,641 | 9,858 | 83,365 |
| | 3,866 | 80,617 | (1,073) | 83,410 |
| Unrestricted General Funds | | | | |
| - Parochial | 12,371 | 66,237 | 11,251 | 89,859 |
| - Curial | 11,714 | 13,360 | (19,164) | 5,910 |
| | 24,085 | 79,597 | (7,913) | 95,769 |
| Total | 27,951 | 166,790 | 16,921 | 211,662 |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

25 ANALYSIS OF NET ASSETS *(continued)*

| Group 2021 | Restated ¹ Tangible Fixed Assets £000's | Investments £000's | Current Assets less Creditors £000's | Restated ¹ 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 | 4,254 | 70,934 | 12,909 | 88,097 |
| | 4,254 | 82,861 | 2,611 | 89,726 |
| Unrestricted General Funds | | | | |
| - Parochial | 12,050 | 66,889 | 13,083 | 92,022 |
| - Curial | 12,096 | 13,723 | (18,998) | 6,821 |
| | 24,416 | 80,612 | (5,915) | 98,843 |
| Total | 28,400 | 170,600 | 20,216 | 219,216 |

¹ Further information on the restated amount can be found in note 29

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

25 ANALYSIS OF NET ASSETS *(continued)*

| Charity | Tangible Fixed Assets £000's | Investments £000's | Current Assets less Creditors £000's | Total 2022 £000's |
|-----------------------------------|---|---------------------------|--|-----------------------------|
| Restricted Funds | | | | |
| - Parochial | - | 455 | 17,235 | 17,690 |
| - Curial | - | 6,121 | 8,453 | 14,574 |
| | <u>-</u> | <u>6,576</u> | <u>25,688</u> | <u>32,264</u> |
| Designated Funds | | | | |
| - Parochial | - | 10,976 | (10,931) | 45 |
| - Curial | 3,866 | 92,198 | (13,031) | 83,033 |
| | <u>3,866</u> | <u>103,174</u> | <u>(23,962)</u> | <u>83,078</u> |
| Unrestricted General Funds | | | | |
| - Parochial | 12,371 | 66,237 | 11,251 | 89,859 |
| - Curial | 469 | 7,415 | 2,537 | 10,421 |
| | <u>12,840</u> | <u>73,652</u> | <u>13,788</u> | <u>100,280</u> |
| Total | <u>16,706</u> | <u>183,402</u> | <u>15,514</u> | <u>215,622</u> |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2022

25 ANALYSIS OF NET ASSETS *(continued)*

| Charity 2021 | 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 | 4,254 | 93,492 | (9,983) | 87,763 |
| | 4,254 | 105,419 | (20,281) | 89,392 |
| Unrestricted General Funds | | | | |
| - Parochial | 31,538 | 47,400 | 13,084 | 92,022 |
| - Curial | 482 | 7,494 | 2,765 | 10,741 |
| | 32,020 | 54,894 | 15,849 | 102,763 |
| Total | 36,274 | 167,440 | 18,868 | 222,582 |

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2022

26 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.

27 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.

28 GUARANTEE

An index-linked product amounting to £2.20M (2021: £2.10M) 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.

29 PRIOR YEAR RESTATEMENT

The prior year other tangible fixed asset balance has been restated on the balance sheet and in note 11.3 to reflect an error in the useful economic life applied to assets historically in relation to Metropolitan Cathedral Services Limited. This has resulted in a restatement of fixed assets, opening reserves and depreciation charge for the year.

As a result of the incorrect useful economic life, opening reserves for 2021 have reduced by £2,338K to account for the increased depreciation that should have been charged historically. During 2021 there was also an increase in the depreciation charge for the year of £74K.

After accounting for the depreciation above the net book value of other tangible fixed assets for 2021 decreased by £2,412K to £28.40M.

The impact of the restatement on the result for 2021 was a decrease in the net movement in funds of £74K from £17.685M to £17.613M. This resulted in closing reserves at 31 December 2021 of £219.216M.

Prior year freely available reserves used to calculate the number of months of unrestricted expenditure supported by those reserves, excluded restricted and specific designated funds' reserves. This calculation has been restated to exclude all designated funds and restricted funds.