

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2019**

Registered Charity Number: 232709

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS	PAGE
Report of the Trustees	1 - 15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report to the Trustees	17 - 19
Consolidated Statement of Financial Activities	20 - 21
Charity Statement of Financial Activities	22 - 23
Consolidated Balance Sheet	24
Charity Balance Sheet	25
Consolidated Cash Flow Statement	26
Notes and Accounting Policies	27 - 66

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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)
Rt Rev T Williams
Rev Provost A O'Brien
Rev Canon S Maloney (Resigned 5 November 2020)
Rev Canon T Neylon
Rev Canon M Fitzsimmons
Rev Mgr J Devine OBE
Rev P Gregory (Resigned 5 November 2020)
Rev P Inch
Rev M Nunes
Rev G Timney OSB (Resigned 5 November 2020)
Mr J Cowdall KSG (Died 10 January 2020)
Mr Graeme Easton (Appointed 5 November 2020)
Mr Ian Hollows (Appointed 5 November 2020)
Mr Sean Keyes (Appointed 5 November 2020)
Mrs Carole Lawrence (Appointed 5 November 2020)
Mrs Collette O'Brien (Appointed 5 November 2020)

Episcopal Vicar for Finance and Development

Rev Mgr John Devine OBE

Chief Operating Officer

Mr M Miller

Principal Address

Liverpool Archdiocesan Office
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

BlackRock Investment Management (UK) Ltd
33 King William Street
London
EC4R 9AS

Martin Currie Investment Management Ltd
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2ES

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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 the north-west of England, which is a portion of the world-wide Church, making up the pilgrim People of God. He is assisted in archdiocesan executive matters by an auxiliary bishop and several vicars general and episcopal vicars with delegated responsibilities for strategic oversight in specific matters of the life of the Church.

The appointments of vicars general and episcopal vicars are made by the Archbishop of Liverpool; they are then normally appointed as trustees of the charity.

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

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

The archdiocese consists of 18 Pastoral Areas, each made up of groups of parishes in a given local area, in total containing around 200 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 Pastoral Area is to provide for the pastoral, sacramental and community needs of its people and it is overseen by the Parish Priests, whose work is coordinated by the Dean. Each Parish Priest and all clergy are accountable to the archbishop. Parish Priests are obliged by canon law to act in the person of the parish. They also act as the agents of the trustees of the archdiocese, who are responsible for the administration of the archdiocesan trust, which includes parish assets. It is a further requirement of canon law that every parish should have a finance committee to assist the Parish Priest in the financial administration of the parish. This committee enjoys consultative status with the Parish Priest and its constitution has been approved by the trustees.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Corporate governance

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

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

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

The new governance arrangements include the regular review of the purposes of committees and subsidiaries, constructive challenge to the Chief Operating Officer and archdiocesan officers and the conditions in which officers are confident and enabled to provide information, advice and feedback to the board of trustees. The ethos and culture of the charity supports its activities.

New policy committees are being established to be able to carry out detailed policy work on behalf of the trustees and Archbishop's Council and to make decisions on matters delegated to them. The Archdiocesan Education Committee will oversee the work of the Education Department and the development of education policy and practice consistent with the Catholic faith.

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

An Audit Sub-committee will advise the trustees alongside the re-constituted Finance Committee. Sub-committees of the Finance Committee, the Investment Panel, Building Projects Committee and boards of subsidiary companies will continue to advise the trustees through the existing structure.

Each of the committees will be chaired by the relevant Episcopal Vicar with further trustee representation on the individual body. While a number of specialists are co-opted to the existing committees, a recruitment process for lay people with relevant experience interested in serving as members was completed in 2020. The committees meet on a regular basis and their findings are recommended to the trustees or operate under trustee-delegated authority.

Integrity - The transition to new governance arrangements includes the implementation of policies and procedures which support key outcomes in maintaining the reputation of the charity, and how it is perceived by other people, partnerships and the public. Key themes in the implementation of policies and procedures include the expected standards of probity and behaviour, the requirements to operate responsibly and ethically in line with the mission of the archdiocese, and compliance with relevant guidance, whether mandatory or non-mandatory. The requirement for the declaration of actual or potential conflicts of interest is included within the new governance arrangements.

Decision making, risk and control- the archdiocese reviews the arrangements for matters reserved to the board and those that are delegated to archdiocesan officers, individual trustees and committees. Progress has been made towards the implementation of a revised scheme of delegation with clear boundaries. Compliance will be monitored and reported regularly to an archdiocesan audit committee.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Corporate governance *(continued)*

Board effectiveness - The arrangements for the cycle of board meetings has been reviewed as part of the new governance arrangements together with the information needed for trustees to fulfil their duties. The mix of skills, knowledge and experience is kept under review and a recruitment process was completed recently. Plans are in place to appoint members to the committees that support the new governance arrangements.

Diversity - The board understands its responsibilities about diversity and sees diversity as a part of regular board reviews, valuing the benefits of a diverse board and considering how to remove obstacles in attracting a diverse pool of candidates.

Openness and accountability - The charity is currently working towards the development of a transparent, well-publicised, effective and timely process for making and handling a complaint, with the aim of ensuring that internal and external complaints are handled constructively, impartially and effectively. The review of a strategy for regular and effective communication with key stakeholders is a priority for the organisation and includes consideration of how best to communicate with these stakeholders.

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. Lay members of the Church have also been appointed as trustees to serve in addition to the clergy members. A recruitment process for four additional lay trustees has been undertaken in 2019 and the archbishop completed the appointment process of individuals with experience or skills sets in the areas of finance, legal, property, HR, communications, or education during 2020.

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

Related parties

Various essential functions of the archdiocese are operated through subsidiaries. These include the management of the Metropolitan Cathedral, the management of parish centres and the purchase of stock for supply to such centres, the building services scheme for archdiocesan buildings and the operation of the Conference Centre at the Liverpool Archdiocesan Offices.

To facilitate the promotion of education standards in primary and secondary education respectively, the financial activities of Archdiocese of Liverpool Primary School Improvement Trust (company number 10912407) and Archdiocese of Liverpool Secondary School Improvement Trust (company number 10912398) are consolidated into the financial statements of the archdiocese.

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

The charitable objectives of The Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 224664) are the spiritual and temporal welfare of seafarers. The apostleship aims to achieve its objectives by working in ecumenical partnership with The Mersey Mission to Seafarers in the day-to-day operation of Liverpool Seafarers Centre. Through the facilities and service provided from the Seafarers Centre, the apostleship provides practical and pastoral care to seafarers. The charity had £4.31M of reserves at December 2019 (2018: £3.99M).

Liverpool Archdiocesan Education Trust (charity number 505264) aims to promote the charitable purposes of the archdiocese by facilitating the acquisition and holding of property for education purposes. Reserves of the charity amounted to £2.10M at December 2019 (2018: £2.04M).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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.

The average weekly Mass attendance of 38,314 for 2019 reflects continued decline from the 85,357 reported in 2000. Usually calculated from the average of the Mass attendance each Sunday in October as submitted by each Parish Priest to the Chancellor of the archdiocese, the figures are collated for onward submission to Vatican offices in Rome. The average age of parish congregations is generally increasing, and the proportion of younger people is reducing. A key aspect of outreach to young people continues to be the work carried out by Catholic schools and the Animate youth ministry team, across the archdiocese and beyond, who are based at 'Lowe House' in St Helens.

The impact of declining number of active parishioners and total clergy numbers is being addressed through the outcomes of the 'Leaving Safe Harbours' initiative and the continuing need for on-going focused reviews in the coming years, leading up to an archdiocesan synod, which was scheduled for the summer of 2020 and now planned for June 2021 due to the on-going coronavirus pandemic.

The vocations director appointed by the archbishop runs events around the archdiocese to help develop a wider culture of vocation in life and the specific vocation to the ministerial priesthood for those men yet to decide whether to embark on formation to the priesthood.

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.

COVID-19 secure measures were implemented at archdiocesan places of worship, parishes, the cathedral and Liverpool Archdiocesan Offices for the cautious re-opening following the easing of government restrictions in July 2020 and enhanced further for re-opening in December 2020 following the second national lockdown.

Regulation compliance processes are acted upon for subjects such as asbestos, confined spaces, water hygiene, fire safety and first aid. Quinquennial reporting, three-monthly parish building inspections and parish health and safety risk assessments are undertaken. A culture of reporting of accidents to a designated health and safety coordinator is being improved and visits to all accident sites following serious incidents are undertaken. Systems are in place to ensure that all notifiable incidents are reported to the appropriate authorities and regular newsletters are sent to all parishes. Monthly reports covering health and safety are reviewed by the Archdiocesan Finance Committee. The minutes of these meetings are 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 2005 Archbishop Kelly presented to the archdiocese the Leaving Safe Harbours programme. This enabled priests and people, parishes and deaneries (pastoral areas) to work together in new ways in what was intended to be a 10-year project.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance *(continued)*

As part of the implementation of the programme, parishes were grouped into 20 pastoral areas for planning purposes and parishes then developed sacramental and pastoral provision, with local reviews of resources, buildings, and finances. Development proposals also included the repair, refurbishment or closure of churches within a pastoral area.

After Archbishop Kelly retired shortly before the conclusion of Leaving Safe Harbours, Archbishop McMahon having become aware of the most recent pastoral challenges in the archdiocese decided to call an archdiocesan Synod. This enables the whole archdiocese to be involved in charting the way forward and the outcomes for the goals, structures, styles and methods of evangelisation in the archdiocesan community will be incorporated into the charity's review of its charitable purposes.

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

Following the announcement of the four Synod themes in 2019, further listening and reflection took place with the opportunity for Synod members to make proposals for action to the Synod. The four themes are:

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

Synod 2020 gatherings, planned for October 2020, have been moved to June 2021 due to the coronavirus pandemic. The work of the Synod has not stopped and in many ways, there is a greater urgency to reflect on the kind of Church God is calling us to be. Over 3,500 proposals were submitted, and the Synod Working Party and others have worked with these proposals. A summary has been produced and Archbishop McMahon has called for everyone to play their part in discerning the next steps forward.

In December 2020, each Synod Member will be asked to indicate which of the ideas and issues that they are most drawn to and this will enable a presentation in March of Synod Proposals to be voted on in June 2021. After June 2021, a Pastoral Plan will be drawn up in the light of the Synod Proposals and this will be promulgated at the start of Advent 2021.

Financial review

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

	2019	2018
	£000's	£000s
Net outgoing resources	(3,309)	(2,773)
Unrealised gain / (loss) on investments	15,185	(10,687)
Revaluation of investment properties	4,141	4,136
Net movement	16,017	(9,324)

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Voluntary income

Many parishes have benefited from the centrally coordinated 'Responsible Giving Campaign'. 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. It is suggested that such parish campaigns should occur once every five years, interspersed with a Gift Aid campaign, to maintain the effectiveness of donation levels whilst trying to avoid 'fundraising fatigue' for parishioners.

Although Mass attendances have declined, parishioners continue to generously support their parishes. Offertory income amounted to £5.78M (2018: £5.78M) and reflected an increase in the average weekly giving per mass attender from £2.81 in 2018 to £2.96 in 2019. The impact of responsible giving campaigns and other initiatives has ensured that average individual giving has remained relatively stable in recent years.

Gift Aid recovery remained strong and most parishes operated the Gift Aid Small Donation Scheme for eligible donations that enabled the archdiocese to claim an amount equivalent to Gift Aid on individual small donations of £20 or less.

The value of legacies received by the archdiocese was £0.30M in 2019 (2018: £1.01M). 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 19 individual parishes in 2019 (2018: 26).

Parishioners' responses to appeals and special collections remain generous with £1.30M received in 2019 (2018: £1.87M). 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. A programme of refurbishments has helped ensure that the parish centres remain competitive despite difficult market conditions. The parish centres employ around 380 people in a variety of full-time and part-time roles across the archdiocese and continue to be 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 and furthering financial distribution to many individual parishes.

Many people from a variety of different backgrounds encounter the archdiocese through conference events held at LACE. Conference turnover was £0.27M (2018: £0.26M) with over 18,000 delegates attending events in 2019.

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 manner which the trust may lawfully invest.

The investment objectives of the trustees are that the real value of assets should be maintained and enhanced over the long term and generate an agreed rate of return. This is achieved by investing in a portfolio of equities, fixed income stocks, commercial property and cash.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Investment policy and performance *(continued)*

The investment portfolio is managed on a discretionary basis within the parameters of a general ethical investment policy restricting the investment managers from investing in any area that would be incompatible with the objectives of the trust. The policy states that no investments are to be made in companies which generate more than 10% of their turnover from military activity, the production of anything which threatens the sanctity of life, or the production of pornography. The investment managers use the services of bodies such as the Investor Responsibility Research Service to endeavour 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 main archdiocesan investment portfolio is split into two funds managed by BlackRock Investment Management (UK) Limited and Martin Currie Investment Management Limited respectively, and representatives of the investment managers meet periodically with the Investment Panel, who assess their relative performance and against benchmarks.

Investment income generated by the investment managers of the unitised portfolio was £4.68M (2018: £4.39M) and met the targets required by the archdiocese. The charity experienced an unrealised gain on investments of £15.19M (2018: Loss £10.69M). Blackrock exceeded the agreed benchmark in 2019 but the performance of Martin Currie was below that of the benchmark set. Since the year-end Martin Currie has been replaced by Rathbones.

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 maximize income from cash balances whilst maintaining sufficient available funds to meet the daily operating requirements and to facilitate the timely payment of liabilities.

The low rates of interest available on cash balances continue to present a challenge to the archdiocese. Income derived from cash management activities remained stable at £ 0.13M (2018: £0.12M) with the average rate of return improving in the year.

A proportion of available cash had been held by Kaupthing Singer & Friedlander Limited. This company entered administration on 8 October 2008, at which time £4.7M of archdiocesan funds were held by the bank. This represented 11.70% of total funds held at that time. To date, the administrators have made distributions of 86.15p in the pound with their projection of a total return of between 86.75p and 87.00p. As the timing and extent of any future distributions remain uncertain, the trustees consider it appropriate to make provision for a sum equating to 13.20% of that originally invested.

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 £0.28M (2018: £0.42M). The trustees have retained several properties no longer required for functional purposes to generate a rental income for individual parishes. A cyclical valuation policy is operated by the trustees and the revaluations created an unrealised gain of £4.1M in 2019 (2018: £4.14M).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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 around 38,314 in 2019 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 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 at the parish level, several centrally funded departments and initiatives facilitate and encourage work in the local community.

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

Parish work with young people is complemented by the activities of the Animate youth ministry team based at St Mary's (Lowe House) in St Helens. A team of residential youth workers under the direction of the archdiocesan youth chaplain serves in parishes and schools, engage 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.

The Formation Department offers training and ongoing support to adults who seek to develop their participation in the mission of the Church. This includes assisting parishes as they develop collaborative ways of working, as well as offering skills training areas such as working with young people, parish catechesis or exploring ways of supporting family life. Through its Marriage and Family Life ministry, the department aims to support all aspects of marriage and family life including marriage preparation and marriage enrichment and aims to contribute to the well-being of society as a whole.

The Justice and Peace Commission was set up in Liverpool in the wake of the Second Vatican Council's restatement of the truth that salvation involves practical things; liberation from the bondage of slavery and debt, freedom from the pangs of hunger, release from the captivity of poverty and entry into the promised land of freedom and prosperity. More than ten years ago the then archbishop renewed the commitment of the trustee by signing, and displaying on the walls of the cathedral, a preferential option for the poor. The commission works throughout the geographical area of the archdiocese with many local groups and individuals. It also cooperates with CAFOD and other social justice groups locally and nationally.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Pastoral work *(continued)*

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 day-to-day activities and pastoral work of the priests, with emphasis on catechesis and the support of medical needs, as well as some of the property needs in their parishes.

Clergy support

At the local level, priests are actively involved in directing, coordinating and undertaking the mission of the Church and delivering the strategy of the archdiocese. Priests and deacons 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 visitations 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 day-to-day 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 eight 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 of the archdiocese 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 205 individual capital and repair projects to the value of £21.18M in the year (2018: 195 projects, £13.09M). The archdiocese contributes up to 10% of the cost of each school building project undertaken and the 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 £0.54M (2018: £0.53M) of donations from parents via archdiocesan schools and £0.25M (2018: £0.26M) donated from Mass-going parishioners via parishes.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Education *(continued)*

Maintaining the policy direction established in recent years, capital investment in schools and colleges continued to focus on and improving building condition. Around 85% of the school capital funding accessed by archdiocesan schools in 2019 was targeted at maintaining and improving the fabric of our school buildings, up from 80% in 2018.

The year saw the continuation of significant investment targeted on the improvement in the condition of Catholic high school buildings in the Sefton and Wigan local authority areas, with the focus on Christ the King, Southport – for which school, the funding programme concluded this year - and St John Fisher, Wigan. The objective remains to deliver a significant improvement in the overall quality of the school buildings that have not benefitted from previous national programmes of significant condition investment, raising the baseline status of condition need, making more efficient use of the available capital, and reducing the disruption to school pupils of staff of multiple years of smaller but equally invasive improvement projects. In Liverpool, implementation began on the previously agreed targeted investment on a small number of schools in significant need, with funding allocated to implement the first phase of works at St Paul's and St Timothy's and St Oswald's. In addition, a new build primary school for St Cuthbert's entered procurement stage with an anticipated start on site in early 2020.

Other projects to progress during the year included the single siting of St Leo's primary in Knowsley, with further internal refurbishment to be considered in further years, and the completion of the single siting of St Mary's primary in Blackbrook, St Helens, with the commencement of the demolition of the redundant and poor-quality junior building. Elsewhere in St Helens, four schools benefitted from roof replacement projects and four from investment to their mechanical and electrical infrastructure.

Further progress has been made on the phased redevelopment project at Ursuline primary school in Crosby, with significant investment in Sefton also undertaken at Holy Spirit in Ford, with the relocation and redevelopment of their early years provision. Significant projects to improve accommodation have also been undertaken at St Bede's high school in Ormskirk, benefitting from the first of two phases of work to improve kitchen and dining accommodation at the school, and at St Michael's primary school in Widnes, where a new secure entrance has been created.

With regard to school organisation, the trustees are able to continue to provide an overall sufficient supply of school places for Catholic children across the archdiocese via the parish network, with many schools popular and oversubscribed, serving diverse communities. There were no school expansions undertaken during the year.

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 £8.19M (2018: £6.86M) on behalf of schools.

Through the Schools' Voluntary Contribution Scheme, the archdiocese is able to offer an enhanced level of support to schools. Contributions of £0.30M in 2019 (2018: £0.27M) 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 2019 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 £6.56M (2018: £7.80M) incurred in property running costs, which included repairs and maintenance costs of £3.50M in 2019 (2018: £4.91M).

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Property *(continued)*

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

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. A staff association with representation from all areas of employment within the archdiocese and its subsidiaries has been formed.

The Staff Association 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 give full consideration to applications from disabled persons, having due regard to their particular aptitudes and abilities, and to provide opportunities for the retention and retraining of employees who become disabled during their employment. Equal opportunities are also given for the training, career development and promotion of disabled persons.

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

Grants

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

Reserves policy

At 31 December 2019 the reserves were:

	2019	2018
	£000's	£000's
Restricted funds	16,922	17,272
Unrestricted funds: - general	96,742	89,187
- designated	89,628	80,816
	203,292	187,275

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 16.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Designated funds have been set aside by the trustees for a number of 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 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 2019 reserves of these two funds amounted to £16.17M (2018: £14.32M). 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 £51.40M at December 2019 (2018: £46.90M). The assets of the funds are primarily investment property and holdings in the unithised investment portfolio. The income generated from these investments contributes toward meeting the costs of centrally coordinated charitable activities and of 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 of our parishes in 2019.

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 32% of our parishes are managing their day-to-day activities without any freely available reserves representing a deterioration since 2018. Reserves in another 40 parishes are below the overall target of 36 months (2018: 42).

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 45 months' expenditure (2018: 38 months).

Taking into consideration the specific demands in respect of the George Andrew and 2021 funds, the trustees consider any meaningful target for reserves to meet general expenditure should exclude these funds. At December 2019, 39 months of expenditure were available (2018: 34 months) and the freely available reserves exclude fixed assets held for charitable use.

The level of net current assets held by the archdiocese amounted to £11.00M (2018: £11.44M) and represents 3.93 months (2018: 3.96 months) of expenditure at December 2019.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves policy *(continued)*

While aiming to maintain working capital or net current assets of between 4 to 6 months expenditure, the trustees consider that an overall level of reserves equating to 45 months' expenditure is sufficient to enable the charity to fulfil all of its obligations and commitments. While investment volatility has contributed to a changes in the levels of reserves, as returns on cash management remain limited, it is felt the excess of reserves over 36 months is acceptable in the short to medium term. The trustees' expectations in respect of the desired levels of reserves in the longer term remain realistic.

Going concern

The trustees have given consideration to the basis of preparing the financial statements in the context of the challenging times affecting the charitable sector and most recently considered the impact of COVID-19. Forecasts have been prepared and reviewed for the forthcoming year, including a sensitivity analysis including the estimate impact of COVID-19 under a reverse stress test scenario. Having done so, the trustees consider that the going concern basis remains appropriate. Further information in this respect is given in the accounting policies.

Post balance sheet event

Since the year-end, the worldwide outbreak of the coronavirus (COVID-19) pandemic has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise the impact of the COVID-19 pandemic on the operations of the Charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to its operations. As a result, the impact of the COVID-19 pandemic does not warrant any adjustments to these financial statements.

Plans for future periods

The proposals for action that have emerged from the journey and the work of the Synod has been presented to Synod members as affirmation statements and practical proposals. These proposals have been shared in local communities and Synod members are asked to indicate preferences of 5 proposals and 2 affirmations for each theme via an online portal.

This information will then be discerned by the Synod Working Party to produce the final list of Synod Proposals for presentation in March 2021 for further discernment and voting in June 2021. A Pastoral Plan will be promulgated on the 1st Sunday of Advent, 28th November 2021.

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. 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.

Capital developments in the coming year will include the completion of a new building for St. John Fisher, Catholic High School in Wigan.

In the early months of 2020, a novel coronavirus emerged and became a global pandemic. This has had a catastrophic impact on the charitable activities and finances of the archdiocese and its subsidiaries. For three months between mid-March and mid-June, all churches were closed to the public. Chaplaincy-led activities, central services and other programmes had to adapt their activities to be provided remotely or online, or they had to close temporarily. As a result, income from donations, commercial trading operations and charitable activities has been adversely impacted in many areas of the Charity's mission, though the impact has been mitigated by deploying additional support for alternative methods of giving, such as online donations, by encouraging donors to consider setting up standing orders. However, the overall drop in income was accompanied by a reduction in operational expenditure in all areas of the Charity, easing the pressure on reserves. The Charity furloughed some

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Plans for future periods *(continued)*

its employees and claimed the eligible sums from the Coronavirus Job Retention Scheme. The evolution of interest rates and the financial markets have adversely impacted investment income and interest receivable for the Charity, but not beyond the capacity of its reserves to withstand.

Historical financial issues with archdiocesan budgets required a comprehensive programme of financial efficiencies prior to the onset of the pandemic. The impact of the pandemic has led to the acceleration of the programme of financial efficiencies and proposals to restructure the central functions of the archdiocese were approved by the trustees in November 2020. A consultation process with staff whose posts are at risk has commenced. The proposals aim to respond to the financial pressure whilst continuing to provide high quality and flexible officer support for the church.

Following the United Kingdom's exit from the European Union on 31 January 2020, the United Kingdom entered a Transition Period which is due to end on 31 December 2020. Since the charity operates solely within the United Kingdom, there is not expected to be a significant impact on the overall performance with the exception of the potential impact that Brexit may have on the performance of the investment portfolio. However, this is not expected to be significant on long term basis.

Volunteers

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

In summary, the overall picture is one of consolidation and improvement of existing resources. The trustees are budgeting carefully in response to archdiocesan needs and priorities to preserve the level of reserves and maintain commitments to existing services, whilst also being able to periodically consider new initiatives, if trustees determine such are to become higher priority temporary projects.

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 company's auditor is aware of that information.

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

Signed on behalf of the trustees



Rev Mgr J Devine OBE
Episcopal Vicar for Finance

22 December 2020

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

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

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

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 2019 which comprise the consolidated statement of financial activities, the charity statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2019

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Hamid Ghafoor (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Liverpool

Date: 22 December 2020

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	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 2019 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,199	569	1,301	11,069	243	43	98	384	11,453
Legacies		267	-	-	267	7	-	26	33	300
Grants		-	-	-	-	-	-	-	-	-
Other trading activities										
Fundraising	3.2	235	-	-	235	11,792	-	-	11,792	12,027
Investment income	3.3	1,726	265	9	2,000	473	3,482	137	4,092	6,092
Charitable activities	4	153	-	-	153	289	1,129	-	1,418	1,571
Other										
Net gains on disposal of assets		207	-	-	207	-	76	-	76	283
TOTAL INCOME		11,787	834	1,310	13,931	12,804	4,730	261	17,795	31,726
EXPENDITURE ON										
Raising Funds	5	172	31	1	204	11,396	262	17	11,675	11,879
Charitable activities										
	6									
Ministry support	6.1	1,830	-	-	1,830	39	1,304	296	1,639	3,469
Pastoral and community	6.2	4,016	-	1,066	5,082	806	2,657	210	3,673	8,755
Education	6.3	-	1,306	-	1,306	510	1,508	-	2,018	3,324
Provision for worship	6.4	6,557	-	-	6,557	500	551	-	1,051	7,608
TOTAL EXPENDITURE		12,575	1,337	1,067	14,979	13,251	6,282	523	20,056	35,035
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT LOSSES		(788)	(503)	243	(1,048)	(447)	(1,552)	(262)	(2,261)	(3,309)
Net gains on investments	10	7,497	1,313	51	8,861	1,016	8,723	726	10,465	19,326
NET INCOME AFTER INVESTMENT GAINS		6,709	810	294	7,813	569	7,171	464	8,204	16,017
TRANSFERS BETWEEN FUNDS	25	125	148	(1,052)	(779)	152	683	(56)	779	-
NET MOVEMENT IN FUNDS		6,834	958	(758)	7,034	721	7,854	408	8,983	16,017
Fund balances at 1 January 2019		76,731	1,162	2,649	80,542	12,456	79,654	14,623	106,733	187,275
FUND BALANCES AT 31 DECEMBER 2019	26	83,565	2,120	1,891	87,576	13,177	87,508	15,031	115,716	203,292

All amounts relate to continuing operations.
The notes on pages 27 to 66 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	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 2018 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,358	568	1,866	11,792	252	3	34	289	12,081
Legacies		325	-	159	484	252	99	166	517	1,001
Grants		-	-	-	-	-	-	298	298	298
Other trading activities										
Fundraising	3.2	252	-	-	252	12,577	-	-	12,577	12,829
Investment income	3.3	1,651	253	8	1,912	432	3,236	136	3,804	5,716
Charitable activities	4	159	-	-	159	348	1,086	-	1,434	1,593
Other										
Net gains / (losses) on disposal of assets		418	-	-	418	-	(1)	-	(1)	417
TOTAL INCOME		12,163	821	2,033	15,017	13,861	4,423	634	18,918	33,935
EXPENDITURE ON										
Raising Funds	5	179	33	1	213	12,097	246	14	12,357	12,570
Charitable activities										
Ministry Support	6.1	1,765	-	-	1,765	37	1,340	369	1,746	3,511
Pastoral and Community	6.2	3,673	-	1,415	5,088	854	2,149	244	3,247	8,335
Education	6.3	-	1,272	-	1,272	858	1,419	-	2,277	3,549
Provision for worship	6.4	7,804	-	-	7,804	437	502	-	939	8,743
TOTAL EXPENDITURE		13,421	1,305	1,416	16,142	14,283	5,656	627	20,566	36,708
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT (LOSSES)/GAINS		(1,258)	(484)	617	(1,125)	(422)	(1,233)	7	(1,648)	(2,773)
Net (losses) / gains on investments	10	(2,371)	(927)	(36)	(3,334)	1,783	(4,488)	(512)	(3,217)	(6,551)
NET (EXPENDITURE) / INCOME AFTER INVESTMENT (LOSSES) / GAINS		(3,629)	(1,411)	581	(4,459)	1,361	(5,721)	(505)	(4,865)	(9,324)
TRANSFERS BETWEEN FUNDS	25	(486)	280	(611)	(817)	117	688	12	817	-
NET MOVEMENT IN FUNDS		(4,115)	(1,131)	(30)	(5,276)	1,478	(5,033)	(493)	(4,048)	(9,324)
Fund balances at 1 January 2018		80,846	2,293	2,679	85,818	10,978	84,687	15,116	110,781	196,599
FUND BALANCES AT 31 DECEMBER 2018	26	76,731	1,162	2,649	80,542	12,456	79,654	14,623	106,733	187,275

All amounts relate to continuing operations.

The notes on pages 27 to 66 form part of these accounts

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 £000's	
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,199	569	1,301	11,069	243	43	98	384	11,453
Legacies		267	-	-	267	7	-	26	33	300
Grants		-	-	-	-	-	-	-	-	-
Other trading activities										
Fundraising	3.2	235	-	-	235	20	-	-	20	255
Investment income	3.3	1,726	265	9	2,000	294	3,482	137	3,913	5,913
Charitable activities	4	153	-	-	153	289	1,129	-	1,418	1,571
Other										
Net gains on disposal of assets		207	-	-	207	-	76	-	76	283
TOTAL INCOME		11,787	834	1,310	13,931	853	4,730	261	5,844	19,775
EXPENDITURE ON										
Raising Funds	5	172	31	1	204	26	597	17	640	844
Charitable activities										
Ministry Support	6.1	1,830	-	-	1,830	39	1,304	296	1,639	3,469
Pastoral and Community	6.2	4,016	-	1,066	5,082	661	2,657	205	3,523	8,605
Education	6.3	-	1,306	-	1,306	-	1,508	-	1,508	2,814
Provision for worship	6.4	6,557	-	-	6,557	500	551	-	1,051	7,608
TOTAL EXPENDITURE		12,575	1,337	1,067	14,979	1,226	6,617	518	8,361	23,340
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS		(788)	(503)	243	(1,048)	(373)	(1,887)	(257)	(2,517)	(3,565)
Net gains on investments	10	7,497	1,313	51	8,861	541	8,723	726	9,990	18,851
NET INCOME AFTER INVESTMENT GAINS		6,709	810	294	7,813	168	6,836	469	7,473	15,286
TRANSFERS BETWEEN FUNDS	25	125	148	(1,052)	(779)	158	684	-	842	63
NET MOVEMENT IN FUNDS		6,834	958	(758)	7,034	326	7,520	469	8,315	15,349
Fund balances at 1 January 2019		76,731	1,162	2,649	80,542	10,411	79,654	14,228	104,293	184,835
FUND BALANCES AT 31 DECEMBER 2019	26	83,565	2,120	1,891	87,576	10,737	87,174	14,697	112,608	200,184

All amounts relate to continuing operations.
The notes on pages 27 to 66 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018 £000's	
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,358	568	1,866	11,792	251	3	34	288	12,080
Legacies		325	-	159	484	252	99	166	517	1,001
Grants		-	-	-	-	-	-	298	298	298
Other trading activities										
Fundraising	3.2	252	-	-	252	31	-	-	31	283
Investment income	3.3	1,651	253	8	1,912	259	3,236	136	3,631	5,543
Charitable activities	4	159	-	-	159	348	1,086	-	1,434	1,593
Other										
Net gains / (losses) on disposal of assets		418	-	-	418	-	(1)	-	(1)	417
TOTAL INCOME		12,163	821	2,033	15,017	1,141	4,423	634	6,198	21,215
EXPENDITURE ON										
Raising Funds	5	179	33	1	213	18	246	14	278	491
Charitable activities										
Ministry Support	6.1	1,765	-	-	1,765	37	1,340	369	1,746	3,511
Pastoral and Community	6.2	3,673	-	1,415	5,088	691	2,134	244	3,069	8,157
Education	6.3	-	1,272	-	1,272	-	1,419	-	1,419	2,691
Provision for worship	6.4	7,804	-	-	7,804	437	502	-	939	8,743
TOTAL EXPENDITURE		13,421	1,305	1,416	16,142	1,183	5,641	627	7,451	23,593
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT (LOSSES) / GAINS		(1,258)	(484)	617	(1,125)	(42)	(1,218)	7	(1,253)	(2,378)
Net (losses) / gains on investments	10	(2,371)	(927)	(36)	(3,334)	1,440	(4,488)	(516)	(3,564)	(6,898)
NET (EXPENDITURE) / INCOME AFTER INVESTMENT GAINS		(3,629)	(1,411)	581	(4,459)	1,398	(5,706)	(509)	(4,817)	(9,276)
TRANSFERS BETWEEN FUNDS	25	(486)	280	(611)	(817)	302	688	68	1,058	241
NET MOVEMENT IN FUNDS		(4,115)	(1,131)	(30)	(5,276)	1,700	(5,018)	(441)	(3,759)	(9,035)
Fund balances at 1 January 2018		80,846	2,293	2,679	85,818	8,711	84,672	14,669	108,052	193,870
FUND BALANCES AT 31 DECEMBER 2018	26	76,731	1,162	2,649	80,542	10,411	79,654	14,228	104,293	184,835

All amounts relate to continuing operations.
The notes on pages 27 to 66 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2019

Notes	Parochial 2019 £000's	Curial 2019 £000's	Total 2019 £000's	Parochial 2018 £000's	Curial 2018 £000's	Total 2018 £000's	
FIXED ASSETS							
Tangible assets							
- investment properties	11.1	13,935	14,484	28,419	13,443	12,767	26,210
- other	11.3	12,422	19,681	32,103	12,920	19,758	32,678
		26,357	34,165	60,522	26,363	32,525	58,888
Investments	12.1	56,218	75,591	131,809	49,560	67,389	116,949
Total Fixed Assets		82,575	109,756	192,331	75,923	99,914	175,837
CURRENT ASSETS							
Stock		-	332	332	-	350	350
Debtors							
- due within one year	13	3,164	3,096	6,260	4,472	2,603	7,075
Balance at bank		1,767	14,870	16,637	2,629	13,824	16,453
		4,931	18,298	23,229	7,101	16,777	23,878
CREDITORS							
- amounts falling due within one year	14	(8,551)	(3,680)	(12,231)	(7,302)	(5,099)	(12,401)
Intra - Group balances		8,621	(8,621)	-	4,820	(4,820)	-
NET CURRENT ASSETS		5,001	5,997	10,998	4,619	6,858	11,477
Provisions for liabilities							
Deferred taxation	15	-	(37)	(37)	-	(39)	(39)
NET ASSETS		87,576	115,716	203,292	80,542	106,733	187,275
ACCUMULATED FUNDS							
Restricted funds	16	1,891	15,031	16,922	2,649	14,623	17,272
Unrestricted funds							
- Designated	17	2,120	87,508	89,628	1,162	79,654	80,816
- General		83,565	13,177	96,742	76,731	12,456	89,187
		87,576	115,716	203,292	80,542	106,733	187,275

The financial statements were approved and authorised for issue by the trustees on 22 December 2020

and signed on their behalf by

Melinda P. McAlister

Chairman of the trustees

The notes on pages 27 to 66 form part of these accounts.

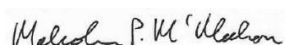
LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY BALANCE SHEET AT 31 DECEMBER 2019

Notes	Parochial 2019 £000's	Curial 2019 £000's	Total 2019 £000's	Parochial 2018 £000's	Curial 2018 £000's	Total 2018 £000's	
FIXED ASSETS							
Tangible assets							
- investment properties	11.2	13,935	12,964	26,899	13,443	11,247	24,690
- other	11.4	12,422	4,511	16,933	12,920	4,616	17,536
		26,357	17,475	43,832	26,363	15,863	42,226
Investments	12.2	56,218	71,332	127,550	49,560	63,676	113,236
Investment in related companies	12.3	-	22,558	22,558	-	22,893	22,893
Total Fixed Assets		82,575	111,365	193,940	75,923	102,432	178,355
CURRENT ASSETS							
Debtors							
- due within one year	13	3,164	2,293	5,457	4,472	1,550	6,022
Balance at bank		1,767	18,323	20,090	2,629	14,002	16,631
		4,931	20,616	25,547	7,101	15,552	22,653
LIABILITIES							
Creditors							
- amounts falling due within one year	14	(8,551)	(594)	(9,145)	(7,302)	(502)	(7,804)
Intra - Group balances		8,621	(18,779)	(10,158)	4,820	(13,189)	(8,369)
NET CURRENT ASSETS		5,001	1,243	6,244	4,619	1,861	6,480
NET ASSETS		87,576	112,608	200,184	80,542	104,293	184,835
ACCUMULATED FUNDS							
Restricted funds	16	1,891	14,697	16,588	2,649	14,228	16,877
Unrestricted funds							
- Designated	17	2,120	87,174	89,294	1,162	79,654	80,816
- General		83,565	10,737	94,302	76,731	10,411	87,142
		87,576	112,608	200,184	80,542	104,293	184,835

The financial statements were approved and authorised for issue by the trustees on 22 December 2020

and signed on their behalf by



Chairman of the trustees

The notes on pages 27 to 66 form part of these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
Net movement in funds	16,017	(9,324)
Adjustments for:		
Depreciation, impairment and amortisation of fixed assets	1,178	1,143
Net interest receivable	(126)	(115)
Dividend income from fixed and current asset investments	(4,679)	(4,393)
Difference between net pension expense and cash contribution	63	23
Decrease / (Increase) in trade and other debtors	837	(2,330)
Decrease in stocks	18	4
(Decrease) / Increase in trade and other creditors	(234)	1,152
Decrease in provisions	(3)	(4)
Gains on revaluation of investment properties	(4,141)	(4,136)
(Gains) / Losses on revaluation of investments	(15,185)	10,687
Profit on disposal of assets	(283)	(417)
	<hr/>	<hr/>
Net cash outflow from operating activities	(6,538)	(7,710)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	1,816	2,661
Purchases of tangible fixed assets	(202)	(675)
Interest received	126	115
Dividends received on fixed asset investments	4,657	4,272
Purchase of investments	(630)	(1,488)
Proceeds from sale of investments	955	320
	<hr/>	<hr/>
Net cash from investing activities	6,722	5,205
	<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents	184	(2,505)
Cash and cash equivalents at beginning of year	16,453	18,958
	<hr/>	<hr/>
Cash and cash equivalents at end of year	16,637	16,453
	<hr/>	<hr/>
Cash and cash equivalents comprise:		
Cash at bank and in hand	16,637	16,453
	<hr/>	<hr/>
	16,637	16,453
	<hr/> <hr/>	<hr/> <hr/>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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 twelve months from signing date of the financial statements.

Due to the current environment arising from the global pandemic, management have made an assessment of the likely impact of COVID-19 on the company based on latest available information and government guidance. This assessment has looked at the likely duration of the crisis as well as the sales that could be expected to be generated during extended government restrictions.

For three months between mid-March and mid-June, all churches were closed to the public. Chaplaincy-led activities, central services and other programmes had to adapt their activities to be provided remotely or online, or they had to close temporarily. As a result, income from donations, commercial trading operations and charitable activities has been adversely impacted in many areas of the Charity's mission, though the impact has been mitigated by deploying additional support for alternative methods of giving, such as online donations, by encouraging donors to consider setting up standing orders. However, the overall drop in income was accompanied by a reduction in operational expenditure in all areas of the Charity, easing the pressure on reserves. The Charity furloughed some its employees and claimed the eligible sums from the Coronavirus Job Retention Scheme. The evolution of interest rates and the financial markets have adversely impacted investment income and interest receivable for the Charity, but not beyond the capacity of its reserves to withstand.

The Trustees have considered the period of 12 months from the date of approval of these accounts and have reviewed working capital requirements for the period. As part of this review, reverse stress testing has also been performed, taking into account the potential disruptions and reductions in income over the coming months as well as the level of investment returns.

Although there has been an impact on the finances and reserves of the Charity, the Trustees of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees are of the opinion that the Charity will have sufficient resources to meet its liabilities as they fall due based on the carrying value of the assets held by the Charity including cash, listed investments and investment property.

The Trustees therefore conclude that it remains appropriate to continue to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being appropriate.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

1.2 Basis of preparation (continued)

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

1.3 Basis of consolidation

The consolidated financial statements include those of the subsidiary undertakings 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.

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

1.4 Incoming resources

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

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

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

Collections and fundraising income is recognised on receipt. Investment income 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.

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 2019

1.5 Resources expended

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

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.

1.6 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 dealt with in 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.

1.7 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 2019

1.8 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 2019	Expected useful life
Roof	30%	25	75
Walls, foundations	50%	100	100
Windows	5%	20	50
Heating installations	5%	10	20
Interior	5%	10	20
Electrical installations	5%	10	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 considered to be 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.

1.9 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.

1.10 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

1.11 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 2019

1.12 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 on which further information is given in note 21 to the financial statements. Contributions payable are charged as Resources Expended in the Consolidated Statement of Financial Activities.

1.13 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.

1.14 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 in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i. at fair value with changes recognised in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii. at cost less impairment for all other investments.

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 is an approximation of 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 2019

1.15 Recognition of liabilities

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

1.16 Liquid resources

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

1.17 Fund accounting

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

Restricted funds

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

Unrestricted funds - Designated

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

Unrestricted funds - General

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

1.18 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. See note 24.

1.19 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 2019

1.19 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.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

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 taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. 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 taking into account 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 2019

3 INCOME	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
3.1 Collections and donations					
PAROCHIAL					
Group and Charity					
Collections	5,825	-	1,301	7,126	7,678
Donations	2,533	569	-	3,102	3,215
Gift Aid rebates	841	-	-	841	899
	<u>9,199</u>	<u>569</u>	<u>1,301</u>	<u>11,069</u>	<u>11,792</u>
CURIAL					
Group					
Collections	92	-	17	109	112
Donations	151	43	81	275	177
	<u>243</u>	<u>43</u>	<u>98</u>	<u>384</u>	<u>289</u>
Less donations from subsidiaries	-	-	-	-	(1)
Charity	<u>243</u>	<u>43</u>	<u>98</u>	<u>384</u>	<u>288</u>
TOTAL – GROUP	<u>9,442</u>	<u>612</u>	<u>1,399</u>	<u>11,453</u>	<u>12,081</u>
TOTAL – CHARITY	<u>9,442</u>	<u>612</u>	<u>1,399</u>	<u>11,453</u>	<u>12,080</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

3.2 Fundraising	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
PAROCHIAL					
Group and Charity					
Parish events and other fundraising activities	235	-	-	235	252
	<u>235</u>	<u>-</u>	<u>-</u>	<u>235</u>	<u>252</u>
CURIAL					
Group					
Income from trading subsidiaries	11,772	-	-	11,772	12,546
Other	20	-	-	20	31
	<u>11,792</u>	<u>-</u>	<u>-</u>	<u>11,792</u>	<u>12,577</u>
Less income from trading subsidiaries	<u>(11,772)</u>	<u>-</u>	<u>-</u>	<u>(11,772)</u>	<u>(12,546)</u>
Charity	20	-	-	20	31
	<u>12,027</u>	<u>-</u>	<u>-</u>	<u>12,027</u>	<u>12,829</u>
TOTAL - GROUP					
TOTAL - CHARITY	<u>255</u>	<u>-</u>	<u>-</u>	<u>255</u>	<u>283</u>
3.3 Investment Income					
PAROCHIAL					
Group and Charity					
Income receivable from unitised portfolio	1,020	265	9	1,294	1,223
Rents and other income	706	-	-	706	689
	<u>1,726</u>	<u>265</u>	<u>9</u>	<u>2,000</u>	<u>1,912</u>
CURIAL					
Group					
Interest receivable	1	126	-	127	115
Income receivable from unitised portfolio	165	3,083	137	3,385	3,170
Rents and other income	307	273	-	580	519
	<u>473</u>	<u>3,482</u>	<u>137</u>	<u>4,092</u>	<u>3,804</u>
Less investment income from trading subsidiaries	<u>(179)</u>	<u>-</u>	<u>-</u>	<u>(179)</u>	<u>(173)</u>
Charity	<u>294</u>	<u>3,482</u>	<u>137</u>	<u>3,913</u>	<u>3,631</u>
	<u>2,199</u>	<u>3,747</u>	<u>146</u>	<u>6,092</u>	<u>5,716</u>
TOTAL - GROUP					
TOTAL - CHARITY	<u>2,020</u>	<u>3,747</u>	<u>146</u>	<u>5,913</u>	<u>5,543</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

4 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
PAROCHIAL					
Group and Charity					
Piety stall	115	-	-	115	122
Newspapers	38	-	-	38	37
	<u>153</u>	<u>-</u>	<u>-</u>	<u>153</u>	<u>159</u>
CURIAL					
Group and Charity					
Cemetery fees	278	-	-	278	283
School Contribution Scheme	-	296	-	296	323
Inspection fees and course income	-	303	-	303	310
Other	11	530	-	541	518
	<u>289</u>	<u>1,129</u>	<u>-</u>	<u>1,418</u>	<u>1,434</u>
TOTAL – GROUP AND CHARITY	<u>442</u>	<u>1,129</u>	<u>-</u>	<u>1,571</u>	<u>1,593</u>
5 RAISING FUNDS					
PAROCHIAL					
Group and Charity					
Parish events and other fundraising activities	52	-	-	52	73
Investment management fees	120	31	1	152	140
	<u>172</u>	<u>31</u>	<u>1</u>	<u>204</u>	<u>213</u>
CURIAL					
Group					
Expenditure by subsidiaries	11,370	-	-	11,370	12,079
Other	26	262	17	305	278
	<u>11,396</u>	<u>262</u>	<u>17</u>	<u>11,675</u>	<u>12,357</u>
Less expenditure by subsidiaries	(11,370)	-	-	(11,370)	(12,079)
Add impairment in value of subsidiary company	-	335	-	335	-
Charity	<u>26</u>	<u>597</u>	<u>17</u>	<u>640</u>	<u>278</u>
TOTAL - GROUP	<u>11,568</u>	<u>293</u>	<u>18</u>	<u>11,879</u>	<u>12,570</u>
TOTAL - CHARITY	<u>198</u>	<u>628</u>	<u>18</u>	<u>844</u>	<u>491</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
PAROCHIAL					
6.1 Ministry Support					
Group and Charity					
Clergy allowances	1,078	-	-	1,078	947
Travel	236	-	-	236	245
Supply	78	-	-	78	129
Other	438	-	-	438	444
	1,830	-	-	1,830	1,765
6.2 Pastoral and Community					
Group and Charity					
Diocesan and other collections	-	-	1,066	1,066	1,415
Liturgical and pastoral costs	887	-	-	887	941
Lay personnel costs	1,382	-	-	1,382	1,166
Housekeeping and hospitality	285	-	-	285	277
Printing, postage, stationery	260	-	-	260	263
Equipment hire	192	-	-	192	163
Telephone	181	-	-	181	185
Professional fees	27	-	-	27	77
Other office	122	-	-	122	100
Piety stall	101	-	-	101	117
Newspapers	64	-	-	64	78
Miscellaneous	515	-	-	515	306
	4,016	-	1,066	5,082	5,088
6.3 Education					
Group and Charity					
School costs	-	1,306	-	1,306	1,272
6.4 Provision for worship					
Group and Charity					
Repairs and maintenance	3,500	-	-	3,500	4,910
Depreciation	432	-	-	432	401
Heat and light	1,404	-	-	1,404	1,175
Insurance	549	-	-	549	601
Council tax and water rates	369	-	-	369	409
Grounds maintenance	303	-	-	303	308
	6,557	-	-	6,557	7,804
TOTAL PAROCHIAL – GROUP AND CHARITY	12,403	1,306	1,066	14,775	15,929

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
CURIAL					
6.1 Ministry Support Group and Charity					
Cathedral	39	-	-	39	37
Priests' Training Fund	-	-	296	296	369
Retirement costs	-	797	-	797	891
Permanent Diaconate	-	69	-	69	50
Sabbatical fund	-	16	-	16	25
Share of central support costs	-	159	-	159	117
Other	-	263	-	263	257
	<u>39</u>	<u>1,304</u>	<u>296</u>	<u>1,639</u>	<u>1,746</u>
6.2 Pastoral and Community					
Group					
Cathedral	372	-	24	396	388
Cemeteries	289	-	-	289	326
Curia	-	13	-	13	21
Tribunal	-	59	-	59	50
Pastoral Formation	-	385	-	385	326
Justice and Peace	-	60	-	60	60
Youth	-	143	-	143	139
Safeguarding	-	169	-	169	138
National levies	-	353	-	353	198
Chaplaincies	-	273	-	273	248
Ecumenical grants	-	29	-	29	28
Share of central support costs	-	863	-	863	591
Other	145	310	186	641	734
	<u>806</u>	<u>2,657</u>	<u>210</u>	<u>3,673</u>	<u>3,247</u>
Less other costs associated with subsidiaries	(145)	-	(5)	(150)	(178)
Charity	<u>661</u>	<u>2,657</u>	<u>205</u>	<u>3,523</u>	<u>3,069</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
6.3 Education					
Group					
Education Department	510	1,018	-	1,528	1,887
Share of central support costs	-	490	-	490	390
	<u>510</u>	<u>1,508</u>	<u>-</u>	<u>2,018</u>	<u>2,277</u>
Less School Improvement Trust expenditure	(510)	-	-	(510)	(858)
Charity	<u>-</u>	<u>1,508</u>	<u>-</u>	<u>1,508</u>	<u>1,419</u>
6.4 Provision for worship					
Group and Charity					
Cathedral	500	-	-	500	437
Depreciation	-	140	-	140	126
Share of central support costs	-	179	-	179	138
Other	-	232	-	232	238
	<u>500</u>	<u>551</u>	<u>-</u>	<u>1,051</u>	<u>939</u>
TOTAL CURIAL - GROUP	<u>1,855</u>	<u>6,020</u>	<u>506</u>	<u>8,381</u>	<u>8,209</u>
TOTAL CURIAL - CHARITY	<u>1,200</u>	<u>6,020</u>	<u>501</u>	<u>7,721</u>	<u>7,173</u>
TOTAL - GROUP	<u>14,258</u>	<u>7,326</u>	<u>1,572</u>	<u>23,156</u>	<u>24,138</u>
TOTAL - CHARITY	<u>13,603</u>	<u>7,326</u>	<u>1,567</u>	<u>22,496</u>	<u>23,102</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Ministry Support £000's	Pastoral and Community £000's	Education £000's	Provision for worship £000's	2019 £000's	2018 £000's
7 SUPPORT COSTS						
CURIAL						
Group and Charity						
Office administration and governance						
- Office of the Chief Operating Officer	49	268	153	56	526	78
- Finance Department	48	259	146	53	506	586
- Premises	22	120	68	25	235	168
- Bank charges and interest	22	120	68	25	235	215
- Audit fees	8	42	24	9	83	78
- Other curial	10	54	31	11	106	111
	<u>159</u>	<u>863</u>	<u>490</u>	<u>179</u>	<u>1,691</u>	<u>1,236</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 £105,071 (2018: £73,850). These are included within expenditure on charitable activities.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

8 STAFF COSTS

	Total 2019 £000's	Total 2018 £000's
Clergy allowances	1,156	978
Wages and salaries	8,211	7,130
Social security costs	316	426
Pension costs	295	251
	9,978	8,785

	2019 No.	2018 No.
The average number of employees during the year was:		
Central employees	143	137
Parish employees (excludes parish clergy)	132	131
Parish club employees (including part-time staff)	376	383
	651	651

The average number of employees as a full-time equivalent during the year was 394 (2018: 403).

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:

	2019 No.	2018 No.
£60,001 to £70,000	2	1
£90,001 to £100,000	2	1

The charity and eligible employees (see note 21) make defined contributions to a group personal pension scheme. The number of higher paid employees in the scheme in 2019 was 4 (2018:2). The total pension contributions made by the charity in respect of higher paid employees was £24,935 (2018: £10,650).

The day-to-day administrative, legal and financial affairs of the archdiocese is directed by the Chief Operating Officer and other members of the Senior Management Team who are considered to be the key management personnel of the charity. The total employment cost of key management personnel during the year was £327,537 (2018: £30,348).

9 TRUSTEES

A number of the trustees are clergy of the Liverpool Roman Catholic Archdiocesan Trust. They 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.

No trustee received any remuneration in respect of their services as a trustee during the year (2018 - £nil). Trustee expenses were reimbursed for expenses connected with their duties as trustees to the value of £450 (2018 - £345).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

10 Net gains / (losses) on investments	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2019 £000's	2018 £000's
PAROCHIAL					
Group and Charity					
Revaluation of investment properties	2,390	-	-	2,390	1,232
Unrealised gains / (losses) on investments	5,107	1,313	51	6,471	(4,566)
	<u>7,497</u>	<u>1,313</u>	<u>51</u>	<u>8,861</u>	<u>(3,334)</u>
CURIAL					
Group					
Revaluation of investment properties	210	1,541	-	1,751	2,904
Unrealised gains / (losses) on investments	806	7,182	726	8,714	(6,121)
	<u>1,016</u>	<u>8,723</u>	<u>726</u>	<u>10,465</u>	<u>(3,217)</u>
Less revaluation of investments subsidiaries	(475)	-	-	(475)	(347)
Charity	<u>541</u>	<u>8,723</u>	<u>726</u>	<u>9,990</u>	<u>(3,564)</u>
TOTAL - GROUP	<u>8,513</u>	<u>10,036</u>	<u>777</u>	<u>19,326</u>	<u>(6,551)</u>
TOTAL - CHARITY	<u>8,038</u>	<u>10,036</u>	<u>777</u>	<u>18,851</u>	<u>(6,898)</u>

11 TANGIBLE FIXED ASSETS

11.1 Investment property at valuation – Group

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2019	13,443	12,767	26,210
Additions	-	7	7
Disposals	(1,966)	-	(1,966)
Transfers	68	(41)	27
Net surplus on revaluation	2,390	1,751	4,141
At 31 December 2019	<u>13,935</u>	<u>14,484</u>	<u>28,419</u>

11.2 Investment property at valuation - Charity

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2019	13,443	11,247	24,690
Additions	-	7	7
Disposals	(1,966)	-	(1,966)
Transfers	68	(41)	27
Net surplus on revaluation	2,390	1,751	4,141
At 31 December 2019	<u>13,935</u>	<u>12,964</u>	<u>26,899</u>

Investment properties are included on a fair value basis. External revaluations are carried out by Eddisons Real Estate and Business Valuers, Armistead Barnett, and Chrystals. 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 2019

11.3 Other tangible fixed assets – Group	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2019	36,117	1,301	28,021	65,439
Additions	-	217	466	683
Transfers	(213)	-	(87)	(300)
Disposals	-	(369)	(141)	(510)
At 31 December 2019	35,904	1,149	28,259	65,312
Depreciation				
At 1 January 2019	23,197	964	8,600	32,761
Charge for the year	432	196	550	1,178
Transfers	(147)	-	(128)	(275)
Disposals	-	(366)	(89)	(455)
At 31 December 2019	23,482	794	8,933	33,209
Net book value				
At 31 December 2019	12,422	355	19,326	32,103
At 31 December 2018	12,920	337	19,421	32,678
11.4 Other tangible fixed assets - Charity				
	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2019	36,117	181	6,718	43,016
Additions	-	78	-	78
Transfers	(213)	-	(87)	(300)
Disposals	-	(17)	(141)	(158)
At 31 December 2019	35,904	242	6,490	42,636
Depreciation				
At 1 January 2019	23,197	138	2,145	25,480
Charge for the year	432	40	109	581
Transfers	(147)	-	(128)	(275)
Disposals	-	(17)	(66)	(83)
At 31 December 2019	23,482	161	2,060	25,703
Net book value				
At 31 December 2019	12,422	81	4,430	16,933
At 31 December 2018	12,920	43	4,573	17,536

All tangible fixed assets were used for charitable purposes.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

12 INVESTMENTS

12.1 Listed investments - Group	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2019	45,356	65,643	5,950	116,949
Additions	407	180	43	630
Disposals	(129)	(809)	(17)	(955)
Net gain on revaluation	5,913	8,495	777	15,185
At 31 December 2019	51,547	73,509	6,753	131,809

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.

The main archdiocesan investment portfolio is split into two funds managed by BlackRock Investment Management (UK) Limited and Martin Currie Investment Management Limited respectively.

The investments are held in a unitised portfolio comprising:

	2019 £000's
UK Equities	73,680
Non-UK Equities	25,134
UK Government securities and other fixed interest stocks	15,846
UK Property Unit Trusts	10,718
Cash instruments	6,431
	131,809

12.2 Listed investments - Charity	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2019	41,643	65,643	5,950	113,236
Additions	326	180	43	549
Disposals	(119)	(809)	(17)	(945)
Net gain on revaluation	5,438	8,495	777	14,710
At 31 December 2019	47,288	73,509	6,753	127,550

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

12 INVESTMENTS (*continued*)

12.3 Investments in related companies	Total £000's
At 1 January 2019	22,893
Impairment in shareholding	(335)
At 31 December 2019	22,558

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

13 DEBTORS	Parochial	Curial	Total 2019	Total 2018
Group	£000's	£000's	£000's	£000's
Due within one year				
Trade debtors	-	567	567	551
Other debtors and prepayments	2,025	442	2,467	3,852
Prepayments and accrued income	1,139	2,087	3,226	2,672
TOTAL	3,164	3,096	6,260	7,075
Charity				
Trade debtors	-	375	375	367
Other debtors and prepayments	2,025	126	2,151	3,377
Prepayments and accrued income	1,139	1,792	2,931	2,278
TOTAL	3,164	2,293	5,457	6,022
14 CREDITORS	Parochial	Curial	Total 2019	Total 2018
Amounts falling due within one year Group	£000's	£000's	£000's	£000's
School funding in advance	8,186	-	8,186	6,857
Trade creditors	-	796	796	1,746
Other creditors	-	877	877	1,509
Accruals and deferred income	365	1,795	2,160	2,147
Other taxation and social security	-	212	212	142
TOTAL	8,551	3,680	12,231	12,401
Charity				
School funding in advance	8,186	-	8,186	6,857
Trade creditors	-	30	30	73
Other creditors	-	163	163	145
Accruals and deferred income	365	312	677	729
Other taxation and social security	-	89	89	-
TOTAL	8,551	594	9,145	7,804

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

15 DEFERRED TAXATION

	Parochial	Curial	Total
	£000's	£000's	£000's
Group			
Balance as at 1 January 2019	-	39	39
Charged to Statement of Financial Activities	-	(2)	(2)
Balance as at 31 December 2019	<u>-</u>	<u>37</u>	<u>37</u>

	Parochial	Curial	Total
	£000's	£000's	£000's
Charity			
Balance as at 1 January 2019	-	-	-
Charged to Statement of Financial Activities	-	-	-
Balance as at 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>

The deferred tax balance is made up as follows:	2019	2018
	£000's	£000's
Accelerated capital allowances	37	39
	<u> </u>	<u> </u>

The deferred tax charge arose within Metropolitan Cathedral Services Limited.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

16 RESTRICTED FUNDS

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

Analysis of Restricted Funds 2019	Opening Balance	Net Incoming Resources	Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
Foundation Mass capital	414	3	51	-	468
Other charitable collections	2,235	240	-	(1,052)	1,423
	<u>2,649</u>	<u>243</u>	<u>51</u>	<u>(1,052)</u>	<u>1,891</u>
Curial - Charity					
Priests' Training Fund	2,874	(198)	381	47	3,104
Metropolitan Cathedral Roof Appeal Fund	3,096	-	-	-	3,096
Metropolitan Cathedral	906	77	48	(65)	966
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral project Liverpool Archdiocesan	1,791	-	-	-	1,791
Missionary Project	1,100	(133)	143	1	1,111
St Joseph's College	729	12	68	-	809
Lenten alms	41	(21)	-	17	37
Other funds	801	6	86	-	893
	<u>14,228</u>	<u>(257)</u>	<u>726</u>	<u>-</u>	<u>14,697</u>
English Sports Council capital grants	167	-	-	(56)	111
Apostleship of the Sea	228	(5)	-	-	223
Curial - Group	<u>14,623</u>	<u>(262)</u>	<u>726</u>	<u>(56)</u>	<u>15,031</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

16 RESTRICTED FUNDS *(continued)*

Analysis of Restricted Funds 2018	Opening Balance	Net Incoming Resources	Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
Foundation Mass capital	443	7	(36)	-	414
Other charitable collections	2,236	610	-	(611)	2,235
	<u>2,679</u>	<u>617</u>	<u>(36)</u>	<u>(611)</u>	<u>2,649</u>
Curial - Charity					
Priests' Training Fund	3,235	(148)	(268)	55	2,874
Metropolitan Cathedral Roof Appeal Fund	2,798	298	-	-	3,096
Metropolitan Cathedral	906	34	(34)	-	906
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral project Liverpool Archdiocesan	1,791	-	-	-	1,791
Missionary Project	1,351	(152)	(101)	2	1,100
St Joseph's College	765	12	(48)	-	729
Lenten alms	41	(21)	-	21	41
Other funds	892	(16)	(65)	(10)	801
	<u>14,669</u>	<u>7</u>	<u>(516)</u>	<u>68</u>	<u>14,228</u>
English Sports Council capital grants	223	-	-	(56)	167
Apostleship of the Sea	224	-	4	-	228
Curial - Group	<u>15,116</u>	<u>7</u>	<u>(512)</u>	<u>12</u>	<u>14,623</u>

PURPOSE OF FUNDS

Foundation Mass capital	- For Masses celebrated on the anniversary of the deceased.
Priests' Training Fund	- Education of students to the priesthood and 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.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

16 RESTRICTED FUNDS (continued)

PURPOSE OF FUNDS (continued)

Metropolitan Cathedral steps project	-	European objective 1 and regional development grants expended on the construction of the ceremonial steps.
Metropolitan Cathedral crypt project	-	European objective 1 and regional development grants expended on the crypt redevelopment project.
Liverpool Archdiocesan Missionary Project	-	To meet the costs of archdiocesan priests in their ministry in Latin America and other associated expenditure.
St Joseph's College	-	Funds associated with priest training.
Lenten alms	-	To be expended on projects at the discretion of the archbishop.
English Sports Council capital grants	-	English Sports Council grants received and expended on the construction of Cardinal Heenan sports centre.
Apostleship of the Sea	-	For the spiritual and temporal welfare of seafarers.

17 DESIGNATED FUNDS

Funds set aside by the trustees for the following purposes:

Analysis of Designated Funds 2019	Opening Balance £000's	Net Outgoing Resources £000's	Property/ Investment Gains £000's	Transfers £000's	Closing Balance £000's
Parochial - Group and Charity					
School Projects Fund	443	(518)	1,313	234	1,472
Other funds	719	15	-	(86)	648
	<u>1,162</u>	<u>(503)</u>	<u>1,313</u>	<u>148</u>	<u>2,120</u>
Curial - Group and Charity					
Central funds	46,900	(1,552)	6,144	(90)	51,402
George Andrew Retirement Fund	6,962	(281)	742	391	7,814
2021 Fund	7,362	154	857	(21)	8,352
Metropolitan Cathedral Roof Appeal Fund	7,456	-	-	200	7,656
Metropolitan Cathedral Liverpool inner-city parish reorganisation	5,254	95	532	16	5,897
Sabbatical Fund	1,300	(1)	-	(6)	1,293
Listed Building Fund	1,988	19	199	18	2,224
Other designated funds	1,999	(42)	200	(30)	2,127
	433	(20)	125	205	743
	<u>79,654</u>	<u>(1,628)</u>	<u>8,799</u>	<u>683</u>	<u>87,508</u>
Less Other designated funds	-	(335)	-	1	(334)
Curial - Charity	<u>79,654</u>	<u>(1,963)</u>	<u>8,799</u>	<u>684</u>	<u>87,174</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

17 DESIGNATED FUNDS *(continued)*

Analysis of Designated Funds 2018	Opening Balance	Net (Outgoing)/ Incoming Resources	Property/ Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
School Projects Fund	1,623	(505)	(927)	252	443
Other funds	670	21	-	28	719
	<u>2,293</u>	<u>(484)</u>	<u>(927)</u>	<u>280</u>	<u>1,162</u>
Curial - Group					
Central funds	50,155	(888)	(2,646)	279	46,900
George Andrew Retirement Fund	7,421	(366)	(495)	402	6,962
2021 Fund	7,821	144	(603)	-	7,362
Metropolitan Cathedral Roof Appeal Fund	7,256	-	-	200	7,456
Metropolitan Cathedral Liverpool inner-city parish reorganisation	5,534	111	(376)	(15)	5,254
Sabbatical Fund	1,300	-	-	-	1,300
Listed Building Fund	2,134	(6)	(140)	-	1,988
Other designated funds	2,171	(31)	(141)	-	1,999
	895	(197)	(87)	(178)	433
	<u>84,687</u>	<u>(1,233)</u>	<u>(4,488)</u>	<u>688</u>	<u>79,654</u>
Less Other designated funds	(15)	15	-	-	-
Curial - Charity	<u>84,672</u>	<u>(1,218)</u>	<u>(4,488)</u>	<u>688</u>	<u>79,654</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 2019

18 ARCHDIOCESAN BANKING ARRANGEMENTS

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

19 GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

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

Several ecumenical grants are made annually to organisations with similar objectives to those of the archdiocese. Grants were made to three such organisations totalling £27,527 (2018 - three organisations £27,100). Other small grants are made at the discretion of the archbishop and these totalled £21,114 in 2019 (2018 - £21,351).

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

20 COMMITMENTS

	Gross	Net of
	£000's	grant
		£000's
At 31 December 2019 commitments to future expenditure were as follows:		
School property	8,917	854
Parochial and other property	2,143	2,095
	<u>11,060</u>	<u>2,949</u>

The above capital 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 2019

21 PENSION ARRANGEMENTS

21.1 Personal Pension Schemes

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

21.2 The Teachers' Pension Scheme

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the period amounted to £43,518 (2018 - £39,189).

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 2019

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 taken into account 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 2019

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS

The Charity has interests in subsidiary and associated undertakings, which are consolidated in the financial statements. A summary of their trading results (including intercompany trading) is as follows:

Subsidiary Companies at 31 December 2019	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	63	450	18,147	188	10,429	1,140	231	211
Investment Income	-	-	-	-	-	21	-	-
Total Income	63	450	18,147	188	10,429	1,161	231	211
Expenditure on								
Raising Funds	136	505	18,441	172	10,771	1,122	278	231
Total Expenditure	136	505	18,441	172	10,771	1,122	278	231
Net gains on investments	-	-	-	-	-	103	-	-
Net income	(73)	(55)	(294)	16	342	142	(47)	(20)
Total assets	175	13,284	6,831	149	1,887	999	215	165
Total liabilities	(10)	(465)	(1,266)	(145)	(1,372)	(844)	(196)	(226)
Total capital and reserves	165	12,819	5,565	4	515	155	19	(61)

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Subsidiary Companies at 31 December 2018	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	165	477	17,789	168	10,192	1,242	487	263
Investment Income	-	-	-	-	-	20	-	-
Total Income	<u>165</u>	<u>477</u>	<u>17,789</u>	<u>168</u>	<u>10,192</u>	<u>1,262</u>	<u>487</u>	<u>263</u>
Expenditure on								
Raising Funds	<u>164</u>	<u>830</u>	<u>18,047</u>	<u>149</u>	<u>9,931</u>	<u>1,192</u>	<u>562</u>	<u>296</u>
Total Expenditure	<u>164</u>	<u>830</u>	<u>18,047</u>	<u>149</u>	<u>9,931</u>	<u>1,192</u>	<u>562</u>	<u>296</u>
Net (losses) on investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>-</u>
Net income	<u>1</u>	<u>(353)</u>	<u>(258)</u>	<u>19</u>	<u>261</u>	<u>(6)</u>	<u>(75)</u>	<u>(33)</u>
Total assets	<u>293</u>	<u>13,409</u>	<u>7,685</u>	<u>230</u>	<u>1,716</u>	<u>878</u>	<u>363</u>	<u>236</u>
Total liabilities	<u>(55)</u>	<u>(534)</u>	<u>(1,826)</u>	<u>(242)</u>	<u>(1,543)</u>	<u>(865)</u>	<u>(335)</u>	<u>(276)</u>
Total capital and reserves	<u>238</u>	<u>12,875</u>	<u>5,859</u>	<u>(12)</u>	<u>173</u>	<u>13</u>	<u>28</u>	<u>(40)</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

Tuneside Limited (company number 02316276) coordinates the building services scheme for archdiocesan buildings obligations under the Construction Industry Scheme and operates 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 a number of other registered charities which have common trustees are considered to be 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 2019

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

The charities concerned are as follows:

Controlled charities at 31 December 2019	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	1	-
Investment income	96	63
Total Income	<u>97</u>	<u>63</u>
Expenditure on		
Charitable activities	148	1
Total expenditure	<u>148</u>	<u>1</u>
Net gains on investments	372	-
Net income	<u>321</u>	<u>62</u>
Total assets	4,322	2,105
Total liabilities	<u>(10)</u>	<u>(1)</u>
Total funds before transfers	<u>4,312</u>	<u>2,104</u>
Transfers	-	-
Total funds after transfers	<u>4,312</u>	<u>2,104</u>

Controlled charities at 31 December 2018	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	13	-
Investment income	90	63
Total Income	<u>103</u>	<u>63</u>
Expenditure on		
Charitable activities	161	1
Total expenditure	<u>161</u>	<u>1</u>
Net gains on investments	(276)	-
Revaluation gain on investment property	45	650
Net (loss) / income	<u>(289)</u>	<u>712</u>
Total assets	3,999	2,043
Total liabilities	<u>(7)</u>	<u>(1)</u>
Total funds before transfers	<u>3,992</u>	<u>2,042</u>
Transfers	-	-
Total funds after transfers	<u>3,992</u>	<u>2,042</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

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

The charity recharged salary costs of £6,729 (2018: £17,405) to Associated Church Clubs Limited, a subsidiary of the charity. A balance of £174,253 (2018: £230,865) was owed to the company at the year end.

The charity recharged salary costs of £192,928 (2018: £144,553) to Archdiocesan Parish Centres Management Company Limited, a subsidiary of the charity. A balance of £1,684,072 was owed from the company at the year end. (2018: £271,425 Owed to the Company)

The charity recharged salary costs of £286,600 (2018: £285,843) to Archdiocesan Property Services Limited, a subsidiary of the charity. A balance of £750,755 (2018: £785,314) was owed from the company at the year end.

The charity recharged salary costs of £46,031 (2018: £43,587) to Metropolitan Cathedral Services Limited, a subsidiary of the charity. A balance of £462,698 (2018: £418,501) was owed from the company at the year end.

The charity recharged salary costs of £236,995 (2018: £241,255) to Tuneside Limited, a subsidiary of the charity. A balance of £12,655,308 (2018: £6,355,220) was owed to the company at the year end.

A balance of £549,291 (2018: £666,335) was owed to Apostleship of the Sea (Liverpool Archdiocesan Council) at the year end.

A balance of £1,004,557 (2018: £942,572) was owed to Liverpool Archdiocesan Education 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 £2,683,694 (2018 - £2,081,247) 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 2019

23 CONNECTED CHARITIES

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

	Charity Number
Nugent Care	222930
Churches Together in the Merseyside Region	519061
Charles Plater Trust	309719
Christ's and Notre Dame College, Liverpool	526463
Stonyhurst	1127929
The Christian Heritage Centre at Stonyhurst	1149129
Liverpool Archdiocesan Lourdes Pilgrimage Association	1091132
The Friends of Liverpool Metropolitan Cathedral	513469
Speke Advice Service (CAB) Limited	1101379
Broughton Catholic Charitable Society	222817
Caritas Social Action	1101431
St Mary's College Crosby Trust Limited	1110311
Catholic Education Service	313147
Catholic Trust for England for & Wales	1097482
St Cuthbert's College Ushaw	527408
The Catholic Children's Society (Shrewsbury Diocese) Inc	509793

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 and paid directly to the charity. The archdiocese made a further payment to the charity of £75,379 (2018 - £58,815) for the provision of other services.

The archdiocese made a grant totalling £9,805 (2018 - £9,805) to Churches Together in the Merseyside Region.

The archdiocese also made a grant totalling £3,039 (2018 - £3,039) to Churches Together in the Lancashire Region, an associated charity.

No other transactions occurred with connected charities.

24 SCHOOL BUILDING PROJECTS

The charity assists archdiocesan voluntary aided schools with the administration of funding for school building projects. The archdiocese acts as the agent of school governing bodies in receiving funding from the Department for Education (DfE), local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the archdiocese is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the archdiocese.

Total receipts from the DfE amounted to £12.7M (2018 - £9.8M). Total expenditure on school building projects during the year was £ 17.83M (2018 - £15.03M). The balance due at the year-end which included deferred and accrued income on individual projects amounted to £ 0.68M (2018 - £1.64M owed). Individual school balances generated from devolved capital contributions from the DfE and held on behalf of archdiocesan schools amounted to £8.10M (2018 - £6.42M).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

25 TRANSFERS

For the year ended 31 December 2019

	PAROCHIAL				CURIAL				Total 2019 £000's
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
INTRA-DIOCESAN TRANSFERS									
Assessment Fund grants	615	(865)	-	(250)	50	200	-	250	-
Assessment Fund levies	(780)	780	-	-	-	-	-	-	-
Contributions to George Andrew Fund	(385)	-	-	(385)	(5)	390	-	385	-
School levy contributions	(238)	243	-	5	(5)	-	-	(5)	-
Parish contributions to restricted collections	913		(1,052)	(139)	-	74	65	139	-
Interest transferred to/from central funds	-	(10)	-	(10)	-	10	-	10	-
Other	-	-	-	-	118	10	(65)	63	63
	<u>125</u>	<u>148</u>	<u>(1,052)</u>	<u>(779)</u>	<u>158</u>	<u>684</u>	<u>-</u>	<u>842</u>	<u>63</u>
INTRA-GROUP TRANSFER									
Other	-	-	-	-	(6)	(1)	(56)	(63)	(63)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(1)</u>	<u>(56)</u>	<u>(63)</u>	<u>(63)</u>
TOTAL	<u>125</u>	<u>148</u>	<u>(1,052)</u>	<u>(779)</u>	<u>152</u>	<u>683</u>	<u>(56)</u>	<u>779</u>	<u>-</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2019

25 TRANSFERS (continued)

For the year ended 31 December 2018

	PAROCHIAL				CURIAL				Total 2018 £000's
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
INTRA-DIOCESAN TRANSFERS									
Assessment Fund grants	494	(744)	-	(250)	50	200	-	250	-
Assessment Fund levies	(773)	773	-	-	-	-	-	-	-
Contributions to George Andrew Fund	(397)	-	-	(397)	(5)	402	-	397	-
School levy contributions	(246)	251	-	5	(6)	-	-	(6)	(1)
Parish contributions to restricted collections	436	-	(599)	(163)	-	86	78	164	1
Interest transferred to/from central funds	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	(10)	(10)	(10)
	<u>(486)</u>	<u>280</u>	<u>(599)</u>	<u>(805)</u>	<u>39</u>	<u>688</u>	<u>68</u>	<u>795</u>	<u>(10)</u>
INTRA-GROUP TRANSFER									
Other	-	-	(12)	(12)	78	-	(56)	22	10
	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>(12)</u>	<u>78</u>	<u>-</u>	<u>(56)</u>	<u>22</u>	<u>10</u>
TOTAL	<u>(486)</u>	<u>280</u>	<u>(611)</u>	<u>(817)</u>	<u>117</u>	<u>688</u>	<u>12</u>	<u>817</u>	<u>-</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

26 ANALYSIS OF NET ASSETS

Group	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2019 £000's
Restricted Funds				
- Parochial	-	449	1,442	1,891
- Curial	-	6,305	8,726	15,031
	-	6,754	10,168	16,922
Designated Funds				
- Parochial	-	11,352	(9,232)	2,120
- Curial	12,559	62,156	12,793	87,508
	12,559	73,508	3,561	89,628
Unrestricted General Funds				
- Parochial	26,357	44,417	12,791	83,565
- Curial	21,606	7,130	(15,559)	13,177
	47,963	51,547	(2,768)	96,742
Total	60,522	131,809	10,961	203,292

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

26 ANALYSIS OF NET ASSETS *(continued)*

Group 2018	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2018 £000's
Restricted Funds				
- Parochial	-	390	2,259	2,649
- Curial	-	5,560	9,063	14,623
	-	5,950	11,322	17,272
Designated Funds				
- Parochial	-	10,067	(8,905)	1,162
- Curial	11,154	55,576	12,924	79,654
	11,154	65,643	4,019	80,816
Unrestricted General Funds				
- Parochial	26,363	39,103	11,265	76,731
- Curial	21,371	6,253	(15,168)	12,456
	47,734	45,356	(3,903)	89,187
Total	58,888	116,949	11,438	187,275

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

26 ANALYSIS OF NET ASSETS *(continued)*

Charity	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2019 £000's
Restricted Funds				
- Parochial	-	449	1,442	1,891
- Curial	-	6,305	8,392	14,697
	<u>-</u>	<u>6,754</u>	<u>9,834</u>	<u>16,588</u>
Designated Funds				
- Parochial	-	11,352	(9,232)	2,120
- Curial	12,559	84,714	(10,099)	87,174
	<u>12,559</u>	<u>96,066</u>	<u>(19,331)</u>	<u>89,294</u>
Unrestricted General Funds				
- Parochial	26,357	44,417	12,791	83,565
- Curial	4,916	2,871	2,950	10,737
	<u>31,273</u>	<u>47,288</u>	<u>15,741</u>	<u>94,302</u>
Total	<u>43,832</u>	<u>150,108</u>	<u>6,244</u>	<u>200,184</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

26 ANALYSIS OF NET ASSETS *(continued)*

Charity 2018	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2018 £000's
Restricted Funds				
- Parochial	-	390	2,259	2,649
- Curial	-	5,560	8,668	14,228
	<u>-</u>	<u>5,950</u>	<u>10,927</u>	<u>16,877</u>
Designated Funds				
- Parochial	-	10,067	(8,905)	1,162
- Curial	11,154	55,576	12,924	79,654
	<u>11,154</u>	<u>65,643</u>	<u>4,019</u>	<u>80,816</u>
Unrestricted General Funds				
- Parochial	26,363	39,103	11,265	76,731
- Curial	4,709	2,540	3,162	10,411
	<u>31,072</u>	<u>41,643</u>	<u>14,427</u>	<u>87,142</u>
Total	<u>42,226</u>	<u>113,236</u>	<u>29,373</u>	<u>184,835</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2019

27 OPERATING LEASES

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

28 CONTINGENT LIABILITIES

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

29 GUARANTEE

An index-linked product amounting to £1.93M (2018: £1.93M) is used as security against any potential liability in connection with a landfill site. The likelihood of this liability falling due on the charity is considered remote.

30 POST BALANCE SHEET EVENT

Since the year-end, the worldwide outbreak of the coronavirus (COVID-19) pandemic has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The Trustees acknowledge and recognise the impact of the COVID-19 pandemic on the operations of the Charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to its operations. As a result, the impact of the COVID-19 pandemic does not warrant any adjustments to these financial statements