

LIVERPOOL CATHEDRAL COMMITTEE
UNAUDITED FINANCIAL STATEMENTS
31 DECEMBER 2020

Charity Registered Number: 244005

LIVERPOOL CATHEDRAL COMMITTEE

UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2020

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CHARITY INFORMATION**For the year ended 31 December 2020**

Charity registered number	244005
Committee members	Mrs J Greensmith (Chair) Mr W D Fulton Canon M Davies Mr G Appleton Mr J Crane Mr J Davies Mr A Hannay Ms J Hauxwell Mr D McDonnell Mr D Morrison Dame Lorna Muirhead Mr D I Renison Mr P T H Tod Rt Revd Paul Bayes Mr A Fletcher Very Reverend Dr Sue Jones
Hon. Secretary	Mr D I Renison
Registered Office	St James House 20 St James Road Liverpool L1 7BY
Bankers	HSBC 4 Dale Street Liverpool L69 2BZ
Independent Examiners	Peter Taaffe FCA CTA DChA BWM Chartered Accountants Tempest Suite 5.1 12 Tithebarn Street Liverpool L2 2DT
Investment Managers	Quilter Cheviot 5 St Paul's Square Liverpool L3 9SJ

COMMITTEE MEMBERS' REPORT**For the year ended 31 December 2020**

The Committee present their report together with the financial statements for the year ended 31 December 2020. The Committee confirm that the financial statements have been prepared in accordance with the accounting policies set out on page 9 and comply with current statutory requirements.

Constitution

The charity was registered on 11 August 1965 under charity registration number 244005 and is a body corporate governed by the provisions of the Liverpool Cathedral Acts 1885 and 1902.

Objects of the charity

The main objects of the charity are to manage the assets in order to assist in maintaining and preserving the fabric of Liverpool Cathedral and to receive legacies and donations and generate income to fulfil the objects and purposes connected therewith.

Organisation

The Committee members, who are also trustees of the charity, and who have served during the year and since the year end are set out on page 1. New Committee members are approved and appointed by the full Committee and there is an established induction process.

Some members of the Committee are also trustees or members of the Cathedral Chapter and its related entities. All members of the Committee declare conflicts of interest when apposite, in the decision making processes, which fully accords with their individual responsibilities as trustees and the charity's own constitution and objectives.

All powers and duties conferred or imposed on the Committee by the Liverpool Cathedral Act 1885 are exercised and performed under the provisions of Section 6 of that Act. The Committee holds three meetings each year to carry out the activities of the charity.

An Investment sub-committee, including specialist co-opted members, meets with the Investment Managers on a quarterly basis and reports to the Committee.

None of the members of the Committee received any remuneration or expenses during the year.

Grant making policy

The Committee considers applications from The Corporation of Liverpool Cathedral for relevant and eligible grants at their meetings. Grants may be of a singular or recurring nature and amount dependent on application, and if approved will normally be paid in the year of approval.

Public Benefit

The Committee has duly considered the Charity Commission Guidance on Public Benefit in the approval and payment of grants.

Review of activities and achievements in the year

The Committee has committed an annual grant of £60,000 to The Corporation of Liverpool Cathedral towards general maintenance costs.

In 2014 the Cathedral Chapter launched the campaign "24 for 2024" with the objective of raising £24 million by 2024, to fund urgent repairs and new initiatives. The Committee undertook to provide support of up to £100,000 in 2015/16, to enable Chapter to acquire professional advice on the work required to the fabric of the building. The remaining sum of £58,000 was paid over during 2020.

During 2014 the Committee affirmed that the charity's existing funds were available in support of "24 for 2024" for projects in line with the Committee's objects.

COMMITTEE MEMBERS' REPORT**For the year ended 31 December 2020****Review of results for the year**

Income derived from investments and cash deposits reduced to £54,353 (2019: £67,524). Receipts from legacies, donations, gifts and other income remained at £110 (2019: £110).

As a result net income fell to £54,463, excluding gains and losses on revaluation and disposal of fixed asset investments, from £67,634 in 2019.

Resources expended during the year were grants to The Corporation of the Liverpool Cathedral of Christ in Liverpool of £147,015 (2019: £47,500) and management and administration and governance costs of £12,153 (2019: £12,291).

After taking account of gains and losses on revaluations and disposals of investment assets, there was a negative net movement in funds of £202,191 (2019: Positive net movement in funds £180,381) in the Statement of Financial Activities.

Future developments

The Committee continues to believe that through careful management of resources, the regular and future grant applications from the Cathedral will be met. However this position has to be tempered by reality otherwise the medium and long term prospects for the charity's investment funds will be adversely affected.

Investment performance and policy

The funds held with Quilter Cheviot at the beginning of the year comprised £1,866,427 in investments and cash of £21,816, totalling £1,888,243. The value of the funds at the end of the year was £1,689,667 in investments and cash of £3,729, totalling £1,693,396. £147,015 in grants and £12,153 in management and governance costs were funded from the investment portfolio. The total investment return for the year was -1.9%. By comparison, the Specialist Benchmark was 1.9%, the FTSE 100 was -11.5%, the FTSE All Share Index was -9.8% and the FTSE Government Securities All Stocks Index was 8.3%.

All of these figures and percentages are based on a total return principle.

Asset allocation at the year end was as follows:

	2020	2019
Fixed Interest UK	16.7%	11.9%
Index Linked UK	-	-
Fixed Interest Overseas	-	3.0%
Equities UK	39.7%	44.1%
Equities US	18.8%	15.6%
Equities Japan	2.2%	2.9%
Equities Europe	4.2%	4.8%
Asia Pacific	4.2%	3.2%
Equities Other	4.8%	4.2%
Property/other funds	9.0%	9.2%
Cash	0.2%	1.2%

The Committee's investment policy was fully reviewed and revised in June 2015 with the main elements of the strategy being determined as follows:-

- To maximise the total return from the portfolio having due regard to immediate and future needs.

COMMITTEE MEMBERS' REPORT**For the year ended 31 December 2020****Investment performance and policy – continued**

- To set a minimum income yield of £43,000 which is equivalent to an income yield of 2.6% on the current level of capital (2012) in order to provide opportunities to develop the portfolio for the longer term.
- To adhere to the Church Commissioners' Guidelines on Ethical Investment and stock selection.

Investment management and responsibility for delivering this policy has been delegated to Quilter Cheviot, Investment Managers, under approved discretionary terms and conditions.

The Investment Managers report to the Investment sub committee and the Committee on a regular basis on the agreed criteria of marketability, performance, income returns and performance benchmarks which enables critical measurement of their performance relative to the agreed benchmarks compiled from current industry standards to be made. The investment policy is reviewed annually, but no further changes have been deemed necessary.

Reserves policy

It is the Committee's policy to maintain unrestricted funds, which are the free reserves of the charity at a level commensurate with the known and anticipated needs of Liverpool Cathedral in connection with the continuing maintenance and upkeep of the fabric of the Cathedral and other eligible grant expenditure within the confines and environs of the Cathedral as might reasonably be expected to arise within the foreseeable future.

Risk assessment

The Committee has reviewed the principal risks to which the charity is exposed and is satisfied that sufficient and appropriate systems or controls are in place to mitigate exposure to those risks. The risk areas identified are:

Accounting and Financial
Investment Management
Change Processes - Funds
Stock Market Uncertainties
Ultra Vires Acts by Trustees

Post balance sheet events

Since early 2020 the COVID-19 pandemic has had a major impact on the wider economy and on Liverpool Cathedral. Whilst the charity does not carry significant ongoing operational costs and therefore does not face any direct liabilities arising out of the pandemic, the damage to the economy and volatility in investment markets represent potential risks to the charity. The trustees continue to operate in line with the objects of the charity and continue to explore ways in which it can carry out its objectives as effectively as possible.

COMMITTEE MEMBERS' REPORT**For the year ended 31 December 2020****Trustees' responsibilities for the financial statements**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the 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 accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements of the charity comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations, and the provisions of the Liverpool Cathedral Acts 1885 and 1902. 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.

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the Charity Commission website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Committee



J Greensmith
Chair

Date: 23/12/2021

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INDEPENDENT EXAMINERS REPORT**TO THE TRUSTEES OF THE LIVERPOOL CATHEDRAL COMMITTEE**

I report to the trustees on my examination of the accounts of Liverpool Cathedral Committee ('the charity') for the year ended 31 December 2020, which are set out on pages 7 to 13.

This report is made solely to the charity's trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My examination has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

Independent examiner's statement

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

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015. I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Peter Taaffe FCA CTA DChA

Independent Examiner

Tempest

Suite 5.1

12 Tithebarn Street

Liverpool

L2 2DT

Date: December 2021

UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

Income and expenditure	Note	Unrestricted Funds £	Total 2020 £	Total 2019 £
Incoming resources				
Donations and legacies		110	110	110
Investment income	2	54,353	54,353	67,524
Other income		-	-	-
		<hr/>	<hr/>	<hr/>
Total incoming resources		54,463	54,463	67,634
Resources expended				
Costs of raising funds	3	10,731	10,731	10,991
Expenditure on charitable activities	4	148,437	148,437	48,800
		<hr/>	<hr/>	<hr/>
Total expenditure		159,168	159,168	59,791
Net incoming/ (outgoing) resources before gains/ (losses) on investments				
		(104,705)	(104,705)	7,842
Net gains/ (losses) on investment assets	5	(97,486)	(97,486)	172,539
		<hr/>	<hr/>	<hr/>
Net movement in funds		(202,191)	(202,191)	180,381
Reconciliation of funds:				
Total funds brought forward at 1 January	8	1,949,161	1,949,161	1768,780
		<hr/>	<hr/>	<hr/>
Total funds carried forward at 31 December		1,746,971	1,746,971	1,949,161
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying accounting policies and notes form an integral part of these financial statements.

There are no recognised gains or losses other than those included in the statement of financial activities for the two financial years.

All operations are continuing.

These unaudited financial statements have been subject to independent examination. See report on page 6.

UNAUDITED BALANCE SHEET

At 31 December 2020

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Investments	5	1,689,668		1,866,427	
			1,689,668		1,866,427
Current assets					
Debtors	6	4,294		3,749	
Cash on deposit		20,308		38,066	
Bank		39,804		104,598	
		64,405		146,413	
Creditors: amounts falling due within one year	7	7,102		63,679	
Net current assets			57,303		82,734
Net assets			1,746,971		1,949,161
Funds					
Unrestricted	8		1,746,971		1,949,161

The financial statements on pages 7 to 13 were approved and authorised for issue by the Trustees on 23/12/2021..... and are signed on their behalf by:



J Greensmith
Chair

These unaudited financial statements have been subject to independent examination. See report on page 6.

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

1 Accounting policies**Company information**

Liverpool Cathedral Committee is an unincorporated charity registered in England.

Basis of accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), “Accounting and Reporting by Charities” the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK and Generally Accepted Accounting Practice as it applies from 1 January 2015.

Liverpool Cathedral Committee meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The Charity has taken advantage of the provisions in the SORP for Charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

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

Charitable funds

Funds held by the charity are:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Income recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Investment income is accounted for in the period in which it is received. Interest on bank and other deposits is received gross and accounted for in the period of receipt.

Donations, legacies and gifts, together with any associated tax recovery, are recognised as income in the accounting period of receipt.

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

Accounting policies (continued)**Expenditure recognition**

Management and administration expenses and Governance costs comprise all costs incurred in operating the charity for the period under review which cannot be directly allocated to the charity's projects or fund raising. There were no employees during the year.

Grants paid or payable are charged in the year of approval by the Committee.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Investments

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

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

Accounting policies (continued)

Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid.

The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

2 Investment income

	Unrestricted Funds	Total 2020	Total 2019
	£	£	£
UK Equities & other investments	41,342	41,342	53,583
UK Government Securities	2,469	2,469	5,064
Foreign Equities & other investments	10,473	10,473	8,731
Bank interest	<u>69</u>	<u>69</u>	<u>146</u>
	<u>54,353</u>	<u>54,353</u>	<u>67,524</u>

Total investment income amounting to £67,524 in the prior year was unrestricted in nature.

3 Costs of raising funds

	Unrestricted Funds	Total 2020	Unrestricted Total 2019
	£	£	£
Investment management charges	<u>10,731</u>	<u>10,731</u>	<u>10,991</u>

4 Expenditure on charitable activities

	Unrestricted Funds	Total 2020	Unrestricted Total 2019
	£	£	£
<i>Grant funded activities:</i>			
Grants to Liverpool Cathedral in year			
- Maintenance Dept. costs contribution	147,015	147,015	47,500
- "24 for 2024" – Professional fees		-	-
<i>Support and governance costs:</i>			
Independent Examination fees	1,422	1,422	1,300
	<u>148,437</u>	<u>148,437</u>	<u>48,800</u>

These unaudited financial statements have been subject to independent examination. See report on page 6.

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

5 Investments

Investments comprise shares and unit trusts in quoted companies and UK Government stocks, stated at market value at 31 December 2020:

	Total 2020 £	Total 2019 £
<i>Movement in investments in the year was:</i>		
Market value of investments at 1 January	1,866,427	1,648,598
Purchases in the year at cost	151,515	410,513
Sales proceeds from disposals in the year	(230,789)	(365,223)
Gains and (Losses) in the year:		
- Realised gains	17,365	124,484
- Realised losses	-	-
- Unrealised gains / (losses) on revaluation	(114,851)	48,055
Net movement during the year	<u>176,760</u>	<u>217,829</u>
Market value of investments at 31 December	<u>1,689,668</u>	<u>1,866,427</u>
Historic cost of investments at 31 December	<u>1,441,418</u>	<u>1,503,923</u>

The main categories of investments at the year end were:

	2020 £	2019 £
UK Equities & other investments	824,898	833,363
UK Government Securities	163,146	281,172
Foreign Equities & other investments	<u>701,624</u>	<u>751,892</u>
	<u>1,689,668</u>	<u>1,866,427</u>

6 Debtors: amounts falling due within one year

	2020 £	2019 £
Accrued interest and dividends	4,294	3,749
	<u>4,294</u>	<u>3,749</u>

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Grant commitments	-	58,000
Accruals and deferred income	7,102	5,679
	<u>7,102</u>	<u>63,679</u>

These unaudited financial statements have been subject to independent examination. See report on page 6.

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2020

8 Funds

All of the funds of the charity are considered to be unrestricted and available for the general purposes of the charity. Unrestricted funds as at the year-end amounted to £1,746,971 (2019: £1,949,161)

9 Related parties

Management services to the value of £10,731 (2019: £10,991) were provided in the year by Quilter Cheviot. Mr P T H Tod, who is a member of the Committee, was also an employee of Quilter Cheviot in the period under review.

No Trustees received any remuneration for services as Trustees of the charity.