

LIVERPOOL CATHEDRAL COMMITTEE
UNAUDITED ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Charity Registered Number: 244005

LIVERPOOL CATHEDRAL COMMITTEE

UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2022

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LEGAL AND ADMINISTRATIVE INFORMATION**For the year ended 31 December 2022**

Charity registered number	244005	
Committee members	Mrs J Greensmith (Chair) Mr W D Fulton Mr G Appleton Mr J Crane Mr J Davies Mr A Hannay Ms J Hauxwell Very Reverend Dr Sue Jones	Mr D McDonnell Mr D Morrison (resigned 16 10 23) Dame Lorna Muirhead Mr D I Renison (deceased 31 10 22) Mr P T H Tod Rt Revd Paul Bayes (resigned 12 02 22) Mr A Fletcher
Hon. Secretary	Mr D I Renison (deceased 31 10 22)	
Registered Office	St James House 20 St James Road Liverpool L1 7BY	
Bankers	HSBC 4 Dale Street Liverpool L69 2BZ	
Independent Examiners	Anita C Mason BA(Hons) BFP FCA 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 2022**

The Committee present their report together with the financial statements for the year ended 31 December 2022. 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 two meetings each year to carry out the activities of the charity.

During the year, the Committee's investment management function was transferred from the former Investment Sub-Committee to the Finance Committee of Liverpool Cathedral. The Finance Committee meets quarterly, and the membership includes investment specialists.

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 addition to the annual commitment of £60,000, further grants to Liverpool Cathedral have been committed in recent years as follows:

Completion of the Well Flooring heating project: £206,743

Photogrammetry: £23,750

Quinquennial repairs: £40,000

There have been no further awards beyond the annual commitment of £60,000 since 2021.

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 2022****Review of results for the year**

Income derived from investments and cash deposits increased to £62,325 (2021: £59,592). Receipts from legacies, donations, gifts and other income reduced to nil (2021: £118,010).

As a result total income reduced to £62,325, excluding gains and losses on revaluation and disposal of fixed asset investments, from £177,602 in 2021.

Resources expended during the year were grants to The Corporation of the Liverpool Cathedral of Christ in Liverpool of £60,000 (2021: £188,231) and management and administration and governance costs of £12,639 (2021: £12,410).

After taking account of gains and losses on revaluations and disposals of investment assets, there was a negative net movement in funds of £146,844 (2021: Positive net movement in funds £156,458) 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 £1,857,151 in investments and cash of £1,679, totalling £1,858,830. The value of the funds at the end of the year was £1,688,750 in investments and cash of £23,559, totalling £1,712,309. £60,000 in grants and £12,639 in management and governance costs were funded from the investment portfolio.

Asset allocation at the year end was as follows:

	2022	2021
Fixed Interest UK	14.0%	9.3%
Index Linked UK	-	-
Fixed Interest Overseas	5.0%	5.4%
Equities UK	33.6%	42.0%
Equities US	21.3%	17.3%
Equities Japan	2.4%	2.0%
Equities Europe	5.0%	4.2%
Asia Pacific	2.6%	2.6%
Equities Other	4.9%	4.5%
Property/other funds	9.7%	12.3%
Cash	1.5%	0.3%

The Committee's investment policy was fully reviewed and revised in 2022.

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

COMMITTEE MEMBERS' REPORT

For the year ended 31 December 2022

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.

The trustees consider that reserves held are sufficient to meet known and anticipated commitments for 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

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. Despite volatility in investment markets and uncertainty in the economy driven by world events, the Committee has remained able to fulfil its objectives without disruption and through careful management remains in a strong position to continue to do so into the future.

COMMITTEE MEMBERS' REPORT

For the year ended 31 December 2022

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: 31 October 2023

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 2022, which are set out on pages 7 to 14.

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.

Anita C Mason BA(Hons) BFP FCA

Independent Examiner

BWM

Tempest Suite 5.1

12 Tithebarn Street

Liverpool

L2 2DT

Date: 31 October 2023

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

Income and expenditure	Note	Unrestricted Funds £	Total 2022 £	Unrestricted Funds 2021 £
Incoming resources				
Donations and legacies	2	-	-	118,010
Investment income	3	62,325	62,325	59,592
Total incoming resources		<u>62,325</u>	<u>62,325</u>	<u>177,602</u>
Resources expended				
Costs of raising funds	4	11,217	11,217	10,988
Expenditure on charitable activities	5	61,422	61,422	189,653
Total expenditure		<u>72,639</u>	<u>72,639</u>	<u>200,641</u>
Net incoming/ (outgoing) resources before gains/ (losses) on investments		(10,314)	(10,314)	(23,039)
Net (losses) / gains on investment assets	7	(136,529)	(136,529)	179,498
Net movement in funds		(146,843)	(146,843)	156,458
Reconciliation of funds: Total funds brought forward at 1 January	11	1,903,429	1,903,429	1,746,971
Total funds carried forward at 31 December		<u><u>1,756,586</u></u>	<u><u>1,756,586</u></u>	<u><u>1,903,429</u></u>

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 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Investments	7	1,688,750		1,857,151	
			1,688,750		1,857,151
Current assets					
Debtors	9	3,878		4,191	
Cash on deposit		43,559		21,679	
Bank		272,907		212,834	
		320,344		238,704	
Creditors: amounts falling due within one year	10	252,508		192,426	
Net current assets			67,836		46,278
Net assets			1,756,586		1,903,429
Funds					
Unrestricted	11		1,756,586		1,903,429

The financial statements on pages 7 to 14 were approved and authorised for issue by the Trustees on 31 October 2023 and are signed on their behalf by:

J Greensmith
Chair

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 Accounting policies**Charity 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 2019.

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 2022

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.

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 2022

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.

Critical accounting estimates and judgements

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

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

2 Donations and Legacies

	Unrestricted Funds £	Total 2022 £	Unrestricted Total 2021 £
Donations	-	-	125
Legacies	-	-	117,885
	<u>-</u>	<u>-</u>	<u>118,010</u>

3 Investment income

	Unrestricted Funds £	Total 2022 £	Unrestricted Total 2021 £
UK Equities & other investments	48,959	48,959	48,282
UK Government Securities	2,619	2,619	2,150
Foreign Equities & other investments	10,436	10,436	9,139
Bank interest	311	311	20
	<u>62,325</u>	<u>62,325</u>	<u>59,592</u>

4 Costs of raising funds

	Unrestricted Funds £	Total 2022 £	Unrestricted Total 2021 £
Investment management charges	<u>11,217</u>	<u>11,217</u>	<u>10,988</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 2022

5 Expenditure on charitable activities	Unrestricted Funds £	Total 2022 £	Unrestricted Total 2021 £
<i>Grant funded activities:</i>			
Grants to Liverpool Cathedral in year			
- Maintenance Dept. costs contribution	60,000	60,000	188,231
 <i>Support and governance costs:</i>			
Independent Examination fees	1,422	1,422	1,422
	<u>61,422</u>	<u>61,422</u>	<u>189,653</u>

6 Employees

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

7 Investments

Investments comprise shares and unit trusts in quoted companies and UK Government stocks, stated at market value at 31 December 2022:

	Total 2022 £	Total 2021 £
<i>Movement in investments in the year was:</i>		
Market value of investments at 1 January	1,857,151	1,689,668
Purchases in the year at cost	358,449	134,879
Sales proceeds from disposals in the year	(390,321)	(146,894)
Gains and (Losses) in the year:		
- Realised gains	84,173	14,349
- Realised losses	-	-
- Unrealised gains / (losses) on revaluation	(220,702)	165,149
	<u>(136,529)</u>	<u>179,498</u>
Total realised and unrealised gains / (losses)	<u>(136,529)</u>	<u>179,498</u>
Net movement during the year	(168,401)	167,483
Market value of investments at 31 December	<u>1,688,750</u>	<u>1,857,151</u>
Historic cost of investments at 31 December	<u>1,497,255</u>	<u>1,444,237</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 2022

7 Investments (continued)

The main categories of investments at the year end were:

	2022	2021
	£	£
UK Equities & other investments	577,255	1,011,529
UK Government Securities	325,045	174,039
Foreign Equities & other investments	<u>786,450</u>	<u>671,583</u>
	<u>1,688,750</u>	<u>1,857,151</u>

8 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	320,344	238,704
Equity instruments measured at fair value	<u>1,688,750</u>	<u>1,857,151</u>
Carrying amount of financial assets		
Measured at amortised cost	<u>252,508</u>	<u>192,426</u>

9 Debtors: amounts falling due within one year

	2022	2021
	£	£
Accrued interest and dividends	3,878	4,191
	<u>3,878</u>	<u>4,191</u>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Grant commitments	248,231	188,231
Accruals and deferred income	4,277	4,195
	<u>252,508</u>	<u>192,426</u>

11 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 £1,756,586 (2021: £1,903,429)

12 Related parties

Management services to the value of £11,217 (2021: £10,988) 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.

None of the members of the Committee received any remuneration or benefits/ expenses from the charity during the year or the previous period.

Grant commitments due to the the Corporation of the Cathedral Church of Christ in Liverpool, total £248,231 (2021: £188,231).

There were no other related party transactions in the year.

UNAUDITED NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2022

13 Operating leases

At the reporting end date, the charity had no commitments for future lease payments under non-cancellable leases (2021: £nil).