

Liverpool Charity and Voluntary Services

Trustees' Report and
Consolidated Financial Statements
For the year ended 31 March 2023

COMPANY NUMBER: 181759
CHARITY REGISTRATION NUMBER: 223485

Liverpool Charity and Voluntary Services

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Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report)

The trustees present their report and the consolidated financial statements of the charity for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland - FRS 102 (effective 1 January 2019) and the charity's governing document.

The Charity

Liverpool Charity and Voluntary Services (LCVS) is a company limited by guarantee without share capital governed by its memorandum and articles of association dated 13 April 1922, last amended 25 April 2006. It is a registered charity number 223485 and company number 181759.

LCVS is a charitable trust corporation, administering funds and trusts on behalf of donors and charities from across the UK. It is the umbrella organisation for the nonprofit organisations in Liverpool providing specialist business support and community engagement.

Objectives and mission

Charitable Objects

1. To promote, assist and encourage charitable endeavour in Liverpool and its vicinity and beyond, and the effective and economical management of charitable funds, and
2. To promote the voluntary sector for the benefit of the public.

Mission Statement

We work to improve the wellbeing of individuals and communities in Liverpool.

We do this through supporting, encouraging and developing **voluntary action** and **charitable giving** and bringing people, organisations and resources **together**.

We believe that everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income to support a family through retirement, and good health.

That's why we want all of our work to support or be focused on these **four key pillars for a good life and improved wellbeing**. All aim to address poverty of:

- Education - helping children and young people achieve their potential
- Income - reducing inequality and supporting Financial Stability and Independence, and initiatives which tackle or reduce poverty
- Health - improving people's health
- Arts & Culture - promoting the benefits of arts and cultural activities in terms of health, education and community cohesion

We want to **create long-lasting change by addressing the underlying causes of these problems**. We believe that supporting, encouraging and developing **voluntary action** and charitable giving and bringing people, organisations and resources **together** will help us achieve this.

Structure, governance and management

The Board of Trustees meets bi-monthly to monitor the charity's activities and performance, to determine strategy and to attend to all other matters of governance.

The Board of Trustees has the following sub-committees:

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

Structure, governance and management (continued)

The **Finance, Audit and Risk Committee (covers Governance)** scrutinises financial performance against set budgets and presents this to the board, identifies methods to enhance financial performance and helps develop the longer term financial model for the organisation. It also ensures that there is a framework for accountability, for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management, and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice.

The **Investment Committee** implements the investment strategy set by the board and monitors the performance of the manager.

The **Grants Committee** decides the allocation of grants from Trusts where it is sole Trustee or where it has delegated discretion. It also makes recommendations to a small number of Trusts that have their own grant making arrangements.

The **HR Committee** decides on human resource and compensation matters, continuity plans and staff development and replaces the Recruitment Committee.

LCVS has a trustee recruitment policy that aims to maintain a diverse mix of skills and experience that supports the governance and management of the charity. Trustees are recruited to fill gaps identified by the trustee skills audit. There is a balance between representation from 'communities of interest' and individuals with business acumen. The induction procedure for new trustees includes distribution of background information, access to all records and attendance at bi monthly induction sessions. New trustees formally sign a declaration of willingness to serve.

The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance and employment.

LCVS's subsidiaries, UW Giving and United Trusts contribute to the services available to donors (Note 4) and the Settlers' Trust Fund provides the opportunity for pooled investment of funds over which LCVS has control (Note 25). In delivering its programmes LCVS works alongside other voluntary and public sector partners.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Activities, achievements, impacts and future plans

The trustees, as company directors, present this report on activities, achievements, and impact during 2022 / 2023. The year continued to be challenging for the sector, having survived the global pandemic to face the cost-of-living crisis, demands on LCVS services remain high.

1.Partnership & Collaboration

LCVS continued to work with our public sector partners to engage and support the VCFSE in the city, to support those in our communities most in need. Both through the distribution of grant funding and through networks and advocacy of the sector. Highlights include:

Grants During the year, LCVS was very active in supporting the local not for profit sector as an enabler of community activity. One of the means by which the organization achieved this goal was its role in the distribution of grant funding to support community activity.

LCVS has a range of services to make it easy for individuals, companies, and our public sector partners to give or invest in programmes and activities which improve the wellbeing of individuals and communities in Liverpool. We encourage donors to align giving with our priority areas, because we believe that is where they can make the maximum difference – health, income stability, education, and arts & culture.

LCVS has extensive experience in the management of multiple grants programmes to support voluntary organisations and communities in Liverpool and beyond. We offer a friendly, supportive service that aims to enable organisations applying for funds to maximise their chances of success.

Community Impact Fund: During the year, LCVS distributed 229 grants valued at £413,765 to local good causes. Across 3 funding rounds a total of 180 unique organisations were funded under the programme, providing critical assistance to grass roots initiatives during a period of funding distress.

Skelton Charity: During 2022, LCVS distributed 69 grants to good causes via Skelton Charity, totalling £999,999. Projects supported included social isolation reduction activities for older people, residential activities for young people and cost of living support for families in crisis.

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

During the year the team at LCVS worked with our public sector partners to manage a number of key programmes of funding out to the sector, including but not exclusively:

UKSPF Capacity & Resilience Fund: LCVS is managing the £1.2million UKSPF capacity and resilience fund across the Liverpool City Region, working with our partner CVSs in Halton & St Helens, Knowsley, Sefton and Wirral.

UKSPF Digital Inclusion Fund – LCVS worked as a partner to assist in the distribution of funding to local groups to improve access to digital services and facilities within those communities who are increasingly finding themselves excluded, as more and more facilities transfer online.

Ellie Trust: LCVS supported Ellie Trust to distribute grant funding valued at £64,330 to local groups supporting those impacted by domestic abuse.

Healthy Weight Programme: LCVS continued to work with Alder Hey NHS Foundation Trust to manage a £500,000 grant programme out to the sector focussed on initiatives with children and families to support healthy weight. Seven organisations were funded to deliver interventions until December 2024.

Networks & Research – There are a range of activities which are vital to support our aims: for example, providing networking opportunities and bringing people together to address problems; developing an evidence and research base and providing a policy function so we know where to put our efforts and we can encourage others.

We facilitate a number of networks and Communities of Practice (CoPs) that bring together groups and individuals who have a specific interest in an issue.

Health & Wellbeing Network: a network of over 300 organisations working to support health and wellbeing in the city which provides space for share learning, collaboration and peer support. Work was initiated to create a smaller, strategic leadership group of organisations working in this field, that would be supported to engage with statutory leaders and decision makers to promote improved collaboration and service delivery, as well as increasing opportunity for local community groups to better access funding and delivery opportunities.

CoREN (Community Research and Engagement Network) – LCVS is a member of the CoREN leadership group which seeks to encourage and support the linking of academia to community organisations. LCVS provides insight on the sector and acts as a critical friend to programme development.

Poverty Action Group: LCVS is a member of the City's Poverty Action Group which brings together the voluntary sector, housing partners and city council to work together to address issues arising from poverty in the city.

VS6: VS6 is a partnership of support organisations working with the 8,600 VCFSE groups operating across our Liverpool City Region (LCR). It is focused on driving positive change by connecting the VCFSE sector with our developing city region. Together, it has links to 8,600 organisations across the six boroughs, and aim to support these groups - many integral to our communities - to collectively influence decision making.

2. Leadership & Advocacy

LCVS has a seat on a number of strategic groups and board to advocate for the VCFSE. These include:

- Health and Wellbeing Board
- One Liverpool Partnership Board
- Liverpool Strategic Partnership
- Cheshire & Mersey Health Leads Forum
- Violence Reduction Partnership
- Merseyside Funders Forum

3. Practical Support

2022/23 remained extremely busy for LCVS as the sector confronted a cost of living crisis, following on from the extreme pressure it faced during Covid-19.

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

In response to these pressures, LCVS continued to deliver a range of services the sector including:

- **Capacity building:** Between April 2022 to March 2023, LCVS provided 1-1 capacity building support to 215 organisations across areas such as governance, income generation, partnership development and planning/impact measurement. 310 cases were delivered.
 - 172 cases involving supporting groups to generated additional income,
 - 108 cases to support groups to improve their governance and management.
 - 21 cases involving the promotion of partnership work
 - 9 cases involving evaluation and impact measurement.
- During this period, capacity building support raised over £2.5m for good causes in grants and donations.

Seminars on subjects of specific interest were held during the year. These included events relating to mental health services transformation and seminars on how groups can reduce their energy costs and diversify their income generation strategies. Such open events were attended by 169 representatives from local groups.

Other events included the LCVS training programme. Training delivered in the year included start up training, trustee roles and responsibilities and introduction to fundraising.

MyClubmoor: LCVS is the Locally Trusted Organisation (LTO) for the MyClubMoor project (funded by the Big Local Trust). Big Local is a long-term innovative programme that aims to achieve lasting change in 150 areas in England. It provides a mixture of funding, finance and support. Each area is awarded £1Million to spend over ten years on community development which is planned and implemented by a partnership board comprising local tenants who represent the community. This board is not a legal entity in its own right and therefore, as LTO, LCVS is responsible for all legal contracts, including employment of staff and rental of premises. During March 2023, discussion was initiated to support the establishment of MyClubmoor as an independent organisation, capable of governing and fundraising on its own behalf, thereby further empowering local people.

Community Accountancy & Payroll

LCVS provided accountancy services to over 82 organisations during the year which included management accounts and end of year reporting.

In addition we provide payroll services for 92 organisations.

Charity Services: LCVS acts as trustee, treasurer and secretary for a number of private trusts and foundations and manages investments of £20million on behalf of these.

151 Dale Street: Our premises at 151 Dale Street continue to offer the VCFSE accommodation at less than commercial rent and act as a hub for the sector from which LCVS also undertakes its work.

4 Volunteering

During the year LCVS worked with VS6 and TeamKinetic to develop a Liverpool City Region wide portal for volunteering. This will enable VCFSE organisations to post volunteering opportunities across the region. LCVS hosts and manages the Liverpool element of this hub.

Planning Ahead

Our work over the last 100 years has undoubtedly assisted those most vulnerable in our communities but it is a sad fact that in 2023 Liverpool remains the third most deprived city in England.

It is clear that there is still much work to do to build community wealth and wellbeing in the city.

Against this backdrop, during 2023 the Trustees and Executive took the decision to review the strategic aims of the organisation. A series of stakeholder consultations were undertaken with our VCFSE organisations in the spring of 2023. The outcome of this consultation will formulate LCVS' future strategy, focussing on our role as convener, advocate, funder and supporter of the VCFSE and how we can support the eradication of poverty in the City.

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

Financial Review

During the year, the charitable group's net assets decreased in value from £8,794,188 to £7,046,753 of which unrestricted funds totalled £6,902,116 (2022: £7,585,954). This level of reserves is considered by the Trustees to be necessary to generate income, which, along with other income earned each year, enables the Charity to maintain financial independence essential for its charitable work.

Income from charitable activities (Note 6) is augmented by donations and legacies and investment income to enable the expenditure on charitable activities as detailed in Note 8.

In many cases new activities take time to generate sufficient funds to cover their costs and, in other areas, resources have been applied to continue delivery of services in the short and medium term where external funding is no longer available. Such expenditure is monitored on a regular basis.

Total income for the period for the charitable group was £1,754,800 compared with £6,833,704 in 2022. Expenditure totalled £3,427,907 (2022: £5,816,150). Prior to investment gains & losses, there was a net deficit of £1,673,107. (2022: surplus £1,017,554).

Unrestricted Income for the period was similar to 2022 at £1,211,968 (2022: £1,215,254). Restricted income was down by £5,078,904 principally due to a reduction in programme income of £4,463,599, the largest being the Play Partnership Programme which had funding of £3,865,001 received in 2022 (2023: £53,541). In the previous year £614,383 (2023: nil) was also received from Liverpool City Council to support LCVS Covid-19 response costs and support for the voluntary sector.

Reserves Policy & Investment Objective

Unrestricted Funds

The General Fund is the accumulated reserves of LCVS (charity). These total £876,454 at the year end (2022: £1,560,292) which include LCVS's investment in its fixed assets for own use.

The long term objective of the Trustees is to build up free reserves to a minimum of £450,000 which would represent approximately 3 months' running costs based on unrestricted fund expenditure in 2022 / 2023. At the year end the Trustees are aware that free reserves did not meet this target and are looking to develop further opportunities to generate surpluses. Free reserves are considered to be undesignated unrestricted reserves net of LCVS's investment in its fixed assets for own use.

In addition, the trustees previously designated reserves as a '151 Dale St Fund' being initial funds (£6,019,538 at 31 March 2023 & 31 March 2022) used to acquire the building and is fully held in fixed assets as a Programme related investment; it is the intention that this will be held for this purpose in the long-term.

The charity has £1,038,876 (2022: £1,113,204) invested in the Settlers' Trust Fund. The Trustees have the same full and unrestricted powers of investment in all respects as if they were the beneficial owners. The Investment Objective in this regard is to maintain liquidity and the monetary value of the fund to facilitate withdrawal. Whilst the capital sum is subject to market conditions, the performance of the Settlers Trust Fund is monitored quarterly by the Investment Committee and the Trustees are satisfied that its objectives have been achieved throughout the period.

Restricted Funds

Restricted funds stood at surplus of £144,637 at the year end (2022 surplus of £1,208,234). Restricted funds are funds received and expended in furtherance of LCVS's own charitable objectives but as directed by external funders. The balances comprise cash and other current balances held to support delivery of the programmes and are not intended to be held in the long term. Expenditure for specific projects can be scaled up or down in accordance with the funding available.

Settlers' Trust Fund

The charity administers a pooling scheme fund, the Settlers' Trust Fund, approved by the Charity Commission under the Charities Act 2011 as Common Investment Schemes for funds of which it is Trustee (see note 25).

Use of assets

The Trustees consider the value of assets to be fairly stated. The fixed assets of the charitable company and major changes therein during the period are recorded in the notes to the accounts.

Balance sheet in light of future plans

The Trustees consider that the balance sheet is strong enough to fulfil the short-term plans of the core activities and committed projects.

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

Funds held as custodian trustee on behalf of others

In assisting voluntary organisations, LCVS acts as Custodian Trustee of the property of several unincorporated (or previously unincorporated) Merseyside charities (see note 30). LCVS securely holds the title deeds of such properties. There are no cash funds held but should this be the case they would be held in segregated bank accounts.

Assets held as custodian trustee are not included in these accounts.

Risk management

The Board has a documented Risk Management Strategy and risk assessments are reviewed by the Finance Audit & Risk Committee with top level risks being highlighted in reports to the full Board.

Risks are identified together with an analysis of their impact and likelihood; the effectiveness of systems and procedures to mitigate those risks is considered and trends monitored. The overall level of risk is considered to be low-medium with only isolated activities and areas considered to be high. Below is a summary of the main areas of risk:

• Property

This is separately reported on since it is the single most significant asset on the balance sheet and its ability to cover its costs and generate a return is pivotal. In particular the Trustees consider the diversification of funding streams of tenant organisations and closely monitor, wherever possible, the financial sustainability and plans of each tenant.

• Financial

The charity relies on the income from its investments to fund elements of operational activity. Some of these funds have been withdrawn from equities and invested in the property and therefore there is a need to replace the foregone income. Risks include maintaining occupancy at appropriate rates particularly in light of changes in market conditions and working practices arising from the impact of the COVID-19 pandemic. Many tenants are smaller organisations on short term licences and existing tenants are continuing to face funding pressures which may lead to 'downsizing' or even vacating the premises. However, LCVS responds to enquiries from potential tenants, working with them to develop accommodation solutions which meet their needs and thus maintains LCVS's own income stream.

A fundamental risk to any charity is cashflow and the timing of receipts and payments. It is recognised that this is a particular issue for LCVS to ensure long term sustainability; funds are held in readily accessible investments which could be called upon to support current cashflows.

• Operational

LCVS continues to face challenges to deliver services and support for organisations and individuals affected by the impact of the COVID-19 pandemic. This has required the organisation to adapt current working methods and work in new areas which gives rise to operational risks. Hybrid working is now adopted where appropriate and systems put in place to accommodate this.

The building gives rise to risks, both legislative and operational. Apart from legal issues, the challenges of attracting and retaining tenants. In addition to outsourcing some property management roles, maintaining the standards and expectations of tenants is a priority with regular tenants meetings. A further consideration is the need to manage the service charge such that it is attractive for current tenants but, at the same time, allowing provision for major items which will need upgrade.

• Investments

Investment Income, either directly or through grants received from other charities, has a significant impact on the financial results and sustainability of LCVS. In particular, through the Settlers' Trust Fund, LCVS is responsible for the investment of funds of other charities. There are two specific areas of risk - the risk of poor performance (whether by the markets generally or our portfolios in particular) and risk of mal-administration leading to loss of funds. A further concern which has been embedded following review was a detailed ethical review which clarified instructions to our investment managers. An updated Statement of Investment Principles has been reviewed and approved by the Board.

• Covid-19

The changed working methods necessitated by the Covid-19 pandemic have been reviewed with a now more flexible 'hybrid' pattern of many staff working both from the office and remotely. Systems have further been developed to facilitate this. The pandemic helped to strengthen our relationship with the sector as we all faced new challenges. Most of our traditional services and activities have returned to pre pandemic levels.

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

The trustees are aware of the particular longer term risks of lower investment returns and the potential effect on building occupancy and these have been taken into account in the current strategic plan with associated financial forecasts.

• Reputational Risk:

One of LCVS's main strengths is its reputation. The main issues here are LCVS's direction of activity or particular approach to specific events and external communications. In particular LCVS has reviewed its policies and activities in light of ethical and diversity considerations (for example, agreeing a position on 'Black Lives Matter' and review of investment policies). Also important is that as a service organisation LCVS is largely reliant on the actions of its employees in carrying out activities in a manner consistent with the organisation's mission and values.

• Pension Fund Shortfall:

LCVS is an employer member of a scheme of The Pensions Trust which could give rise to a liability in the event of a 'triggering' action such as withdrawal, merger or other structural change. This would not be envisaged whilst the charity remains an operational going concern.

Since 15 April 2013, LCVS has made additional contributions; however, there is no guarantee that the debt on withdrawal will decrease, either as a result of market conditions or the effects of 'last man standing'. LCVS provides for the present value of future minimum payments agreed with the trustees of the scheme. This has resulted in a liability of £19,236 (2022: £29,919).

• Internet / IT Security

There is increased reliance on IT systems both internally and also our provision to third parties (tenants). LCVS is constantly upgrading systems in light of new developments and the need to ensure the integrity of the systems.

LCVS has security policies in place to protect personal details of individuals. Risk is mitigated through adoption of a Business Continuity Plan and outsourced support for our IT personnel.

Legal and administrative information

Trustees & Directors

The Charity's Board of Trustees are also its Directors who are elected by Annual General Meeting of the members of the Charity. Casual vacancies are filled, as required, by the Board of Trustees in accordance with the Charity's Articles of Association.

Members of the Board of Trustees during the year were:

| | |
|---------------------------|---|
| <u>Chair</u> | Sonia Bassey (From 25 November 2021) |
| <u>Honorary Treasurer</u> | Michael Thomas |
| <u>Other Members</u> | Dorcas Akeju Maxine Ennis Kenneth Perry John Price Michael Salla Louise Scholes Gemma Shone (Co-opted 20 September 2022) James Sloan Neil Sturmey Susan Williams (Resigned 23 June 2022) |

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

Other Information

| | |
|---------------------------------|--|
| Chief Executive | Clare White |
| Company Secretary | Helen Rotheram |
| Charity Number | 223485 |
| Principal (& Registered) Office | 151 Dale Street, Liverpool L2 2AH Telephone 01512275177 E-mail info@lcvs.org.uk |
| Auditor | DSG Chartered Accountants, Castle Chambers, 43 Castle Street, Liverpool L2 9TL |
| Bankers | HSBC, City Branch, 99 -101 Lord Street, Liverpool L2 6PG The Co-Operative Bank, 1 Balloon Street, Manchester M60 4EP |
| Solicitors | Brabners Chaffe Street, Horton House, Exchange Flags, Liverpool L2 3YL Hill Dickinson LLP, No.1 St Paul's Square, Liverpool L3 9SJ |
| Investment Managers | Rathbones Investment Management, Port of Liverpool Building, Pier Head, Liverpool L3 1NW Investec Wealth & Investment, 100 Old Hall Street, Liverpool L3 9AB |

Pay Policy for Senior Staff

The Board of Trustees and the senior management team comprise the key management personnel of the charity. Trustees, who are directors of the charitable company, receive no remuneration. The pay of senior staff is set at market rates at the time of recruitment and reviewed regularly by the trustees in line with all other staff in the organisation.

Disclosure of information to auditor

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

DSG have agreed to offer themselves for re-election and a resolution proposing their re-appointment, at a remuneration to be determined by the Board of Trustees, will be placed before the Annual General Meeting.

Small company provisions

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Statement of trustees' responsibilities

The trustees (who are also directors of Liverpool Charity and Voluntary Services for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

Liverpool Charity and Voluntary Services

Trustees' report (including Directors' report) - continued

Statement of trustees' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board of trustees,



Sonia Bassey, Chair

Date: 28 November 2023

Liverpool Charity and Voluntary Services

Independent auditor's report

Opinion

We have audited the financial statements of Liverpool Charity and Voluntary Services (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 the parent charitable company's affairs as at 31 March 2023 and of its 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 Companies Act 2006.

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 in accordance with the ethical requirements that are 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 relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on group and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Liverpool Charity and Voluntary Services

Independent auditor's report (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and Charity Law.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the group and parent charitable company and therefore may have a material effect on the financial statements include compliance with charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movement in account balances which may be indicative of fraud.

Liverpool Charity and Voluntary Services

Independent auditor's report (continued)

No instance of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jean Ellis BA FCA CTA (Senior Statutory Auditor)
for and on behalf of DSG
Chartered Accountants
Statutory Auditor
Castle Chambers
43 Castle Street
Liverpool
L2 9TL

Date: 28 November 2023

Liverpool Charity and Voluntary Services

Consolidated statement of financial activities

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|---|---------|----------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | 5 | 7,049 | - | 7,049 | 25,877 |
| Charitable activities | 6 | 1,174,466 | 542,832 | 1,717,298 | 6,779,935 |
| Investment income | 7 | 30,453 | - | 30,453 | 27,892 |
| Total income | | 1,211,968 | 542,832 | 1,754,800 | 6,833,704 |
| Expenditure on: | | | | | |
| Charitable activities | 8 - 10 | (1,835,370) | (1,592,537) | (3,427,907) | (5,816,150) |
| Net (expenditure)/income before gains and losses | | (623,402) | (1,049,705) | (1,673,107) | 1,017,554 |
| Net gains/(losses) | 16 | (74,328) | - | (74,328) | 20,435 |
| Net expenditure | | (697,730) | (1,049,705) | (1,747,435) | 1,037,989 |
| Transfer between funds | 21 - 22 | 13,892 | (13,892) | - | - |
| Net movement in funds | | (683,838) | (1,063,597) | (1,747,435) | 1,037,989 |
| Reconciliation of funds | | | | | |
| Fund balances brought forward | | 7,585,954 | 1,208,234 | 8,794,188 | 7,756,199 |
| Fund balances carried forward | 20 - 22 | 6,902,116 | 144,637 | 7,046,753 | 8,794,188 |

The net expenditure for the year was derived from continuing activities. The statement of financial activities includes all gains and losses in the year.

The notes on pages 18 to 36 are an integral part of these financial statements

Liverpool Charity and Voluntary Services

Consolidated balance sheet

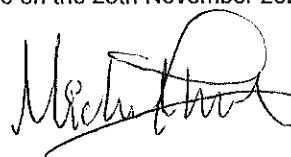
| | Note | 2023 £ | 2022 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Programme related investments | 11 | 7,618,783 | 7,618,783 |
| Tangible fixed assets | 12 | 1,249,199 | 1,271,369 |
| Intangible fixed assets | 13 | 9,468 | 12,624 |
| | | <u>8,877,450</u> | <u>8,902,776</u> |
| Current assets | | | |
| Debtors | 15 | 316,726 | 1,168,261 |
| Current asset investments | 16 | 1,038,876 | 1,113,204 |
| Cash at bank and in hand | | 683,192 | 2,002,552 |
| | | <u>2,038,794</u> | <u>4,284,017</u> |
| Creditors: amounts falling due within one year | 17 | <u>(3,353,244)</u> | <u>(3,768,855)</u> |
| Net current liabilities | | <u>(1,314,450)</u> | <u>515,162</u> |
| Total assets less current liabilities | | <u>7,563,000</u> | <u>9,417,938</u> |
| Creditors: amounts falling due after more than one year | 19 | (497,011) | (593,831) |
| Provisions for liabilities | 24 | (19,236) | (29,919) |
| Net assets | | <u>7,046,753</u> | <u>8,794,188</u> |
| Funds | | | |
| Unrestricted funds | 20,21 | 6,902,116 | 7,585,954 |
| Restricted funds | 20,22 | 144,637 | 1,208,234 |
| Total consolidated funds | | <u>7,046,753</u> | <u>8,794,188</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the trustees and authorised for issue on the 28th November 2023 and are signed on their behalf by:



Sonia Bassey Chair
Date: 28 November 2023



Michael Thomas Honorary Treasurer

The notes on pages 18 to 36 are an integral part of these financial statements

Liverpool Charity and Voluntary Services

Charity balance sheet

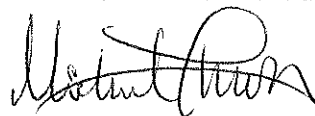
| | Note | 2023 £ | 2022 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Programme related investments | 11 | 7,618,783 | 7,618,783 |
| Tangible fixed assets | 12 | 1,249,199 | 1,271,369 |
| Intangible fixed assets | 13 | 9,468 | 12,624 |
| | | <u>8,877,450</u> | <u>8,902,776</u> |
| Current assets | | | |
| Debtors | 15 | 316,718 | 1,168,269 |
| Current asset investments | 16 | 1,038,876 | 1,113,204 |
| Cash at bank and in hand | | 659,865 | 1,989,841 |
| | | <u>2,015,459</u> | <u>4,271,314</u> |
| Creditors: amounts falling due within one year | 17 | <u>(3,336,033)</u> | <u>(3,762,276)</u> |
| Net current liabilities | | <u>(1,320,574)</u> | <u>509,038</u> |
| Total assets less current liabilities | | <u>7,556,876</u> | <u>9,411,814</u> |
| Creditors: amounts falling due after more than one year | 19 | (497,011) | (593,831) |
| Provisions for liabilities | 24 | (19,236) | (29,919) |
| Net assets | | <u>7,040,629</u> | <u>8,788,064</u> |
| Funds | | | |
| Unrestricted funds | 20,21 | 6,895,992 | 7,579,830 |
| Restricted funds | 20,22 | 144,637 | 1,208,234 |
| Total consolidated funds | | <u>7,040,629</u> | <u>8,788,064</u> |

The charity has taken advantage of the exemption permitted by s408 of the Companies Act 2006 and has not presented its own statement of financial activities and related notes. The company's result for the period was a deficit of £1,747,435 (2022: surplus of £1,037,989). The trustees have prepared Group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the trustees and authorised for issue on the 28th November 2023 and are signed on their behalf by:



Sonia Bassey Chair
Date: 28 November 2023



Michael Thomas Honorary Treasurer

The notes on pages 18 to 36 are an integral part of these financial statements

Liverpool Charity and Voluntary Services

Consolidated cash flow statement

| | Note | 2023 £ | 2022 £ |
|--|------|----------------|------------------|
| Net cash provided by (used in) operating activities | 31 | (1,233,946) | 931,499 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 30,453 | 27,892 |
| Purchase of tangible assets | | (19,047) | (4,221) |
| Purchase of intangible assets | | - | (5,910) |
| Net cash provided by (used in) investing activities | | 11,406 | 17,761 |
| Cash flows from financing activities: | | | |
| Repayments of borrowing | | (96,820) | (107,042) |
| Net cash provided by (used in) financing activities | | (96,820) | (107,042) |
| Change in cash and cash equivalents in the reporting period | | (1,319,360) | 842,218 |
| Cash and cash equivalents at the beginning of the reporting period | | 2,002,552 | 1,160,334 |
| Cash and cash equivalents at the end of the reporting period | | 683,192 | 2,002,552 |
| Represented by: | | | |
| Cash at bank and in hand | | 683,192 | 2,002,552 |

The notes on pages 18 to 36 are an integral part of these financial statements

Liverpool Charity and Voluntary Services

Notes to the financial statements

1. Limited liability

Liverpool Charity and Voluntary Services ("LCVS") is a private company limited by guarantee, incorporated in England and Wales (registration number 181759) and a registered charity (registration number 223485). In the event of the charity being wound up each member's liability is limited to £1. The registered office is 151 Dale Street, Liverpool L2 2AH.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland - FRS102 (effective 1 January 2019) - (Charities SORP FRS102) and the Companies Act 2006.

LCVS meets the definition of a public benefit entity under FRS 102.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The accounts are presented in Sterling and rounded to the nearest £1.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements in relation to its individual financial statements;

- Section 7 'Statement of Cash Flows' -- Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' -- Compensation for key management personnel The financial statements of the company are consolidated in these group financial statements.

Going Concern

The Trustees acknowledge that the unprecedented level of uncertainty caused by Covid-19 followed by the current and forecast increases in cost of living mean that the judgements and estimates required by management continue to be more challenging than under normal circumstances.

The Trustees have given due regard to the increased pressure on income streams and have concluded that the positive level of general reserves, utilisation of cash balances and additional funding mean that the going concern basis remains appropriate. The deficit this year has been driven by a significant write off relating to a tenant and a review of the balance sheet.

The current three year forecasts indicate that, despite planned investment in growth of services, the Group and Charity will maintain sufficient liquidity to continue in operation for at least 12 months from the approval of these financial statements. Initial forecasts prepared at the start of the year show deficits since, at this stage, many sources of potential income cannot be recognised with a degree of certainty. However, the Trustees are committed to ensuring that the organisation achieves at least break-even both in terms of reserves and cash generation prior to the planned investment in service development.

Management results are reviewed on a quarterly basis to ensure that the organisation is working to achieve this goal in each financial year.

The only external borrowings of the organisation are a bank loan in respect of the acquisition of 151 Dale Street and the trustees are confident that this loan can be serviced from the current level of income arising from the property; thus the going concern basis of accounting in preparing the annual financial statements has been used.

Consolidation

The consolidated financial statements incorporate those of the charity and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits) as under:

U W Giving (Registered Charity Number 516612; Registered Company Number 1925069) and United Trusts (Registered Charity Number 327579; Registered Company Number 2185697).

All financial statements are made up to 31 March 2023 except for United Trusts and UW Giving, whose financial year ends on 4 April 2022. No significant transactions or events occurred in the period between 31 March and 4 April 2023.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

Consolidation (continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from donations is recognised in the accounts when received, with the exception of known legacies which are accounted for when their receipt is certain.

The accounts exclude income, grants and other expenditure in respect of Deeds of Covenant, Gift Aid and other monies to be passed on to charities, since, under these arrangements, collectively known as Charity Cheques schemes, the Charity acts in general at the direction of the donor.

Investment income is recognised on an accruals basis. Any realised gains and losses are dealt with through movements on the appropriate funds.

Income from charitable activities are recognised on an accruals basis. If it is specified that grants must be used in future accounting periods, the income is deferred until those periods.

The charity did not engage in fundraising in the period.

Government grants

Income from charitable activities includes government grants which are recognised when the appropriate work has been completed and specific conditions have been met.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment.

Expenditure is allocated directly to the appropriate heading and general overhead apportioned based on an estimate of staff time applied to each activity. Management and governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable

Grants payable are charged to the Statement of Financial Activities when they have been approved by the Board of Trustees.

Pension costs

LCVS contributes to a multi-employer pension scheme, The Pensions Trust's Growth Plan (The Plan), operated by The Pensions Trust. Since the assets are co-mingled for investment purposes, it is not possible in the normal course of events to identify on a reasonable and consistent basis, the assets and liabilities of the scheme which are attributable to the charity. In accordance with FRS 102, the scheme is therefore accounted for as a defined contribution scheme. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the Group will fund a deficit. Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end. No other post retirement benefits are provided to employees.

Taxation

The income and gains of the funds are exempt from taxation as they are applied for charitable purposes only.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

Programme related investments

Fixed assets which are acquired directly in order to further the objects of the charity are classified as Programme Related Investments. Whilst these assets may generate a financial return on the funds invested, they also provide a physical means of achieving the mission of the charity. Such assets are included at historical cost and are reviewed for any indications of impairment on an annual basis. Since the building, 151 Dale Street, is occupied by the charity itself for its own administrative purposes, it is classified as a mixed use investment under FRS 102 and the portion of the building that is occupied by LCVS, as determined by square footage, is included within tangible fixed assets and depreciated accordingly.

Investments

Investments are classified as current assets where there is an intention to realise them in the short term and are initially measured at net transaction price and subsequently measured at fair value at each year end. Fair value is taken as mid-market price at the close of business on the valuation date. Changes in fair value are recognised as net gains/ (losses) in the Statement of Financial Activities.

Tangible fixed assets

Fixed assets (excluding investments) are initially measured at cost less accumulated depreciation and impairment losses. All capital expenditure of £1,000 and above and other significant items are treated as a fixed asset and depreciated on a straight line basis over its useful life as follows:

| | |
|---|-----------------|
| Furniture, fixtures and fittings | - over 5 years |
| Electrical equipment (including computers) | - over 3 years |
| Buildings | - over 50 years |
| Land (included in Land & Buildings) is not depreciated. | |

The gain/ (loss) arising from the disposal of an asset is determined as the difference between the net sale proceeds and the carrying value of the asset and is recognised in the Statement of Financial Assets.

Impairment

At each year end, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible fixed assets

Computer software is included at cost less accumulated amortisation and impairment losses. From 15 April 2016 all capital expenditure of £1,000 and above and other significant items have been treated as a fixed asset and amortised at 25% per annum on a reducing balance basis to reflect the period over which benefits are expected to arise.

Cash at bank and in hand

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

Financial Instruments

The group 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 when the company 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, 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.

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

Funds Structure

The accounts include both unrestricted funds and restricted funds which are detailed in notes 21 and 22 respectively.

- **Unrestricted funds** comprise reserves which have been built up over a number of years to finance the Charity's general activities, the use of which is at the discretion of the trustees. Unrestricted funds can be designated if they have been set aside at the discretion of the trustees for specific purposes; where this is the case the purposes and uses of the designated funds are set out in the notes to the accounts. Unrestricted funds are primarily held in the form of fixed assets rather than cash balances and, to this extent, are not realisable in the short term.
- **Restricted funds** are those funds which have been granted to the trustees to be expended for specific purposes as outlined in note 22.

Employee Costs

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when there is a clear decision or commitment to terminate the employment or provide such termination benefits.

3. Key estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful life of fixed assets

In making decisions regarding the depreciation of fixed assets, management must estimate the useful life of said assets to the business. A change in estimate would result in a change in the depreciation charged in the statement of financial activities in each year.

Discount rate - pension commitments

In determining the provision for pension commitments management must estimate the discount rate at which to calculate the present value of future minimum payments, using an appropriate index as the base. The impact of a change in the assumption could have a significant impact on the provision.

Critical areas of judgement

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of programme related investments

The property 151 Dale Street is included in the accounts at cost and reviewed annually for any indications of impairment. Given the special nature of this property in that it is integral to the charity meeting its objectives, and the fact that there are special relationships with tenants, typical value in use calculations are not reflective of the true value to the charity. In making a decision regarding the potential impairment of this asset, management consider the purpose for which it was originally acquired and apply judgement as to how the property is meeting those defined objectives.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

4. Subsidiaries

LCVS is a member of and controls U W Giving (Registered Charity Number 516612; Registered Company Number 1925069) and United Trusts (Registered Charity Number 327579; Registered Company Number 2185697). The registered office of each company is 151 Dale Street, Liverpool L2 2AH.

United Trusts was dormant throughout the year.

U W Giving operates as a payroll-giving agency charity and promotes (i) donations from the payroll to charities chosen by individuals, and (ii) donations made by employees acting together.

Below is a summary of results for the subsidiaries:

| | U W Giving | | United Trusts | |
|--|--------------|--------------|---------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Total incoming resources | 148,781 | 112,462 | - | - |
| Total resources expended | (148,781) | (112,462) | - | - |
| | - | - | - | - |
| Total funds brought forward | 6,124 | 6,124 | - | - |
| Total funds carried forward | 6,124 | 6,124 | - | - |
| Represented by: | | | | |
| Debtors | - | 6,124 | - | - |
| Cash at bank | 15,712 | 5,096 | 7,615 | 7,615 |
| Creditors: amounts falling due within one year | (9,588) | (5,096) | (7,615) | (7,615) |
| Total funds carried forward | 6,124 | 6,124 | - | - |

United Trusts is exempt from audit by virtue of s.477 of the Companies Act 2006.

5. Income from donations and legacies

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|-----------------------------|--------------------|------------------|--------------|---------------|
| | £ | £ | £ | £ |
| Donations and sundry grants | 7,049 | - | 7,049 | 25,877 |
| Legacies | - | - | - | - |
| | 7,049 | - | 7,049 | 25,877 |

6. Income from charitable activities

| | Unrestricted Funds | Restricted Funds | Total 2023 | Total 2022 |
|---|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Programmes | - | 481,009 | 481,009 | 4,944,608 |
| Services to charities and voluntary organisations | 846,232 | 61,823 | 908,055 | 863,512 |
| Services to donors | 145,831 | - | 145,831 | 129,508 |
| Enablers | 155,834 | - | 155,834 | 118,225 |
| Strong foundations | 26,569 | - | 26,569 | 724,082 |
| | 1,174,466 | 542,832 | 1,717,298 | 6,779,935 |

The income from charitable activities in 2022 was £6,779,935 of which £1,161,485 was unrestricted and £5,618,450 was restricted funds.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

6. Income from charitable activities (continued)

Government Grants : Income from charitable activities (Services to Charities and Voluntary Organisations and Programmes) includes the following grants from local authorities:

- £51,823 (2022: £39,459) Community Resource Grant received from Liverpool City Council to fund infrastructure support by LCVS and another infrastructure delivery agency, Equality and Employment Law Centre Ltd .
- £10,000 (2022: £10,000) from Liverpool City Council to fund support for organisations working with young people.
- £54,541 (2022: £3,865,001) funding from Liverpool City Council for organisations delivering activities as part of the LCVS Community Impact Programme, The Play Partnership.
- £165,812 (2022: £6,500) in various grants applied for by the MyClubMoor committee from Liverpool City Council to undertake specific projects.
- £63,000 (2022: £76,000) funding from Liverpool City Council to support the establishment of a new project to tackle food insecurity
- £0 (2022: £614,383) from Liverpool City Council to support LCVS Covid-19 response costs and support for the voluntary sector
- £0 (2022: £500,000) from Liverpool City Council for a grants programme for Voluntary Sector delivery of projects to support mental health and wellbeing to counter the effects of Covid and support people coming out of lockdown
- £0 (2022: £500,000) Social Model of Health Administration to run a grants programme

7. Investment income

| | Unrestricted Funds £ | Restricted Funds £ | Total 2023 £ | Total 2022 £ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest on cash balances | - | - | - | 2 |
| Income for Settlers trust fund | 30,453 | - | 30,453 | 27,892 |
| | 30,453 | - | 30,453 | 27,894 |

The investment income in 2022 was £27,894 of which £27,892 was unrestricted and £2 was restricted funds.

8. Expenditure on charitable activities

| | Activities undertaken directly £ | Grant funding of activities £ | Allocation of core costs £ | Total 2023 £ | Total 2022 £ |
|---|---|-------------------------------------|----------------------------------|--------------------|--------------------|
| Programmes | 213,700 | 1,388,837 | - | 1,602,537 | 4,269,312 |
| Services to charities and voluntary organisations | 912,412 | - | - | 912,412 | 824,547 |
| Services to donors | 77,807 | - | - | 77,807 | 90,092 |
| Enablers | 120,003 | - | - | 120,003 | 118,566 |
| Strong foundations | - | - | 715,148 | 715,148 | 513,633 |
| | 1,323,922 | 1,388,837 | 715,148 | 3,427,907 | 5,816,150 |

The expenditure on charitable activities was £3,427,907 (2022: £5,816,150) of which £1,835,370 (2022: £1,507,889) was unrestricted and £1,592,537 (2022: £4,308,261) was restricted funds.

Included within expenditure on charitable activities (Services to charities and voluntary organisations) is an amount of £22,559 (2022: £8,919) relating to interest on the bank loan.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

8. Expenditure on charitable activities (continued)

Grant funding of activities:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Liverpool & Merseyside Charities Funds | 10,000 | 10,000 |
| Play Partnership (HAF) | 730,640 | 3,153,394 |
| The Ellie Trust | 41,875 | 64,330 |
| Covid Response | - | 573,338 |
| AoP Micro Commissioning Grants | 7,000 | 12,000 |
| VCF Mental Health Grant Scheme | 211,425 | 211,425 |
| Emergency CIF Grant | - | 3,000 |
| Social Model of Health Administration | 239,116 | - |
| UW Giving - distributed by Charities Aid Foundation in accordance with individual donors' direct instructions | 148,781 | 112,462 |
| Group total | 1,388,837 | 4,139,949 |

Grants made under the Liverpool & Merseyside Charities Funds are paid directly to individuals as part of the LCVS hardship grants programme. All other grants are paid to institutions.

No core costs or support costs are allocated to grant giving.

Governance costs are included under 'Strong foundations' and comprise:

| | 2023 £ | 2022 £ |
|-------------------------------|----------------|----------------|
| Core costs | 94,704 | 90,742 |
| Audit | 38,598 | 33,000 |
| Total governance costs | 133,302 | 123,742 |

Core costs relate wholly to Corporate Overheads, comprising a percentage recharge of the salary costs of the Chief Executive Officer and Director of Finance and Resources.

Allocation of Core costs

Only overheads relating directly to each delivery area are charged as expenditure. LCVS's general core costs are classified under 'Strong foundations' and are separately identified. These comprise:

| | 2023 £ | 2022 £ |
|--------------------------------------|----------------|----------------|
| Core salaries | 229,498 | 158,918 |
| Unwinding of pension fund commitment | 310 | 33,976 |
| Property costs | 106,571 | 97,106 |
| Marketing | - | 5,562 |
| IT provision | 22,440 | 11,510 |
| Audit | 38,598 | 33,000 |
| Administration | 302,842 | 72,599 |
| Provision for doubtful debts | (29,484) | 61,453 |
| Depreciation | 41,217 | 36,487 |
| Amortisation | 3,156 | 3,022 |
| Total core costs | 715,148 | 513,633 |

Administration costs include the write off of a balance of £158,867 owed by Liverpool Community Advice, a previous tenant of 151, Dale Street for rent and service charge.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

9. Net expenditure for the year

| | 2023 £ | 2022 £ |
|---------------------------------------|-----------|-----------|
| <i>This is stated after charging:</i> | | |
| Depreciation | 41,217 | 36,487 |
| Amortisation | 3,156 | 3,022 |
| Auditor's remuneration - audit | 38,598 | 33,000 |
| Operating lease costs | 2,116 | 2,025 |

10. Staff costs and numbers - Group and Charity

| | 2023 £ | 2022 £ |
|-------------------------------------|----------------|----------------|
| <i>Staff costs were as follows:</i> | | |
| Salaries | 665,352 | 582,518 |
| Social security costs | 63,138 | 47,915 |
| Pension costs | 33,633 | 61,898 |
| | 762,123 | 692,331 |

The average number of employees during the year was as follows:

| | 2023 Number | 2022 Number |
|-------------------------------|----------------|----------------|
| Direct charitable activities | 11 | 12 |
| Management and administration | 14 | 13 |
| | 25 | 25 |

1 employee received emoluments of more than £60,000 during the year (2021: none)

| | | |
|-------------------|---|---|
| £65,001 - £70,000 | 1 | 1 |
|-------------------|---|---|

The Trustees, being also the Directors of the company, are not remunerated for their services. No trustees have claimed expenses (2022: £nil); trustees are not included in the above number of employees.

11. Programme related investments - Group and Charity

| | 2023 £ | 2022 £ |
|--------------------------------|------------------|------------------|
| <i>Property investment:</i> | | |
| Cost at beginning of the year | 7,618,783 | 7,618,783 |
| Additions during the year | - | - |
| Cost at end of the year | 7,618,783 | 7,618,783 |

LCVS purchased the freehold property of 151 Dale Street which has become a resource centre for the voluntary sector in Liverpool, providing facilities and office accommodation at an affordable cost to organisations. The provision of this accommodation and associated services assists LCVS in meeting its charitable objectives.

LCVS itself is located in the building which has led to efficiency improvements and also the benefit of becoming more accessible to the sector. Refurbishment work has been completed and the building currently runs at approximately 90% occupancy; LCVS receives income in the form of rent from tenants and also users of the conference and meeting facilities.

In February 2019, a valuation of the building was undertaken by BNP Paribas Real Estate for the purposes of the Co-Operative Bank. The market value for security purposes was considered to be £3million. This figure was based upon the commercial value of the existing licences and tenancies and therefore takes no account of the special circumstances and relationships with occupiers.

The Programme related investment is reviewed annually for any indications of impairment. A decision has been made not to impair the property since it is still being used for the purpose for which it was acquired and developed and this is not expected to change going forward. The property is integral to the charity meeting its objectives and is therefore classified as a Programme Related Investment. The property is included in these accounts at historic cost.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

12. Tangible fixed assets - Group and Charity

| | Freehold land & buildings £ | Computer & other equipment £ | Total £ |
|--|-----------------------------------|---------------------------------------|------------------|
| Cost | | | |
| Balance as at 1 April 2022 | 1,710,978 | 235,551 | 1,946,529 |
| Additions during the year | 4,182 | 14,865 | 19,047 |
| Balance at 31 March 2023 | 1,715,160 | 250,416 | 1,965,576 |
| Depreciation and impairment | | | |
| Balance as at 1 April 2022 | 444,202 | 230,958 | 675,160 |
| Charge for the year | 34,220 | 6,997 | 41,217 |
| Balance at 31 March 2023 | 478,422 | 237,955 | 716,377 |
| Carrying amount as at 31 March 2023 | 1,236,738 | 12,461 | 1,249,199 |
| Carrying amount as at 31 March 2022 | 1,266,776 | 4,593 | 1,271,369 |

All tangible fixed assets are used in the direct charitable activities of the charity.

13. Intangible fixed assets - Group and Charity

| | Computer software £ | Total £ |
|--|---------------------------|---------------|
| Cost | | |
| Balance as at 1 April 2022 | 28,387 | 28,387 |
| Additions during the year | - | - |
| Balance at 31 March 2023 | 28,387 | 28,387 |
| Amortisation and impairment | | |
| Balance as at 1 April 2022 | 15,763 | 15,763 |
| Charge for the year | 3,156 | 3,156 |
| Balance at 31 March 2023 | 18,919 | 18,919 |
| Carrying amount as at 31 March 2023 | 9,468 | 9,468 |
| Carrying amount as at 31 March 2022 | 12,624 | 12,624 |

14. Distribution funds - Group and Charity

These are charitable monies given to LCVS, as trustee, to be passed on to charities in accordance with the donors' instructions. Ordinarily LCVS has no power to spend these monies and therefore these balances are not included on the charity or consolidated balance sheets.

| | 2023 £ | 2022 £ |
|-----------------------------------|-----------|-----------|
| Funds held at the end of the year | 954,085 | 755,061 |
| <i>Represented by:</i> | | |
| Funds held by LCVS | 452,000 | 452,000 |
| Bank balance | 382,187 | 282,716 |
| Other debtors | 119,898 | 20,345 |
| | 954,085 | 755,061 |

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

15. Debtors

| | 2023 | | 2022 | |
|------------------------------------|----------------|----------------|------------------|------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Trade debtors | 68,764 | 68,764 | 255,019 | 255,019 |
| Prepayments and accrued income | 50,912 | 50,912 | 242,755 | 242,755 |
| Other debtors | 197,050 | 197,034 | 670,487 | 670,487 |
| United Trusts Intercompany Account | - | 8 | - | 8 |
| | 316,726 | 316,718 | 1,168,261 | 1,168,269 |

Trade debtors are stated net of a provision for doubtful debts of £115,361 (2022: £144,845)

16. Current asset investments - Group and Charity

| | 2023 | 2022 |
|---|------------------|------------------|
| | £ | £ |
| <i>Quoted investments:</i> | | |
| Carrying amount as at 1 April | 1,113,204 | 1,092,769 |
| Additions during the year | - | - |
| Net unrealised gains on investment assets | (74,328) | 20,435 |
| Carrying amount as at 31 March | 1,038,876 | 1,113,204 |
| Historic cost at 31 March | 969,666 | 969,666 |
| At market value: | 1,038,876 | 1,113,204 |
| Share of Settlers' Trust Fund (see note 26) | | |

17. Creditors: amounts falling due within one year

| | 2023 | | 2022 | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | Group | Charity | Group | Charity |
| | £ | £ | £ | £ |
| Bank loan | 100,000 | 100,000 | 100,000 | 100,000 |
| Trade creditors | 25,672 | 25,672 | 526 | 526 |
| Accruals and deferred income | 303,074 | 303,074 | 363,802 | 363,802 |
| Tax and social security costs | 1,649 | 1,649 | 901 | 901 |
| Other creditors | 2,922,849 | 2,905,638 | 3,303,626 | 3,290,923 |
| Intercompany accounts | - | - | - | 6,124 |
| | 3,353,244 | 3,336,033 | 3,768,855 | 3,762,276 |

Amounts due to Trust and Distribution funds held by LCVS for distribution are included in Other creditors £2,453,000 (2022: £2,453,000) and accruals £263,342 (2022: £263,342).

18. Deferred income - Group and Charity

| | 2023 | 2022 |
|--------------------------------------|----------|--------------|
| | £ | £ |
| Carrying amount at beginning of year | 2,000 | - |
| Additional amounts deferred | - | 2,000 |
| Release of deferred income | (2,000) | - |
| Balance at end of year | - | 2,000 |

19. Creditors: amounts falling due after more than one year - Group and Charity

| | 2023 | 2022 |
|-----------|----------------|----------------|
| | £ | £ |
| Bank loan | 497,011 | 593,831 |

A loan facility of £1.7 million was arranged with The Co-operative Bank plc to assist in the acquisition and refurbishment of 151 Dale Street. This has been fully drawn down and capital repayments commenced in the 2012 year end. Interest is calculated at The Co-operative Bank Base Rate plus 1.5%. The security for this loan is a first legal charge over the premises, 151 Dale Street, Liverpool.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

19. Creditors: amounts falling due after more than one year - Group and Charity (continued)

Analysis of debt maturity:

| | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| <i>Amounts payable :</i> | | |
| In one year or less or on demand | 100,000 | 100,000 |
| In more than one year but not more than two years | 100,000 | 100,000 |
| In more than two years but not more than five years | 300,000 | 300,000 |
| In five years or more | 97,011 | 193,831 |
| | 597,011 | 693,831 |

20. Analysis of net assets between funds

2023

| | Programmes related investments | Fixed assets | Net current liabilities | Long term liabilities | Provisions | Total |
|---------------------------|--------------------------------------|------------------|----------------------------|--------------------------|-----------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General fund | 1,599,245 | 1,258,667 | (1,465,211) | (497,011) | (19,236) | 876,454 |
| 151 Dale Street Fund | 6,019,538 | - | - | - | - | 6,019,538 |
| | 7,618,783 | 1,258,667 | (1,465,211) | (497,011) | (19,236) | 6,895,992 |
| Restricted funds | | | | | | |
| Liverpool City Council | - | - | 61,823 | - | - | 61,823 |
| MyClubMoor | - | - | 82,814 | - | - | 82,814 |
| | - | - | 144,637 | - | - | 144,637 |
| Charity total | 7,618,783 | 1,258,667 | (1,320,574) | (497,011) | (19,236) | 7,040,629 |
| UW Giving - unrestricted | - | - | 6,124 | - | - | 6,124 |
| Group total | 7,618,783 | 1,258,667 | (1,314,450) | (497,011) | (19,236) | 7,046,753 |
| Group Unrestricted | 7,618,783 | 1,258,667 | (1,459,087) | (497,011) | (19,236) | 6,902,116 |
| Group Restricted | - | - | 144,637 | - | - | 144,637 |
| | 7,618,783 | 1,258,667 | (1,314,450) | (497,011) | (19,236) | 7,046,753 |

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

20. Analysis of net assets between funds (continued)

2022

| | Programmes related investments | Fixed assets | Net current liabilities | Long term liabilities | Provisions | Total |
|---------------------------|--------------------------------------|------------------|----------------------------|--------------------------|-----------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General fund | 1,599,245 | 1,283,993 | (699,196) | (593,831) | (29,919) | 1,560,292 |
| 151 Dale Street Fund | 6,019,538 | - | - | - | - | 6,019,538 |
| | 7,618,783 | 1,283,993 | (699,196) | (593,831) | (29,919) | 7,579,830 |
| Restricted funds | | | | | | |
| Wirral Council | - | - | 47 | - | - | 47 |
| MAMHS MyClubMoor | - | - | 15,978 | - | - | 15,978 |
| LCVS Community | - | - | 641,607 | - | - | 641,607 |
| <i>Impact programme:</i> | | | | | | - |
| Feeding Liverpool | - | - | 41,964 | - | - | 41,964 |
| VCF Mental Health | - | - | 251,188 | - | - | 251,188 |
| Social Model of Health | | | | | | |
| Administration | - | - | 250,000 | - | - | 250,000 |
| John Moores Foundation | - | - | 7,450 | - | - | 7,450 |
| | - | - | 1,208,234 | - | - | 1,208,234 |
| Charity total | 7,618,783 | 1,283,993 | 509,038 | (593,831) | (29,919) | 8,788,064 |
| UW Giving - unrestricted | - | - | 6,124 | - | - | 6,124 |
| Group total | 7,618,783 | 1,283,993 | 515,162 | (593,831) | (29,919) | 8,794,188 |
| Group Unrestricted | 7,618,783 | 1,283,993 | (693,072) | (593,831) | (29,919) | 7,585,954 |
| Group Restricted | - | - | 1,208,234 | - | - | 1,208,234 |
| | 7,618,783 | 1,283,993 | 515,162 | (593,831) | (29,919) | 8,794,188 |

21. Unrestricted Funds - Group and Charity

The General Fund is used to finance the Charity's general activities as outlined in the Trustees' Report.

Trustees have designated the funds which were originally realised and used to purchase the charity's programme related investment as a separate '151 Dale Street Fund'. This fund is held entirely as a fixed asset. This is intended to recognise the long term nature of such reserves and will be re-visited in later years if more general funds are permanently applied for this purpose.

2023

| | Resources at beginning of year | <u>Movements in the year</u> | | | | Resources at end of year |
|---------------------------|--------------------------------------|------------------------------|--------------------|----------------|-----------------------------|-----------------------------|
| | £ | Income £ | Expenditure £ | Transfers £ | Loss on investments £ | £ |
| Unrestricted funds | | | | | | |
| General fund | 1,560,292 | 1,211,968 | (1,835,370) | 13,892 | (74,328) | 876,454 |
| 151 Dale Street Fund | 6,019,538 | - | - | - | - | 6,019,538 |
| Charity totals | 7,579,830 | 1,211,968 | (1,835,370) | 13,892 | (74,328) | 6,895,992 |
| UW Giving | 6,124 | - | - | - | - | 6,124 |
| Total funds | 7,585,954 | 1,211,968 | (1,835,370) | 13,892 | (74,328) | 6,902,116 |

Transfers: Transfers from restricted funds represent elements of grant attributable to LCVS for administering programmes; transfer to MyClubMoor represents a grant awarded to this programme.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

21. Unrestricted Funds - Group and Charity (continued)

| | <u>Movements in the year</u> | | | | | Resources at end of year £ |
|---------------------------|-------------------------------------|------------------|--------------------|----------------|--------------------------|-------------------------------|
| | Resources at beginning of year £ | Income £ | Expenditure £ | Transfers £ | Gain on investments £ | |
| Unrestricted funds | | | | | | |
| General fund | 1,751,060 | 1,215,254 | (1,507,889) | 81,432 | 20,435 | 1,560,292 |
| 151 Dale Street Fund | 6,019,538 | - | - | - | - | 6,019,538 |
| Charity totals | 7,770,598 | 1,215,254 | (1,507,889) | 81,432 | 20,435 | 7,579,830 |
| UW Giving | 6,124 | - | - | - | - | 6,124 |
| Total funds | 7,776,722 | 1,215,254 | (1,507,889) | 81,432 | 20,435 | 7,585,954 |

Transfers: Transfers from restricted funds represent elements of grant attributable to LCVS for administering programmes; transfer to MyClubMoor represents a grant awarded to this programme.

22. Restricted Funds - Group and Charity

| | <u>Movements in the year</u> | | | | | Resources at end of year £ |
|---------------------------------------|-------------------------------------|----------------|--------------------|-----------------|--------------------------|-------------------------------|
| | Resources at beginning of year £ | Income £ | Expenditure £ | Transfers £ | Gain on investments £ | |
| Liverpool City Council | - | 61,823 | | | | 61,823 |
| Play Partnership/HAF | 641,607 | 54,541 | (730,640) | 34,492 | - | - |
| The Ellie Trust | - | 41,875 | (41,875) | - | - | - |
| AoP Micro grants | - | 7,000 | (7,000) | - | - | - |
| Feeding Liverpool | 41,964 | 63,000 | (104,964) | - | - | - |
| VCF Mental health | 251,188 | - | (211,425) | (39,763) | - | - |
| Wirral Council MAMHS | 47 | - | - | (47) | - | - |
| MyClubMoor | 15,978 | 165,812 | (108,736) | 9,760 | - | 82,814 |
| Social Model of Health Administration | 250,000 | - | (239,116) | (10,884) | - | - |
| John Moores Foundation | 7,450 | - | - | (7,450) | - | - |
| Charity totals | 1,208,234 | 394,051 | (1,443,756) | (13,892) | - | 144,637 |
| UW Giving | - | 148,781 | (148,781) | - | - | - |
| Total funds | 1,208,234 | 542,832 | (1,592,537) | (13,892) | - | 144,637 |

Transfers: Transfers to general fund represent elements of grant attributable to LCVS for administering programmes; transfer to MyClubMoor represents a grant awarded to this programme.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

22. Restricted Funds - Group and Charity (continued)

| 2022 | <u>Movements in the year</u> | | | | | Resources at end of year £ |
|---------------------------------------|-------------------------------------|------------------|--------------------|-----------------|--------------------------|-------------------------------|
| | Resources at beginning of year £ | Income £ | Expenditure £ | Transfers £ | Gain on investments £ | |
| Liverpool City Council CRG | - | 39,459 | (39,459) | - | - | - |
| Liverpool City Council Youth Funding | - | 10,000 | (10,000) | - | - | - |
| <i>Impact Programme:</i> | | | | | | |
| Play Partnership/HAF | (70,000) | 3,865,001 | (3,153,394) | - | - | 641,607 |
| The Ellie Trust | - | 67,330 | (64,330) | (3,000) | - | - |
| AoP Micro grants | - | 12,000 | (12,000) | - | - | - |
| Feeding Liverpool | 25,000 | 88,500 | (71,536) | - | - | 41,964 |
| VCF Mental health | - | 500,000 | (211,425) | (37,387) | - | 251,188 |
| Wirral Council MAMHS | 47 | - | - | - | - | 47 |
| MyClubMoor | 24,430 | 49,315 | (62,767) | 5,000 | - | 15,978 |
| LCC Covid Support | - | 614,383 | (568,338) | (46,045) | - | - |
| Social Model of Health Administration | - | 250,000 | - | - | - | 250,000 |
| John Moores Foundation | - | 10,000 | (2,550) | - | - | 7,450 |
| Charity totals | (20,523) | 5,505,988 | (4,195,799) | (81,432) | - | 1,208,234 |
| UW Giving | - | 112,462 | (112,462) | - | - | - |
| Total funds | (20,523) | 5,618,450 | (4,308,261) | (81,432) | - | 1,208,234 |

Transfers: Transfers to general fund represent elements of grant attributable to LCVS for administering programmes; transfer to MyClubMoor represents a grant awarded to this programme.

Description of Funds

These are monies given to the Charity to be spent at the discretion of the Charity's Board of Trustees for specific charitable purposes, as follows:

a. Liverpool City Council CRG

Funding is received from Liverpool City Council Community Resources Grants team towards the costs of providing capacity building services to Liverpool organisations. Funding for the year was £51,823 (2022: £39,459).

b. Liverpool City Council Youth Funding

Funding received from Liverpool City Council to provide capacity building support services to organisations working with and benefitting young people.

c. LCVS Community Impact Programme: Play Partnership I HAF

Programme to tackle specific areas of local need. Significant funds received via Liverpool City Council to support holiday activities.

d. The Ellie Trust

A grants programme to provide support to domestic abuse organisations

e. AoP Micro Grants

Small grants programme administered on behalf of Citizens Advice Bureau

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

22. Restricted Funds - Group and Charity (continued)

h. Feeding Liverpool

Funds from Liverpool City Council and other sources received on behalf of a newly established project to tackle food insecurity in Liverpool.

j. VCF Mental Health

Grant programme for Voluntary Sector delivery of projects to support mental health and wellbeing to counter the effects of Covid and support people coming out of lockdown

k. Wirral Council MAMHS

Funding received to deliver a grants programme to tackle mens' mental health / suicide programme.

l. MyClubMoor

Funding received from various sources, primarily Local Trust, to LCVS as the Local Trusted Organisation for the MyClubMoor project for running costs and specific projects.

n. Social Model of Health Administration

Social Wellbeing grant programme for groups focusing on CCG priorities around key issues.

o. John Moores Foundation

Contribution to the general activity of the capacity building team.

p. UW Giving distributions

Donations received by the subsidiary company, UW Giving, fully distributed by Charities Aid Foundation (CAF) in accordance with individual donors' direct instructions. From 5th April 2019 only those contributions received directly by the charity are included in these accounts; other contributions are received and distributed directly by CAF with no reference to UW Giving.

23. Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases relating to office equipment for both the company and the group were as follows:

| | 2023 | 2022 |
|---|--------------|--------------|
| | £ | £ |
| Total future minimum lease payments: | | |
| Not later than one year | 1,519 | 1,503 |
| Later than one year and not later than five years | - | - |
| | <u>1,519</u> | <u>1,503</u> |

At 31 March 2023, LCVS was a member of United Trusts and U W Giving. These are companies limited by guarantee and therefore, in the event of insolvent winding up, LCVS would be required to make a nominal guarantee payment in respect of each. The maximum liability would be £2.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

24. Pension Obligations: TPT Retirement Solutions -The Growth Plan

LCVS participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

| | 2023 £ | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|-----------|
| Present value of provision | 19,236 | 30,173 | 134,262 |

Deficit contributions

From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1 April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

| Reconciliation of opening and closing provisions | 2023 £ | 2022 £ |
|--|-----------|-----------|
| Provision at start of period | 30,173 | 134,262 |
| Unwinding of the discount factor (interest expense) | 570 | 774 |
| Deficit contribution paid | (10,993) | (33,976) |
| Remeasurements - impact of change in assumptions | (514) | (694) |
| Remeasurements - amendments to the contribution schedule | - | (70,193) |
| Provision at end of period | 19,236 | 30,173 |

The figure for 2022 has been updated by the pension provider by £254, from £29,919 to £30,173.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

24. Pension Obligations: TPT Retirement Solutions -The Growth Plan (continued)

Income and expenditure impact

| | 2023 | 2022 |
|--|-------|----------|
| | £ | £ |
| Interest expense | 570 | 774 |
| Remeasurements - impact of change in assumptions | (514) | (694) |
| Remeasurements - amendments to the contribution schedule | - | (70,193) |

Assumptions

| | 2023 | 2022 | 2021 |
|------------------|-------------|-------------|-------------|
| | % per annum | % per annum | % per annum |
| Rate of discount | 5.52 | 2.35 | 0.66 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

| | 2023 | 2022 | 2021 |
|--------|--------|--------|--------|
| | £ | £ | £ |
| Year 1 | 10,993 | 10,933 | 32,976 |
| Year 2 | 9,161 | 10,933 | 34,995 |
| Year 3 | - | 9,161 | 36,045 |
| Year 4 | - | - | 30,939 |
| Year 5 | - | - | - |

25. Pooling scheme funds

The Charity administers a pooling scheme fund, the Settlers' Trust Fund, approved by the Charity Commission under the Charities Act 2011 as Common Investment Schemes for funds of which it is Trustee.

At 31 March 2023 the assets of the Settlers' Trust Fund had a total market value of £31,129,999 (2022: £33,341,352) of which £1,038,876 (2022: £1,113,204) is an asset of the Charity. Total income earned on the assets of the Settlers' Trust Fund was £874,740 for the year ended 31 March 2023 (2022: £766,848) of which the Charity's income was £30,453 (2022: £27,892).

26. Personal charitable trusts

The Charity is Trustee of Personal Charitable Trusts which are listed below. These are all registered charities and a separate Annual Report is prepared for each of them.

N. L. Arthurson Fund

John Behrend Fund

Richard Behrend Charitable Trust

Edward Bibby Fund

J.B. Bibby Fund

Leslie Bibby Fund

The Peter Bibby Charitable Trust

Susan Bibby Fund

Henry Birch Fund

Mrs. R.J. Bradley's Charity

Derek & Chris Bunting Foundation

Mrs. M.J. Cunnah's Charity

Dove Charitable Trust

William -Edmonds Fund

Emerald Charitable Trust

Fulton Charitable Trust

The Kelly and Bernard Gadney Fund

A.L. Grant 1s' Charitable (Fund)

Harding Charitable Trust

Miss A.M. Harding Charity

ME. Hawkes Charitable Trust

R.G. Hetherington Fund

Hobhouse Fund

Harvey Hughes Jones Fund

Brian James Fund

B. R. Jardine Charitable Trust

Andrew Jones Charitable Trust

Neil Jones Charitable Trust

Penelope Jones Charitable Trust

Mrs F.M Kaye-Krzczkowski Charitable trust

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

26. Personal charitable trusts (continued)

Fellowship Farm Guest House Trust
David Fryer Charitable Trust
Mrs. E. C. Lanceley's Charity
Macamish Trust
The Claire McKeever Trust
Margaret E. Moss Fund
Adam C.I. Naylor Charitable Trust
R. Christopher Naylor (Harriet) Fund
R. Christopher Naylor (Thomas) Fund
T.P. Naylor Trust
Helen Nilsen Fund
John & Shenagh Norman Charitable Trust
Nutmeg Charitable Trust
Sir Harry Pilkington Fund
Pilkington Jones Charitable Trust Fund
H.J Rawlings Trust
M.J. Ridges Charitable Trust

Kitchen Table Charities Trust
Sansaw and Hardwicke Charitable Fund
Sheba Charitable Trust
Sharpley Charitable Trust
Shone No. 2 Charitable Trust
Standfield Charitable Trust
The Stoddart Charitable Trust
Surrey Square Charitable Trust
Sutcliffe Family Charitable Trust
The Tavener Charitable Trust
Cecil Taylor Family Charitable Trust
Caroline Tod Charitable Trust
Topaz Charitable Trust
Trefula Trust Fund
Whinlatter Fund
Whitlock Blundell Charitable Trust

27. Charitable trusts of which the Charity is co-trustee

The Charity is also a Trustee of the following charitable trusts. In these cases it shares trusteeship with a number of individuals. These are all registered charities and a separate Annual Report is prepared for each of them.

The Anber Fund
The Amelia Chadwick Trust
Sir Andrew Martin Trust for Young People
The Rushworth Trust
The J A Shone Memorial Trust

The David and Ruth Behrend Fund
The David Lewis Association
The Mushroom Fund
The Selwyn Lloyd Charitable Trust
The T.I.F Tod Charitable Trust

28. Other funds

The Charity is also Trustee of a number of small charitable trusts and funds as listed below. A separate Annual Report is prepared for each of these.

Aged Women's Pension Charity
Robert Davies Trust
Liverpool Dispensaries Fund

Robert Orr Crichton Memorial Fund
Liverpool Auxiliary Pension Fund

29. Related parties

The remuneration paid to the senior management team, who are considered to be the key management personnel for the group was £134,668 (2022: £129,421).

LCVS is a corporate trustee of the charitable trusts listed in notes 26 to 28 and provides administration services on an arms-length basis to these trusts. At 31 March 2023, LCVS held £2,001,000 (2022: £2,001,000) as an other creditor on the balance sheet representing undistributed income on these trusts. The nature of LCVS's activities is such that it undertakes many operational activities, e.g. room hire, training courses, memberships, etc. with other local charity and voluntary organisations, with which it is possible that some LCVS trustees have connections. However, such connections have no effect on these transactions and the relationship with any LCVS trustee is unlikely to be known to either party involved in arranging such transactions.

There is a balance owing from United Trusts of £8 (2022: £8) and an amount owing to UW Giving of £6,124 (2022: £6,124); both entities are subsidiaries of LCVS. During the year an amount of £8,614 (2022: £31,450) was distributed by UW Giving carrying with it the restrictions placed on it by the original donor; LCVS will distribute the funds at a later date in accordance with the donor's wishes.

Liverpool Charity and Voluntary Services

Notes to the financial statements (continued)

30. Custodian Trusteeship

At the year-end the Charity acted as Custodian Trustee of assets of the following local charities. This property includes investments, land and buildings. These assets are segregated from the Charity's own.

Investments:

T.I.F Tod Charitable Trust

Land & buildings:

Organisation

Ironbridge Youth Centre

RSPCA

Wallasey Age Concern

Asset

127 Beresford Rd, Liverpool 8

Cross Lane, Wallasey

55 & 57 Seabank Road, Wallasey

31. Reconciliation from net income to cash from operations

| | 2023 £ | 2022 £ |
|--|--------------------|------------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (1,747,435) | 1,037,989 |
| Adjustments for: | | |
| Depreciation | 41,217 | 36,487 |
| Amortisation | 3,156 | 3,022 |
| (Gains)/losses on investments | 74,328 | (20,435) |
| Dividends and interest from investments | (30,453) | (27,892) |
| Decrease/(increase) in pension provision | (10,683) | (100,660) |
| | <u>77,565</u> | <u>(109,478)</u> |
| (Increase)/decrease in debtors | 851,535 | (396,998) |
| Increase/(decrease) in creditors | (415,611) | 399,986 |
| | <u>435,924</u> | <u>2,988</u> |
| Net cash provided by (used in) operating activities | (1,233,946) | 931,499 |

Reconciliation of net debt

| | Balances at beginning of year £ | Cashflows £ | Balances at end of year £ |
|--|--|--------------------|---------------------------------|
| Cash at bank and in hand | 2,002,552 | (1,319,360) | 683,192 |
| Loans falling due within one year | (100,000) | - | (100,000) |
| Loans falling due after more than one year | (593,831) | 96,820 | (497,011) |
| Total | 1,308,721 | (1,222,540) | 86,181 |

