



# Archdiocese of Liverpool

## Summarised Annual Report 2017



Service is at the heart of the Gospel message and in order to ensure that the archdiocese, as a registered charity, fully serves the Catholic community in our region we have to pay due attention to practical and financial matters and ensure that our buildings and other assets continue to help us to serve the spiritual needs of our community.

This simplified version of the annual report of the archdiocese outlines the ways in which this service in our churches, schools and parish communities is lived out. It outlines some of the initiatives taking place and the ways in which we lay the foundations for the future.

I would like to thank all those involved in the preparation of this report and all in the archdiocese who work daily in practical ways to serve the needs of our Catholic community.

+ *Malcolm K' Mahon OP*

Archbishop of Liverpool

### In the archdiocese there are:

Around 200 places of worship  
184 primary schools  
27 secondary schools  
7 academies  
2 sixth form colleges  
83,152 children attending our catholic schools  
61 parish centres  
127 active archdiocesan priests  
53 retired archdiocesan priests  
98 permanent deacons  
403 employees

### Some key figures

	2017	2016
<b>INCOME</b>	£M	£M
Offeratories	5.92	5.85
Investments	5.43	5.04
Parish fundraising	0.28	0.24
Legacies	0.85	0.61
<b>EXPENDITURE</b>		
Parish repairs	4.80	3.21
Parish energy	1.13	1.06
Parish employment	1.08	1.16
Cathedral running costs	0.86	0.83
School building projects	0.73	1.12
Retired clergy	0.64	0.76
<b>Weekly Mass</b>	<b>2017</b>	<b>2016</b>
attendance	41,587	43,497
Weekly offertory	£2.74	£2.59
per person		



Above: Internal redecoration, All Saints, Anfield

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the archdiocese.

For further information, the full annual accounts, the auditor's report on those accounts and the trustees' annual report should be consulted; copies of these may be obtained from [www.liverpoolcatholic.org.uk/accounts](http://www.liverpoolcatholic.org.uk/accounts). This document was approved by the trustees, signed by the auditor on 25 October 2018 and submitted to the Charity Commission.

### Trustee Corporation

Liverpool Roman Catholic Archdiocesan Trustees Incorporated

### Trustees of the Trust Corporation

Most Rev M McMahon OP  
Rt Rev T Williams  
Rt Rev V Malone  
Rev Canon S Maloney  
Rev Canon T Neylon  
Rev Canon A O'Brien  
Rev P Gregory  
Rev P Inch  
Rev S Kirwin  
Rev M Nunes  
Rev M O'Dowd  
Rev G Timney OSB  
Miss J C Chapman  
Mr J Cowdall

### Episcopal Vicar for Finance and Development

Rev S Kirwin

### Chief Operating Officer

Mr M Miller

### Principal Address

LACE  
Croxteth Drive  
Liverpool L17 1AA

### Investment Managers

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

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

### Auditor

BDO LLP  
5 Temple Square  
Temple Street  
Liverpool L2 5RH

### Bankers

HSBC Bank PLC  
99 - 101 Lord Street  
Liverpool L2 6PG

[www.liverpoolcatholic.org.uk](http://www.liverpoolcatholic.org.uk)

For financial reporting purposes, the archdiocese is split into two main categories, the parochial and curial sections. Each section has three sub-categories being unrestricted, designated, and restricted and these are further explained below.

**Parochial** includes the aggregated performance of the parishes, the assessment fund and expenditure on archdiocesan school building projects.

**Curial** includes the central administrative function, the cathedral, subsidiaries and various other funds including priests' training and retirement funds.

**Unrestricted funds** are funds which are available for use at the discretion of the trustees in furtherance of the objects of the archdiocese and which have not been designated for any other purpose.

**Designated funds** are unrestricted funds that have been set aside by the trustees for specific purposes.

**Restricted funds** are funds that are used in accordance with specific restrictions imposed by donors or that have been raised for particular purposes.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017	Parochial Unrestricted Funds £000s	Parochial Designated Funds £000s	Parochial Restricted Funds £000s	Curial Unrestricted Funds £000s	Curial Designated Funds £000s	Curial Restricted Funds £000s	TOTAL 2017 £000s	TOTAL 2016 £000s
<b>INCOME FROM</b>								
Donations and legacies	10,080	519	1,635	261	290	369	13,154	12,395
Fundraising	282	-	-	12,504	-	-	12,786	12,641
Investment income	1,707	258	5	439	2,888	132	5,429	5,038
Charitable activities	186	-	-	296	973	-	1,455	1,416
Net gains /(losses) on disposal of assets	882	-	-	-	(1)	-	881	910
<b>TOTAL INCOME</b>	<b>13,137</b>	<b>777</b>	<b>1,640</b>	<b>13,500</b>	<b>4,150</b>	<b>501</b>	<b>33,705</b>	<b>32,400</b>
<b>EXPENDITURE ON</b>								
Raising Funds	(174)	(26)	(1)	(12,349)	(254)	(15)	(12,819)	(13,024)
Charitable activities	(13,203)	(726)	(1,096)	(1,407)	(4,723)	(467)	(21,622)	(20,456)
<b>TOTAL RESOURCES EXPENDED</b>	<b>(13,377)</b>	<b>(752)</b>	<b>(1,097)</b>	<b>(13,756)</b>	<b>(4,977)</b>	<b>(482)</b>	<b>(34,441)</b>	<b>(33,480)</b>
<b>Net gains on investments</b>	<b>4,038</b>	<b>774</b>	<b>29</b>	<b>464</b>	<b>3,771</b>	<b>423</b>	<b>9,499</b>	<b>16,417</b>
<b>NET INCOME</b>	<b>3,798</b>	<b>799</b>	<b>572</b>	<b>208</b>	<b>2,944</b>	<b>442</b>	<b>8,763</b>	<b>15,337</b>
Gross transfers between funds	(905)	229	(300)	208	725	43	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>2,893</b>	<b>1,028</b>	<b>272</b>	<b>416</b>	<b>3,669</b>	<b>485</b>	<b>8,763</b>	<b>15,337</b>
Fund balances at 1 January 2017	77,953	1,265	2,407	10,562	81,018	14,631	187,836	172,499
<b>FUND BALANCES AT 31 DECEMBER 2017</b>	<b>80,846</b>	<b>2,293</b>	<b>2,679</b>	<b>10,978</b>	<b>84,687</b>	<b>15,116</b>	<b>196,599</b>	<b>187,836</b>

## INCOMING RESOURCES

Parishioners continue to generously support their parishes. Offertory income increased to £5.92M (2016: £5.85M) and represents an increase in weekly giving per person to £2.74 (2016: £2.59) although mass attendance fell from 2016. Parishes benefitted from responsible giving campaigns where sustained increases in giving are experienced and the Gift Aid Small Donation Scheme enables parishes to recover up to an additional £2,000 per annum for those who complied with the scheme requirements.

Parishioners' responses to appeals and special collections remain generous with £1.63M received in 2017 (2016: £1.57M) with external charities such as CAFOD benefiting in addition to archdiocesan collections for purposes such as the Priests' Training Fund.

The value of legacies received by the archdiocese was £0.85M in 2017 (2016: £0.61M). Individual parishes and funds such as The Priests' Training Fund, LAMP and the George Andrew Fund for sick and retired priests continue to benefit from the generosity of parishioners through bequests.

Fundraising activities totalled £12.79M (2016: £12.64M), including parish fundraising and those of subsidiary companies. People from many different backgrounds come into contact with the archdiocese through events held in the Conference Centre at LACE. Parish centres employ around 400 people and continue to be valuable resources to parishes and the activities of the subsidiaries in building projects ensure that projects are managed in a cost-efficient manner to the benefit of the Cathedral, parishes and schools.

Investment income, comprising dividends, interest and rentals, generated £5.43M (2016: £5.04M).

Income from charitable activities of the archdiocese generated £1.46M (2016: £1.42M) and includes the activities of the Christian Education, Pastoral Formation and Schools departments.

## RESOURCES EXPENDED

Total resources expended increased from £33.48M in 2016 to £34.44M in 2017. Expenditure on direct charitable activities was £21.62M (2016: £20.46M) with costs categorised within four main areas of activity.

Pastoral work in parishes and by central departments such as Pastoral Formation, accounted for expenditure of £7.62M (2016: £7.91M). In addition to the administrative costs of running parishes, £1.10M of proceeds on special collections was paid to external charities and another £0.96M incurred by parishes on liturgical activities.

£7.79M (2016: £6.22M) was expended on parish property including £4.80M (2016: £3.21M) on repairs & maintenance. Although similar numbers of parish projects are approved annually, the timing of projects has contributed to a higher level of repair expenditure being incurred in 2017. The expenditure on the maintenance and repair programme ensures that churches and halls are open to the whole community which benefits not only spiritually but also practically from the provision of pastoral care and many other services.

The School Projects Fund of the archdiocese engaged in building projects costing £11.53M, funded with government grants and matched by contributions from parishioners and parents of children attending archdiocesan schools. £2.18M (2016: £2.38M) was incurred on contributions to building projects and the operations of the Schools and Christian Education Departments.

Clergy costs of £3.07M (2016: £3.03M) were incurred and include £1.66M (2016: £1.65M) in respect of parish clergy with £0.27M (2016: £0.28M) and £0.64M (2016: £0.76M) incurred centrally through the Priests' Training and priests' sickness and retirement funds respectively.

Costs of raising funds, including subsidiary activities, investment managers fees and parish fundraising activities was £12.82M (2016: £13.02M).

Transfers include items such as parish contributions to retirement and school project funds. Subsidiaries made gift aid donations of £0.70M in 2017 (2016: £0.40M).

## FIXED ASSETS

Tangible fixed assets are included at cost and depreciated over their expected useful lives. Listed properties and other functional church properties are depreciated over 100 years and 50 years respectively.

School properties are valued at £nil. No meaningful value can be attributed to these assets since they are not used directly by the archdiocese, do not generate income, and cannot be disposed of while still occupied.

A number of buildings have been retained as investment properties to generate a rental income for individual parishes. Also included are a number of sites that have been cleared or are in the process of being cleared with the objective of being marketed for sale. Cyclical valuations are undertaken and the revaluations created an unrealised gain of £0.66M (2016: £5.02M).

## INVESTMENTS

Investments held by the archdiocese, managed within the parameters of an ethical investment policy, amounted to £126.47M with an unrealised gain of £8.84M reported in 2017 (2016: £11.40M).

## NET CURRENT ASSETS

Net current assets were £12.68M (2016: £10.49M) and represent the working capital of the archdiocese used to finance the day-to-day activities of all the parishes, parish centres, school building projects and central operations.

## RESERVES

Total reserves at December 2017 amounted to £196.60M (2016: £187.84M). An analysis of designated and restricted funds can be found on page 4. Unrestricted funds are available for use at the discretion of the trustees. Parochial unrestricted funds were £80.85M at December 2017 (2016: £77.96M) and curial unrestricted funds were £10.98M (2016: £10.56M).

Freely available reserves amounted to 44 months' expenditure at December 2017 (2016: 42 months) with working capital of 5 months expenditure. Unrealised gains and investment property revaluations have contributed to the increased level of reserves.

While aiming to maintain working capital of between 4 and 6 months, the trustees consider that reserves equating to 36 months' expenditure are sufficient to enable the charity to fulfil all of its obligations and commitments.



Above: Reinstatement works following a fire, Our Lady Help of Christians, Portico

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

We have examined the summary financial statement for the year ended 31 December 2017.

### Respective responsibilities of trustees and auditor

The trustees are responsible for preparing the summarised annual report in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full annual financial statements, Strategic Report and the Trustees' Report.

We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Our report has been prepared pursuant to the requirements of the Charities SORP and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the terms of our engagement letter dated 9 January 2017 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 'The auditors' statement on summary financial statement in the United Kingdom' issued by the Financial Reporting Council. Our report on the charity's full annual financial statements describes the basis of our opinion on those financial statements and on the Trustees' Report.

### Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements and the Trustees' Report of Liverpool Roman Catholic Archdiocesan Trust charity for the year ended 31 December 2017.

BDO LLP, Statutory Auditor, Liverpool, UK 25 October 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

BALANCE SHEET AT 31 DECEMBER 2017	Parochial 2017 £000s	Curial 2017 £000s	Total 2017 £000s	Parochial 2016 £000s	Curial 2016 £000s	Total 2016 £000s
<b>FIXED ASSETS</b>						
<b>Tangible assets</b>						
- investment properties	13,999	10,352	24,351	14,951	10,399	25,350
- other	13,204	19,944	33,148	13,779	20,448	34,227
	27,203	30,296	57,499	28,730	30,847	59,577
<b>Investments</b>	53,051	73,416	126,467	48,978	68,834	117,812
<b>Total Fixed Assets</b>	<b>80,254</b>	<b>103,712</b>	<b>183,966</b>	<b>77,708</b>	<b>99,681</b>	<b>177,389</b>
<b>CURRENT ASSETS</b>						
<b>Stock</b>	-	354	354	-	363	363
<b>Debtors</b>	2,079	2,544	4,623	2,732	1,634	4,366
<b>Balance at bank</b>	7,589	11,369	18,958	8,533	7,493	16,026
<b>CREDITORS</b>						
- amounts falling due within one year	(6,948)	(4,311)	(11,259)	(6,674)	(3,592)	(10,266)
<b>Parish/Curial balances</b>	2,844	(2,844)	-	(674)	674	-
<b>NET CURRENT ASSETS</b>	<b>5,564</b>	<b>7,112</b>	<b>12,676</b>	<b>3,917</b>	<b>6,572</b>	<b>10,489</b>
<b>Provision for deferred taxation</b>	-	(43)	(43)	-	(42)	(42)
<b>NET ASSETS</b>	<b>85,818</b>	<b>110,781</b>	<b>196,599</b>	<b>81,625</b>	<b>106,211</b>	<b>187,836</b>
<b>ACCUMULATED FUNDS</b>						
Restricted funds	2,679	15,116	17,795	2,407	14,631	17,038
Unrestricted funds						
- designated	2,293	84,687	86,980	1,265	81,018	82,283
- general	80,846	10,978	91,824	77,953	10,562	88,515
<b>TOTAL</b>	<b>85,818</b>	<b>110,781</b>	<b>196,599</b>	<b>81,625</b>	<b>106,211</b>	<b>187,836</b>

Part of the reserves of the archdiocese have been designated by the trustees or restricted by the donors for a particular purpose. The notes below provide further details on the make-up of the designated and restricted funds.

RESTRICTED FUNDS	2017 £000s	2016 £000s
<b>Parochial</b>		
Foundation Mass capital	443	410
Other charitable collections	2,236	1,997
<b>Curial</b>		
Priests' Training Fund	3,235	3,094
Cathedral building projects	7,479	7,208
Cathedral other	906	858
LAMP	1,351	1,368
Other charitable collections	1,927	1,829
Capital grants	218	274

#### Purpose of funds

**Foundation Mass capital** - To provide for the future celebration of memorial Masses.

**Priests' Training Fund** - Education of students for the priesthood and continuing clergy formation.

**Cathedral building projects** - English Heritage, European objective 1 and regional development grants that have been invested in the cathedral roof, ceremonial steps and crypt developments.

**Cathedral other** - Golden Book, Foundation Mass capital and other donations made for specific cathedral projects.

**LAMP** - Liverpool Archdiocesan Missionary Project, to meet the costs of archdiocesan priests in their ministry in Latin America.

**Capital grants** - English Sports Council grants received to fund construction of Cardinal Heenan Sports Centre.

#### DESIGNATED FUNDS

	2017 £000s	2016 £000s
<b>Parochial</b>		
School capital and repairs	1,623	620
Other funds	670	645
<b>Curial</b>		
Central funds	50,155	48,379
George Andrew Retirement Fund	7,421	6,761
2021 Fund	7,821	7,191
Cathedral Roof Appeal Fund	7,256	7,056
Cathedral other	5,534	5,153
Sabbatical fund	2,134	2,028
Listed building fund	2,171	2,083
Parish reorganisation	1,300	1,300
Other designated funds	895	1,067

#### Purpose of funds

**School capital and repairs** - Funds raised by levies on parishes and schools to support school building and refurbishment projects.

**Central funds** - To support the archdiocesan central administration.

**George Andrew Retirement and 2021 funds** - For priests in retirement.

**Cathedral Roof Appeal Fund** - Donations and investment income that funded the major repairs to the cathedral.

**Cathedral** - To provide for day-to-day cathedral activities.

**Sabbatical fund** - To provide for the costs of priests in sabbatical years.

**Listed building fund** - For the preservation of listed buildings.

**Parish reorganisation** - To cover costs arising from the reorganisation of inner-city parishes.



Left:  
A New  
Cathedral  
1960  
exhibition

Right:  
Pentecost  
2017,  
Cathedral  
Golden  
Jubilee



#### FUTURE DEVELOPMENTS AND COMMITMENTS

With an ageing profile of Mass-going and active parishioners and a relative shortage of new priestly vocations it is anticipated that by 2025 there may be 30 fewer active archdiocesan priests.

As part of the implementation of the recent 'Leaving Safe Harbours' initiative, parishes were grouped into 20 pastoral areas for planning purposes and parishes then developed sacramental and pastoral provision, with local reviews of resources, buildings and finances. Development proposals also included the repair, refurbishment or closure of churches within a pastoral area, but outside any strategic review process, diocesan decisions may from time to time continue to be taken on the continuing use of churches as places of worship, following local consultation.

Wider consultation will continue to be necessary that both recognises the collective achievements in mission and in spreading the Good News of the mercy of a loving God, whilst facing the realities of faith-filled living in the short and longer term. Pastoral areas have been asked to revisit their approved development plans and consider the wider needs of the whole archdiocese as well as their own area. In addition, during the next three years, focused prayer, reflection and discussion meetings will build up towards a archdiocese-wide gathering of the People of God in the proposed archdiocesan synod, in the autumn of 2020.

Reflecting Pope Benedict's call for a new mentality towards the laity, the trustees have approved a pilot scheme to recruit and train a team of full-time lay pastoral associates to work with parish communities in various locations across the archdiocese from January 2019. It is hoped that these recruits will play a significant role in the life of the archdiocese.

Investment in education will continue to focus on maintaining and improving building condition and archdiocese will continue to work closely and productively with local authorities to ensure that there continues to be sufficient places across the archdiocese to meet overall Catholic demand.

Other capital developments in the coming year are likely to include the commencement of procurement for a new building at St Cuthbert's Primary School, Liverpool, along with the completion of a single siting project at St Anne's Primary School, Leyland, and progress on the work to move St Gabriel's primary school, Higher Folds, on to a single site. Work to expand Holy Cross High School, Chorley, will complete and the forthcoming year will also herald the commencement of significant capital investment into St Gregory's High School, Warrington.

The administrative and centrally coordinated pastoral functions of the archdiocese are funded from the central reserves. These funds are particularly dependent on income generated from cash management and investments. Although medium-term projections of interest rates remain low, the level of central reserves increased during the year and is in excess of the reserves policy for the archdiocese as a whole.

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

## WAYS YOU CAN CONTRIBUTE

- 1 Increase your regular donations
- 2 Complete a Gift Aid declaration if a UK tax payer
- 3 Remember the church in your will
- 4 Donate by a planned giving envelope or standing order