



# Archdiocese of Liverpool

## Summarised Annual Report 2016



To ensure that we continue to serve the spiritual needs of the people of the archdiocese we must have a firm foundation in practical and financial matters. Our buildings and other assets help us to turn hearts and minds to God and it is our duty to make sure that they are correctly used, not only for ourselves but also for the Catholic community of the future.

This simplified version of the annual report of the archdiocese outlines the ways in which we do this and some of the many initiatives taking place in our churches, schools and parish communities.

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 in order that our spiritual needs may be met.

+ *Malcolm McMahon 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  
 82,467 children attending our catholic schools  
 141 active archdiocesan priests  
 56 retired archdiocesan priests  
 99 permanent deacons  
 422 employees

### Some key figures

	2016	2015
<b>INCOME</b>	£M	£M
Offeratories	5.85	6.00
Investments	5.04	5.11
Parish fundraising	0.24	0.32
Legacies	0.61	0.70
<b>EXPENDITURE</b>		
Parish repairs	3.21	4.32
Parish energy	1.06	1.25
Parish employment	1.17	1.04
Cathedral running costs	0.83	0.79
School building projects	1.12	0.80
Retired clergy	0.76	0.76
<b>Weekly Mass</b>	<b>2016</b>	<b>2015</b>
attendance	43,497	47,957
Weekly offertory per person	£2.59	£2.41



Above: Relighting scheme at St Monica's, Bootle

### 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 T Neylon  
 Rev Canon A O'Brien  
 Rev P Gregory  
 Rev P Inch  
 Rev S Kirwin  
 Rev S Maloney  
 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

### 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

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 19 October 2017 and submitted to the Charity Commission.

[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 2016	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 2016 £000s	TOTAL 2015 £000s
<b>INCOME FROM</b>								
Donations and legacies	9,748	440	1,569	248	3	387	12,395	12,280
Fundraising	239	-	-	12,402	-	-	12,641	17,157
Investment income	1,561	234	7	426	2,692	118	5,038	5,106
Charitable activities	209	-	-	284	923	-	1,416	1,327
Net gains on disposal of assets	891	-	-	-	19	-	910	(126)
<b>TOTAL INCOME</b>	<b>12,648</b>	<b>674</b>	<b>1,576</b>	<b>13,360</b>	<b>3,637</b>	<b>505</b>	<b>32,400</b>	<b>35,744</b>
<b>EXPENDITURE ON</b>								
Raising Funds	(160)	(32)	(1)	(12,515)	(299)	(17)	(13,024)	(17,485)
Charitable activities	(11,739)	(1,122)	(1,107)	(1,270)	(4,762)	(456)	(20,456)	(20,840)
<b>TOTAL RESOURCES EXPENDED</b>	<b>(11,899)</b>	<b>(1,154)</b>	<b>(1,108)</b>	<b>(13,785)</b>	<b>(5,061)</b>	<b>(473)</b>	<b>(33,480)</b>	<b>(38,325)</b>
<b>Net gains/(losses) on investments</b>	6,027	1,003	37	1,823	6,980	547	16,417	3,828
<b>NET INCOME/(EXPENDITURE)</b>	<b>6,776</b>	<b>523</b>	<b>505</b>	<b>1,398</b>	<b>5,556</b>	<b>579</b>	<b>15,337</b>	<b>1,247</b>
Gross transfers between funds	(898)	301	(426)	129	834	60	-	-
<b>NET MOVEMENT IN FUNDS</b>	<b>5,878</b>	<b>824</b>	<b>79</b>	<b>1,527</b>	<b>6,390</b>	<b>639</b>	<b>15,337</b>	<b>1,247</b>
Fund balances at 1 January 2016	72,075	441	2,328	9,035	74,628	13,992	172,499	171,252
<b>FUND BALANCES AT 31 DECEMBER 2016</b>	<b>77,953</b>	<b>1,265</b>	<b>2,407</b>	<b>10,562</b>	<b>81,018</b>	<b>14,631</b>	<b>187,836</b>	<b>172,499</b>

## INCOMING RESOURCES

Parishioners continue to generously support their parishes. Offertory income fell to £5.85M (2015: £6.00M) but reflected an increase in weekly giving per person to £2.59 (2015: £2.41) as mass attendance continues to decline. 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 £1.57M received in 2016 (2015: £1.64M) with external charities such as CAFOD benefiting in addition to archdiocesan collections for purposes such as LAMP and the Priests' Training Fund.

The value of legacies received by the archdiocese was £0.61M in 2016 (2015: £0.70M). The Priests' Training Fund, LAMP and the George Andrew Fund for sick and retired priests continue to benefit from the generosity of parishioners through collection income and bequests.

Activities for generating funds totalled £12.64M (2015: £17.16M), 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 continue to be valuable resources to parishes and the activities of subsidiaries in building projects ensure that projects are managed in a cost-efficient manner to the benefit of parishes and schools. The reduction in income which was matched by a reduction in associated expenditure reflects a change in operation of one of the subsidiary companies and the archdiocese will benefit from increased efficiencies as a result.

Investment income, comprising dividends, interest and rentals, generated £5.04M (2015: £5.11M).

Income from charitable activities of the archdiocese generated £1.42M (2015: £1.33M) and includes the activities of the Christian Education, Pastoral Formation and Schools departments.

## RESOURCES EXPENDED

Total resources expended reduced from £38.33M in 2015 to £33.48M in 2016. Expenditure on direct charitable activities was £20.45M (2015: £20.84M) 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 £7.91M (2015: £7.71M). In addition to the administrative costs of running parishes, £1.11M of proceeds on special collections was paid to external charities and another £0.94M incurred by parishes on liturgical activities.

£6.22M (2015: £7.53M) was expended on parish property including £3.21M (2015: £4.32M) on repairs & maintenance. This continues to reflect the control exercised through the Financial Advisory Committee and the efforts of the archdiocesan surveyors. 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.

Through the School Projects Fund, the archdiocese engaged in building projects costing £12.84M, funded with government grants and matched by contributions from parishioners and parents of children attending archdiocesan schools. £2.38M (2015: £2.04M) was incurred on contributions to building projects and the operations of the Schools and Christian Education Departments.

Clergy costs of £3.03M (2015: £2.87M) were incurred and include £1.65M (2015: £1.60M) in respect of parish clergy with £0.27M (2015: £0.24M) and £0.76M (2015: £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 £13.02M (2015: £17.49M).

Transfers include items such as parish contributions to retirement and school project funds. Subsidiaries made gift aid donations of £0.40M in 2015 (2015: £0.23M).

## 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 £5.02M (2015: £2.08M).

## INVESTMENTS

Investments held by the archdiocese, managed within the parameters of an ethical investment policy, amounted to £117.81M with an unrealised gain of £11.40M reported in 2016 (2015: £1.75M gain).

## NET CURRENT ASSETS

Net current assets amounted to £10.48M at 2016 compared to £10.04M at 2015. These amounts represent the working capital of the archdiocese and are used to finance the day-to-day activities of all the parishes, parish centres, school building projects and central operations.

## RESERVES

The total reserves held at December 2016 amounted to £187.83M (2015: £172.50M). 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 £77.96M at December 2016 (2015: £72.08M) and curial unrestricted funds were £10.56M (2015: £9.04M).

The significant performance of investments in 2016 has contributed to an increase in the level of freely available reserves to 42 months' expenditure (2015: 33 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: LAMP priest Fr Denis Parry celebrating mass outdoors with his parishioners next to their new church which is under construction in the background

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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 2016.

### 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 19 October 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 2016.

BDO LLP, Statutory Auditor, Liverpool, UK 20 October 2017

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

BALANCE SHEET AT 31 DECEMBER 2016	Parochial 2016 £000s	Curial 2016 £000s	Total 2016 £000s	Parochial 2015 £000s	Curial 2015 £000s	Total 2015 £000s
<b>FIXED ASSETS</b>						
<b>Tangible assets</b>						
- investment properties	14,951	10,399	25,350	13,732	8,217	21,949
- other	13,779	20,448	34,227	14,435	20,461	34,896
	<b>28,730</b>	<b>30,847</b>	<b>59,577</b>	<b>28,167</b>	<b>28,678</b>	<b>56,845</b>
<b>Investments</b>	48,978	68,834	117,812	43,508	62,104	105,612
<b>Total Fixed Assets</b>	<b>77,708</b>	<b>99,681</b>	<b>177,389</b>	<b>71,675</b>	<b>90,782</b>	<b>162,457</b>
<b>CURRENT ASSETS</b>						
<b>Stock</b>	-	363	363	-	496	496
<b>Debtors</b>	2,732	1,634	4,366	2,062	3,435	5,497
<b>Balance at bank</b>	8,533	7,493	16,026	11,115	4,972	16,087
<b>CREDITORS</b>						
- amounts falling due within one year	(6,674)	(3,634)	(10,308)	(6,486)	(5,552)	(12,038)
<b>Parish/Curial balances</b>	(674)	674	-	(3,522)	3,522	-
<b>NET CURRENT ASSETS</b>	<b>3,917</b>	<b>6,530</b>	<b>10,447</b>	<b>3,169</b>	<b>6,873</b>	<b>10,042</b>
<b>NET ASSETS</b>	<b>81,625</b>	<b>106,211</b>	<b>187,836</b>	<b>74,844</b>	<b>97,655</b>	<b>172,499</b>
<b>ACCUMULATED FUNDS</b>						
Restricted funds	2,407	14,631	17,038	2,328	13,992	16,320
Unrestricted funds						
- designated	1,265	81,018	82,283	441	74,628	75,069
- general	77,953	10,562	88,515	72,075	9,035	81,110
<b>TOTAL</b>	<b>81,625</b>	<b>106,211</b>	<b>187,836</b>	<b>74,844</b>	<b>97,655</b>	<b>172,499</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	2016 £000s	2015 £000s
<b>Parochial</b>		
Foundation Mass capital	410	363
Other charitable collections	1,997	1,965
<b>Curial</b>		
Priests' Training Fund	3,094	2,934
Cathedral building projects	7,208	6,886
Cathedral other	858	799
LAMP	1,368	1,285
Other charitable collections	1,829	1,758
Capital grants	274	330

#### 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

	2016 £000s	2015 £000s
<b>Parochial</b>		
School capital and repairs	620	(164)
Other funds	645	605
<b>Curial</b>		
Central funds	48,379	44,370
George Andrew Retirement Fund	6,761	6,196
2021 Fund	7,191	6,453
Cathedral Roof Appeal Fund	7,056	6,855
Cathedral other	5,153	4,666
Sabbatical fund	2,028	1,869
Listed building fund	2,083	1,959
Parish reorganisation	1,300	1,300
Other designated funds	1,052	945

#### 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: World Youth Day, Krakow 2016



Right: Holy Saturday Walk of Witness

#### 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 21 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.

During 2017 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 summer of 2020.

Capital investment in schools and colleges will continue to focus on maintaining and improving building condition and Schools Department officers will continue to work closely and productively with local authority colleagues to ensure that there continues to be sufficient places across the

archdiocese to meet overall Catholic demand. Demand remains very high for places in archdiocesan schools.

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