

Archdiocese of Liverpool

Summarised Annual Report 2008



Archbishop Kelly writes

I am always a bit suspicious when a charity makes claims about how big a percentage of donations goes directly to those whom it set up to serve. It is as if other expenditure is not worthy of support. I realise more and more how important for all of us is what some might dismiss as the bureaucratic side of the life of our diocese. But in order to set us free to worship without fear, to ensure that all our comings together are such as to keep us from all harm, to reduce burdens about maintenance, building problems, observance of the wise rules that keep our charity accountable, focussed, wise for today and tomorrow, we need those expert in law, finance, personnel issues, school governance, health and safety requirements, accessibility for all.

We can all be grateful to the team who make it possible for this report to be prepared, checked, audited and published.

There is a strong network of support especially as in the journey "Leaving Safe Harbours" difficult decisions are faced and priests and people seek to respond effectively and prudently to new situations.

For generosity in time, expertise, money, God will reward.

+ Patrick Kelly

KEY INFORMATION

	2008	2007
	£m	£m
Total Incoming Resources	50.18	48.93
Offertory Income	6.18	6.34
Parish Brewery Commission	2.05	2.04
Parish Fundraising Income	0.40	0.40
Tax reclaimed by Gift Aid	0.88	0.84
Legacies received	1.58	1.44
Total Resources Expended	51.07	47.78
Parish Property costs	5.41	2.97
Parish Personnel costs	2.43	2.69
Net (outgoing)/ Incoming Resources	(0.89)	1.14
Mass attendance	61,527	64,100
Offertory Collection Per person per week	£1.93	£1.90

In the Archdiocese there are -

Over 200 parishes
189 primary Schools
36 Secondary Schools
2 Sixth Form Colleges
84 Parish Centres
170 Active diocesan priests
13 Priests working in other dioceses
77 Retired Priests
107 Permanent Deacons
636 Full Time Equivalent Employees
As at November 2009

Corporate Trustee

Liverpool Roman Catholic Archdiocesan Trustees Incorporated

Trustees of the Corporate Trustee

Most Rev P Kelly (Chairman)
Rt Rev V Malone
Rt Rev T Williams
Rev Mgr J Butchard
Rev Mgr J Furnival
Rev Canon J Kelly
Rev Canon T Neylon
Rev Canon A O'Brien
Rev P Inch
Rev S Kirwin
Rev J McLoughlin
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

Auditors

PKF (UK) LLP
5 Temple Square
Temple Street
Liverpool L2 5RH

Bankers

HSBC Bank PLC
4 Dale Street
Liverpool L69 2BZ

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 unqualified auditors' report on those accounts and the trustees' annual report should be consulted; copies of these may be obtained from www.liverpoolcatholic.org.uk.

The full annual accounts which were approved by the Trustees on 22nd October 2009, have been audited, signed by the auditors on 28th October 2009 and a copy submitted to the Charity Commissioners.

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 are further explained below.

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

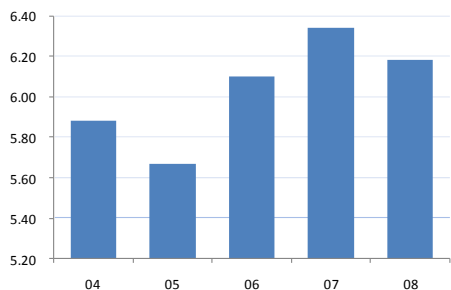
Curial includes the central administrative function, the Cathedral, subsidiaries and various other funds including priests training and retirement funds.

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.

Parish Offertory Income (£M)



INCOMING RESOURCES

Voluntary income include offertories, ordered collections such as those for LAMP, the Priests Training Fund, contributions from schools towards the School Projects Fund and income tax recovered under Gift-Aid. Offertory income fell by 2.52% from £6.34M to £6.18M. Offertories from 2004 to 2008 are illustrated above.

The amount of tax recovered under Gift-Aid increased from £0.84M to £0.88M highlighting the importance played by the Gift-Aid administration team centrally and volunteers in the parishes.

Legacies received in the year amounted to £1.58M increasing from £1.44M received in 2007.

Investment Income fell by 4.95% from £5.15M to £4.89M reflecting the poor performance of global investment markets and declining interest rates in the latter part of the year.

Income from charitable activities includes income generated by Central Departments and increased from £0.89M to £0.97M in 2008.

Activities for generating funds include parish fundraising efforts and the activities of subsidiary companies.

Income from parish fundraising activities remained constant at £0.40M. While parishes are often presented with fundraising targets when faced with major building repair projects, further guidance is being developed in respect of general fundraising initiatives.

Income from subsidiary companies fell slightly from £26.83M to £26.67M and includes the activities of the parish clubs, the conference centre and the building projects activities.

RESOURCES EXPENDED

Total resources expended increased by 6.89% from £47.78M to £51.07M.

Expenditure on charitable activities increased by 17.56% from £20.56M to £24.18M. The two most significant items of expenditure within this category are property costs and personnel costs.

Parish establishment costs remain the most significant area of expenditure, with £9.58M (2007: £7.10M) incurred in property running costs. The Archdiocese operates a centrally monitored parish property repair budget and the services of the in-house surveyors have ensured that best value is obtained in all aspects of parish building projects. Repair and maintenance costs increased from £2.97M in 2007 to £5.41M in 2008. Included within these costs are £500K expenditure on the refurbishment of St Mary of the Angels where grant aid was received and £410K of necessary costs resulting from the comprehensive fire risk assessment of archdiocesan property.

Through the School Projects Fund, the Archdiocese engaged in capital and repair projects in excess of £33M at a net cost of £2.87M. Over 450 school building projects were submitted to the Building Projects Committee and approved by the Trustees in the year. Significant projects during the year included the completion of the new build Christ the King Centre for Learning in Huyton and the commencement of new build primary schools at All Saints' Bootle, Sacred Heart Leigh, St Michael and All Angels' Kirkby and St John's Liverpool.

Lay personnel costs amounted to £8.24M in 2008 (2007: £7.95M). The average number of people employed during the year was 636 and included 455 parish club employees.

INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at valuations that are reviewed periodically. The result of reviews in the year was an increase in their value by £0.37M. Sales of property generated a gain of £0.048M in the year.

INVESTMENTS AND DEPOSITS

In common with many organisations, the Archdiocese was affected by the falling values of investments. A reduction in the value of investments and deposits of £22.47M was incurred in the year.

TANGIBLE FIXED ASSETS

Tangible fixed assets other than property are included in the balance sheet at cost and depreciated over their expected useful life. Prior to 1997 capital expenditure on functional church property was written off in full as incurred. In 1997 the Trustees considered that 10% of current insurance values would provide a reasonable approximation to the net book value of these assets. Additions since 1997 have been included at cost and depreciated over their estimated lives.

Work on the "Cathedral experience" project began on site in July 2007 and has continued through 2008. A major part of the work has been to physically link the Lutyen's crypt to the Gibbard cathedral. The link, created by a glazed spiral staircase from the rear of the main cathedral will ensure a single visitor experience and also open the crypt as a destination for exhibitions, conferences and cultural programmes. The project was completed in early 2009 with £2.77M of costs incurred in 2008 supported by the European Regional Development Fund and the North West Development Agency.

School properties are valued at £nil. The trustees consider that 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.

INVESTMENTS

Investments held to generate an income to enable the Archdiocese to achieve its aims amounted to £58.99M. Since the year end investment values have begun to recover with the investment managers exceeding benchmarks for this period. The latest valuation available at 30th September 2009 was £66.32M and would represent an unrealised gain on revaluation of £7.3M since the year end.

The investment portfolio is managed within the parameters of an ethical investment policy restricting the investment managers from investing in any area that would be incompatible with the aims of the Archdiocese.

NET CURRENT ASSETS

Net Current Assets amounted to £22.4M at 2008 compared to £24.66M at 2007. These amounts made up of stocks, amounts recoverable and cash balances less creditors represent the working capital of the Archdiocese and are used to finance the day to day activities of all the parishes, clubs, school building projects and central operations.

RESERVES

The total reserves held at 31 December 2008 amounted to £133M compared to £156M at 31 December 2007. They are held for the purposes outlined on page 4.



Far left:
Christ the King Centre for Learning Huyton

Left:
St Francis de Sales, Walton - Paint Restoration

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2008	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL 2008 £000's	TOTAL 2007 £000's
INCOMING RESOURCES								
Voluntary income	10,135	625	2,039	308	493	360	13,960	14,752
Activities for generating funds	1,486	-	-	26,670	-	1,514	29,670	27,227
Investment income	1,060	614	15	162	2,948	95	4,894	5,149
Charitable activities	303	-	-	192	480	-	975	893
Other	500	-	-	-	186	-	686	906
TOTAL INCOMING RESOURCES	13,484	1,239	2,054	27,332	4,107	1,969	50,185	48,927
RESOURCES EXPENDED								
Charitable activities	(15,226)	(2,868)	(1,363)	(1,014)	(3,375)	(330)	(24,176)	(20,565)
Investment management & governance	(88)	(30)	-	(9)	(254)	-	(381)	(406)
Cost of generating funds	(77)	-	-	(26,407)	(31)	-	(26,515)	(26,813)
TOTAL RESOURCES EXPENDED	(15,391)	(2,898)	(1,363)	(27,430)	(3,660)	(330)	(51,072)	(47,784)
NET (OUTGOING) / INCOMING (RESOURCES BEFORE TRANSFERS)	(1,907)	(1,659)	691	(98)	447	1,639	(887)	1,143
Transfers	1,456	227	(309)	(1,911)	131	406	-	-
NET (OUTGOING)/INCOMING RESOURCES	(451)	(1,432)	382	(2,009)	578	2,045	(887)	1,143
Revaluation of and gains on investment Properties	330	-	-	-	93	-	423	2,834
Unrealised (loss)/gain on investments and Deposits	(6,323)	(2,245)	(68)	(749)	(11,938)	(1,152)	(22,475)	4,008
NET MOVEMENT IN FUNDS	(6,444)	(3,677)	314	(2,758)	(11,267)	893	(22,939)	7,985
Fund balances at 1 January 2008	70,974	727	1,084	3,766	68,497	10,848	155,896	147,911
FUND BALANCES AT 31 DECEMBER 2008	64,530	(2,950)	1,398	1,008	57,230	11,741	132,957	155,896

BALANCE SHEET AT 31 DECEMBER 2008	Parochial 2008 £000's	Curial 2008 £000's	Total 2008 £000's	Parochial 2007 £000's	Curial 2007 £000's	Total 2007 £000's
FIXED ASSETS						
Tangible assets						
- investment properties	4,824	5,246	10,070	4,534	5,996	10,530
- other	18,014	23,479	41,493	20,082	22,031	42,113
	22,838	28,725	51,563	24,616	28,027	52,643
Investments	24,623	34,363	58,986	32,741	45,847	78,588
Total Fixed Assets	47,461	63,088	110,549	57,357	73,874	131,231
CURRENT ASSETS						
Stock	-	745	745	-	937	937
Debtors						
- due within one year	3,855	8,843	12,698	3,356	6,620	9,976
Balance at bank	28,616	4,569	33,185	22,400	9,939	32,339
	32,471	14,157	46,628	25,756	17,496	43,252
CREDITORS						
- amounts falling due within one year	(16,499)	(7,721)	(24,220)	(11,932)	(6,655)	(18,587)
Parish/Curial balances	(455)	455	-	1,604	(1,604)	-
NET CURRENT ASSETS	15,517	6,891	22,408	15,428	9,237	24,665
NET ASSETS	62,978	69,979	132,957	72,785	83,111	155,896
ACCUMULATED FUNDS						
Restricted funds	1,398	11,741	13,139	1,084	10,848	11,932
Unrestricted funds						
- designated	(2,950)	57,230	54,280	727	68,497	69,224
- general	64,530	1,008	65,538	70,974	3,766	74,740
	62,978	69,979	132,957	72,785	83,111	155,896

INDEPENDENT AUDITORS' STATEMENT TO THE TRUSTEE OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

We have examined the summarised financial statements of the group and parent charity Liverpool Roman Catholic Archdiocesan Trust.

This statement is made solely to the trustee, as a body in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the trustee those matters we have agreed to state to it in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustee as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

The trustee is responsible for preparing the summarised financial statements in accordance with the recommendations of the Charities SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and trustee's 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 summarised financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the trustee's report of Liverpool Roman Catholic Archdiocesan Trust for the year ended 31 December 2008.

PKF(UK) LLP, Registered Auditors, Liverpool

15th December 2009

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 and an analysis of what assets make up the three reserve designations

RESTRICTED FUNDS

	2008 £000's	2007 £000's
Parochial		
Foundation mass capital	391	444
Other charitable collections	1,007	640
Curial		
Priests Training Fund	1,811	2,395
Cathedral Roof Appeal	2,005	1,805
Cathedral steps development	2,891	2,891
Cathedral	825	758
Other charitable collections	3,487	2,221
Capital grants	722	778

Purpose of funds

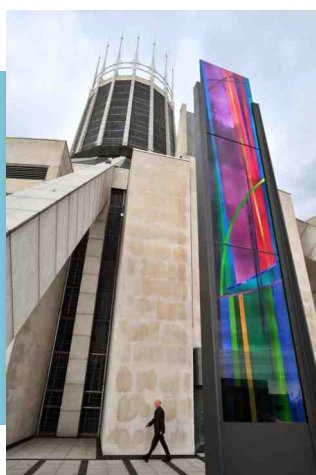
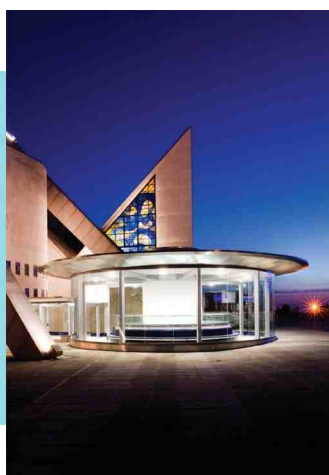
Foundation mass capital - For masses celebrated as a result of a bequest.

Priests Training Fund - Education of students to the priesthood and continuing clergy formation.

Cathedral Roof Appeal - English Heritage grants received to fund substantial work to the cathedral roof.

Cathedral - Golden Book, Foundation mass capital and other donations made for specific Cathedral projects.

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



FUTURE DEVELOPMENTS AND COMMITMENTS

The Archdiocese is committed to the 'Leaving safe harbours' strategic review. The review of operations will begin with a period of preparation where clergy and parishioners will consider potential new structures for operation.

Proposals for the development of the pastoral areas could take up to 3 years with an expectation of more areas moving to this transitional stage each year. 3 areas entered the transitional stage in September 2008. Before the development stage begins, the individual proposals will be considered by the Archbishop's council to ensure that it is consistent with the trustees objectives for the Archdiocese. 3 of the first pilot areas are moving towards seeking such approval for pastoral changes.

A review of resources, buildings and finances will be undertaken and each Pastoral Area will put forward proposals for its own development to the Trustees. It is anticipated that the proposals may include the refurbishment or closure of churches within a Pastoral Area.

Significant consultation has been undertaken regarding future schooling requirements within the Archdiocese. Reviews of primary education are underway in several local authority areas.

Unrestricted funds are available for use at the discretion of the Trustees. Parochial unrestricted funds were £64.53M at 31st December 2008 (2007 : £70.97M). At the same time, Curial unrestricted funds were £1.01M (2007 : £3.77M).

The level of reserves freely available amounted to 17 months expenditure, (2007: 26 months) and exclude fixed assets held for charitable use.

DESIGNATED FUNDS

	2008 £000's	2007 £000's
Parochial		
School capital and repairs	(3,045)	668
Other funds	95	59
Curial		
Central Funds	36,324	44,219
George Andrew Retirement Fund	3,916	4,979
Cathedral Roof Appeal Fund	5,655	5,655
Cathedral	2,857	3,703
Parish reorganisation	1,315	1,334
Other designated funds	7,163	8,607

Purpose of funds

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

Central Funds - Fund to support the archdiocesan central administration.

George Andrew Retirement Fund - For priests in retirement.

Cathedral Roof Appeal Fund - Donations and investment income set aside to fund the major repairs to the Cathedral.

Cathedral - To provide for day to day cathedral activities.

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

WAYS YOU CAN CONTRIBUTE

1 Increase your regular donations

2 Complete a Gift-Aid declaration

3 Remember the Church in your will

4 Help your parish on a finance or fundraising committee