



# Archdiocese of Liverpool

## Summarised Annual Report 2009



### Archbishop Kelly writes

This report reflects diligent stewardship of the resources that great generosity has provided to sustain the many aspects of our life as disciples of Our Lord. During his visit Pope Benedict endorsed the many ways in which we live out our faith. The fitting response to all you find set out here needs the prayer from the Franciscan tradition: "May God reward you."

*+ Patrick Kelly*

### In the Archdiocese there are:

- Over 200 parishes
- 187 primary Schools
- 37 Secondary Schools
- 2 Sixth Form Colleges
- 82 Parish Centres
- 159 Active diocesan priests
- 10 Priests working in other dioceses
- 76 Retired Priests
- 107 Permanent Deacons
- 608 Full Time Equivalent Employees
- As at November 2010

### KEY INFORMATION

	2009	2008
	£m	£m
Total incoming resources	46.21	50.18
Offertory income	6.11	6.18
Investment income	3.71	4.89
Parish fundraising income	0.29	0.40
Legacies received	0.80	1.58
Total resources expended	50.00	51.07
Parish repairs	5.41	5.41
Parish personnel costs	2.15	2.43
Net outgoing resources	(3.79)	(0.89)
Mass attendance	57,857	61,527
Offertory Collection	£2.03	£1.90
Per person per week		



'The Marriage Cycle' by Peter Claire. Logo for Marriage and Family Life Ministry.

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

The full annual accounts which were approved by the Trustees on 26 October 2010, have been audited, signed by the auditors on 26 October 2010 and a copy submitted to the Charity Commissioners.

### Trustee Corporation

Liverpool Roman Catholic Archdiocesan Trustees Incorporated

### Trustees of the Trust Corporation

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

[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 are further explained below.

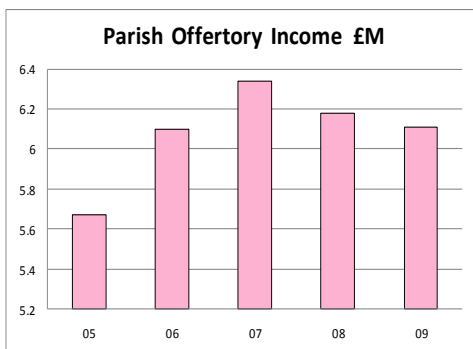
**Parochial** includes the aggregated performance of the parishes, the assessment fund and expenditure on Archdiocesan school building projects.

**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



### INCOMING RESOURCES

Voluntary income include offertories and collections such as those for LAMP and contributions towards the School Projects Fund along with income tax recovered under Gift-Aid. Offertories fell by 1% from £6.18M to £6.11M.

The amount of tax recovered under Gift-Aid remained comparable with 2008 but the benefits of transitional relief are due to end in 2011. Parishes where a responsible giving campaign has been undertaken in recent years experienced average increases in offertories of 24%. Where a campaign has yet to be undertaken the average offertory fell by over 4% in recent years.

The value of legacies received by the Archdiocese was £0.8M in 2009 (2008: £1.58M). The Priests' Training Fund, LAMP and the George Andrew Fund continue to benefit from the generosity of parishioners through collection income and bequests.

Investment Income which includes cash management interest fell from £4.89M to £3.71M as a result of the historically low interest rates presently being experienced.

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

Parish fundraising activities generated £0.29M compared with £0.40M in 2008. In addition to ongoing initiatives Parishes are often presented with fundraising targets when faced with major building projects.

Income from subsidiary companies increased from £26.67M to £28.10M and includes the activities of the parish clubs, the conference centre and the building projects activities.

### RESOURCES EXPENDED

Total resources expended fell by 2% from £51.07M in 2008 to £50.00M in 2009.

Expenditure on charitable activities fell by 6% from £24.18M to £22.63M. The two most significant items of expenditure within this category are property costs and personnel costs.

Parish property running costs remain the most significant area of expenditure, with £8.67M (2008: £9.57M) incurred in the year. The fall of £0.90M reflects a reduction in the depreciation charge of by £1.27M after an change in assessments of useful lives of archdiocesan properties and an increase of £0.4M in heat and light costs. While parish repair and maintenance costs remained consistent with 2008 at £5.41M, 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. The level of expenditure reflects ongoing repair costs and works associated with fire risk assessments, electrical testing and asbestos removal from archdiocesan property and also ensures that churches and halls are open to the whole community to benefit not only spiritually but also practically from the provision of pastoral care and the many activities provided by our parishes to the wider community.

Through the School Projects Fund, the Archdiocese engaged in capital and repair projects in excess of £33M at a net cost of £2.2M to the Charity. Funding for school building projects is derived primarily from collections in parishes and from parents. Over 500 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 a number new-build primary schools including All Saints', Bootle and Sacred Heart, Leigh.

Lay personnel costs amounted to £8.15M in 2009 (2008: £8.24M) and the average number of people employees was 608 including 425 parish club employees.

### INVESTMENT PROPERTIES

Investment properties generate rental income for many parishes and are included in the balance sheet at valuations that are reviewed periodically.

### 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. From 2009 listed properties and other functional church properties have been depreciated over useful economic lives of 100 years and 50 years respectively. Commercial premises are considered to have useful economic lives of 20 years. The impact of these changes is a reduction in depreciation charged to the SOFA of £1.47M.

Work on the 'Cathedral experience' project began on site in July 2007 and was completed in 2009. A major part of the work has been to physically link the Lutyens' crypt to the Gibberd cathedral. The link, created by a glazed spiral staircase from the rear of the Cathedral ensures a unified visitor experience and also opens the crypt as a destination for exhibitions, conferences and cultural programmes. The project was 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 £69.43M. After experiencing unrealised losses of £20.13M in 2008, an unrealised gain of £8.92M was reported in 2009. The latest valuation available at 30 September 2010 reflects further unrealised gains of £3.00M in 2010.

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 £18.71M at 2009 compared to £22.41M at 2008. 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 2009 amounted to £139M compared to £133M at 31 December 2008. They are held for the purposes outlined on page 4.



Left: St Michael & All Angels, Kirkby

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2009	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 2009 £000's	TOTAL 2008 £000's
<b>INCOMING RESOURCES</b>								
Voluntary income	9,559	509	1,921	243	273	407	12,912	13,960
Activities for generating funds	420	-	-	28,105	-	-	28,525	29,670
Investment income	1,038	276	5	166	2,136	85	3,706	4,894
Charitable activities	313	-	-	184	461	-	958	975
Other	(323)	-	-	-	432	-	109	686
<b>TOTAL INCOMING RESOURCES</b>	<b>11,007</b>	<b>785</b>	<b>1,926</b>	<b>28,968</b>	<b>3,302</b>	<b>492</b>	<b>46,210</b>	<b>50,185</b>
<b>RESOURCES EXPENDED</b>								
Charitable activities	(14,185)	(2,205)	(1,377)	(1,211)	(3,313)	(340)	(22,631)	(24,176)
Investment management & governance	(82)	(27)	-	(5)	(239)	(2)	(355)	(381)
Cost of generating funds	(68)	-	-	(26,913)	(37)	-	(27,018)	(26,515)
<b>TOTAL RESOURCES EXPENDED</b>	<b>(14,335)</b>	<b>(2,232)</b>	<b>(1,377)</b>	<b>(28,129)</b>	<b>(3,589)</b>	<b>(342)</b>	<b>(50,004)</b>	<b>(51,072)</b>
<b>NET (OUTGOING) / INCOMING (RESOURCES BEFORE TRANSFERS)</b>	<b>(3,328)</b>	<b>(1,447)</b>	<b>549</b>	<b>569</b>	<b>(287)</b>	<b>150</b>	<b>(3,794)</b>	<b>(887)</b>
Transfers	(1,209)	405	(214)	179	428	411	-	-
<b>NET (OUTGOING)/INCOMING RESOURCES</b>	<b>(4,537)</b>	<b>(1,042)</b>	<b>335</b>	<b>748</b>	<b>141</b>	<b>561</b>	<b>(3,794)</b>	<b>(887)</b>
Revaluation of and gains on investment Properties	1,536	-	-	-	(1,365)	-	171	423
Unrealised gain / (loss) on investments and deposits	2,844	983	28	328	4,943	507	9,633	(22,475)
<b>NET MOVEMENT IN FUNDS</b>	<b>(157)</b>	<b>(59)</b>	<b>363</b>	<b>1,076</b>	<b>3,719</b>	<b>1,068</b>	<b>6,010</b>	<b>(22,939)</b>
Fund balances at 1 January 2009	64,530	(2,950)	1,398	1,008	57,230	11,741	132,957	155,896
<b>FUND BALANCES AT 31 DECEMBER 2009</b>	<b>64,373</b>	<b>(3,009)</b>	<b>1,761</b>	<b>2,084</b>	<b>60,949</b>	<b>12,809</b>	<b>138,967</b>	<b>132,957</b>

BALANCE SHEET AT 31 DECEMBER 2009	Parochial 2009 £000's	Curial 2009 £000's	Total 2009 £000's	Parochial 2008 £000's	Curial 2008 £000's	Total 2008 £000's
<b>FIXED ASSETS</b>						
<b>Tangible assets</b>						
- investment properties	5,304	5,142	10,446	4,824	5,246	10,070
- other	17,294	23,086	40,380	18,014	23,479	41,493
	<b>22,598</b>	<b>28,228</b>	<b>50,826</b>	22,838	28,725	51,563
<b>Investments</b>	29,992	39,439	69,431	24,623	34,363	58,986
<b>Total Fixed Assets</b>	<b>52,590</b>	<b>67,667</b>	<b>120,257</b>	47,461	63,088	110,549
<b>CURRENT ASSETS</b>						
<b>Stock</b>	-	702	702	-	745	745
<b>Debtors</b>						
- due within one year	2,070	8,082	10,152	3,855	8,843	12,698
<b>Balance at bank</b>	26,763	4,188	30,951	28,616	4,569	33,185
<b>CREDITORS</b>						
- amounts falling due within one year	(15,901)	(7,194)	(23,095)	(16,499)	(7,721)	(24,220)
<b>Parish/Curial balances</b>	(2,397)	2,397	-	(455)	455	-
<b>NET CURRENT ASSETS</b>	<b>10,535</b>	<b>8,175</b>	<b>18,710</b>	15,517	6,891	22,408
<b>NET ASSETS</b>	<b>63,125</b>	<b>75,842</b>	<b>138,967</b>	62,978	69,979	132,957
<b>ACCUMULATED FUNDS</b>						
Restricted funds	1,761	12,809	14,570	1,398	11,741	13,139
Unrestricted funds						
- designated	(3,009)	60,949	57,940	(2,950)	57,230	54,280
- general	64,373	2,084	66,457	64,530	1,008	65,538
	<b>63,125</b>	<b>75,842</b>	<b>138,967</b>	62,978	69,979	132,957

#### INDEPENDENT AUDITORS' STATEMENT TO THE TRUSTEES 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 trustees, as a body in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the trustees those matters we have agreed to state to them 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 trustees as a body, for our work, for this statement, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditors

The trustees are 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 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 summarised financial statements.

#### Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom. Our report on the full annual financial statements describes the basis of our opinion on those financial statements.

#### Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and the trustees' report of Liverpool Roman Catholic Archdiocesan Trust for the year ended 31 December 2009.

PKF(UK) LLP, Statutory Auditors, Liverpool  
22 November 2010



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

	2009 £000's	2008 £000's
Parochial		
Foundation mass capital	425	392
Other charitable collections	1,336	1,006
<b>Curial</b>		
Priests Training Fund	2,227	1,815
Cathedral Roof Appeal	2,205	2,005
Cathedral steps development	2,891	2,891
Cathedral	1,012	825
Other charitable collections	3,807	3,482
Capital grants	667	723

#### Purpose of funds

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

**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.



Hope Academy, Newton-le-willows  
(artist's impression)



All Saints Catholic Primary School, Bootle



All Saints Catholic Centre for Learning, Kirkby

#### FUTURE DEVELOPMENTS AND COMMITMENTS

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

A transitional stage where proposals for the development of the pastoral areas are generated could last for up to 3 years with up to 5 areas moving to the transitional stage each year. Before the development stage begins, the individual proposals are considered by the Archbishop and others to ensure that they are consistent with the Trustees' objectives for the strategic direction of the Archdiocese.

A review of resources, buildings and finances will be undertaken and each pastoral area will put forward proposals to the Trustees. It is anticipated that the proposals may include the refurbishment or closure of churches, such as in Kirkby, with the decisions of closure of St Laurence's and St Michael's, the refurbishment of St Joseph's and a new build of St Michael and All Angels.

Consultation has been undertaken at an archdiocesan level and within Local Authorities regarding future schooling requirements within the Archdiocese.

The proposals of Knowsley Education Authority have been accepted in the first phase of the 'Building Schools for the Future' (BSF) initiative and will result in the delivery of all Catholic secondary education within that

Unrestricted funds are available for use at the discretion of the Trustees. Parochial unrestricted funds were £64.37M at 31st December 2009 (2008 : £64.53M). At the same time, Curial unrestricted funds were £2.08M (2008 : £1.01M).

The level of reserves freely available amounted to 20 months expenditure, (2008: 17 months) and exclude fixed assets held for charitable use.

#### DESIGNATED FUNDS

	2009 £000's	2008 £000's
<b>Parochial</b>		
School capital and repairs	(3,089)	(3,043)
Other funds	80	93
<b>Curial</b>		
Central Funds	37,925	36,323
George Andrew Retirement Fund	4,218	3,916
Cathedral Roof Appeal Fund	5,655	5,655
Cathedral	3,313	2,858
Parish reorganisation	1,315	1,315
Other designated funds	8,523	7,163

#### 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.

authority in new buildings. Major refurbishment projects are presently underway at Cardinal Heenan and Broughton Hall High Schools through the Liverpool BSF programme. This national programme has been halted and work is underway with local authorities and government to determine alternative methodologies for investment in secondary school buildings.

The Archdiocese is in consultation with local authorities in respect of the 'Primary Capital Programme' (PCP) for primary schools. Commencing in 2009/10, this programme aims to renew at least half of all primary school buildings by 2022/23. A commitment by the Archdiocese of £12M would be required to finance 10% of the project costs over the life of the programme which is anticipated to be 15 years. Negotiations with local authorities have identified 12 projects to which PCP funding will be allocated in the first 2 years of the programme (2009-2011) with a value of around £30M. Negotiations with local authorities in respect of future years of primary capital funding investment are progressing subject to government spending reviews.

The administrative and centrally coordinated pastoral functions of the Archdiocese are funded from the Central Reserves and are particularly dependent on returns from cash management and investments. Although medium term projections of interest rates remain low, the amount of freely available reserves is in excess of the reserves policy for the Archdiocese overall. The reserves designated for central operation is sufficient to absorb the impact of a lower investment income for a number of years.

## 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