



# Archdiocese of Liverpool

## Summarised Annual Report 2011



### Archbishop Kelly writes:

We should be very grateful to those who ensure that our public activities stand up to rigorous scrutiny. It may be bureaucracy, but it is good that we must give a public account of our stewardship. Without the hidden attention to detail of many we could not fulfil our legal responsibilities so that all of us involved in more explicit forms of evangelisation do so with peace of mind, assured that technical and professional back-up is there when needed.

Please join me in gratitude to those who make such a report possible and above all to those whose generosity sustains our mission.

*+ Patrick Kelly*

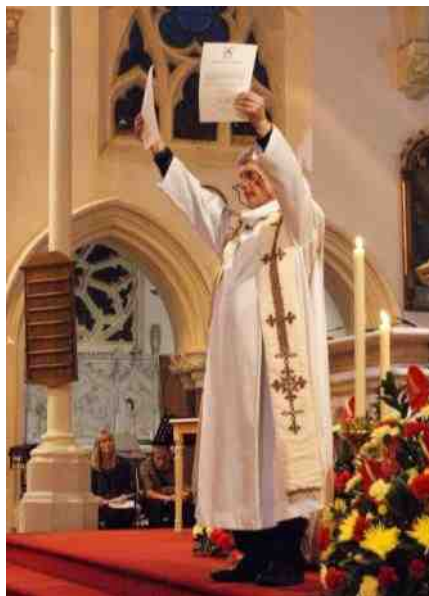
### In the archdiocese there are:

- Over 200 places of worship
- 186 primary schools
- 36 secondary schools
- 2 sixth form colleges
- 84,163 children attending our catholic schools
- 74 parish centres
- 155 active archdiocesan priests
- 68 retired archdiocesan priests
- 106 permanent deacons
- 568 full-time equivalent employees

The archdiocesan photo stream can be found at [www.flickr.com/photos/liverpoolcatholic](http://www.flickr.com/photos/liverpoolcatholic)

### Some key figures

	2011	2010
	£M	£M
Total incoming resources	42.94	42.23
Offertory income	6.01	6.12
Investment income	3.95	3.50
Parish fundraising income	0.29	0.30
Legacies received	1.06	0.77
Total resources expended	42.57	43.77
Parish property costs	6.32	6.42
Parish personnel costs	2.27	2.23
Net incoming / (outgoing) resources	0.37	(1.54)
(Losses) / gains and revaluations	(1.03)	9.40
Net movement in funds	(0.66)	7.86



Above: the inauguration of the parishes of St Edmund Arrowsmith and St Margaret Clitherow in Leigh in September 2011

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). The document was approved by the trustees, signed by the auditor on 18 October 2012 and submitted to the Charity Commission.

### Trustee Corporation

Liverpool Roman Catholic Archdiocesan Trustees Incorporated

### Trustees of the Trust Corporation

Most Rev P Kelly  
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

### Auditor

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

### Bankers

HSBC Bank PLC  
1 Castle Street  
Liverpool L2 4SW

[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 2011	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 2011 £000s	TOTAL 2010 £000s Restated
<b>INCOMING RESOURCES</b>								
Voluntary income	9,854	557	1,936	374	172	318	13,211	13,358
Activities for generating funds	287	-	-	23,190	-	-	23,477	23,627
Investment income	1,324	246	7	397	1,879	97	3,950	3,500
Charitable activities	282	-	-	239	533	2	1,056	1,266
Other	595	-	-	-	649	-	1,244	481
<b>TOTAL INCOMING RESOURCES</b>	<b>12,342</b>	<b>803</b>	<b>1,943</b>	<b>24,200</b>	<b>3,233</b>	<b>417</b>	<b>42,938</b>	<b>42,232</b>
<b>RESOURCES EXPENDED</b>								
Charitable activities	(11,791)	(100)	(1,476)	(1,152)	(4,031)	(422)	(18,972)	(20,206)
Investment management & governance	(106)	(38)	-	(8)	(305)	(4)	(461)	(429)
Cost of generating funds	(70)	-	-	(23,026)	(37)	-	(23,133)	(23,139)
<b>TOTAL RESOURCES EXPENDED</b>	<b>(11,967)</b>	<b>(138)</b>	<b>(1,476)</b>	<b>(24,186)</b>	<b>(4,373)</b>	<b>(426)</b>	<b>(42,566)</b>	<b>(43,774)</b>
<b>NET (OUTGOING) / INCOMING RESOURCES BEFORE TRANSFERS</b>	<b>375</b>	<b>665</b>	<b>467</b>	<b>14</b>	<b>(1,140)</b>	<b>(9)</b>	<b>372</b>	<b>(1,542)</b>
Transfers	(727)	99	(579)	162	1,307	(262)	-	-
<b>NET (OUTGOING) / INCOMING RESOURCES</b>	<b>(352)</b>	<b>764</b>	<b>(112)</b>	<b>176</b>	<b>167</b>	<b>(271)</b>	<b>372</b>	<b>(1,542)</b>
Revaluations and gains / (losses) on investment properties	467	-	-	170	1,790	-	2,427	2,183
Unrealised gains / (losses) on investments and deposits	(1,237)	(346)	(12)	(231)	(1,439)	(195)	(3,460)	7,214
<b>NET MOVEMENT IN FUNDS</b>	<b>(1,122)</b>	<b>418</b>	<b>(124)</b>	<b>115</b>	<b>518</b>	<b>(466)</b>	<b>(661)</b>	<b>7,855</b>
Fund balances at 1 January 2011	66,537	(2,373)	1,607	7,957	63,749	13,947	151,424	143,569
<b>FUND BALANCES AT 31 DECEMBER 2011</b>	<b>65,415</b>	<b>(1,955)</b>	<b>1,483</b>	<b>8,072</b>	<b>64,267</b>	<b>13,481</b>	<b>150,763</b>	<b>151,424</b>

#### INCOMING RESOURCES

Parishioners continue to support their parishes and the total offertory exceeded £6M (2010: £6.12M). Many parishes have benefited from responsible giving campaigns and those where a campaign took place reported sustained increases in giving. Gift aid recovery remained strong despite transitional relief ending in 2010 and the total recovered exceeded £0.90M, as in 2010.

Parishioners' responses to appeals and special collections remain generous with £1.94M received in 2011 (2010: £2.02M) 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 £1.06M in 2011 (2010: £0.77M). The Priests' Training Fund, LAMP and the George Andrew Fund for retired clergy continue to benefit from the generosity of parishioners through collection income and bequests.

Activities for generating funds totalled £23.48M (2010: £23.62M), including parish fundraising activities and those of subsidiary companies. Many people from a variety of different backgrounds come into contact with the archdiocese through events held in the LACE conference centre. Parish centres continue to be a valuable resource 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.

Investment income, which is made up of dividends, interest and rentals, generated £3.95M (2010: £3.50M) but income derived from cash management activities remains historically low, with £0.35M generated in the year (2010: £0.50M).

Other income includes gains on the sale of property no longer held for charitable purposes, with £0.59M of gains on parish assets and £0.52M generated in respect of central properties.

#### RESOURCES EXPENDED

Total resources expended fell by 2.7% from £43.77M in 2010 to £42.57M in 2011. Expenditure on direct charitable activities was £18.97M (2010: £20.21M) with costs categorised within four main areas of activity.

Pastoral work in parishes and that of central departments such as Pastoral Formation accounted for expenditure of £8.03M (2010: £8.41M). In addition to the various administrative costs of running parishes, £1.47M of proceeds on special collections was paid out to external charities and another £1.1M incurred by parishes in respect of liturgical activities.

£6.89M (2010: £7.03M) was expended on utilities and other property costs. Repair and maintenance costs of £3.44M were incurred in 2011 (2010: £3.55M) and continue to reflect the control exercised through the Financial Advisory Committee and the efforts of the archdiocesan surveying team. 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 capital and repair projects in excess of £19M, which is funded through government grants and matched by contributions from parishioners and parents of children attending archdiocesan schools. The archdiocese incurred £1.20M (2010: £1.86M) on contributions to building projects and the operations of the Schools and Christian Education Departments.

Clergy costs of £2.87M (2010: £2.91M) were incurred and include £1.54M (2010: £1.58M) in respect of parish clergy with £0.29M (2010: £0.34M) and £0.78M (2010: £0.70M) incurred centrally through the Priests' Training and clergy retirement funds respectively.

Investment management fees and governance accounted for £0.46M (2010: £0.43M) and the cost of generating funds was £23.13M (2010: £23.14M).

## 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 £2.80M (2010: £2.28M).

## INVESTMENTS

Investments held by the archdiocese, managed within the parameters of an ethical investment policy, amounted to £77.62M with an unrealised loss of £3.60M reported in 2011 (2010: £6.62M gain).

## NET CURRENT ASSETS

Net current assets amounted to £18.39M at 2011 compared to £13.43M at 2010. These amounts 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 2011 amounted to £150.76M (2010: £151.42M). 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 £65.41M at 31 December 2011 (2010: £66.54M). At the same time, curial unrestricted funds were £8.07M (2010: £7.96M).

The level of reserves freely available amounted to 23 months' expenditure, (2010: 21 months), excluding fixed assets held for charitable use. The trustees consider that reserves equating to 36 months' expenditure are sufficient to enable the charity to fulfil all of its obligations and commitments.



Top: Hope Academy in Newton-le-Willows which opened in September 2011.  
Bottom: The official opening of Hope Primary School in Huyton

## INDEPENDENT AUDITOR'S 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 auditor

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 2011.

PKF (UK) LLP, Statutory Auditor, Liverpool  
18 October 2012

BALANCE SHEET AT 31 DECEMBER 2011	Parochial 2011 £000s	Curial 2011 £000s	Total 2011 £000s	Parochial 2010 £000s	Curial 2010 £000s Restated	Total 2010 £000s Restated
<b>FIXED ASSETS</b>						
<b>Tangible assets</b>						
- investment properties	8,577	6,941	15,518	7,926	8,724	16,650
- other	17,233	22,005	39,238	17,916	22,460	40,376
	<b>25,810</b>	<b>28,946</b>	<b>54,756</b>	<b>25,842</b>	<b>31,184</b>	<b>57,026</b>
<b>Investments</b>	32,834	44,785	77,619	34,064	46,901	80,965
<b>Total Fixed Assets</b>	<b>58,644</b>	<b>73,731</b>	<b>132,375</b>	<b>59,906</b>	<b>78,085</b>	<b>137,991</b>
<b>CURRENT ASSETS</b>						
<b>Stock</b>	-	677	677	-	763	763
<b>Debtors</b>	2,558	5,584	8,142	3,905	3,508	7,413
<b>Balance at bank</b>	16,473	8,664	25,137	24,579	2,752	27,331
<b>CREDITORS</b>						
- amounts falling due within one year	(9,502)	(6,066)	(15,568)	(14,491)	(7,583)	(22,074)
<b>Parish/Curial balances</b>	(3,230)	3,230	-	(8,128)	8,128	-
<b>NET CURRENT ASSETS</b>	<b>6,299</b>	<b>12,089</b>	<b>18,388</b>	<b>5,865</b>	<b>7,568</b>	<b>13,433</b>
<b>NET ASSETS</b>	<b>64,943</b>	<b>85,820</b>	<b>150,763</b>	<b>65,771</b>	<b>85,653</b>	<b>151,424</b>
<b>ACCUMULATED FUNDS</b>						
Restricted funds	1,483	13,481	14,964	1,607	13,947	15,554
Unrestricted funds						
- designated	(1,955)	64,267	62,312	(2,373)	63,749	61,376
- general	65,415	8,072	73,487	66,537	7,957	74,494
<b>TOTAL</b>	<b>64,943</b>	<b>85,820</b>	<b>150,763</b>	<b>65,771</b>	<b>85,653</b>	<b>151,424</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

	2011 £000s	2010 £000s
<b>Parochial</b>		Restated
Foundation Mass capital	246	256
Other charitable collections	1,236	1,351
<b>Curial</b>		
Priests' Training Fund	2,534	2,641
Cathedral Roof Appeal	2,205	2,205
Cathedral steps development	2,891	2,891
Cathedral	1,175	1,123
Other charitable collections	4,120	4,475
Capital grants	556	612

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

**Cathedral steps development** - European objective 1 and regional development grants contributing towards the ceremonial steps.

**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.

The respective boards of trustees of the Apostleship of the Sea (No 224664), the John Rankin Trust for Liverpool Catholic Clergy (No 222130) and Liverpool Archdiocesan Education Trust (No 505264) are identical to that of the archdiocese. Reflecting the level of reserves under their control, the financial performance and position of the charities have been included within the consolidated accounts of the archdiocese. At 31 December 2011, £4.82M (2010: £4.87M) of reserves were attributable to these charities with the 2010 figures restated accordingly.

#### DESIGNATED FUNDS

	2011 £000s	2010 £000s
<b>Parochial</b>		
School capital and repairs	(2,040)	(2,468)
Other funds	85	95
<b>Curial</b>		
Central funds	40,139	39,325
George Andrew Retirement Fund	5,008	5,078
Cathedral Roof Appeal Fund	6,055	5,855
Cathedral	3,583	3,667
Parish reorganisation	1,301	1,303
Other designated funds	8,181	8,514

#### 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 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.



Above: Banners to mark the introduction of the new sacramental programme 'With You Always'.

Left: Young people of the archdiocese at World Youth Day 2011 in Madrid.

#### FUTURE DEVELOPMENTS AND COMMITMENTS

With an ageing profile of parishioners and clergy and a relative shortage of priestly vocations it is anticipated that by 2015 there will only be 100 active archdiocesan priests. Parishes have been grouped into 23 pastoral areas with a future expectation of one priest for every 5,000 parishioners. It is intended that up to five additional pastoral areas will move forward into the 'formal transition stage' identified through the 'Leaving Safe Harbours' strategic review in the coming three years. The pastoral areas of Bootle/Litherland and St Helens North and South entered this stage in September 2012.

As part of the implementation of 'Leaving Safe Harbours', 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 for consideration. It is anticipated that the development proposals may include the refurbishment or closure of churches within a pastoral area but outside of the strategic review process, decisions may from time to time be taken on the continuing use of churches as places of worship, following local consultation.

With potential changes in the government's allocation and distribution of capital funding for schools, the trustees will prioritise work required to improve the condition of the buildings and infrastructure of schools and, where necessary, to address demand for school places.

Future developments will include the completion of a major programme of refurbishment at St Vincent de Paul Primary School in Liverpool, alongside further progress in other large refurbishment projects, including those at Ursuline Primary School in Crosby, St Teresa of Lisieux Primary School in Liverpool, and St Mary's Primary School in St Helens.

Cooperation with local authorities is ongoing to consider how the archdiocese can provide support to high schools that had anticipated funding through cancelled 'Building Schools for the Future' programmes and for which there now remain significant school buildings challenges. In partnership with Liverpool City Council, the trustees are in the process of considering a new build development for Archbishop Beck Sports College, while providing practical support in the construction of Notre Dame Catholic College, and developing new build proposals for St John Bosco Arts College, schools not in the trusteeship of the archdiocese.

The Gift Aid Small Donation Scheme was introduced to Parliament as The Small Charitable Donation Bill in June 2012 for eligible donations made on or after 6 April 2013. The scheme will enable the archdiocese to claim an amount equivalent to gift aid on individual small donations of £20 or less, up to £1,250 per church, on donations arising from charitable activities within the church building, which is defined by the scheme as a community building. Guidance on the administration of the scheme will be communicated to parishes as further information becomes available.

## 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