

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

**ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017**

Registered Charity Number: 232709

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

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MISSION STATEMENT

Taking to heart the last words of the Lord Jesus, we will go into the world to proclaim the Good News to the whole of creation.

REFERENCE AND ADMINISTRATIVE DETAILS

Trust Corporation

Liverpool Roman Catholic Archdiocesan Trustees Incorporated ('The trustees')

Trustees of the Trust Corporation

Most Rev M McMahon OP (Chairman)

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

Liverpool Archdiocesan Centre for Evangelisation

Croxteth Drive

Liverpool

L17 1AA

Registered Charity Number: 232709

Auditors

BDO LLP

5 Temple Square

Temple Street

Liverpool

L2 5RH

Bankers

HSBC Bank plc

99-101 Lord Street

Liverpool

L2 4SW

Investment Managers

BlackRock Investment Management (UK) Ltd

33 King William Street

London

EC4R 9AS

Martin Currie Investment Management Ltd

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2ES

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Liverpool Roman Catholic Archdiocesan Trust (more commonly referred to as the Archdiocese of Liverpool) is a registered charity (No 232709), the governing instrument of which is a trust deed dated 18 March 1963. Its trustees are the members of Liverpool Roman Catholic Archdiocesan Trustees Incorporated, a body incorporated by order of the Charity Commissioners under the Charitable Trustees Incorporation Act 1872. The trustees of the corporate body are listed on page one.

Organisational structure and decision making

The Catholic Church has a worldwide nature and identity and could be compared with a gathering together of family, with a common purpose and faith in Jesus Christ. Canon law (the law of the Church) establishes the rights and responsibilities of each member of this community. Church law applies universally and locally. The worldwide Church community, centred on Christ, under the Word of God and in communion with the Pope in Rome, is governed by canon law. Under canon law the Archbishop of Liverpool is responsible for the activities of the archdiocese, a geographical area in part the North-west of England, which is a portion of the world-wide Church, making up the pilgrim People of God. He is assisted in archdiocesan executive matters by an auxiliary bishop and several vicars general and episcopal vicars with delegated responsibilities for specific matters of the life of the Church.

The appointments of vicars general and episcopal vicars are made by the Archbishop of Liverpool; they are then normally appointed as trustees of the charity.

The affairs of the charity are governed by the trustees. The trustees are ultimately responsible for the administration and assets of the charity. The board of trustees, chaired by the Archbishop, meets monthly to provide strategic direction and decision-making on key issues.

The day-to-day administrative, legal and financial affairs of the archdiocese are carried out from the registered office at Liverpool Archdiocesan Centre for Evangelisation (LACE) by and under the direction of the Episcopal Vicar for Finance and Development and the Chief Operating Officer.

The archdiocese consists of 20 Pastoral Areas, each made up of groups of parishes in a given local area, in total containing around 200 places of worship, extending from the Mersey to the Ribble, encompassing parts of Merseyside, Lancashire, Cheshire, Greater Manchester, and the Isle of Man.

The purpose of each Pastoral Area is to provide for the pastoral, sacramental and community needs of its people and it is overseen by the Parish Priests, whose work is coordinated by the Dean. Each Parish Priest and all clergy are accountable to the Archbishop. Parish Priests are obliged by canon law to act in the person of the parish. They also act as the agents of the trustees of the archdiocese, who are responsible for the administration of the archdiocesan trust, which includes parish assets. It is a further requirement of canon law that every parish should have a finance committee to assist the Parish Priest in the financial administration of the parish. This committee enjoys consultative status with the Parish Priest and its constitution has been approved by the trustees.

The trustees are advised by several committees including the Finance Advisory Committee, the Investment Panel, and the Building Projects Committee. A number of specialists are co-opted to these committees, which meet on a regular basis and their findings are recommended to the trustees, or operate under trustee-delegated authority.

Some Church policies are developed at a national level by the Catholic Bishops' Conference of England and Wales. The archdiocese is represented on this body by its bishops. The policies may be adopted by the trustees after considering the impact on the activities of the archdiocese.

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Related parties

Various essential functions of the archdiocese are operated through subsidiaries. These include the management of the Metropolitan Cathedral, the management of parish centres and the purchase of stock for supply to such centres, the building services scheme for archdiocesan buildings and the operation of the Conference Centre at the Liverpool Archdiocesan Centre for Evangelisation.

The boards of trustees of two charities are identical to that of the archdiocese. To reflect the level of reserves under the control of the trustees, the financial performance and position of these two charities are included in the consolidated accounts of the archdiocese.

The charitable objectives of The Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 224664) are the spiritual and temporal welfare of seafarers. The apostleship aims to achieve its objectives by working in ecumenical partnership with The Mersey Mission to Seafarers in the day-to-day operation of Liverpool Seafarers Centre. Through the facilities and service provided from the Seafarers Centre, the apostleship provides practical and pastoral care to seafarers. The charity had £4.28M of reserves at December 2017 (2016: £4.10M).

Liverpool Archdiocesan Education Trust (charity number 505264) aims to promote the charitable purposes of the archdiocese by facilitating the acquisition and holding of property for education purposes. Reserves of the charity amounted to £1.33M at December 2017 (2016: £1.27M).

The trustees approved the incorporation of two new entities for the promotion of education standards in primary and secondary education respectively. Incorporated as limited companies, the financial activities of Archdiocese of Liverpool Primary School Improvement Trust and Archdiocese of Liverpool Secondary School Improvement Trust have been consolidated into the financial statements of the archdiocese.

Trustee recruitment and appointment

By right of office, the Archbishop chairs the board of trustees. The power of appointing new or additional trustees is vested in the Archbishop. Lay members of the Church have also been appointed as trustees to serve in addition to the clergy members of the Archbishop's Council. The induction process for any newly appointed trustee is tailored to the requirements of the individual and includes an initial meeting with the archbishop. The new trustee receives copies of Charity Commission guidance, the minutes of the most recent trustees' meetings and a copy of the most recent statutory accounts. Ongoing training is provided for all trustees.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the trust and are satisfied that systems are in place to mitigate exposure to the major risks.

The average weekly Mass attendance of 41,587 for 2017 represents a fall when compared to 43,497 in 2016 and reflects continued decline from the 85,357 reported in 2000. Usually calculated from the average of the Mass attendance each Sunday in October as submitted by each Parish Priest to the Chancellor of the archdiocese, the figures are collated for onward submission to Vatican offices in Rome. The average age of parish congregations is generally increasing, and the proportion of younger people is reducing. A key aspect of outreach to young people continues to be the work carried out by Catholic schools and the Animate youth ministry team, across the archdiocese and beyond, who are based at 'Lowe House' in St Helens.

The impact of declining number of active parishioners and total clergy numbers is being addressed through the outcomes of the 'Leaving Safe Harbours' initiative and the continuing need for on-going focused reviews in the coming years, leading up to an archdiocesan synod, scheduled for the summer of 2020.

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Risk management *(continued)*

The vocations director appointed by the archbishop runs events around the archdiocese to help develop a wider culture of vocation in life and the specific vocation to the ministerial priesthood for those men yet to decide whether to embark on formation to the priesthood.

The health and safety of all individuals that encounter the Church through the many churches and other properties of the archdiocese receives particular attention. A key aspect of the ongoing parish health and safety risk assessment process is risk identification, and through several techniques and processes the trustees aim to take all appropriate steps to mitigate the likely impact of risks identified.

Regulation compliance processes are acted upon for subjects such as asbestos, confined spaces, water hygiene, fire safety and first aid. Quinquennial reporting, three-monthly parish building inspections and parish health and safety risk assessments are undertaken. A culture of reporting of accidents to a designated health and safety coordinator is being improved and visits to all accident sites following serious incidents are undertaken. Systems are in place to ensure that all notifiable incidents are reported to the appropriate authorities and regular newsletters are sent to all parishes. The trustees are reported to monthly and consulted with in respect of all important decisions in respect of health and safety policy.

OBJECTIVES AND ACTIVITIES

The objects of the charity as declared in the governing document are:

- the advancement of the Roman Catholic religion
- the advancement of education
- the relief of poverty
- the cure or alleviation of sickness or disease

ACHIEVEMENTS AND PERFORMANCE

Recognising that the organisational structure of the central administrative functions of the archdiocese was largely established in the 1970s, the trustees engaged with an external consultancy with experience of Catholic organisations to review the current structure and operations. The findings of the review were considered by the trustees and presented to clergy and central employees of the archdiocese in the year.

Accepting a significant recommendation for the recruitment of a Chief Operating Officer, the trustees have completed the recruitment process in 2018. The Chief Operating Officer will line manage all central managers and progress wider developments by greater coordination of staff across the departments, working closely with the Moderator of the Curia and with the respective LACE-based Episcopal Vicars, to develop the vision and developments going forward, for improved service to the Church out-with of the archdiocesan central offices.

Financial review

The net movement in funds of the charity from parochial and curial activities is summarised below.

	2017 £000's	2016 £000's
Net (outgoing) resources	(736)	(1,080)
Unrealised gain on investments	8,842	11,396
Revaluation of investment properties	657	5,021
Net movement	8,763	15,337

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Voluntary income

Many parishes have benefited from the centrally coordinated 'Responsible Giving Campaign'. Implemented by small teams of volunteer parishioners, the campaign highlights the rising level of running costs faced by parishes and encourages parishioners to increase their individual level of giving. Separately there have been coordinated Gift Aid campaigns to boost donations further. Parishes where a responsible giving campaign has been undertaken have experienced sustained increases in giving while other parishes report falling offertories. It is suggested that such parish campaigns should occur once every five years, interspersed with a Gift Aid campaign, to maintain the effectiveness of donation levels whilst trying to avoid 'fundraising fatigue' for parishioners.

Although Mass attendances have declined, parishioners continue to generously support their parishes. Offertory income amounted to £5.92M (2016: £5.85M) but reflected an increase in the average weekly giving per mass attender from £2.59 in 2016 to £2.74 in 2017. The impact of responsible giving campaigns and other initiatives has ensured that average individual giving has continued to grow.

Gift Aid recovery remained strong and most parishes operated the Gift Aid Small Donation Scheme for eligible donations that enabled the archdiocese to claim an amount equivalent to Gift Aid on individual small donations of £20 or less.

The value of legacies received by the archdiocese was £0.85M in 2017 (2016: £0.61M). The Priests' Training Fund, Liverpool Archdiocesan Missionary Project (LAMP), the cathedral and individual parishes each continue to benefit from the generosity of parishioners through collection income and bequests. Legacies were reported in 29 individual parishes in 2017 (2016: 33). While the total value of legacies has increased, the long-term trend indicates a decline in the number of legacies received.

Parishioners' responses to appeals and special collections remain generous with £1.64M received in 2017 (2016: £1.57M). Various external charities, including CAFOD and Nugent, benefited from the income generated in parishes.

Fundraising activities

The activities of the parish centres are consolidated within Archdiocesan Parish Centres Management Company Limited. A programme of refurbishments has helped ensure that the parish centres remain competitive despite difficult market conditions. The parish centres employ around 400 people in a variety of full-time and part-time roles across the archdiocese and continue to be a valuable resource to parishes and the wider community, with the activities of the company enabling the funding of these costly sites on behalf of the parishes and furthering financial distribution to many individual parishes.

Many people from a variety of different backgrounds encounter the archdiocese through conference events held at LACE. Conference turnover was £0.28M (2016: £0.26M) with over 22,000 delegates attending events in 2017.

Archdiocesan building projects are managed by Tuneside Limited and Archdiocesan Property Services Limited and the activities of the subsidiaries have considerable influence in ensuring that building projects are managed in a cost-efficient manner to the benefit of the parishes and schools.

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Investment policy and performance

The trust deed authorises the trustees to invest general funds of the charity in any manner which the trust may lawfully invest.

The investment objectives of the trustees are that the real value of assets should be maintained and enhanced over the long term and generate an agreed rate of return. This is achieved by investing in a portfolio of equities, fixed income stocks, commercial property and cash.

The investment portfolio is managed on a discretionary basis within the parameters of a general ethical investment policy restricting the investment managers from investing in any area that would be incompatible with the objectives of the trust. The policy states that no investments are to be made in companies which generate more than 10% of their turnover from military activity, the production of anything which threatens the sanctity of life, or the production of pornography. The investment managers use the services of bodies such as the Investor Responsibility Research Service to endeavour to ensure compliance with archdiocesan policy.

The Investment Panel has authority delegated from the trustees to set performance targets and to assess the actual performance of the investment managers against benchmarks, with advice from a specialist firm of investment advisers.

The main archdiocesan investment portfolio is split into two funds managed by BlackRock Investment Management (UK) Limited and Martin Currie Investment Management Limited respectively, and representatives of the investment managers meet periodically with the Investment Panel, who assess their relative performance and against benchmarks.

Investment income generated by the investment managers of the unitised portfolio was £4.09M (2016: £3.73M) and met the budgetary requirements of the archdiocese. The archdiocese experienced an unrealised gain on investments of £8.84M (2016: £11.40M) which are always viewed as investments for the long-term viability, security and benefit to the parishes and archdiocese overall. Although unrealised gains were lower than in 2016, the performance of both investment management companies exceeded the benchmarks in 2017.

All archdiocesan bank accounts are included within the offset banking system. After daily consideration of commitments and spending patterns, archdiocesan personnel evaluate the cash requirements, the balance being placed in a variety of cash deposits with institutions approved by the trustees.

The investment objective in respect of cash management is to maximize income from cash balances whilst maintaining sufficient available funds to meet the daily operating requirements and to facilitate the timely payment of liabilities.

The low rates of interest available on cash balances continue to present a challenge to the archdiocese. Income derived from cash management activities decreased marginally to £0.06M (2015: £0.10M) with the average rate of return diminishing further as longer-term deposits on higher rates of interest mature.

A proportion of available cash had been held by Kaupthing Singer & Friedlander Limited. This company entered administration on 8 October 2008, at which time £4.7M of archdiocesan funds were held by the bank. This represented 11.7% of total funds held at that time. To date, the administrators have made distributions of 85.75p in the pound with their projection of a total return of between 86.25p and 87.00p. As the timing and extent of any future distributions remain uncertain, the trustees consider it appropriate to make provision for a sum equating to 13.75% of that originally invested.

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Investment properties

The archdiocese sold several assets that were no longer being used as functional church properties and reported a realised gain on the disposal of properties of £0.88M (2016: £0.91M). The trustees have retained several properties no longer required for functional purposes to generate a rental income for individual parishes. A cyclical valuation policy is operated by the trustees and the revaluations created an unrealised gain of £0.66M in 2017 (2016: £5.02M).

CHARITABLE ACTIVITIES AND PUBLIC BENEFIT

The charity aims to satisfy its objects through four main areas of charitable activity:

- To support pastoral work in parishes and local communities
- To provide support to the clergy in training, ministry and retirement
- To support and direct lifelong Christian education in parishes and schools
- To preserve and invest in the property infrastructure of the archdiocese and parishes, facilitating worship and enabling the charitable work of the Church to take place

In considering the charitable activities of the archdiocese, the trustees have had regard to the Charity Commission guidance on public benefit. Success is measured in several ways. The archbishop has oversight of the whole archdiocese, achieved through visitations to parishes and schools and through the wider knowledge and reviews below of the various activities of the organisation.

Pastoral work

The celebration of Mass in parishes within the archdiocese was attended by an average weekly congregation of around 41,500 in 2017 and contributed to the spiritual well-being of society and the public in general.

Many activities coordinated through parishes of the archdiocese are focused on the needs of the vulnerable, both at home and abroad, and significant collections are undertaken on behalf of charities such as Nugent, CAFOD and natural disaster appeals. The pastoral work of the archdiocese extends through chaplaincy provision offering spiritual support to those in universities, hospitals and prisons within the geographical area of operation. A regular and extensive provision of pastoral visiting to the sick at home and in nursing homes is undertaken by clergy and trained lay people.

While most pastoral work is undertaken locally at the parish level, several centrally funded departments and initiatives facilitate and encourage work in the local community.

The Christian Education Department focuses on formation and ethos in our Catholic schools by means of staff training courses, professional catechetical and liturgical support and statutory religious education inspections.

Parish work with young people is complemented by the activities of the Animate youth ministry team based at St Mary's (Lowe House) in St Helens. A team of residential youth workers under the direction of the archdiocesan youth chaplain serves in parishes and schools, engage with over 10,000 young people each year by undertaking preparation for sacraments, youth events, pilgrimages and school missions. This interaction informs young people not only about religion but also about basic values which contribute to the common good of society.

The Pastoral Formation Department offers training and ongoing support to adults who seek to develop their participation in the mission of the Church. This includes assisting parishes as they develop collaborative ways of working, as well as offering skills training areas such as working with young people, parish catechesis or exploring ways of supporting family life. Through its Marriage and Family Life ministry, the department aims to support all aspects of marriage and family life including marriage preparation and marriage enrichment and aims to contribute to the well-being of society as a whole.

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Pastoral work (*continued*)

The Justice and Peace Commission was set up in Liverpool in the wake of the Second Vatican Council's restatement of the truth that salvation involves practical things; liberation from the bondage of slavery and debt, freedom from the pangs of hunger, release from the captivity of poverty and entry into the promised land of freedom and prosperity. More than ten years ago the then archbishop renewed the commitment of the trustee by signing, and displaying on the walls of the cathedral, a preferential option for the poor. The commission works throughout the geographical area of the archdiocese with many local groups and individuals. It also cooperates with CAFOD and other social justice groups locally and nationally.

For nearly four decades Liverpool priests have volunteered to serve in Latin America, standing alongside the poor and deprived, supported by the people of the archdiocese. LAMP was established in 1979 to undertake this missionary work and attend to the needs of individuals within the parishes administered by archdiocesan priests operating in Latin America. Investment income derived from restricted investments and legacies currently support the day-to-day activities and pastoral work of the priests, with emphasis on catechesis and the support of medical needs, as well as some of the property needs in their parishes.

Clergy support

At the local level, priests are actively involved in directing, coordinating and undertaking the mission of the Church and delivering the strategy of the archdiocese. Priests and deacons are also responsible for the celebration of Masses as well as baptisms, marriages, funerals and the provision of the sacraments generally. The priests and deacons of the archdiocese provide welfare to the sick, dying and their relatives through visitations and the administration of the sacraments.

Priests do not retire but can stand down from the full responsibilities of office at 75 years old, or earlier if their health requires. As the anticipated number of such 'retired' priests increases beyond the present number the requirements on the George Andrew Fund to provide for the day-to-day living needs of such retired priests will increase and the fund value will diminish. The George Andrew Fund levy based on parish donations and income contributes to supporting priests during illness and after leaving office.

Properties in several locations within the archdiocese have been converted and refurbished to increase the level and variety of accommodation available to retired priests. An annual parish collection, 'Provision for Priests in Retirement', has been introduced in recent years and continues to be generously supported by parishioners. The proceeds of the annual collection will help to meet the future costs of converting and maintaining such properties and are held separately from those of the George Andrew Fund.

The archdiocese has nine students preparing for the priesthood and the proceeds of an annual parish collection, legacies and specific donations to the Priests' Training Fund provide for the cost of education of students for the priesthood and for continuing formation.

Education

In partnership with the trustees of religious orders, the archdiocese provides a network of schools across a very wide and disparate geographical area embracing eight local education authorities and the Isle of Man.

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Education (*continued*)

The Schools Department of the archdiocese ensures that there is in its schools, at both primary and secondary levels, a place available for every baptised Catholic child. Successive external reports give testament to the enduring quality of the network of schools, which continue to place as much emphasis on personal, spiritual and moral formation as on academic progress. In celebrating the uniqueness of the individual and fostering independence alongside responsibility to others, the archdiocesan schools strive to offer mutual support for the common good in the wider society.

Through the School Projects Fund, the archdiocese approved 182 individual capital and repair projects to the value of £13.94M in the year (2016: 210 projects, £13.85M). The archdiocese contributes up to 10% of the cost of each school building project undertaken and the level of contribution can only be achieved with the support of parishioners and parents who contribute to the annual school levy collection. The School Projects Fund benefited from £0.47M (2016: £0.42M) of donations from parents via archdiocesan schools and £0.28M (2016: £0.29M) donated from Mass-going parishioners via parishes.

2017 saw the conclusion of the Liverpool School Investment Programme with the completion of capital projects at Bellerive and St Julie's schools. This ended the innovative partnership with Liverpool City Council, into which the archdiocese made a significant contribution of school capital as part of a programme of new builds and major improvements to six Catholic high schools across the city.

Continuing the theme of recent years, capital investment in schools and colleges continued to focus on maintaining and improving building condition. Around 80% of the school capital funding accessed by archdiocesan schools in 2017 was co-ordinated through the archdiocese and targeted at maintaining and improving the fabric of our school buildings.

The year saw the continuation of significant investment targeted on the improvement in the condition of Catholic high school buildings in the Sefton local authority area. The long-term programme aims to provide significant investment in each Catholic high school to deliver a significant improvement the overall quality of the school buildings. Work was completed at Maricourt High School and a similar investment is planned at Christ the King High School and Sixth Form Centre.

Progress has been made on several large refurbishment projects including investment at St Bede's Catholic High School in Ormskirk, St Edmund Arrowsmith High School in Ashton-in-Makerfield, St Aidan's Catholic Primary School in Wigan, and St Finbar's Catholic Primary School in Liverpool.

The project to expand the capacity at Holy Cross Catholic High School in Chorley has been completed as has the rationalisation and improvement of the accommodation at Holy Spirit Catholic Primary School in St Helens, St Oswald's Catholic Primary School in Ashton-in-Makerfield, and All Saints' Catholic High School in Kirkby.

The creation of a single-site building at St Anne's Catholic Primary School in Leyland, the expansions of St Peter's High School in Orrell, and Great Crosby Primary School, and the new nursery at St Brigid's Catholic Primary School in Stockbridge Village, were also completed. Further progress has been made in the phased rationalisation and suitability development plans at SS Peter and Paul, Catholic Primary School in Kirkby and Ursuline Catholic Primary School in Crosby.

An element of funding of school building projects is paid directly to schools using a formulaic allocation known as devolved formula capital (DFC). Most schools in the archdiocese opt to pay their DFC allocations into an archdiocesan bank account within which they are maintained on an individual basis until they are drawn down by the school. At the year end, the archdiocese was holding £6.39M (2016: £6.08M) on behalf of schools.

Through the Schools' Voluntary Contribution Scheme the archdiocese is able to offer an enhanced level of support to schools. Contributions of £0.28M in 2017 (2016: £0.28M) from archdiocesan schools enabled the Schools Department to support the development of leadership teams and advise on selection and appointment processes through effective induction, in-service and advanced programmes of training following appointment. In 2017 a significant number of new appointments made by governing bodies were effected with the support of archdiocesan officers.

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Property

Establishment costs remain the most significant area of expenditure for parishes, with £7.79M (2016: £6.22M) incurred in property running costs, which included repairs and maintenance costs of £4.80M in 2017 (2016: £3.21M).

Effective control exercised through the Financial Advisory Committee, which considers and recommends to the trustees repair projects costing in excess of £5,000, and the efforts of the in-house surveying team in obtaining value for money has ensured that building projects remained good value for money with trustee consideration and approval.

Although similar numbers of parish property projects are approved annually, the timing of projects has contributed to a higher level of total repair expenditure being incurred in 2017. The trustees approved 56 parish property projects to a value of £2.38M in 2017 (2016: 52 projects, value £2.79M).

The management of the maintenance and repair programme ensures that churches and parish 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.

Employees

Our employees are a much valued and essential part of the life of the Church, for which the trustees thank them. Information about the archdiocesan activities is communicated to employees in several ways including email and intranet. In addition, regular meetings are held with staff on general and specific matters, with employee forums for central administrative employees and for those of parish centres.

It is the policy of the archdiocese to give full consideration to applications from disabled persons, having due regard to their particular aptitudes and abilities, and to provide opportunities for the retention and retraining of employees who become disabled during their employment. Equal opportunities are also given for the training, career development and promotion of disabled persons.

Annual pay changes are approved by the trustees, and job roles and remuneration are reviewed periodically. Archdiocesan benchmarking is employed when new roles are created or when significant roles become vacant.

Grants

The archdiocese is not a primarily a grant-making charity. A small number of discretionary grants were made by the trustees to contribute towards the costs of particular initiatives run by other charities where their objects correlated with those of the archdiocese. Further information on this can be found in note 19 to the accounts.

Reserves policy

At 31 December 2017 the reserves were:

	2017	2016
	£000's	£000's
Restricted funds	17,795	17,038
Unrestricted funds: - general	91,824	88,515
- designated	86,980	82,283
	196,599	187,836

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Reserves policy (*continued*)

Restricted funds represent unexpended balances from collections, donations, legacies and grants restricted by donors to specific purposes including the Priests' Training Fund and Foundation Mass capital. Balances on specific building projects at the Metropolitan Cathedral represent amounts of grant-aid and other financial support invested in the fabric of the building. A breakdown of amounts restricted is given and the purpose of the restrictions is explained further in note 16.

Designated funds have been set aside by the trustees for a number of purposes including school projects, central funds, the George Andrew Fund, and the Metropolitan Cathedral.

To ensure that the reserves of the George Andrew and 2021 funds are enough to support priests in retirement, periodic actuarial reviews are undertaken. The outcome of the most recent review was confirmation that the level of reserves held was adequate to meet the likely future costs of retirement. At December 2017 reserves of these two funds amounted to £15.22M (2016: £13.95M). Reflecting the long-term nature of the support provided by these two designated funds, the level of reserves that would otherwise be classified as freely available is more than the general target set for other funds of the archdiocese.

The central funds of the archdiocese which have been designated to meet the costs of central archdiocesan initiatives and support costs were £50.16M at December 2017 (2016: £48.38M). The assets of the funds are primarily investment property and holdings in the unitised investment portfolio. The income generated from these investments contributes toward meeting the costs of centrally coordinated charitable activities and of the support and governance cost obligations of the charity. The level of reserves held ensures that parishes are not required to contribute to central costs by way of an annual levy.

Although collectively our parishes are financially secure, those parishes without sufficient reserves rely on or benefit from the generosity of fellow parishes through the Assessment Fund and offset banking system.

Parishes make voluntary contributions to the Assessment Fund based on income. The Assessment Fund committee, which is made up of parish priests, considers written applications for support from parishes and distributes grants to those parishes in need. In focusing on parishes with negative reserves, the committee has contributed to an improvement in reserves in many of our parishes in 2017.

The level of aggregated reserves held for general parish purposes is broadly consistent with that of the rest of the archdiocese. The collective reserves of parishes have exceeded the target set by the trustees. Around 30% of our parishes are managing their day-to-day activities without any freely available reserves but this represents an improvement since 2016. Reserves in another 42 parishes are below the overall target of 36 months, a figure consistent with 2016.

Changes in banking regulations that the archdiocese was required to implement in 2017 have greatly increased the complexity of the archdiocesan offset banking system. Despite the significant increase in transactions arising from daily sweep activities, the offset banking system continues to ensure that those parishes with limited resources are spared the additional cost of interest charges on bank overdrafts and builds on the Church's values of solidarity with the poor and the common good.

The level of freely available reserves is ordinarily determined as the amount of total unrestricted (including designated) funds less fixed assets as these assets could not be realised without undermining the work of the archdiocese. Typically, this reserve figure is expressed in terms of monthly expenditure. Under this definition, the level of reserves freely available to spend on any or all of the charity's purposes amounted to approximately 44 months' expenditure, (2016: 42 months).

Taking into consideration the specific demands in respect of the George Andrew and 2021 funds, the trustees consider any meaningful target for reserves to meet general expenditure should exclude these funds. At December 2017, 39 months of expenditure were available (2016: 37 months) and the freely available reserves exclude fixed assets held for charitable use.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

Reserves policy *(continued)*

The level of net current assets held by the archdiocese amounted to £12.62M (2016: £10.43M) and represents 4.67 months (2016: 3.93 months) of expenditure at December 2017.

While aiming to maintain working capital or net current assets of between 4 to 6 months expenditure, the trustees consider that an overall level of reserves equating to 36 months' expenditure is sufficient to enable the charity to fulfil all of its obligations and commitments. Unrealised gains on investments and revaluation of investment properties have contributed to an increase in the levels of reserves but, as returns on cash management remain limited, it is felt the excess of reserves over 36 months is acceptable in the short to medium term. The trustees' expectations in respect of the desired levels of reserves in the longer term remain realistic.

PLANS FOR FUTURE PERIODS

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 than in 2017.

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, focused prayer, reflection and discussion meetings will build up towards an 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 continue to be sufficient places across the archdiocese to meet overall Catholic demand. Demand remains very high for places in archdiocesan schools but there is a very high level of assurance that all Catholic children can obtain a place at a local Catholic school.

Capital developments in the coming year are likely to include the commencement of work on site for a new building at St Cuthbert's Catholic Primary School in Liverpool, along with the completion of the work to improve the condition, suitability and capacity of St Gregory's High School in Warrington. Progress on work to move St Gabriel's Catholic Primary School in Higher Folds to a single site, and furtherance of the development plan to improve the accommodation at the recently-amalgamated St Oswald's Catholic Primary School in Liverpool will continue.

Volunteers

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 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.

In summary, the overall picture is one of consolidation and improvement of existing resources. The trustees are budgeting carefully in response to archdiocesan needs and priorities to preserve the level of reserves and maintain commitments to existing services, whilst also being able to periodically consider new initiatives, if trustees determine such are to become higher priority temporary projects. One such initiative is the pilot scheme to recruit and train lay Pastoral Associates to work with parish communities in various locations in six Pastoral Areas across the archdiocese from January 2019.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITOR

In respect of each trustee at the date the trustees report is signed:

- So far as we are aware, there is no information needed by the charity's auditor in connection with preparing their report (relevant audit information) of which they are unaware, and
- As the trustees of the charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint BDO LLP as auditors for the ensuing year will be proposed.

Signed on behalf of the trustees 25/10/18



Rev S Kirwin
Episcopal Vicar for Finance and Development

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Liverpool Roman Catholic Archdiocesan Trust ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the Charity statement of financial activities, the consolidated balance sheet, the Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2017 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2017

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent] Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST FOR THE YEAR ENDED 31 DECEMBER 2017

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report 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 and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Hamid Ghafoor Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Liverpool
United Kingdom

Date: 25/10/2018.

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2017 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,578	519	1,635	11,732	261	3	41	305	12,037
Legacies		502	-	-	502	-	287	57	344	846
Grants		-	-	-	-	-	-	271	271	271
Other trading activities										
Fundraising	3.2	282	-	-	282	12,504	-	-	12,504	12,786
Investment income	3.3	1,707	258	5	1,970	439	2,888	132	3,459	5,429
Charitable activities	4	186	-	-	186	296	973	-	1,269	1,455
Other										
Net gains/(losses) on disposal of assets		882	-	-	882	-	(1)	-	(1)	881
TOTAL INCOME		<u>13,137</u>	<u>777</u>	<u>1,640</u>	<u>15,554</u>	<u>13,500</u>	<u>4,150</u>	<u>501</u>	<u>18,151</u>	<u>33,705</u>
EXPENDITURE ON										
Raising Funds	5	174	26	1	201	12,349	254	15	12,618	12,819
Charitable activities										
	6									
Clergy	6.1	1,660	-	-	1,660	44	1,098	265	1,407	3,067
Pastoral	6.2	3,750	-	1,096	4,846	797	1,775	202	2,774	7,620
Education	6.3	-	726	-	726	143	1,305	-	1,448	2,174
Property	6.4	7,793	-	-	7,793	423	545	-	968	8,761
TOTAL EXPENDITURE		<u>13,377</u>	<u>752</u>	<u>1,097</u>	<u>15,226</u>	<u>13,756</u>	<u>4,977</u>	<u>482</u>	<u>19,215</u>	<u>34,441</u>
Net gains on investments	10	<u>4,038</u>	<u>774</u>	<u>29</u>	<u>4,841</u>	<u>464</u>	<u>3,771</u>	<u>423</u>	<u>4,658</u>	<u>9,499</u>
NET INCOME		<u>3,798</u>	<u>799</u>	<u>572</u>	<u>5,169</u>	<u>208</u>	<u>2,944</u>	<u>442</u>	<u>3,594</u>	<u>8,763</u>
TRANSFERS BETWEEN FUNDS										
	25	<u>(905)</u>	<u>229</u>	<u>(300)</u>	<u>(976)</u>	<u>208</u>	<u>725</u>	<u>43</u>	<u>976</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>2,893</u>	<u>1,028</u>	<u>272</u>	<u>4,193</u>	<u>416</u>	<u>3,669</u>	<u>485</u>	<u>4,570</u>	<u>8,763</u>
Fund balances at 1 January 2017		77,953	1,265	2,407	81,625	10,562	81,018	14,631	106,211	187,836
FUND BALANCES AT 31 DECEMBER 2017	26	<u>80,846</u>	<u>2,293</u>	<u>2,679</u>	<u>85,818</u>	<u>10,978</u>	<u>84,687</u>	<u>15,116</u>	<u>110,781</u>	<u>196,599</u>

All amounts relate to continuing operations.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2016 £000's
INCOME FROM										
Donations and legacies										
Collections and donations	3.1	9,151	440	1,569	11,160	248	1	53	302	11,462
Legacies		597	-	-	597	-	2	11	13	610
Grants		-	-	-	-	-	-	323	323	323
Other trading activities										
Fundraising	3.2	239	-	-	239	12,402	-	-	12,402	12,641
Investment income	3.3	1,561	234	7	1,802	426	2,692	118	3,236	5,038
Charitable activities	4	209	-	-	209	284	923	-	1,207	1,416
Other										
Net gains on disposal of assets		891	-	-	891	-	19	-	19	910
TOTAL INCOME		12,648	674	1,576	14,898	13,360	3,637	505	17,502	32,400
EXPENDITURE ON										
Raising Funds	5	160	32	1	193	12,515	299	17	12,831	13,024
Charitable activities										
	6									
Clergy	6.1	1,654	-	-	1,654	53	1,050	275	1,378	3,032
Pastoral	6.2	3,861	-	1,107	4,968	794	1,964	181	2,939	7,907
Education	6.3	-	1,122	-	1,122	-	1,258	-	1,258	2,380
Property	6.4	6,224	-	-	6,224	423	490	-	913	7,137
TOTAL EXPENDITURE		11,899	1,154	1,108	14,161	13,785	5,061	473	19,319	33,480
Net gains on investments	10	6,027	1,003	37	7,067	1,823	6,980	547	9,350	16,417
NET INCOME		6,776	523	505	7,804	1,398	5,556	579	7,533	15,337
Gross transfers between funds	25	(898)	301	(426)	(1,023)	129	834	60	1,023	-
NET MOVEMENT IN FUNDS		5,878	824	79	6,781	1,527	6,390	639	8,556	15,337
Fund balances at 1 January 2016		72,075	441	2,328	74,844	9,035	74,628	13,992	97,655	172,499
FUND BALANCES AT 31 DECEMBER 2016	26	77,953	1,265	2,407	81,625	10,562	81,018	14,631	106,211	187,836

All amounts relate to continuing operations.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2017 £000's
INCOME FROM										
Donations and legacies										
Collections and donations		9,578	519	1,635	11,732	260	3	41	304	12,036
Legacies		502	-	-	502	-	287	57	344	846
Grants		-	-	-	-	-	-	271	271	271
Other trading activities										
Fundraising		282	-	-	282	68	-	-	68	350
Investment income		1,707	258	5	1,970	265	2,888	132	3,285	5,255
Charitable activities		186	-	-	186	296	973	-	1,269	1,455
Other										
Net gains/(losses) on disposal of assets		882	-	-	882	-	(1)	-	(1)	881
TOTAL INCOME		13,137	777	1,640	15,554	889	4,150	501	5,540	21,094
EXPENDITURE ON										
Raising Funds		174	26	1	201	84	254	15	353	554
Charitable activities										
Clergy		1,660	-	-	1,660	44	1,098	265	1,407	3,067
Pastoral		3,750	-	1,096	4,846	644	1,775	202	2,621	7,467
Education		-	726	-	726	-	1,305	-	1,305	2,031
Property		7,793	-	-	7,793	423	545	-	968	8,761
TOTAL EXPENDITURE		13,377	752	1,097	15,226	1,195	4,977	482	6,654	21,880
Net gains on investments		4,038	774	29	4,841	188	3,771	423	4,382	9,223
NET INCOME		3,798	799	572	5,169	(118)	2,944	442	3,268	8,437
TRANSFERS BETWEEN FUNDS										
		(905)	229	(300)	(976)	741	725	98	1,564	588
NET MOVEMENT IN FUNDS		2,893	1,028	272	4,193	623	3,669	540	4,832	9,025
Fund balances at 1 January 2017		77,953	1,265	2,407	81,625	8,088	81,003	14,129	103,220	184,845
FUND BALANCES AT 31 DECEMBER 2017	26	80,846	2,293	2,679	85,818	8,711	84,672	14,669	108,052	193,870

All amounts relate to continuing operations.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Parochial Unrestricted Funds £000's	Parochial Designated Funds £000's	Parochial Restricted Funds £000's	TOTAL Parochial Funds £000's	Curial Unrestricted Funds £000's	Curial Designated Funds £000's	Curial Restricted Funds £000's	TOTAL Curial Funds £000's	TOTAL 2016 £000's
INCOME FROM										
Donations and legacies										
Collections and donations		9,151	440	1,569	11,160	248	1	53	302	11,462
Legacies		597	-	-	597	-	2	11	13	610
Grants		-	-	-	-	-	-	323	323	323
Other trading activities										
Fundraising		239	-	-	239	24	-	-	24	263
Investment income		1,561	234	7	1,802	262	2,692	118	3,072	4,874
Charitable activities		209	-	-	209	284	923	-	1,207	1,416
Other										
Net gains on disposal of assets		891	-	-	891	-	19	-	19	910
TOTAL INCOME		12,648	674	1,576	14,898	818	3,637	505	4,960	19,858
EXPENDITURE ON										
Raising Funds		160	32	1	193	26	299	17	342	535
Charitable activities										
Clergy		1,654	-	-	1,654	53	1,050	275	1,378	3,032
Pastoral		3,861	-	1,107	4,968	656	1,964	176	2,796	7,764
Education		-	1,122	-	1,122	-	1,258	-	1,258	2,380
Property		6,224	-	-	6,224	423	490	-	913	7,137
TOTAL EXPENDITURE		11,899	1,154	1,108	14,161	1,158	5,061	468	6,687	20,848
Net gains on investments		6,027	1,003	37	7,067	1,489	6,980	547	9,016	16,083
NET INCOME		6,776	523	505	7,804	1,149	5,556	584	7,289	15,093
Gross transfers between funds		(898)	301	(426)	(1,023)	467	834	116	1,417	394
NET MOVEMENT IN FUNDS		5,878	824	79	6,781	1,616	6,390	700	8,706	15,487
Fund balances at 1 January 2016		72,075	441	2,328	74,844	6,472	74,613	13,429	94,514	169,358
FUND BALANCES AT 31 DECEMBER 2016	26	77,953	1,265	2,407	81,625	8,088	81,003	14,129	103,220	184,845

All amounts relate to continuing operations.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

	Notes	Parochial 2017 £000's	Curial 2017 £000's	Total 2017 £000's	Parochial 2016 £000's	Curial 2016 £000's	Total 2016 £000's
FIXED ASSETS							
Tangible assets							
- investment properties	11.1	13,999	10,352	24,351	14,951	10,399	25,350
- other	11.3	13,204	19,944	33,148	13,779	20,448	34,227
		<u>27,203</u>	<u>30,296</u>	<u>57,499</u>	<u>28,730</u>	<u>30,847</u>	<u>59,577</u>
Investments	12.1	<u>53,051</u>	<u>73,416</u>	<u>126,467</u>	<u>48,978</u>	<u>68,834</u>	<u>117,812</u>
Total Fixed Assets		<u>80,254</u>	<u>103,712</u>	<u>183,966</u>	<u>77,708</u>	<u>99,681</u>	<u>177,389</u>
CURRENT ASSETS							
Stock		-	354	354	-	363	363
Debtors							
- due within one year	13	2,079	2,544	4,623	2,732	1,634	4,366
Balance at bank		<u>7,589</u>	<u>11,369</u>	<u>18,958</u>	<u>8,533</u>	<u>7,493</u>	<u>16,026</u>
		<u>9,668</u>	<u>14,267</u>	<u>23,935</u>	<u>11,265</u>	<u>9,490</u>	<u>20,755</u>
CREDITORS							
- amounts falling due within one year	14	(6,948)	(4,311)	(11,259)	(6,674)	(3,592)	(10,266)
Intra Group balances		<u>2,844</u>	<u>(2,844)</u>	<u>-</u>	<u>(674)</u>	<u>674</u>	<u>-</u>
NET CURRENT ASSETS		<u>5,564</u>	<u>7,112</u>	<u>12,676</u>	<u>3,917</u>	<u>6,572</u>	<u>10,489</u>
Provisions for liabilities							
Deferred taxation	15	-	(43)	(43)	-	(42)	(42)
NET ASSETS		<u>85,818</u>	<u>110,781</u>	<u>196,599</u>	<u>81,625</u>	<u>106,211</u>	<u>187,836</u>
ACCUMULATED FUNDS							
Restricted funds	16	2,679	15,116	17,795	2,407	14,631	17,038
Unrestricted funds							
- Designated	17	2,293	84,687	86,980	1,265	81,018	82,283
- General		<u>80,846</u>	<u>10,978</u>	<u>91,824</u>	<u>77,953</u>	<u>10,562</u>	<u>88,515</u>
		<u>85,818</u>	<u>110,781</u>	<u>196,599</u>	<u>81,625</u>	<u>106,211</u>	<u>187,836</u>

The financial statements were approved and authorised for issue by the trustees on 25/10/18

and signed on their behalf by



Chairman of the trustees

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CHARITY BALANCE SHEET AT 31 DECEMBER 2017

	Notes	Parochial 2017 £000's	Curial 2017 £000's	Total 2017 £000's	Parochial 2016 £000's	Curial 2016 £000's	Total 2016 £000's
FIXED ASSETS							
Tangible assets							
- investment properties	11.2	13,999	9,277	23,276	14,951	9,324	24,275
- other	11.4	13,204	4,506	17,710	13,779	4,586	18,365
		<u>27,203</u>	<u>13,783</u>	<u>40,986</u>	<u>28,730</u>	<u>13,910</u>	<u>42,640</u>
Investments	12.2	53,051	69,423	122,474	48,978	64,531	113,509
Investment in related companies	12.3	-	22,346	22,346	-	21,875	21,875
Total Fixed Assets		<u>80,254</u>	<u>105,552</u>	<u>185,806</u>	<u>77,708</u>	<u>100,316</u>	<u>178,024</u>
CURRENT ASSETS							
Debtors							
- due within one year	13	2,079	1,279	3,358	2,732	1,004	3,736
Balance at bank		<u>7,589</u>	<u>8,678</u>	<u>16,267</u>	<u>8,533</u>	<u>5,078</u>	<u>13,611</u>
		<u>9,668</u>	<u>9,957</u>	<u>19,625</u>	<u>11,265</u>	<u>6,082</u>	<u>17,347</u>
LIABILITIES							
Creditors							
- amounts falling due within one year	14	(6,948)	(551)	(7,499)	(6,674)	(360)	(7,034)
Intra Group balances		<u>2,844</u>	<u>(6,906)</u>	<u>(4,062)</u>	<u>(674)</u>	<u>(2,818)</u>	<u>(3,492)</u>
NET CURRENT ASSETS		<u>5,564</u>	<u>2,500</u>	<u>8,064</u>	<u>3,917</u>	<u>2,904</u>	<u>6,821</u>
NET ASSETS		<u>85,818</u>	<u>108,052</u>	<u>193,870</u>	<u>81,625</u>	<u>103,220</u>	<u>184,845</u>
ACCUMULATED FUNDS							
Share capital							
Restricted funds	16	2,679	14,669	17,348	2,407	14,129	16,536
Unrestricted funds							
- Designated	17	2,293	84,672	86,965	1,265	81,003	82,268
- General		<u>80,846</u>	<u>8,711</u>	<u>89,557</u>	<u>77,953</u>	<u>8,088</u>	<u>86,041</u>
		<u>85,818</u>	<u>108,052</u>	<u>193,870</u>	<u>81,625</u>	<u>103,220</u>	<u>184,845</u>

The financial statements were approved and authorised for issue by the trustees on 25/10/18

and signed on their behalf by



Chairman of the trustees

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £'000	2016 £'000
Cash flows from operating activities		
Net movement in funds	8,763	15,337
Adjustments for:		
Depreciation, impairment and amortisation of fixed assets	1,303	1,363
Net interest receivable	(31)	(64)
Dividend income from fixed and current asset investments	(4,094)	(3,733)
Difference between net pension expense and cash contribution	-	-
(Increase)/decrease in trade and other debtors	(257)	815
Decrease in stocks	9	133
Increase/(decrease) in trade and other creditors	992	(1,773)
Increase in provisions	1	42
Gains on revaluation of investment properties	(657)	(5,022)
Gains on revaluation of investments	(8,842)	(11,394)
Profit on disposal of assets	(881)	(910)
	<hr/>	<hr/>
Net cash outflow from operating activities	(3,694)	(5,206)
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	3,066	3,031
Purchases of tangible fixed assets	(753)	(910)
Interest received	32	133
Dividends received on fixed asset investments	4,094	3,696
Purchase of investments	(774)	(1,194)
Proceeds from sale of investments	961	389
	<hr/>	<hr/>
Net cash from investing activities	6,626	5,145
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	2,932	(61)
Cash and cash equivalents at beginning of year	16,026	16,087
	<hr/>	<hr/>
Cash and cash equivalents at end of year	18,958	16,026
	<hr/>	<hr/>
Cash and cash equivalents comprise:		
Cash at bank and in hand	18,958	16,026
	<hr/>	<hr/>
	18,958	16,026
	<hr/>	<hr/>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

1 PRINCIPAL ACCOUNTING POLICIES

1.1 Charity information

Liverpool Roman Catholic Archdiocesan Trust is a charity registered in England and Wales under the Charities Act 2011. The registered office is stated on the reference and administrative details page and the principal objective and activity of the charity is stated in the Report of the Trustees.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments and investment properties which are included at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (Charities SORP (FRS 102)), the Charities Act 2011 and applicable reporting standards.

Having considered future budgets and cash flows, the trustees confirm that there are no material uncertainties about the charity's ability to continue as a going concern.

Liverpool Roman Catholic Archdiocesan Trust meets the definition of a public benefit entity under FRS 102.

The accounts are presented in sterling and are rounded to the nearest £1,000.

1.3 Basis of consolidation

The consolidated financial statements include those of the subsidiary undertakings which are consolidated on a line by line basis using appropriate headings for those subsidiaries which prepare their accounts under the Companies Act or SORP formats.

The consolidated accounts also include the net assets and transactions of other charities under the control of the charity.

The accounts do not include the net assets and results of connected charities.

A separate charity statement of financial activities has been prepared but no separate supporting notes have been included as the results of subsidiaries are clearly shown in the consolidated notes.

The charity has taken advantage of the exemption from preparing a charity cash flow statement.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

1.4 Incoming resources

Incoming resources are included in the Statement of Financial Activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income from commercial activities is included in the period that the relevant services are provided or goods supplied.

Legacies and donations are recognised when receipt is probable, the archdiocese becomes legally entitled to them and they can be measured in financial terms with sufficient reliability. Collections and fundraising income is recognised on receipt.

The charity receives substantial voluntary help in the work of the archdiocese but it is not possible to place a financial value on this work and no amounts are therefore included in the financial statements for the value of services donated by volunteers. Gifts of fixed assets are included at valuation and the corresponding entry is recorded as donation income.

Grants receivable are included in the Statement of Financial Activities as soon as the conditions attaching to the grant are satisfied. Grants are mainly in relation to capital projects.

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on the accruals basis. These are based on the amounts payable for work done or services provided in the year.

Costs of raising funds

Costs of raising funds comprises all costs relating to attracting voluntary income, the costs incurred in subsidiary trading and investment management fees.

Charitable activities

Expenditure on charitable activities includes the costs identified as wholly or mainly attributable to achieving the charitable objectives of the charity, including direct staff costs, other direct costs, and apportioned support costs.

Governance costs

Governance costs are those costs related to the governance of the charity, to allow it to operate, and to generate information for public accountability. Direct costs will include audit and accountancy, legal advice to trustees and costs of trustees meetings.

Support costs

All support costs are borne by central funds and have been apportioned to governance costs and charitable activities. The share of support costs attributable to governance reflects costs incurred in the preparation of the statutory accounts and the remaining costs have been allocated pro-rata based upon the charitable activity's share of central expenditure.

1.6 Investments and investment gains and losses

Investments and investment properties are included in the financial statements at fair value. Listed investments are included in the balance sheet at bid price.

Realised and unrealised gains and losses on investments and investment properties are dealt with in the Statement of Financial Activities.

Unrealised gains and losses are calculated as the movement in fair value during the year.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

Realised gains are calculated as the difference between disposal proceeds and market value brought forward.

1.7 Tangible fixed assets - other than property

The cost of motor vehicles, computer equipment, office equipment and fixtures and fittings is capitalised and depreciation is provided to write off the original cost, less any estimated residual value, over the expected useful life of the assets concerned. The rates of depreciation applied are as follows:

	% of cost per annum
Motor vehicles	25
Computer equipment	25
Office equipment and fixtures and fittings	20

Suitable capitalisation thresholds are adopted in the entities comprising the archdiocese.

1.8 Tangible fixed assets - Functional church property

Prior to 31 December 1997 capital expenditure on functional church property was written off in full as incurred.

At 31 December 1997 the trustees considered that a reasonable approximation of the net book value of the functional church property held would be established by discounting the insurance values of those assets by 90%. This was the policy employed to include these assets on the balance sheet at estimated historic cost net of accumulated depreciation.

From 1 January 1998 to 31 December 2008 the cost of functional church property was capitalised and depreciated over its expected useful life of 20 years. From 2009 listed properties and other functional church properties have been depreciated over useful economic lives of 100 years and 50 years respectively. Commercial properties are considered to have useful economic lives of 20 years.

Works of art, treasures and plate are not capitalised in these accounts as they are historic, have extraordinarily long lives and are worth preserving in perpetuity. They are considered to be heritage assets for the purposes of Charities SORP (FRS 102). The trustees consider that it would be prejudicial to the safe custody of these assets to disclose details of their values and usage in the accounts.

Where functional church property is no longer operational, impairment is fully recognised unless there is an investment value.

1.9 Tangible fixed assets - School property

The freehold of the land and buildings legally owned by the archdiocese and occupied rent-free on behalf of the trustees of the governing bodies of catholic voluntary aided schools, which are separate charities and publicly funded, 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 in the open market or put to alternative use while such occupation, which may be indefinite, continues.

1.10 Impairment

The carrying amounts of the archdiocese's fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount and is recognised in the Statement of Financial Activities.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value.

1.12 Pension scheme

The charity and eligible employees make defined contributions to a group personal pension scheme. Contributions are also paid to the Teachers' Pension Superannuation Fund on which further information is given in note 21 to the financial statements. Contributions payable are charged as Resources Expended in the Consolidated Statement of Financial Activities.

1.13 Operating leases

Operating leases in respect of equipment are charged as resources expended on a straight line basis over the period of the lease. Such operating leases mainly relate to parishes and parish centres. Rentals receivable under operating leases are recognised on a straight line basis over the period of lease term.

1.14 Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i. at fair value with changes recognised in the Statement of Financial Activities if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii. at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charity would receive for the asset if it were to be sold at the reporting date.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

1.14 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.15 Recognition of liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the archdiocese to pay out resources.

1.16 Liquid resources

Liquid resources are those associated with the cash management of the archdiocese.

1.17 Fund accounting

The archdiocese has the following funds which are shown separately in the financial statements.

Restricted funds

Restricted funds are funds that are used in accordance with specific restrictions imposed by donors or that have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. Details of the restricted funds held are provided in note 16 to the financial statements.

Unrestricted funds - Designated

Designated funds are unrestricted funds that have been set aside by the trustees for specific purposes and are detailed in note 17 to the financial statements.

Unrestricted funds - General

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the objects of the charity and which have not been designated for other purposes.

1.18 Agency arrangements

The archdiocese acts as agent in the collection of grants from government, local authorities and other funds, and payment of approved invoices for school building projects on behalf of Catholic schools in the diocese. This income and expenditure is excluded from the income and expenditure of the charity and any balances due from or held on behalf of schools are shown within debtors and creditors. See note 24.

1.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Financial Activities.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

1.19 Current and deferred taxation (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the trustees have had to make the following judgments:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 11)

- Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Investment properties are valued internally annually and are professionally valued on a rolling basis as part of a five-year programme. Judgement is required in assessing the appropriateness of the assumptions and methodology in determining the fair value of investment properties.

Investments (see note 12)

- The most critical estimates, assumptions and judgments relate to the determination of carrying value of investments at fair value through the Statement of Financial Activities, the group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

3 INCOME	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
3.1 Collections and donations					
PAROCHIAL					
Collections	5,954	-	1,635	7,589	7,473
Donations	2,363	519	-	2,882	2,869
Gift Aid rebates	1,261	-	-	1,261	818
	<u>9,578</u>	<u>519</u>	<u>1,635</u>	<u>11,732</u>	<u>11,160</u>
CURIAL					
Collections	111	-	19	130	121
Donations	150	3	22	175	181
	<u>261</u>	<u>3</u>	<u>41</u>	<u>305</u>	<u>302</u>
TOTAL	<u>9,839</u>	<u>522</u>	<u>1,676</u>	<u>12,037</u>	<u>11,462</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

3.2 Fundraising	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
PAROCHIAL					
Parish events and other fundraising activities	282	-	-	282	239
	<u>282</u>	<u>-</u>	<u>-</u>	<u>282</u>	<u>239</u>
CURIAL					
Income from trading subsidiaries	12,436	-	-	12,436	12,378
Other	68	-	-	68	24
	<u>12,504</u>	<u>-</u>	<u>-</u>	<u>12,504</u>	<u>12,402</u>
TOTAL	<u>12,786</u>	<u>-</u>	<u>-</u>	<u>12,786</u>	<u>12,641</u>
3.3 Investment Income					
PAROCHIAL					
Income receivable from unitised portfolio	957	258	5	1,220	1,098
Rents and other income	750	-	-	750	704
	<u>1,707</u>	<u>258</u>	<u>5</u>	<u>1,970</u>	<u>1,802</u>
CURIAL					
Interest receivable	1	29	-	30	64
Income receivable from unitised portfolio	157	2,585	132	2,874	2,635
Rents and other income	281	274	-	555	537
	<u>439</u>	<u>2,888</u>	<u>132</u>	<u>3,459</u>	<u>3,236</u>
TOTAL	<u>2,146</u>	<u>3,146</u>	<u>137</u>	<u>5,429</u>	<u>5,038</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

4 INCOME FROM CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
PAROCHIAL					
Piety stall	141	-	-	141	152
Newspapers	45	-	-	45	57
	<u>186</u>	<u>-</u>	<u>-</u>	<u>186</u>	<u>209</u>
CURIAL					
Cemetery fees	271	-	-	271	272
School Contribution Scheme	-	339	-	339	320
Inspection fees and course income	-	196	-	196	166
Other	25	438	-	463	449
	<u>296</u>	<u>973</u>	<u>-</u>	<u>1,269</u>	<u>1,207</u>
TOTAL	<u>482</u>	<u>973</u>	<u>-</u>	<u>1,455</u>	<u>1,416</u>
5 EXPENDITURE ON RAISING FUNDS					
PAROCHIAL					
Parish events and other fundraising activities	75	-	-	75	44
Investment management fees	99	26	1	126	149
	<u>174</u>	<u>26</u>	<u>1</u>	<u>201</u>	<u>193</u>
CURIAL					
Expenditure by subsidiaries	12,266	-	-	12,266	12,489
Other	83	254	15	352	342
	<u>12,349</u>	<u>254</u>	<u>15</u>	<u>12,618</u>	<u>12,831</u>
TOTAL	<u>12,523</u>	<u>280</u>	<u>16</u>	<u>12,819</u>	<u>13,024</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

6 EXPENDITURE ON CHARITABLE ACTIVITIES	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
PAROCHIAL					
6.1 Clergy					
Clergy allowances	927	-	-	927	934
Travel	211	-	-	211	191
Supply	98	-	-	98	107
Other	424	-	-	424	422
	<u>1,660</u>	<u>-</u>	<u>-</u>	<u>1,660</u>	<u>1,654</u>
6.2 Pastoral					
Diocesan and other collections	-	-	1,096	1,096	1,107
Liturgical and pastoral costs	961	-	-	961	944
Lay personnel costs	1,075	-	-	1,075	1,163
Housekeeping and hospitality	281	-	-	281	312
Printing, postage, stationery	261	-	-	261	256
Equipment hire	184	-	-	184	157
Telephone	189	-	-	189	177
Professional fees	49	-	-	49	48
Other office	105	-	-	105	111
Piety stall	105	-	-	105	118
Newspapers	75	-	-	75	83
Miscellaneous	465	-	-	465	492
	<u>3,750</u>	<u>-</u>	<u>1,096</u>	<u>4,846</u>	<u>4,968</u>
6.3 Education					
School costs	<u>-</u>	<u>726</u>	<u>-</u>	<u>726</u>	<u>1,122</u>
6.4 Property					
Repairs and maintenance	4,800	-	-	4,800	3,213
Depreciation	567	-	-	567	571
Heat and light	1,130	-	-	1,130	1,059
Insurance	629	-	-	629	673
Council tax and water rates	368	-	-	368	401
Grounds maintenance	299	-	-	299	307
	<u>7,793</u>	<u>-</u>	<u>-</u>	<u>7,793</u>	<u>6,224</u>
TOTAL PAROCHIAL	<u>13,203</u>	<u>726</u>	<u>1,096</u>	<u>15,025</u>	<u>13,968</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
CURIAL					
6.1 Clergy					
Cathedral	44	-	-	44	53
Priests' Training Fund	-	-	265	265	275
Retirement costs	-	640	-	640	758
Permanent Diaconate	-	47	-	47	45
Sabbatical fund	-	37	-	37	23
Share of central support costs	-	106	-	106	64
Other	-	268	-	268	160
	<u>44</u>	<u>1,098</u>	<u>265</u>	<u>1,407</u>	<u>1,378</u>
6.2 Pastoral					
Cathedral	356	-	36	392	350
Cemeteries	287	-	-	287	318
Curia	-	4	-	4	9
Tribunal	-	75	-	75	116
Pastoral Formation	-	244	-	244	266
Justice and Peace	-	60	-	60	62
Youth	-	116	-	116	91
Safeguarding	-	128	-	128	122
National levies	-	199	-	199	199
Chaplaincies	-	249	-	249	322
Ecumenical grants	-	19	-	19	34
Share of central support costs	-	446	-	446	469
Other	154	235	166	555	581
	<u>797</u>	<u>1,775</u>	<u>202</u>	<u>2,774</u>	<u>2,939</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
6.3 Education					
Christian Education	-	364	-	364	338
Schools Department	143	613	-	756	620
Share of central support costs	-	328	-	328	300
	<u>143</u>	<u>1,305</u>	<u>-</u>	<u>1,448</u>	<u>1,258</u>
6.4 Property					
Cathedral	423	-	-	423	423
Depreciation	-	117	-	117	114
Share of central support costs	-	137	-	137	117
Other	-	291	-	291	259
	<u>423</u>	<u>545</u>	<u>-</u>	<u>968</u>	<u>913</u>
TOTAL CURIAL	<u>1,407</u>	<u>4,723</u>	<u>467</u>	<u>6,597</u>	<u>6,488</u>
TOTAL	<u>14,610</u>	<u>5,449</u>	<u>1,563</u>	<u>21,622</u>	<u>20,456</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Ministry Support £000's	Pastoral and community £000's	Education £000's	Property £000's	2017 £000's	2016 £000's
7 SUPPORT COSTS						
CURIAL						
Office administration and governance						
- Finance and development department	46	197	145	62	450	404
- IT	2	7	5	2	16	14
- Premises	18	74	55	23	170	152
- Bank charges and interest	21	90	66	27	204	219
- Audit fees	10	40	30	12	92	92
- Other curial	9	38	27	11	85	69
	<u>106</u>	<u>446</u>	<u>328</u>	<u>137</u>	<u>1,017</u>	<u>950</u>

In addition other amounts paid to the auditors in relation to the audit of subsidiary companies were £74,940 (2016: £85,260). These are included within costs of generating funds.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

8 STAFF COSTS

	Total 2017 £000's	Total 2016 £000's
Clergy allowances	984	1,029
Wages and salaries	6,834	6,937
Social security costs	396	389
Pension costs	190	187
	8,404	8,542

	2017 No.	2016 No.
The average number of employees during the year was:		
Central employees	135	135
Parish employees (excludes parish clergy)	136	136
Parish club employees (including part-time staff)	400	430
	671	701

The average number of employees as a full-time equivalent during the year was 403 (2016: 422).

The number of employees whose emoluments including taxable benefits in kind, but excluding pension contributions amounted to over £60,000 in the year was in bands as follows:

	2017 No.	2016 No.
£60,001 to £70,000	1	-
£90,001 to £100,000	1	1

The charity and eligible employees (see note 21) make defined contributions to a group personal pension scheme. The number of higher paid employees in the scheme in 2017 was 2 (2016:1). The total pension contributions made by the charity in respect of higher paid employees was £10,650 (2016: £11,797).

The day-to-day administrative, legal and financial affairs of the archdiocese are carried out by the episcopal vicar for finance and development. The episcopal vicar for finance and development is not remunerated for the performance of this role and therefore no disclosure has been made in relation to remuneration paid to key management personnel.

9 TRUSTEES

A number of the trustees are clergy of the Liverpool Roman Catholic Archdiocesan Trust. They are housed and remunerated by the archdiocese and are reimbursed expenses for carrying out their ministry in the same way as other priests of the archdiocese.

However, no trustees received any remuneration in respect of their services as a trustee during the year (2016 - £nil). Trustee expenses were reimbursed for expenses connected with their duties as trustees to the value of £243 (2016 - £nil).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

10 Net gains on investments	Unrestricted Funds £000's	Designated Funds £000's	Restricted Funds £000's	2017 £000's	2016 £000's
PAROCHIAL					
Revaluation of investment properties	1,137	-	-	1,137	2,351
Unrealised gains on investments	2,901	774	29	3,704	4,716
	<u>4,038</u>	<u>774</u>	<u>29</u>	<u>4,841</u>	<u>7,067</u>
CURIAL					
Revaluation of investment properties	-	(480)	-	(480)	2,670
Unrealised gains on investments	464	4,251	423	5,138	6,680
	<u>464</u>	<u>3,771</u>	<u>423</u>	<u>4,658</u>	<u>9,350</u>
TOTAL	<u>4,502</u>	<u>4,545</u>	<u>452</u>	<u>9,499</u>	<u>16,417</u>

11 TANGIBLE FIXED ASSETS

11.1 Investment property at valuation – Group

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2017	14,951	10,399	25,350
Additions	36	433	469
Disposals	(2,125)	-	(2,125)
Net surplus on revaluation	1,137	(480)	657
At 31 December 2017	13,999	10,352	24,351

11.2 Investment property at valuation - Charity

	Parochial £000's	Curial £000's	Total £000's
At 1 January 2017	14,951	9,324	24,275
Additions	36	433	469
Disposals	(2,125)	-	(2,125)
Net surplus on revaluation	1,137	(480)	657
At 31 December 2017	13,999	9,277	23,276

Investment properties are included on a fair value basis. External revaluations are carried out by Frank Harrington Associates, Chartered Surveyors, on a rolling basis as part of a five-year programme. The trustees have considered the valuations above as a fair reflection of the year end fair value.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

11.3 Other tangible fixed assets – Group	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2017	36,240	1,245	27,794	65,279
Additions	120	210	84	414
Disposals	(361)	(139)	(40)	(540)
At 31 December 2017	35,999	1,316	27,838	65,153
Depreciation				
At 1 January 2017	22,461	829	7,762	31,052
Charge for the year	567	209	527	1,303
Disposals	(233)	(82)	(35)	(350)
At 31 December 2017	22,795	956	8,254	32,005
Net book value				
At 31 December 2017	13,204	360	19,584	33,148
At 31 December 2016	13,779	416	20,032	34,227
11.4 Other tangible fixed assets - Charity	Parochial Property & Equipment £000's	Curial Fixtures & Equipment £000's	Curial Property £000's	Total £000's
Cost				
At 1 January 2017	36,240	157	6,455	42,852
Additions	120	18	17	155
Disposals	(361)	(4)	-	(365)
At 31 December 2017	35,999	171	6,472	42,642
Depreciation				
At 1 January 2017	22,461	109	1,917	24,487
Charge for the year	567	14	100	681
Disposals	(233)	(3)	-	(236)
At 31 December 2017	22,795	120	2,017	24,932
Net book value				
At 31 December 2017	13,204	51	4,455	17,710
At 31 December 2016	13,779	48	4,538	18,365

All tangible fixed assets were used for charitable purposes.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

12 INVESTMENTS

12.1 Listed investments - Group	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2017	44,558	66,612	6,000	117,170
Additions	576	161	36	773
Disposals	(113)	(181)	(16)	(310)
Net gain on revaluation	3,357	5,025	452	8,834
At 31 December 2017	48,378	71,617	6,472	126,467
Index linked investments - Group				
At 1 January 2017	642	-	-	642
Disposals	(650)	-	-	(650)
Net gain on revaluation	8	-	-	8
At 31 December 2017	48,378	71,617	6,472	126,467

All the quoted fixed asset investments are listed on a recognised Stock Exchange. The index linked investment is a deposit with Barclays. Listed investments are included in the balance sheet at bid price.

The main archdiocesan investment portfolio is split into two funds managed by BlackRock Investment Management (UK) Limited and Martin Currie Investment Management Limited respectively.

The investments are held in a unitised portfolio comprising:

	2017 £000's
UK Equities	66,733
Non-UK Equities	29,575
UK Government securities and other fixed interest stocks	13,792
UK Property Unit Trusts	10,623
Cash instruments	5,744
	126,467

12.2 Listed investments - Charity	Unrestricted £000's	Designated £000's	Restricted £000's	Total £000's
At 1 January 2017	40,896	66,612	6,000	113,508
Additions	504	162	36	702
Disposals	(105)	(181)	(16)	(302)
Net gain on revaluation	3,089	5,025	452	8,566
At 31 December 2017	44,384	71,618	6,472	122,474

There are no individual investments which comprise greater than 5% of the value of the portfolio.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

12 INVESTMENTS *(continued)*

12.3 Investments in related companies	Total £000's
At 1 January 2017	21,875
Additions	471
At 31 December 2017	22,346

Investments in related companies comprise the cost of shareholdings in the subsidiary companies listed in note 22.

13 DEBTORS	Parochial	Curial	Total 2017	Total 2016
Group	£000's	£000's	£000's	£000's
Due within one year				
Trade debtors	-	391	391	294
Other debtors and prepayments	649	733	1,382	1,708
Prepayments and accrued income	1,430	1,420	2,850	2,364
TOTAL	2,079	2,544	4,623	4,366
Charity				
Trade debtors	-	255	255	178
Other debtors and prepayments	649	13	662	1,622
Prepayments and accrued income	1,430	1,011	2,441	1,936
TOTAL	2,079	1,279	3,358	3,736
14 CREDITORS	Parochial	Curial	Total 2017	Total 2016
Amounts falling due within one year	£000's	£000's	£000's	£000's
Group				
School funding in advance	6,479	-	6,479	6,245
Trade creditors	-	1,163	1,163	1,344
Other creditors	-	1,412	1,412	865
Accruals and deferred income	469	1,587	2,056	1,669
Other taxation and social security	-	149	149	143
TOTAL	6,948	4,311	11,259	10,266
Charity				
School funding in advance	6,479	-	6,479	6,245
Trade creditors	-	59	59	49
Other creditors	-	151	151	34
Accruals and deferred income	469	341	810	706
TOTAL	6,948	551	7,499	7,034

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

15 DEFERRED TAXATION

	Parochial	Curial	Total
	£000's	£000's	£000's
Group			
Balance as at 1 January 2017	-	42	42
Charged to Statement of Financial Activities	-	1	1
Balance as at 31 December 2017	-	43	43

	Parochial	Curial	Total
	£000's	£000's	£000's
Charity			
Balance as at 1 January 2017	-	-	-
Charged to Statement of Financial Activities	-	-	-
Balance as at 31 December 2017	-	-	-

	2017 £000's	2016 £000's
The deferred tax balance is made up as follows:		
Accelerated capital allowances	43	42

The deferred tax charge arose within Metropolitan Cathedral Services Limited.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

16 RESTRICTED FUNDS

Unexpended balances from collections, donations, legacies and grants restricted by donors to specific purposes.

Analysis of Restricted Funds 2017	Opening Balance	Net Incoming Resources	Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
Foundation Mass capital	410	4	29	-	443
Other charitable collections	1,997	539	-	(300)	2,236
	<u>2,407</u>	<u>543</u>	<u>29</u>	<u>(300)</u>	<u>2,679</u>
Curial - Charity					
Priests' Training Fund	3,094	(140)	224	57	3,235
Metropolitan Cathedral Roof					
Appeal Fund	2,527	271	-	-	2,798
Metropolitan Cathedral	858	9	28	11	906
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral project	1,791	-	-	-	1,791
Liverpool Archdiocesan					
Missionary Project	1,368	(110)	81	12	1,351
St Joseph's College	713	12	40	-	765
Lenten alms	41	(19)	-	19	41
Other funds	847	(4)	50	-	893
	<u>14,129</u>	<u>19</u>	<u>423</u>	<u>99</u>	<u>14,670</u>
English Sports Council capital grants	274	-	-	(56)	218
Apostleship of the Sea	228	-	-	-	228
Curial - Group	<u>14,631</u>	<u>19</u>	<u>423</u>	<u>43</u>	<u>15,116</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

16 RESTRICTED FUNDS *(continued)*

Analysis of Restricted Funds 2016	Opening Balance	Net Incoming Resources	Investment Gains	Transfers	Closing Balance
	£000's	£000's	£000's	£000's	£000's
Parochial - Group and Charity					
Foundation Mass capital	363	5	37	5	410
Other charitable collections	1,965	463	-	(431)	1,997
	<u>2,328</u>	<u>468</u>	<u>37</u>	<u>(426)</u>	<u>2,407</u>
Curial - Charity					
Priests' Training Fund	2,934	(191)	290	61	3,094
Metropolitan Cathedral Roof Appeal Fund	2,205	322	-	-	2,527
Metropolitan Cathedral	799	25	37	(3)	858
Metropolitan Cathedral steps project	2,890	-	-	-	2,890
Metropolitan Cathedral project Liverpool Archdiocesan	1,791	-	-	-	1,791
Missionary Project	1,285	(56)	102	37	1,368
St Joseph's College	650	11	52	-	713
Lenten alms	88	(68)	-	21	41
Other funds	787	(6)	66	-	847
	<u>13,429</u>	<u>37</u>	<u>547</u>	<u>116</u>	<u>14,129</u>
English Sports Council capital grants	330	-	-	(56)	274
Apostleship of the Sea	233	(5)	-	-	228
Curial - Group	<u>13,992</u>	<u>32</u>	<u>547</u>	<u>60</u>	<u>14,631</u>

PURPOSE OF FUNDS

Foundation Mass capital	- For Masses celebrated on the anniversary of the deceased.
Priests' Training Fund	- Education of students to the priesthood and continuing foundation.
Metropolitan Cathedral Roof Appeal Fund	- English Heritage grants received and expended on substantial repair work to the cathedral roof.
Metropolitan Cathedral	- Golden Book Foundation Mass funds and other donations made for specific cathedral projects.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

16 RESTRICTED FUNDS *(continued)*

PURPOSE OF FUNDS *(continued)*

Metropolitan Cathedral steps project	- European objective 1 and regional development grants expended on the construction of the ceremonial steps.
Metropolitan Cathedral crypt project	- European objective 1 and regional development grants expended on the crypt redevelopment project.
Liverpool Archdiocesan Missionary Project	- To meet the costs of archdiocesan priests in their ministry in Latin America and other associated expenditure.
St Joseph's College	- Funds associated with priest training.
Lenten alms	- To be expended on projects at the discretion of the archbishop.
English Sports Council capital grants	- English Sports Council grants received and expended on the construction of Cardinal Heenan sports centre.
Apostleship of the Sea	- For the spiritual and temporal welfare of seafarers.

17 DESIGNATED FUNDS

Funds set aside by the trustees for the following purposes:

Analysis of Designated Funds 2017	Opening Balance £000's	Net (Outgoing)/ Incoming Resources £000's	Property/ Investment Gains £000's	Transfers £000's	Closing Balance £000's
Parochial - Group and Charity					
School Projects Fund	620	(7)	774	236	1,623
Other funds	645	32	-	(7)	670
	<u>1,265</u>	<u>25</u>	<u>774</u>	<u>229</u>	<u>2,293</u>
Curial - Group					
Central funds	48,379	(756)	2,206	326	50,155
George Andrew Retirement Fund	6,761	(201)	468	393	7,421
2021 Fund	7,191	144	486	-	7,821
Metropolitan Cathedral Roof Appeal Fund	7,056	-	-	200	7,256
Metropolitan Cathedral Liverpool inner-city parish reorganisation	5,153	92	304	(15)	5,534
Sabbatical Fund	1,300	-	-	-	1,300
Listed Building Fund	2,028	(11)	117	-	2,134
Other designated funds	2,083	(30)	118	-	2,171
	<u>1,067</u>	<u>(65)</u>	<u>72</u>	<u>(179)</u>	<u>895</u>
	<u>81,018</u>	<u>(827)</u>	<u>3,771</u>	<u>725</u>	<u>84,687</u>
Less Other designated funds	(15)	-	-	-	(15)
Curial - Charity	<u>81,003</u>	<u>(827)</u>	<u>3,771</u>	<u>725</u>	<u>84,672</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

17 DESIGNATED FUNDS *(continued)*

Analysis of Designated Funds 2016	Opening Balance £000's	Net (Outgoing)/ Incoming Resources £000's	Property/ Investment Gains £000's	Transfers £000's	Closing Balance £000's
Parochial - Group and Charity					
School Projects Fund	(164)	(490)	1,003	271	620
Other funds	605	10	-	30	645
	<u>441</u>	<u>(480)</u>	<u>1,003</u>	<u>301</u>	<u>1,265</u>
Curial - Group					
Central funds	44,370	(1,230)	5,009	230	48,379
George Andrew Retirement Fund	6,196	(413)	575	403	6,761
2021 Fund	6,453	124	614	-	7,191
Metropolitan Cathedral Roof Appeal Fund	6,855	-	-	201	7,056
Metropolitan Cathedral Liverpool inner-city parish reorganisation	4,666	82	405	-	5,153
Sabbatical Fund	1,300	-	-	-	1,300
Listed Building Fund	1,869	7	152	-	2,028
Other designated funds	1,959	(29)	153	-	2,083
	<u>960</u>	<u>35</u>	<u>72</u>	<u>-</u>	<u>1,067</u>
	<u>74,628</u>	<u>(1,424)</u>	<u>6,980</u>	<u>834</u>	<u>81,018</u>
Less Other designated funds	(15)	-	-	-	(15)
Curial - Charity	<u>74,613</u>	<u>(1,424)</u>	<u>6,980</u>	<u>834</u>	<u>81,003</u>

PURPOSE OF FUNDS

School Projects Fund	- Funds raised by contributions from parishes and schools to support school building and refurbishment projects.
Central funds	- Fund for the archdiocesan central pastoral and administration functions.
George Andrew Retirement Fund	- Fund to support priests in retirement.
2021 Fund	- Funds to support priests in retirement.
Metropolitan Cathedral Roof Appeal Fund	- Investment income expended on the substantial repair work to the Cathedral roof.
Metropolitan Cathedral	- Funding running costs of the Cathedral.
Liverpool inner-city parish reorganisation	- Funds to provide for the reorganisation of the inner-city parishes.
Sabbatical Fund	- To provide for the costs of priests in sabbatical years.
Listed Building Fund	- For the preservation of listed buildings.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

18 ARCHDIOCESAN BANKING ARRANGEMENTS

An offset banking arrangement exists where the total of all individual bank account balances is invested in a number of deposits over a variety of timescales.

19 GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

The archdiocese provides full financial support for the furtherance of its activities and objectives but is not considered a grant-making organisation.

Several ecumenical grants are made annually to organisations with similar objectives to those of the archdiocese. Grants were made to three such organisations totalling £18,585 (2016 - three organisations £27,100). Other small grants are made at the discretion of the archbishop and these totalled £18,944 in 2017 (2016 - £68,287).

The archdiocese covered the tuition and living costs of a number of individuals studying for the priesthood in the year.

20 COMMITMENTS

At 31 December 2017 commitments to future expenditure were as follows:

	Gross £000's	Net of grant £000's
Schools	10,653	1,121
Parochial property	1,383	1,383
	<u>12,036</u>	<u>2,504</u>

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

21 PENSION ARRANGEMENTS

21.1 Personal Pension Schemes

The archdiocese contributes, for eligible staff, to one of two qualifying pension schemes which are fully compliant with the requirements of auto-enrolment. The schemes are managed by an independent firm of pension administrators. The archdiocese has a policy of matching employee contributions up to 6% of pensionable salary and each member has their own individual pension account within the scheme. The archdiocese is neither liable to finance any funding shortfall nor entitled to benefit from any overfunding.

21.2 The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2016 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2017. The next valuation of the TPS will be as at March 2017, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £38,250 (2016 - £23,491).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS

The Charity has interests in subsidiary and associated undertakings, which are consolidated in the financial statements. A summary of their trading results (including intercompany trading) is as follows:

Subsidiary Companies at 31 December 2017	Associated Church Clubs Limited	Metropolitan Cathedral Services Limited	Tuneside Limited	Cardinal Heenan Sports Centre Limited	Archdiocesan Parish Centres Management Company Limited	Archdiocesan Property Services Limited	Archdiocese of Liverpool Primary School Improvement Trust	Archdiocese of Liverpool Secondary School Improvement Trust
% holding in ordinary shares	100	100	100	100	Guarantee Company	Charity Guarantee Company	Charity Guarantee Company	Charity Guarantee Company
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Income from								
Fundraising	169	460	14,361	181	10,122	598	153	86
Investment Income	4	-	-	-	-	21	-	-
Total Income	173	460	14,361	181	10,122	619	153	86
Expenditure on								
Raising Funds	165	877	14,542	161	9,400	682	50	93
Total Expenditure	165	877	14,542	161	9,400	682	50	93
Net gains on investments	-	-	8	-	-	60	-	-
Net income/(expenditure)	8	(417)	(173)	20	722	(3)	103	(7)
Total assets	262	13,597	7,441	225	1,568	946	501	223
Total liabilities	25	916	1,324	257	1,456	927	398	230
Total capital and reserves	237	12,681	6,117	(32)	112	19	103	(7)

The Archdiocese of Liverpool Primary School Improvement Trust and Archdiocese of Liverpool Secondary School Improvement Trust were both incorporated during the year on 11 August 2017 and so there are no comparative figures for these Trusts

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

Subsidiary Companies at 31 December 2016	Associated Church Clubs Limited	Metropolitan Cathedral Services Limited	Tuneside Limited	Cardinal Heenan Sports Centre Limited	Archdiocesan Parish Centres Management Company Limited	Archdiocesan Property Services Limited
% holding in ordinary shares	100	100	100	100	Guarantee Company	Charity Guarantee Company
	£000's	£000's	£000's	£000's	£000's	£000's
Income from						
Fundraising	-	464	13,989	197	10,581	503
Investment Income	-	-	-	-	-	19
Total Income	-	464	13,989	197	10,581	522
Expenditure on						
Raising Funds	(43)	(586)	(14,247)	(178)	(10,141)	(579)
Total Expenditure	(43)	(586)	(14,247)	(178)	(10,141)	(579)
Net gains on investments	-	-	-	-	-	78
Net income/(expenditure)	(43)	(122)	(258)	19	440	21
Total assets	1,347	13,774	7,631	283	2,074	911
Total liabilities	(1,118)	(1,147)	(1,340)	(335)	(1,984)	(888)
Total capital and reserves	229	12,627	6,291	(52)	90	23

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

The figures reported on the previous page are after a Gift Aid donation to the archdiocese of £700,000 (2016 - £402,000) from Archdiocesan Parish Centres Management Company Limited.

Associated Church Clubs Limited (company number 02724031) coordinates the bulk purchase of stock for supply to archdiocesan parish centres and other members of the scheme operated by the company.

Metropolitan Cathedral Services Limited (company number 03115000) manages the commercial aspects of the Metropolitan Cathedral including income generation from its activities, building services and maintenance.

Tuneside Limited (company number 02316276) coordinates the building services scheme for archdiocesan buildings obligations under the Construction Industry Scheme and operates the Conference Centre at LACE.

Cardinal Heenan Sports Centre Limited's (company number 03822516) principal activity is the operation of a sports centre within the grounds of Cardinal Heenan Roman Catholic High School, Liverpool.

Archdiocesan Parish Centres Management Company Limited (company number 03422332) manages the parish centres within the archdiocese.

Archdiocesan Property Services Limited (company number 03142451 charity number 1055049) manages professional services in respect of maintenance, repair and refurbishment of archdiocesan properties.

Archdiocese of Liverpool Primary School Improvement Trust (company number 10912407) promote education standards in primary education.

Archdiocese of Liverpool Secondary School Improvement Trust (company number 10912398) promote education standards in secondary education.

The companies limited by guarantee are wholly controlled by the Charity. All the companies are incorporated in the United Kingdom.

The operations of a number of other registered charities which have common trustees are considered to be under the control of the charity and therefore their incoming resources and resources expended and net assets have been consolidated with those of the charity on these accounts.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

The charities concerned are as follows:

Controlled charities at 31 December 2017	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	30	-
Legacies	-	-
Investment income	90	63
Total Income	120	63
Expenditure on		
Charitable activities	(152)	(1)
Total expenditure	(152)	(1)
Net gains/(losses) on investments	208	-
Net income/(expenditure)	176	62
Total assets	4,288	1,331
Total liabilities	(7)	(1)
Total funds before transfers	4,281	1,330
Transfers	-	-
Total funds after transfers	4,281	1,330

Controlled charities at 31 December 2016	Apostleship of the Sea (Liverpool Archdiocesan Council) £000's	Liverpool Archdiocesan Education Trust £000's
Income from		
Collections and donations	32	-
Legacies	-	-
Investment income	82	63
Total Income	114	63
Expenditure on		
Charitable activities	(190)	(2)
Total expenditure	(190)	(2)
Net gains/(losses) on investments	265	-
Net income/(expenditure)	189	61
Total assets	4,115	1,268
Total liabilities	(11)	-
Total funds before transfers	4,104	1,268
Transfers	-	-
Total funds after transfers	4,104	1,268

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

22 GROUP BODIES AND RELATED PARTY TRANSACTIONS *(continued)*

The charitable purpose of the Apostleship of the Sea (Liverpool Archdiocesan Council) (charity number 224664) is the spiritual and temporal welfare of seafarers.

Liverpool Archdiocesan Education Trust (charity number 505264) acquires and holds property for education purposes.

In accordance with FRS 102, the related party transactions entered into by the charity are detailed below. All transactions that arose were in the normal course of activity.

The charity recharged salary costs of £16,827 (2016: £34,951) to Associated Church Clubs Limited, a subsidiary of the charity. A balance of £155,614 (2016: £1,076,030 creditor) was owed to the company at the year end.

The charity recharged salary costs of £184,671 (2016: £220,236) to Archdiocesan Parish Centres Management Company Limited, a subsidiary of the charity. A balance of £1,173,800 (2016: £967,239) was owed to the company at the year end.

The charity recharged salary costs of £303,740 (2016: £255,947) to Archdiocesan Property Services Limited, a subsidiary of the charity. A balance of £834,122 (2016: £836,312) was owed from the company at the year end.

The charity recharged salary costs of £42,326 (2016: £41,264) to Metropolitan Cathedral Services Limited, a subsidiary of the charity. A balance of £700,786 (2016: £965,786) was owed from the company at the year end.

The charity recharged salary costs of £224,378 (2016: £218,204) to Tuneside Limited, a subsidiary of the charity. A balance of £4,783,470 (2016: £3,247,731) was owed to the company at the year end.

A balance of £536,741 (2016: £250,866) was owed to Apostleship of the Sea (Liverpool Archdiocesan Council) at the year end.

A balance of £880,532 (2016: £818,492) was owed to Liverpool Archdiocesan Education Trust at the year end.

Associated companies	% holding in ordinary shares	Activity
Inter-Diocesan Fuel Management Limited	11	Fuel and power distribution
Catholic National Mutual Limited	6	Insurance

In the year £2,032,053 (2016 - £1,978,733) of fuel was purchased from Inter-Diocesan Fuel Management Limited by the group. The group also paid £14,475 (2016 - £25,500) to John Cowdall Associates Limited of which a trustee is a director for secretarial services in the year.

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

23 CONNECTED CHARITIES

Charities with common trustees with the archdiocese and associated subsidiary undertakings are as follows:

	Charity Number
Nugent Care	222930
Churches Together in the Merseyside Region	519061
Charles Plater Trust	309719
Christ's and Notre Dame College, Liverpool	526463
Stonyhurst	1127929
The Christian Heritage Centre at Stonyhurst	1149129
Liverpool Archdiocesan Lourdes Pilgrimage Association	1091132
The Friends of Liverpool Metropolitan Cathedral	513469
Speke Advice Service (CAB) Limited	1101379
Broughton Catholic Charitable Society	222817
Caritas Social Action	1101431
St Mary's College Crosby Trust Limited	1110311
Catholic Education Service	313147
Catholic Trust for England for & Wales	1097482
St Cuthbert's College Ushaw	527408
The Catholic Children's Society (Shrewsbury Diocese) Inc	509793

The following transactions occurred with these connected charities;

Individual parishes have collections throughout the year where donations are collected on behalf of the Nugent Care and paid directly to the charity. The diocese made a further payment to the charity of £96,531 (2016 - £136,032) for the provision of other services.

The archdiocese made a grant totalling £9,805 (2016 - £9,805) to Churches Together in the Merseyside Region.

The archdiocese also made a grant totalling £NIL (2016 - £3,039) to Churches Together in the Lancashire Region, an associated charity.

No other transactions occurred with connected charities.

24 SCHOOL BUILDING PROJECTS

The charity assists archdiocesan voluntary aided schools with the administration of funding for school building projects. The archdiocese acts as the agent of school governing bodies in receiving funding from the Department for Education (DfE), local authorities and other funding sources and settling and matching it with the contractors' costs and professional fees. This activity of the archdiocese is not reflected in the Statement of Financial Activities as the transactions are those of the school governing bodies rather than the archdiocese.

Total receipts from the DfE amounted to £10.18m (2016 - £8.77m). Total expenditure on school building projects during the year was £11.52m (2016 - £12.84m). The balance due at the year end which included deferred and accrued income on individual projects amounted to £0.08m (2016 - £0.15m owed). Individual school balances generated from devolved capital contributions from the DfE and held on behalf of archdiocesan schools amounted to £6.41m (2016 - £6.22m).

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

25 TRANSFERS

For the year ended 31 December 2017

	PAROCHIAL				CURIAL				
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	2017 £000's
INTRA DIOCESAN TRANSFERS									
Assessment Fund grants	530	(780)	-	(250)	50	200	-	250	-
Assessment Fund levies	(773)	773	-	-	-	-	-	-	-
Contributions to George Andrew Fund	(386)	-	-	(386)	(6)	392	-	386	-
School levy contributions	(257)	263	-	6	(6)	-	-	(6)	-
Parish contributions to restricted collections	90	-	(271)	(181)	-	106	87	193	12
Interest transferred to/from central funds	-	(27)	-	(27)	-	27	-	27	-
Other	(2)	-	-	(2)	(22)	-	12	(10)	(12)
	(798)	229	(271)	(840)	16	725	99	840	-
INTRA GROUP TRANSFER									
Other	(107)	-	(29)	(136)	192	-	(56)	136	-
TOTAL	(905)	229	(300)	(976)	208	725	43	976	-

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

25

TRANSFERS (continued)

For the year ended 31 December 2016

	PAROCHIAL				CURIAL				
	Unrestricted	Designated	Restricted	Total	Unrestricted	Designated	Restricted	Total	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	2016 £000's
INTRA DIOCESAN TRANSFERS									
Assessment Fund grants	508	(758)	-	(250)	50	200	-	250	-
Assessment Fund levies	(789)	789	-	-	-	-	-	-	-
Contributions to George Andrew Fund	(398)	-	-	(398)	(5)	403	-	398	-
School levy contributions	(269)	279	-	10	(10)	-	-	(10)	-
Parish contributions to restricted collections	50	-	(391)	(341)	-	222	119	341	-
Interest transferred to/from central funds	-	(9)	-	(9)	-	9	-	9	-
Other	-	-	-	-	3	-	(3)	-	-
	(898)	301	(391)	(988)	38	834	116	988	-
INTRA GROUP TRANSFER									
Other	-	-	(35)	(35)	91	-	(56)	35	-
TOTAL	(898)	301	(426)	(1,023)	129	834	60	1,023	-

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

26 ANALYSIS OF NET ASSETS

Group	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2017 £000's	Total 2016 £000's
Restricted Funds					
- Parochial	-	419	2,260	2,679	2,407
- Curial	-	6,053	9,063	15,116	14,631
	-	6,472	11,323	17,795	17,038
Designated Funds					
- Parochial	-	11,022	(8,729)	2,293	1,265
- Curial	10,724	60,596	13,367	84,687	81,018
	10,724	71,618	4,638	86,980	82,283
Unrestricted General Funds					
- Parochial	27,203	41,610	12,033	80,846	77,953
- Curial	19,572	6,767	(15,361)	10,978	10,562
	46,775	48,377	(3,328)	91,824	88,515
Total	57,499	126,467	12,633	196,599	187,836

LIVERPOOL ROMAN CATHOLIC ARCHDIOCESAN TRUST

NOTES AND ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2017

26 ANALYSIS OF NET ASSETS *(continued)*

Charity	Tangible Fixed Assets £000's	Investments £000's	Current Assets less Creditors £000's	Total 2017 £000's	Total 2016 £000's
Restricted Funds					
- Parochial	-	419	2,260	2,679	2,407
- Curial	-	6,053	8,616	14,669	14,129
	-	6,472	10,876	17,348	16,536
Designated Funds					
- Parochial	-	11,022	(8,729)	2,293	1,265
- Curial	10,724	60,596	13,352	84,672	81,003
	10,724	71,618	4,623	86,965	82,268
Unrestricted General Funds					
- Parochial	27,203	41,610	12,033	80,846	77,953
- Curial	3,059	2,774	2,878	8,711	8,088
	30,262	44,384	14,911	89,557	86,041
Total	40,986	122,474	30,410	193,870	184,845

27 OPERATING LEASES

Throughout the archdiocese there are numerous low value operating leases primarily in relation to equipment. The annual payments in relation to these have not been quantified but they are not deemed to be material to the financial statements.

28 CONTINGENT LIABILITIES

The trustees are reviewing the structure of the organisation from a VAT perspective with initial findings indicating that registration for VAT is probable. There remains potential that a future registration may be applied retrospectively but as this likelihood and size of potential liability cannot be fully assessed at this point, no provision has been made within the financial statements.

29 GUARANTEE

An index-linked product amounting to £1.64M (2016: £1.64M) is used as security against any potential liability in connection with a landfill site. The likelihood of this liability falling due on the charity is considered remote.