

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

CHAIRMAN'S REPORT

In my first year as Chairman of the Board of Finance, I am pleased to introduce the Annual Report for 2000 and draw out what I see as the key issues.

The Board has in place a medium-term financial strategy, which seeks to cushion Parishes from the full impact of the progressive transfer of financial responsibilities from the Church Commissioners to Dioceses, principally relating to clergy pensions. The strategy includes a combination of planned annual operating deficits and increases in stipend and general quota requested from Parishes, which are above the rate of inflation.

The Board's room for manoeuvre is limited with the Accounts showing 80% of its recurring expenditure in 2000 represented by clergy stipends, pensions and housing.

Against this background, the Accounts reveal:

- An outstanding response from Parishes to the overall increase requested in their Stipend and Quota Assessments of 5.5%. Although support from the Church Commissioners is still a significant component of our income, the gradual transfer of responsibility for financing the work of the Diocese to Parishes is set to continue.
- We nevertheless incurred an operating deficit of £321,000, above what we believe is sustainable over the medium term. The overrun was mainly a deliberate policy in 2000 to use historic receipts from redundant parsonages on the repair and improvement of the remaining stock of housing; in part it flowed from stipends, our biggest cost, exceeding budget.
- The operating deficit was funded by running down our cash balances proportionally. Additionally, we faced a net reduction of £548,000 in the value of our investments over the year, partly reversing the gains of the previous year and reflecting the disappointing performance of stock markets. However, our general reserves, freely available to meet our mainstream expenditure, equated at the year end to some six months' operating costs and adequate for our normal requirements.

My overall assessment is that the finances of the Diocese remain in a sound state but that the financial challenges we face are increasing significantly, calling for careful management and the re-evaluation of our priorities to ensure the Diocese continues to move forward in response to God's commission to us to grow in our service to him.

There are many examples of such service and I pay tribute to Parish Officers and to Treasurers in particular, to the staff in Church House and to all those serving on Boards and Committees. I would like to close by commending Keith Cawdron, a pivotal figure in 2000 in so many of our deliberations, and also my predecessor, Barry Moulton, who Chaired the Board through a period of particular challenge. They both go in their new directions with our thanks and very best wishes.

David Tomkins
DBF Chairman
15 June 2001



LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000

Constitution and Objects

Liverpool Diocesan Board of Finance is a Board of Finance established under the Diocesan Boards of Finance Measure 1925. It is a company limited by guarantee and governed by its own Memorandum and Articles of Association. It is a registered charity.

The Board is the Financial Executive of the Diocesan Synod and is required to comply with directions given to it by that Synod. It also functions as the Parsonages Board of the Diocese for purposes of parsonages' legislation. Its principal object is to further the interests of the Church of England, mainly, but not exclusively, in the area covered by the Diocese of Liverpool. The Board administers the financial affairs of all Boards and Committees of the Synod and detailed reports on their activities are included in this publication, following the accounts. Its main activities in meeting its objectives are the payment and housing of clergy, the provision of central and advisory services to parishes and church bodies (mainly through employing staff) and contributing to the national work of the Church of England.

The affairs of the Board are conducted by its Executive Committee, who are the Directors of the Company and Trustees of the Charity. All members of the Executive must be members of the Board. At 31 December 2000 the membership of the Executive Committee was as follows:

Chairman:	Mr David Tomkins	(from 19 October 2000)	elected by the Board
	Mr Barry Moulton	(retired 19 October 2000)	- ditto -
	Mr Gordon Cooke		- ditto -
	Mr John Fell		- ditto -
	Mr David Mills		- ditto -
	Canon Malcolm Forrest		- ditto -
	Canon Peter Goodrich		- ditto -
	Canon John Roberts	(retired 21 December 2000)	- ditto -
	The Bishop of Liverpool		Ex-officio
	The Bishop of Warrington		- ditto -
	The Archdeacon of Liverpool		- ditto -
	The Archdeacon of Warrington		- ditto -
	Mr Ernie Anderson		Co-opted by the Executive

The Board has sub-committees dealing with parsonage matters, clergy stipends and remuneration, and the management of the Board's investments.

Review of the Year

The Statement of Financial Activities shows that resources exceeded incoming resources by some £321,000. Against an anticipated budget of £300,000 this is disappointing, but the following factors need to be taken into account:

- (1) Expenditure on Parsonages' repairs continued above budget on a planned basis, in order to catch up on quinquennial repairs and a number of major problems that needed to be dealt with.
- (2) Expenditure on stipends was higher than anticipated due to an unfavourable pattern of reduction in clergy numbers under the Sheffield formula.
- (3) A charge has been included for fees to the Diocesan Stockbrokers which, in previous years, has been settled off the income from investments.

The Board's main source of income remains the assessments from Parishes and despite requests for a sizeable increase to meet the continuing Pension liability, this response has been excellent. This is particularly creditable in a Diocese which, by certain measures of deprivation, can be regarded as the poorest overall in the country. Changes in legislation to encourage giving by Gift Aid and to relieve VAT on repairs to listed Churches will help this situation to be maintained in the future.

LIVERPOOL DIOCESAN BOARD OF FINANCE
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TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

Investments

By comparison with the previous year, the value of the Diocesan investments fell considerably during the year, adding a further £548,000 to the loss on the Balance Sheet. This contrasts to a gain the previous year of £1,325,000. The Stock Market fall was clearly to blame for this situation and considerable additional responsibility is placed on the Assets & Trusts committee and on the Diocese's Investment Managers to achieve the best results in a difficult climate. While there is no indication as to when the downward trend will be reversed, there is every expectation that it will improve.

The Memorandum of Association gives the Trustees power to invest in any investment authorised by law for the investment of Trust Funds. The Trustees confirm that all investments have been acquired in accordance with their powers and that they follow the Ethical Investment Policy used by the Central Church of England bodies.

Future Plans and Commitments

The Board has to consider for the future the impact of further increases in Clergy Pension contributions as a result of the Actuarial Review of the Clergy Pensions Fund of the Church of England and the Review of Allocations & Apportionments from the Archbishops' Council. Although at the time of writing the full impact of both these issues and any further relief from the Church Commissioners has still to be finalised, the Board has begun to make recommendations on future financial strategy to the Diocesan Synod to cover both 2002 and beyond.

Part of this strategy will be to rely on the tangible reserves of the Diocese, but the Board is mindful that there are limits to this policy and the position will have to be monitored closely.

Significant Changes in Fixed Assets

There were no significant changes in Fixed Assets during 2000.

Market Value of Land and Buildings

The land and buildings in the ownership of the Board have not been revalued. The Trustees do not consider the market value to be significantly different from cost.

Charitable and Political Contributions

No political contributions were paid during the year. Charitable contributions have been made as part of the Board's objectives.

Post-Balance Sheet Events

The Trustees have identified no events which have occurred between 31 December 2000 and the date of signing the annual report which have significantly affected the Charity.

Trustees' Interest in Shares

The Board is a company, limited by guarantee (Company Number 18301) and the Trustees, as members, may derive no benefit, income or capital interest, in the Board's financial affairs, other than reimbursement of out-of-pocket expenses. Expenses paid to Trustees for their work as Trustees totalled less than £1,000.

Taxation Status

The Board is a registered Charity (Charity Number 249740) and, as such, is not liable to income tax or corporation tax.

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000 (continued)

Contingent Liability

The Board is currently engaged in potential legal cases under the Sex Discrimination Act involving eight current and former employees. The issue regards pensions for part-time staff following a recent House of Lords Ruling on European Union legislation. No quantification of the claims has been possible to date.

Reserves Policy

The Board anticipates that unrestricted reserves will reduce over the next three years as a result of operating deficits that are expected over that time. These deficits will arise because the Board will be bearing an increasing proportion of clergy pension costs over that period, so as not to place an undue burden on the Parishes over that time.

Trustees' Responsibilities for preparing the Financial Statements

The Trustees are required by UK Company Law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of the income and expenditure of the Company for that period.

The Trustees confirm that they accept as disclosed suitable accounting policies have been used and applied consistently and reasonably, and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The Trustees also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

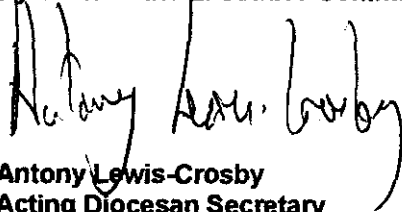
The Trustees are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that the accounts meet the requirements of the Board's Memorandum and Articles of Association.

Funds held on behalf of others

The Board is Custodian Trustee for Trust Assets with a market value of £8.1m at 31 December 2000. Detailed Certificates of Holdings were sent to Parishes and other Managing Trustees as at December 2000. Most of these Trusts are held on behalf of Parishes whose charitable purposes in the advancement of religion are parallel to those of the Diocese.

By order of the Executive Committee



Antony Lewis-Crosby
Acting Diocesan Secretary

15 June 2001

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

Registered Office

Church House
1 Hanover Street
Liverpool
L1 3DW

Advisers

Registered auditors

Mazars Neville Russell
Regent House
Heaton Lane
Stockport
SK4 1BS

Solicitors

Gamon Arden & Co
Church House
1 Hanover Street
Liverpool
L1 3DW

Principal Officers

Diocesan Secretary until
31 March 2001
Acting Diocesan Secretary
Deputy Secretary for
Finance & Property
Surveyor for Parsonage
Houses

Mr Keith Cawdron
Mr Antony Lewis-Crosby
Mr Peter Bootle
Messrs Hardcastle & Hogarth

Bankers

Lloyds Bank Plc
Commercial Banking Service Centre
53 King Street
Manchester
M60 2LE

Investment Managers

Chase Fleming Private Wealth Management Limited
10 Aldermanbury
London
EC2V 7RF

Registered Company No: 18301
Registered Charity No: 249740

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

**Report of the auditors to the members of the
Liverpool Diocesan Board of Finance**

We have audited the financial statements on pages 7 to 22, which have been prepared following the accounting policies set out on pages 11 to 12.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

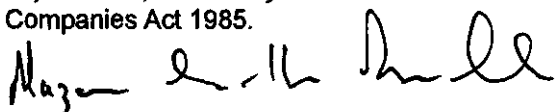
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Board's affairs at 31 December 2000 and of its incoming resources and applications of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS NEVILLE RUSSELL
Chartered Accountants
and Registered Auditors

Regent House
Heaton Lane
Stockport
Cheshire
SK4 1BS

15 June 2001

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Income & Expenditure						
Incoming Resources						
Parish Assessments	2	4235245	12478	-	4247723	4033177
Church Commissioners	3	1716021	-	-	1716021	1850748
Interest on investments	4	430943	75288	-	506231	530638
Grants	5	-	127314	-	127314	114966
Assigned fees & Chaplaincy income		338770	23311	-	362081	345841
Other income for Boards, Councils, Specific Projects	6	164649	390846	-	555495	283707
Incoming resources from normal activities		6885628	629237	-	7514865	7159077
Additions to funds	7	5	208254	-	208259	363847
Total incoming resources		6885633	837491	-	7723124	7522924
Direct Charitable Expenditure						
Stipends, NI, etc	8	5320674	10157	-	5330831	5025131
Housing	9	809981	4521	-	814502	842182
Central church	10	404870	-	-	404870	354610
Boards & councils	11	355631	167190	-	522821	565612
Church House	12	62956	5143	-	68099	73747
Grants & support costs	13	139408	272417	-	411825	375569
Central services	14	125188	-	-	125188	128031
Other non-recurring expenditure		15923	-	-	15923	198344
Other		-	47731	-	47731	56726
Total Direct Charitable expenditure		7234631	507159	-	7741790	7619952
Management and Administration	15	302551	-	-	302551	254697
Total Resources Expended		7537182	507159	-	8044341	7874649
Net (outgoing)/incoming resources before transfers		(651549)	330332	-	(321217)	(351725)
Transfers between funds		-	-	-	-	-
Net (outgoing)/incoming resources for the year		(651549)	330332	-	(321217)	(351725)
Gains/(Losses) on investments						
Revaluation of Property		-	(123250)	-	(123250)	145000
Realised gain on investments		49072	97017	33980	180069	30944
Unrealised (loss)/gain on investments		(285505)	(231683)	(87748)	(604936)	1294257
Net movement in funds		(887982)	72416	(53768)	(869334)	1118476
Total funds brought forward at 1 January 2000		4563873	7957549	2301641	14823063	13704587
Total funds carried forward at 31 December 2000		3675891	8029965	2247873	13953729	14823063

LIVERPOOL DIOCESAN BOARD OF FINANCE
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BALANCE SHEET
AT 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible fixed assets	16		1280274		1280274
Investments	17		12834442		13499872
			<u>14114716</u>		<u>14780146</u>
Current assets					
Debtors	18	532525		451789	
Bank and cash		368690		391294	
		<u>901215</u>		<u>843083</u>	
Creditors: amounts falling due within one year	19	394980		130978	
Net current assets			<u>506235</u>		<u>712105</u>
Total assets less current liabilities			<u>14620951</u>		<u>15492251</u>
Creditors: amounts falling due after more than one year	20		667222		669188
Net assets			<u>13953729</u>		<u>14823063</u>
Accumulated funds	29		<u>13953729</u>		<u>14823063</u>

The financial statements on pages 7 to 22 were approved by the Executive Committee on 15 June 2001 and signed on its behalf by:

Mr D M Tompkins
Chairman



Ven C D S Woodhouse
Archdeacon of Warrington and Vice Chairman



LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	£	2000 £	£	1999 £
Net Cash Flow from Operating Activities	i		(773164)		(1236672)
Returns on Investments and Servicing of Finance					
Interest paid		-		(488)	
Investment income		506231		530638	
			506231		530150
Capital Expenditure and Financial Investment					
Sale of former parsonage properties		-		658500	
Sale of tangible fixed assets		-		105633	
Sale of fixed asset investments		1577587		4001923	
Purchase of fixed asset investments		(1337024)		(4549261)	
			240563		216795
Management of Liquid Resources					
Staff car loans issued		(14880)		(29040)	
Staff car loans repaid		16316		35046	
Parish and other loans issued		(79287)		(146444)	
Parish and other loans repaid		83582		187163	
			5731		46725
Financing					
Loans repaid to Church Commissioners		(1094)		(106281)	
Loans repaid to CBF		(1965)		(1965)	
Loans issued from Church Commissioners		1094		-	
			(1965)		(108246)
Decrease in cash	ii		(22604)		(551248)

LIVERPOOL DIOCESAN BOARD OF FINANCE
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NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

i. Reconciliation of income and expenditure to net cash outflow from operating activities

	2000 £	1999 £
Net movement in funds	(869334)	1118476
Interest payable	-	488
Investment income	(506231)	(530638)
Profit on disposal of fixed assets	(180069)	(346812)
Losses/(Gains) on investments and property	604936	(1439257)
(Increase)/Decrease in debtors	(86468)	(68800)
(Decrease)/Increase in creditors	264002	29871
	<u>(773164)</u>	<u>(1236672)</u>

ii. Reconciliation of cash flow to movement in net funds

	2000 £	1999 £
Decrease in cash per cash flow statement	(22604)	(551248)
Cash from Investments	(44039)	-
Cash to repay loans	1965	108246
Cash from repayment of current asset loan	(5731)	(46725)
	<u>(70409)</u>	<u>(489727)</u>
Loan balance written off by Church Commissioners	-	4217
Change in net funds	<u>(70409)</u>	<u>(485510)</u>
Net funds at 1 January 2000	<u>(34075)</u>	<u>451435</u>
Net funds at 31 December 2000	<u><u>(104484)</u></u>	<u><u>(34075)</u></u>

iii. Analysis of changes in net funds

	At 1/1/00 £	Cash flow £	Non cash flow £	At 31/12/00 £
Cash in hand and at bank	391294	(22604)	-	368690
Creditors loans	(669187)	1965	-	(667222)
Current asset investment	243818	(49770)	-	194048
	<u>(34075)</u>	<u>(70409)</u>	<u>-</u>	<u>(104484)</u>

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1. (a) Accounting policies

The company has taken advantage of adapting its own arrangements of the headings and sub-headings of the financial statements due to the special nature of its business in accordance with Section 3(3) of Schedule 4 of the Companies Act 1985.

The financial statements have been prepared in accordance with the four fundamental accounting concepts, applicable accounting standards in the United Kingdom and the charities statement of recommend practice. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(b) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

(c) Donations and legacies

All legacies are included in the Statement of Financial Activities unless incapable of financial measurement. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised as incoming resources when receivable. All such income is brought into account at either the amount actually realised, or a reasonable estimate of their value.

(d) Grants payable and receivable

Grants received for restricted purposes are accounted for as restricted funds. They are not recognised until the conditions for receipt have been complied with. Grants restricted to future accounting periods are deferred and recognised in future accounting periods. Grants payable are recognised as a liability when the obligation arises to make a transfer of value to a third party.

All grants payable are made to parishes in the Diocese unless specifically stated in note 13.

(e) Expenditure

All expenditure is included in the Statement of Financial Activities as soon as it is incurred or the expenditure becomes unavoidable.

(f) Investment assets and income arising

The Board of Finance holds investments for itself and on behalf of parishes and other charities. Investments, and their associated income are only recognised where the Board is investment custodian, investment managers and the beneficiary.

Investments are shown at market value, or at the trustees best estimate of such. For quoted investments, the market value is based on an external valuation provided by Chase Fleming Private Wealth Management Limited. All unquoted investments are held with, and valued on the basis of information provided from the Central Board of Finance. Glebe Property is included in this year at insured value as a reasonable estimate of value. Glebe Land has not been included because of the cost of carrying out such a valuation. However it is the intention of the Directors to address this matter for future years with the Diocesan Glebe Agent.

Dividends and interest are included in the financial statements when received and gross of recoverable taxation.

Realised gains on investments are reinvested where appropriate. Both realised and unrealised gains are disclosed in the Statement of Financial Activities.

LIVERPOOL DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

(g) Fixed assets

All property acquired post January 1972 has been capitalised. All fixtures and fittings costing less than £10,000 are expensed and not capitalised. In accordance with FRS 5 property is only recognised when substantially all of the risks and benefits associated with the property rest with the Diocesan Board of Finance (see note 27).

Property is held in the balance sheet at cost.

Profits or losses arising on the sale of property are appropriated to the accumulated capital account, or passed to the Church Commissioners in the case of Value Linked Loan property.

Depreciation is not provided on buildings or value linked loan property as it is the company's policy to maintain the buildings in a state of good repair, and the directors consider that the life of the properties and their residual values are such that depreciation is not significant.

Depreciation on fixtures and fittings costing more than £10,000 is provided on a straight-line basis over 5 years for general fixtures and fittings, and over 3 years for computer equipment.

All fixed assets are held for continuing use in the charity's activities and are therefore classified as fixed assets for charitable use.

(h) Netting off of expenses and income

All incoming resources are reported gross, as far as is possible. Income received in circumstances where a claim for repayment of tax has been or will be made, is grossed up for the tax recoverable and the gross figure included as income.

(i) Designated funds

Designated funds are used for their intended purpose. Any transfers to or from designated funds are subject to authorisation controls.

(j) The Boards

In accordance with the Diocesan Boards of Finance Measure 1925 and the standing orders of the Diocesan Synod passed under the Synodical Government Measure 1968, the Board of Finance operates current accounts for other boards and related activities to which, in most cases, the Synod has allocated specified sums of money.

In order to comply more closely with Statement of Recommended Practice number 2 these accounts represent the consolidated results of all seven Boards, thus all interboard transfers have been fully eliminated.

(k) Reserves

Accumulated capital is the amount transferred from general reserve, profits less losses on sale of fixed assets and investments, legacies and gifts received for capital purposes. The general reserve is the total accumulated surplus less deficits for the Board of Finance.

Restricted funds are subject to specific conditions either imposed by the donor and binding on the Board or linked to the basis on which money was obtained. They represent unspent restricted income and/or assets to which restrictions as to their use apply.

LIVERPOOL DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

2. Parish assessments

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Stipends	2848051	-	-	2848051	2700500
General	1387194	-	-	1387194	1320000
Church inspection	-	12478	-	12478	12677
	<u>4235245</u>	<u>12478</u>	<u>-</u>	<u>4247723</u>	<u>4033177</u>

3. Grants from Church Commissioners

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Commissioners allocation	1263435	-	-	1263435	1284000
Transitional relief -- pension contributions	417805	-	-	417805	532737
Grant for curates' stipends	19383	-	-	19383	19383
Legal services	15398	-	-	15398	14628
	<u>1716021</u>	<u>-</u>	<u>-</u>	<u>1716021</u>	<u>1850748</u>

4. Investment income

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds As restated 1999 £
Stipends	293124	-	-	293124	323543
DBF General Fund	131648	19542	-	151190	142116
Board of Education	-	38055	-	38055	37728
Board for Social Responsibility	-	11622	-	11622	14326
Church House	-	5143	-	5143	6724
Parsonages	6171	-	-	6171	5519
Board of Ministry	-	926	-	926	682
	<u>430943</u>	<u>75288</u>	<u>-</u>	<u>506231</u>	<u>530638</u>

Investment income represents income receivable from:

	£	£
Quoted investments	174027	168795
Unquoted investments	217427	239676
Loans and deposits	114777	122167
	<u>506231</u>	<u>530638</u>

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

5. Grants

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Discretionary funds	-	44000	-	44000	39656
National Lottery for UPA Adviser	-	22620	-	22620	24769
Advisory Board for Ministry	-	17965	-	17965	12800
Local authorities for BSR	-	8000	-	8000	13841
Other BSR	-	4917	-	4917	5900
Local authorities for Youth Dept	-	10400	-	10400	5000
Other grants for Education	-	-	-	-	-
Marshalls Charity for Parsonages	-	16500	-	16500	3500
C of E Stipends Trust	-	2912	-	2912	9500
	-	127314	-	127314	114966

**6. Other income for board
and councils**

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	As restated Total Funds 1999 £
Board of Ministry	-	14734	-	14734	14038
Board for Mission and Unity	-	45796	-	45796	6554
Stipends	32269	5127	-	37396	40181
Parsonages	31337	-	-	31337	20009
DBF General Fund	93742	-	-	93742	116784
Board of Social Responsibility	-	8072	-	8072	23744
Board of Education	-	-	-	-	-
Church House	7301	-	-	7301	7426
Entrust	-	263466	-	263466	-
Other income for specific projects	-	53651	-	53651	54971
	164649	390846	-	555495	283707

7. Additions to funds

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Trusts	-	-	-	-	11036
DBF General Fund	-	-	-	-	33239
Church Repairs Fund	5	-	-	5	-
Board of Education	-	44442	-	44442	305768
Stipends	-	-	-	-	3704
DSF Capital	-	163812	-	163812	10100
	5	208254	-	208259	363847

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

8. Stipends

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	As restated Total Funds 1999 £
Clergy stipends	4117506	2912	-	4120418	3856068
Clergy pension contributions	834756	-	-	834756	799365
National Insurance	237895	-	-	237895	221450
Resettlement/removal grants etc	91725	-	-	91725	101512
Administration and other costs	38792	7245	-	46037	46736
	<u>5320674</u>	<u>10157</u>	<u>-</u>	<u>5330831</u>	<u>5025131</u>

9. Housing

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	As restated Total Funds 1999 £
Parsonage repairs	448773	-	-	448773	605056
Parsonage improvements	141199	-	-	141199	25228
DBF houses	80973	4521	-	85494	68634
Insurance	47342	-	-	47342	51316
Loan/interest payments	-	-	-	-	488
Surveying and administration costs	91694	-	-	91694	91460
	<u>809981</u>	<u>4521</u>	<u>-</u>	<u>814502</u>	<u>842182</u>

10. Central church

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
National Church responsibilities	205440	-	-	205440	189560
Clergy Training	199430	-	-	199430	165050
	<u>404870</u>	<u>-</u>	<u>-</u>	<u>404870</u>	<u>354610</u>

11. Boards and councils

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Board of Ministry	86976	26920	-	113896	132558
Board for Social Responsibility	57658	32610	-	90268	161065
Board for Mission and Unity	39973	39805	-	79778	35408
Resources Department/UPA Adviser	91423	19400	-	110823	117328
UPA Officer	297	-	-	297	316
Board of Education	79304	48455	-	127759	118937
	<u>355631</u>	<u>167190</u>	<u>-</u>	<u>522821</u>	<u>565612</u>

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

12. Church House

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Refurbishment costs	-	-	-	-	12566
Operating costs	62956	5143	-	68099	61181
	<u>62956</u>	<u>5143</u>	<u>-</u>	<u>68099</u>	<u>73747</u>

13. Grants and support costs

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Grants to ordinands	85102	-	-	85102	112582
MARCEA	12975	-	-	12975	13360
UPA Parish Housing	8275	-	-	8275	8140
MITE	10100	-	-	10100	10100
CARE	10500	-	-	10500	10000
Foxhill Conference Centre	1000	-	-	1000	1000
World Development Movement	600	-	-	600	600
Area Dean's expenses	17000	-	-	17000	17000
General Synod Members expenses	9740	-	-	9740	7010
Other DBF grants	(15884)	-	-	(15884)	188594
Inspection of churches	-	12050	-	12050	7183
Entrust grants to Parishes	-	260367	-	260367	-
	<u>139408</u>	<u>272417</u>	<u>-</u>	<u>411825</u>	<u>375569</u>

14. Central services

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Diocesan Communications	3115	-	-	3115	9676
DBF	31970	-	-	31970	28068
Legal and professional fees	42786	-	-	42786	50674
Pastoral Committee	25593	-	-	25593	19408
Buildings Adviser	14000	-	-	14000	13500
Diocesan Synod	5645	-	-	5645	4724
Diocesan Advisory Committee	2079	-	-	2079	1981
	<u>125188</u>	<u>-</u>	<u>-</u>	<u>125188</u>	<u>128031</u>

15. Management and Administration

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
DBF salaries & other overheads	289802	-	-	289802	241390
Audit fees	12749	-	-	12749	13307
	<u>302551</u>	<u>-</u>	<u>-</u>	<u>302551</u>	<u>254697</u>

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

16. Tangible fixed assets

	Freehold Land & Buildings £	VLL Property £	Fixtures & Fittings £	Total Funds 2000 £
Cost				
At 1 January 2000 and 31 December 2000	342817	966578	2222	1311617
Depreciation				
At 1 January 2000	29121	-	2222	31343
Charge for year	-	-	-	-
At 31 December 2000	29121	-	2222	31343
Net book value				
At 31 December 1999 and 31 December 2000	313696	966578	-	1280274

17. Fixed asset investments

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Quoted					
Market value at 1 January 2000	3547488	494887	1038160	5080535	3927520
Additions	646954	90251	189330	926535	2759157
Disposals	(700437)	(97714)	(204981)	(1003132)	(2151159)
Net unrealised investment gains / (losses)	(151711)	(21163)	(44398)	(217272)	545017
Market value at 31 December 2000	3342294	466261	978111	4786666	5080535
Unquoted					
Market value at 1 January 2000	922509	7074956	421872	8419337	7379444
Additions	39977	349943	20569	410489	1790102
Disposals	(62943)	(482727)	(28785)	(574455)	(1499450)
Net unrealised investment Gains / (losses)	(22746)	(174447)	(10402)	(207595)	749241
Market value at 31 December 2000	876797	6767725	403254	8047776	8419337
Total market value at 31 December 2000	4219091	7233986	1381365	12834442	13499872
Historical cost of investments			2000 £		1999 £
Quoted			3804337		3757357
Unquoted			3407327		3546352
			7211664		7303709

Fixed asset investments include Glebe Property at a valuation based on insurance values of £228,622 (1999: £348,349). No valuation has been included for Glebe Land because of the cost of carrying out such a valuation. However, it is the intention of the Directors to address this matter for future years, in consultation with the Diocesan Glebe Agent.

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

18. Debtors

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Parish quota	60521	-	-	60521	54993
Sundry debtors	221189	44000	-	265189	183888
Parish and other loans	206815	-	-	206815	211108
Prepayments	-	-	-	-	1800
	<u>488525</u>	<u>44000</u>	<u>-</u>	<u>532525</u>	<u>451789</u>

All loans to parishes are interest free. Other loans comprise car loans of £31,274 (1999: £32,710) on which a 5% interest rate is charged.

Debtors include the following balances due after more than one year.

	Total Funds 2000 £	Total Funds 1999 £
Sundry debtors	19033	19064
Parish and other loans	138437	136789
	<u>157470</u>	<u>155853</u>

19. Creditors: amounts falling due within one year

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Sundry creditors	377098	-	-	377098	116146
Taxation and social security	17882	-	-	17882	14832
	<u>394980</u>	<u>-</u>	<u>-</u>	<u>394980</u>	<u>130978</u>

20. Creditors: amounts falling due after more than one year

	General Funds £	Restricted Funds £	Permanent Endowment £	Total Funds 2000 £	Total Funds 1999 £
Loans from Church Commissioners	511471	-	-	511471	512566
Parish/other shares in equity property	143676	-	-	143676	142582
Loans from CBF	-	12075	-	12075	14040
	<u>655147</u>	<u>12075</u>	<u>-</u>	<u>667222</u>	<u>669188</u>

Loans from Church Commissioners are secured on value-linked loan properties, included in fixed assets and are repayable on the sale of the property. No other security has been given for any creditors.

Included in the above are the following amounts due after more than 5 years.

	2000 £	1999 £
Loans from CBF	<u>5600</u>	<u>6375</u>

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

21. The deficit/surplus for the year is after charging:

	2000 £	1999 £
Auditors' remuneration	12749	11398

22. Directors' emoluments

No emoluments have been paid from Board funds to any members of the Board of Finance.

23. Employees information

The average number of persons employed by the company during the year was:

	2000 Number	1999 Number
Full time	22	25
Part time	17	19
	39	44
	£	£
Staff costs (for the above persons)		
Wages and salaries	525343	542894
Social Security costs	35901	40666
Other pension costs (Note 26)	97731	78172
	658975	661732

The above staff costs are allocated to the respective Boards and Committees of the Diocesan Board of Finance.

24. Capital commitments

At 31 December 2000, the Board had committed to expenditure of £35,000 for the forthcoming year.

25. Guarantees

The Board has given guarantees to Lloyds Bank plc of £151,778 (1999: £157,688) in respect of loans granted to parishes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

26. Pensions

(a) Staff Pensions

The Employer participates in the Defined Benefits Scheme Section of the Church Workers Pension Fund (the Fund), a pension scheme administered by the Church of England Pensions Board to provide benefits based on final pensionable salaries. The assets of the Fund are held separately from those of the Employer.

The contributions have been assessed by a qualified actuary using the Projected Unit Credit method of valuation. The principal assumptions were that the return on assets would be 2 ¼% per annum higher than the increase in pensionable salaries, and 3 ½% per annum higher than the increases to pensions in payment.

A full valuation of the Fund was undertaken as at 31 December 1998 and the actuarial position was reassessed. The Pension Cost for the year as shown in this statement is equal to contributions being paid by the Employer. As at 31 December 1998 the market value of the assets attributable to the Employer's section amounted to £1,222,030. The contribution rate was reassessed at that date by the Fund's actuary, and the Employer's section was shown to be in surplus. The contributions were adjusted to allow for this surplus to be amortised over members' future working lives commencing 1 January 2000.

Pensions in payment under this arrangement are entitled to annual increases of the lesser of 5% per annum or the rise in the RPI and so increases of 1.1% and 3.3% were granted on 1 January 2000 and 1 January 2001 respectively.

The next valuation of the Fund will be carried out no later than 31 December 2001.

(b) Clergy Pensions

With effect from 1 January 1999, diocesan clergy became members of the new Church of England Funded Pensions Scheme, which provides benefits on a defined benefit basis. This Scheme provides that part of their pension that relates to pensionable service after 1 January 1999 and the Scheme's assets are held independently of the diocese or other Responsible Bodies. Pensions in respect of pensionable service before 1 January 1999 will be paid by the Church Commissioners under the previous arrangements.

The first valuation of the Scheme was carried out as at 31 December 2000 and as a result the diocesan contribution may increase by approximately 33% from 2002. Pension costs are assessed in accordance with the advice of independent qualified actuaries.

The diocese is required to contribute to the new Scheme at the rate of 21.9% of the National Minimum Stipend for the preceding year. For 2000, the total contributions were £834,776. For the period 1999 to 2003 a reducing proportion of this contribution will be met by the Church Commissioners under a transitional relief procedure. For 2000 this percentage was 50%.

The above contribution rate was determined using the projected unit method and the following financial assumptions:

Investment return	8.5% per annum
Increase in pensionable stipends	5% per annum
Increase in pensions	5% per annum

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

27. Parsonage Properties

- (a) The following parsonage properties have been excluded from the balance sheet as the Trustees feel that the restrictions placed by the Church Commissioners on the sale of the properties removes substantially the benefits associated with ownership.

228 houses, at an insured value of £42,691,768 as at 31 December 2000.

28. Contingent Liabilities

The Board is currently involved in potential legal cases under the Sex Discrimination Act involving eight current and former employees. The issue regards pensions for part-time staff following a recent House of Lords ruling on European Union legislation. No quantification of the claims has been possible to date.

29. Accumulated funds

Included in permanent endowment funds are the following:

The Camm bequest was established in 1955 in the will of Reverend Arthur Camm for the erection, fitting and furnishing of a Church or Chapel of Ease. Part of the funds were used to help finance the cost of a new church Kew, St Francis. In line with the bequest, the balance remaining is held as endowment. Interest arising on it is used towards the cost of stipends. The balance at 31 December 2000 is £576,740 (1999 £637,205).

The origins of the Crane bequest are uncertain and the Trustees consider it prudent to treat it as a permanent endowment. No funds have been expended from the bequest but interest earned on the funds have been applied to stipends. The balance at 31 December 2000 is £1,191,510 (1999 £1,254,308).

Ordination Candidates Funds represent an accumulation of a number of donations given over a period of years. No capital has been expended but interest earned is applied and used towards the cost of ordinands in training. The balance at 31 December 2000 is £333,227 (1999 £357,442).

LIVERPOOL DIOCESAN BOARD OF FINANCE
(A company limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

29. Accumulated funds (continued)

Movement in Year:	Board of Finance £	Board of Ministry £	Board for Social Responsibility £	Parsonages £	Stipends £	Board of Education £	Church House £	Church Repair Fund £	Glebe Property £	Pastoral Account £	DSF Capital £	Trusts for Stipends £	Trusts for Ordinands £	Trusts Other £	Total £
Total funds 1999	2031690	51716	238408	188182	2591816	1155247	117654	471176	348349	308090	4149111	2464198	372293	335163	14823063
Incoming Resources	1641463	34974	30989	639029	5023279	177272	12301	5	-	-	163812	-	-	-	7723124
Outgoing Resources	(1440781)	(102271)	(90268)	(823899)	(5312047)	(206976)	(68099)	-	-	-	-	-	-	-	(8044341)
Gains/losses/transfers	(349043)	95290	51801	182965	(70234)	(81659)	41648	(14781)	(119727)	(170446)	(3042)	(89126)	(11249)	(10514)	(548117)
	1883329	79709	230930	186277	2232814	1043884	103504	456400	228622	137614	4309881	2375072	361044	324649	13953729
Represented by:															
Tangible Fixed Assets	1280274														1280274
Investments	908541	30596	230930	186277	2406742	1023803	103504	344781	228622	-	4309881	2375072	361044	324649	12834442
Net Current Assets	349661	49113			(173928)	32156		111619		137614					506235
Liabilities	(655147)				(12075)										(667222)
	1883329	79709	230930	186277	2232814	1043884	103504	456400	228622	137614	4309881	2375072	361044	324649	13953729
Analysis of reserves:															
General funds	1772495	48588			1220554			456400		137614				40240	3675891
Restricted funds	110834	31121	230930	186277	1012260	1043884	103504		228622		4309881	485697	4392	282563	8029965
Permanent Endowment												1889375	356652	1846	2247873
	1883329	79709	230930	186277	2232814	1043884	103504	456400	228622	137614	4309881	2375072	361044	324649	13953729

DIOCESAN BOARD OF FINANCE

Chairman: Vice Chairman: Secretary:	Mr. D. Tomkins Archdeacon of Warrington Mr. K. Cawdron
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EX OFFICIO

Bishop of Liverpool
 Bishop of Warrington
 Dean of Liverpool
 Archdeacon of Liverpool
 Archdeacon of Warrington
 The Chancellor
 Diocesan Registrar

BISHOP'S NOMINEES

Mr. D. Tomkins

DIOCESAN SYNOD REPRESENTATIVES

Mr. C. Pye
 Mr. N. W. Hope

DEANERY REPRESENTATIVES

SEFTON

Vacancy
 Mr. D. Miller

LIVERPOOL SOUTH

Canon J. V. Roberts (retired 21.12.00)
 Mr. G. Johnson

WARRINGTON

Rev. S. Parish
 Mr J. Bentley

BOOTLE

Vacancy
 Vacancy

ST HELENS

Rev. K. Still
 Mr. E. Anderson

WIDNES

Rev. T. Jones
 Mrs. M. Hill

WEST DERBY

Vacancy
 Mr. D. Stalker

NORTH MEOLS

Vacancy
 Mr. J. Fell

TOXTETH & W'TREE

Vacancy
 Mr. G. Quarless

WALTON

Vacancy
 Mr. K. Mottram

ORMSKIRK

Canon P Goodrich
 Mr. D. Burgess

HUYTON

Vacancy

LIVERPOOL NORTH

Rev. M. Abrey
 Mr. J. Garner

WINWICK

Vacancy
 Mr. W. A. Wynne

WIGAN EAST

Canon K. Forrest
 Mr. D. Mills

WIGAN WEST

Rev. W. H. Harrington
 Mr. G. A. Cooke

Methodist Observers

Rev. N. Stubbens

DBF EXECUTIVE COMMITTEE

Chairman:
Vice Chairman:

Mr. D. Tomkins
Archdeacon of Warrington

EX OFFICIO

The Bishop of Liverpool
The Bishop of Warrington
The Archdeacon of Liverpool

ELECTED

Canon K. M. Forrest
Canon J. V. Roberts (retired 21.12.00)
Canon P. Goodrich
Mr. G. A. Cooke
Mr. D. Mills
Mr. J. Fell

CO-OPTED

Mr. E. Anderson

IN ATTENDANCE

Secretary: Mr. K. W. Cawdron
Registrar: Mr. R. H. Arden
Deputy Secretary: Mr. P. Bootle

STAFFING

At the end of 2000, the DBF was employing 24 full-time and 15 part-time staff. This compared with 23 full-time and 15 part-time staff at the end of 1999. Within these figures, the following changes took place:

- Within the Resources Department Kath Rogers returned to working full-time after a period of working part-time.
- Following the decision of the Diocesan Synod to appoint a full-time Adviser in Religious Education, Heather Penman was appointed to this post. Diane Pendleton, who was already working part-time in the BSR took on additional hours to provide secretarial support for Heather, although in total hers remained a part-time post.
- Cynthia Hinton retired from her post as Secretary to the Bishop of Warrington and was replaced by Nerys Cooke.
- Gordon Buss finished his temporary contract as New Deal Officer within the BSR, and, as previously agreed, the post was then removed.
- Sandra Holmes took up a very part-time post as Secretary to the Diocesan Adviser on Children's Work (Jane Leadbetter).
- At the end of 2000, Frank Garrity was absent from work on long-term sick leave, and Elaine Molyneux on maternity leave. Both were replaced by temporary staff who are not included in the figures below.

Although not reflected in the figures that follow, by the end of 2000 it was clear that a number of other changes were in prospect. In particular, Keith Cawdron and Rose Green had announced that they were shortly to leave their full-time posts as, respectively, Diocesan Secretary and Office Assistant. Canon David Woodhouse had also announced that he would be retiring from the post of Director of Education, and Chris Peck that he would be moving from the post of Laity Development. They both worked in Church House, although they are not included in the figures since they were licensed clergy/accredited lay ministers.

The table showing the division of staff between areas is below:

	Full-Time	Part-Time
DBF/Synod/DAC/Pastoral/ Parsonages/Stipends	6	3
Resources Dept/Covenants	4	1
Church House	2	1
Print Unit	1	1
Support for Archdeacons and Bishops	1	2
BSR	3	1*
Education/Youth	4	4*
Development for Mission/ Ministry	1	4*
Communications	1	1*
	24	15

One full-time and one part-time member of staff divide their responsibilities between two areas. They are shown as part-time in both sections, but as one full-timer and one part-timer in the total.

It should be noted that these figures exclude clergy and accredited lay ministers (e.g. the Directors of Laity Development and Education). They also exclude those who are self-employed (e.g. CUF Projects Adviser), professional firms paid a fee (e.g. our Parsonages Surveying firm), and those employed by bodies other than the DBF. We are particularly grateful to the Church Army who employ and largely fund 2 posts within the BSR: Officers for Disabilities (Ruth Reed) and Housing & Homelessness (Ralph Upton).

The following table indicates the salary paid to different members of staff as at 31 December 2000:

	Full-Time	Part-Time
£40,000-£46,000	1	-
£30,000-£40,000	-	-
£20,000-£30,000	7	-
£15,000-£20,000	3	-
£10,000-£15,000	12	2
£5,000-£10,000	1	11
£0-£5,000	-	2
TOTAL STAFF	24	1

Keith Cawdron, *Diocesan Secretary*



MOTHERS' UNION

At the end of the year Jennifer Robinson stepped down from being Diocesan President, after six years. Jennifer had a great vision for the Mothers' Union in the Diocese and saw the needs of family life in society. Jennifer also worked for the Diocese in various roles and on various Committees, always promoting the work of the Mothers' Union. Jennifer is now a general Trustee at Mary Sumner House - we wish her every blessing.

Members of the Mothers' Union in the Diocese still continue to provide for the homeless and the unemployed and during the year we have given 700 toilet bags to the homeless, 1,500 teddies for tragedies, 500 woolly hats for street children and 250 hats and matinee coats for the premature baby unit.

Twenty one families were given a holiday through the "Away-from-it-all" holiday scheme, and grants were made to a further 3 groups, members still financially support overseas projects and relief fund which supports both home and overseas.

Over 6,000 copies of Millennium Gospels were given to everyone Baptised during the year 2000, and Millennium Grants were given to toddlers' groups and Baptism Preparation Groups. Also to mark the Millennium we held a Family Fun Day, Festival Service, and a Songs of Praise held at Orrell Rugby Union ground. During the Special Service at the Cathedral on Lady Day our new Diocesan Banner was dedicated in memory of Anne Attwater.

The Mother's Union still run a child Contact Centre with the Church of the Good Shepherd which is now a shared contract. Twenty five branches are involved with groups for parents and pre-school

children and 20 branches help with Baptism preparation and follow-up in their Parishes.

During the year we have hosted the York Provincial Festival Service at Liverpool Cathedral, and we still maintain our ecumenical links by attending the Annual UCM Mass, the Methodist Network rally and the Salvation Army Rally. Members attended a celebration day at Harrogate where Liverpool Diocese had a marvellous display, and the AGM at Belfast.

The Mother's Union distributed 1,000 goody bags to new students at Hope University during fresher week. Included in their goody bag was a recipe book full of cheap and easy meals for students. The distribution took place in the Chaplaincy and since fresher week 20% more students have attended the Students Union.

We are always willing to speak to clergy, PCCs and congregations about the life and work of the Mothers' Union in our Diocese and throughout the world. We are most grateful for the support that we received from Bishop James and Bishop John, the Archdeacons, Parish Clergy and Diocesan Officers.

Sylvia Unsworth, Diocesan President



BOARD OF EDUCATION

Chairman's Introduction

The Board met for its three statutory meetings and addressed a range of issues during the year. Perhaps the most significant matter considered was the Church Schools Review Group's Consultation Report, to which a comprehensive response was made. The Board welcomes the overall thrust of the Report, proceeding as it does from General Synod's unequivocal declaration in 1998 that Church schools stand at the centre of the Church's mission to the nation. We are also encouraged that the Review Group underpins its proposals with a distinctive mission for the present times which we wholeheartedly endorse.

The Board has valued the opportunity to participate in the study to determine the feasibility of a City academy in the Kensington-Breckfield area. The Chairman was invited to join the Shadow Board in November.

Bishop John Packer relinquished his chairmanship of the Board at the July meeting, prior to his translation to Ripon and Leeds. We acknowledge with gratitude Bishop John's oversight of the work of the Board during the last four years.

Canon David Woodhouse attended his last meeting as Director of Education in November, prior to his retirement in February 2001. We also take this opportunity to express our appreciation for his significant achievements during his 16 years in the Diocese. He significantly advanced the Church's mission through our schools, Higher and Further education and children's and youth ministry. We pray that he enjoys a healthy and fulfilling retirement. We look forward to welcoming the new Director, Mr Jon Richardson in July 2001.

I was pleased to accept the invitation to Chair the Board and assumed my responsibilities in July 2000. My ministry has been almost entirely involved in the education and spiritual formation of young people and I am committed to the Church's work in education. These are exciting times for those of us involved in this work and I am looking forward to working with the Board and the new Director in responding to the challenges and opportunities which have been identified by Lord Dearing's Review Group.

I thank most sincerely the Chairs of the committees of the Board and the Officers for their tireless efforts during the year. I also thank the members of the Board and its committees for their support and their willingness to serve God in this important work.

Schools Committee

The ten meetings of the School's Committee have dealt in depth with all aspects of our church schools' work, including advice on finance, buildings, reorganisation and legislation, both national and local. The members were particularly delighted to note the findings of the Dearing Report with its recommendations for an expansion of the Church's work in Education, particularly in the secondary sector, and are looking forward to the establishment of another secondary school in the Warrington area in a joint venture with the Chester Diocese within the next two years.

The Committee continued to support Garston C.E. Primary School governors, staff and parents in their campaign to avoid closure. We were grateful that our prayers and efforts were rewarded when the Local Authority recently dropped their plans to remove the only C.E. school presence in that area of the city. The members have also noted the possibility of further reorganisation in the Knowsley Borough, which may threaten one of our primary schools there and have authorised the Committee's Officers to do what is necessary to maintain the Church's active involvement in the education of the children in that district.

The Committee continues to be represented by its Officers and by individual members on the eight local education authorities in which our schools are located. However, the reorganisation of Local Government has placed even greater demands on the representatives in terms of number of meetings they are required to attend.

The Headteacher Cluster Groups which have been established and the proposed Heads, Incumbents and Chair of Governors meetings to be organised by our new R.E. Adviser, Revd Heather Penman, serve to strengthen the link between Church House and the individual schools by enabling a closer, deeper exchange of information and opinions to take place and this in turn should bring about a fuller service for schools. Furthermore, the provision of new technology in Church House will enhance this support by providing a detailed school database.

Finally, the members noted with regret in April Graham Massey's departure from the post of Schools' Officer which he had held with such

distinction for many years for what we hope will be a long and well-deserved retirement. In his place we were delighted to welcome Stuart Harrison who has already settled into this demanding role with confidence and good humour.

Teachers Committee

Supporting the provision of denominational education in Church Schools

This area of work of the Teachers' Committee has realised an accelerated input and been greatly enhanced through excellent professional standards set by The Revd Heather Penman, Diocesan R.E. Adviser to Church Schools. She has established excellent working relationships at local and national level with colleagues; consistently supporting schools before, during and following Section 23 Inspections; providing professional development for serving teachers across the diocese; organising cluster meetings and conferences; and by promoting the appropriate diocesan school links with the related work of the National Society.

Through the valuable work of Joan Stein, INSET Co-ordinator, the Committee has responded positively to invitations from head teachers, governing bodies and clergy to advise and help them to implement appropriate denominational provision in religious education, collective worship and related management strategies.

Evaluating Present and Future INSET Requirements of Church Schools

Following the *Church Schools Review Group Consultation Report* under the chairmanship of Lord Dearing, the Teachers' Committee has examined its present aim of providing every Church School in the Diocese with necessary professional development. Consequently, the Committee has consulted institutional providers on such provision. One possibility being pursued is through providing appropriate personnel in schools with related programmes of study through the *Church Colleges Certificate in Church School Studies*. The Committee considers it has a vital role in creating a viable partnership in this area between recognised institutions and schools to equip staff, governors and clergy in order to implement successful development of key areas of the report.

Liaison with LEA's, SACRE's, Diocesan Inspectors and Schools within the Diocese

The rapid changes at Central and Local Government levels in education has meant being conversant with legal requirements and latest developments. The National Society has been very supportive in these areas, producing valuable literature, particularly in spiritual, moral, social and cultural development of pupils. The Committee is constantly in touch with the recognised educational training agencies on the training of Christian teachers; keeps schools aware of their distinctive nature and role for successful standards to be achieved; and recognises the need to review the Liverpool Diocesan Religious Education Syllabus for Church Schools in order to sustain high religious education standards at short, medium and long term levels. The Committee has maintained

contact with those involved in Section 23 inspections within the Diocese. The second round of inspections under Section 23 is now well advanced.

Following upon Ofsted and Section 23 Inspections, a minority of schools have needed support in coming to terms with the appropriate construction of their action plans. The Committee has been able to offer help in this sector, particularly to those schools, which have been deemed to require 'Special Measures'. These schools are now making satisfactory progress and achieving positive results.

The Annual School Leavers' Services held at the Cathedral

These services have retained their high quality under the direction of the Canon Precentor. They were well attended by Church Schools across the Diocese.

Children's Committee

Following on from the Children's Workers' Conference held at Aintree Racecourse in November 1999, much of this past year has been taken up in planning and preparing for two follow up conferences to be held in February and March 2001.

The newsletter 'Child's Talk' which contains relevant information for those who work with children is sent out to every parish once a term. This has proved to be a valuable tool of communication borne out by the fact that during the year the Children's Advisor visited twenty-three parishes throughout the diocese. The types of groups visited have included: Sunday Schools, Midweek Clubs, Mother & Toddler Groups, Junior Church and Play Groups.

Parishes have also requested advice on:-

Starting Children's Work, Planning Programmes, Bible Based Games, Parish Magazine/Kids Page Ideas, Children and Holy Communion, Common 1 Lectionary Resources, Christmas/Nativity Service Ideas, Welcoming Children in Church, Child Protection Issues, General Resources, Songs for Pre School Age, Training Leaders, National Issues, Pram Service, Children's Audits, Pew/Play Bags & Clip Boards, Insurance Worries, Grants/Suitability of Premises, Co-ordinating Children's Group Teams.

Requests for talks on the place of Children in the Church have come from several sources including:-

Deanery Synod, Lenten Address, Deanery Children's Conference Follow-up Night, Deanery Resources Morning, Deanery Chapter Meeting, The Board of Education, Parochial Church Councils, Children's Workers AGM, Ordained Local Ministry Training Module.

Events and Conferences attended by the Children's Adviser have included:-

Liverpool Children's Bureau - Search and Report Conference, Children's Ministry Conference at Southport, Christian Aid - Walk on the Waterfront, Decade Ministries - Liverpool Cathedral, Liverpool

Diocesan Youth Conference, Transforming Churches Seminar - Church House, 6 x Parish Enabling Group (PEG) Road Shows, 4 x Deanery Resources Mornings, Mother's Union Fun Day at Childwall, North West Advisers Summer Conference - Blackburn, Northern Christian Resources Exhibition - Manchester, Parish Support Day - Church House.

With regard to Children's Work generally, positive happenings in the Diocese this year include lots of interest in changing Sunday group materials to those following the Common Lectionary. Also, to restart and update existing children's groups and becoming more familiar with child protection issues.

Negative observations brought to the attention of the Children's Advisor include the sad fact that there are still parishes who have no budget for children's work as well as those who rarely or regularly invite children into the church building during Services.

Youth Committee

The end of 2000 was the completion of the Revd Paul Robinson's first full year as Chairman. During that time we have said farewell and thanks to Alan Jewell who was Chairman until November 1999 and also Caroline Webber (L.C.V.S.rep) Revd.Ian Cassidy, Revd.Eddie O'Neil.

The Youth Officer began the year by visiting all the full time youth workers linked with parishes in the Diocese. There are about 25 full time workers.

The highlight of the year was undoubtedly the Bishop's Youth Work Conference with over 300 delegates across the whole range of youth work in the Diocese and 60 or more Seminar/Workshop leaders with our colleagues helping from all different organisations. There was a full turn out by the Committee members, youth office staff and colleagues at Church House. It was an excellent conference with positive feedback since.

The Bishop's Lent Visits had preceded the conference with the Bishop and Phil Pawley arranging to meet groups of young adults 18+ in pubs and clubs throughout the diocese. The youth officer and assistant youth officer and members of the Committee managed to attend most of these Lent Visit days and talk with young adults. A substantial amount of discussion about the possibility of youth churches has followed.

"Midsummer Madness" was a wonderful summer event for 11 - 14 year olds, with 100 youngsters joining in a whole range of 'It's a knockout' type activities. Every team won a trophy and the bar-b-cue was followed by a participative service organised by Dot Gosling; all the leaders and youngsters thought the day "was magic".

The attempt to climb the three national peaks over a weekend was a great time but the weather was terrible. About 15 walkers managed to get to the top of Snowdon (in appalling weather) and Scafell Pike. Unfortunately the leaders felt that Ben Nevis conditions would be too severe on this occasion.

The work to establish a Mobile Project in North Liverpool continues with Dawn Manton researching

the feasibility of this Mobile Unit. By December a Steering Group had been set up and it was agreed to establish the project proper.

In conjunction with the Resources Office the Youth Office continued to pursue the funding for a youth worker at St. Aidan's Speke. A proposal has been put before the Church Urban Fund panel and we are hopeful of a favourable response.

The work with Hindley Prison Y.O.I. in conjunction with Weston Spirit went very well and the sessions run with the young inmates gained praise and thanks from the Governor of the prison with no 'drop outs' from the courses by the young inmates. It is hoped to run a Conference in order to promote these experiential courses amongst prison youngsters some time in 2001.

The "Youth A Part" working party, convened by Dr Ian Sharp, reported to Synod during 2000. New relationships were built with Knowsley Youth Service; Wigan Youth Service; HOPE at Everton; John Moores University youth work course; North West Regional YMCA; the G.F.S. and several other organisations. Good work was established between the youth office and the staff of B.S.R. and with the Resources officers and Marion Boon of the C.U.F. and David Day (from the Print Room) helping on several projects.

The Youth Officers attended the following training during the year: D.Y.O. Conference; Young People and Housing (SHELTER); Fund Raising (Directory of Social Change); Cell Churches at St.Mark's, Haydock; The Use of Video Projectors; Designing Circulars.

Higher & Further Education Committee

Whilst this committee was trying to establish links with each of the new Local Lifelong Learning Partnerships being established, it has also been getting to grips with understanding the proposed Local Learning and Skills Council. These are both government initiatives. It is quite possible that had the latter been thought of first, there never would have been a need for the former. Building links with these bodies has been partly the work of this committee and has partly been progressed through the MARCEA FE Co-ordinating Committee in which we play a full part. The Committee's interest in new government structures has also extended to the Connexions Partnerships. Together these represent a considerable shift in the landscape of post-sixteen education. Developing an understanding of these bodies' functions for the Diocese and establishing some engagement with them has been a major part of this year's work.

The Committee has also ensured that a review of HE & FE Chaplaincy has been undertaken with a report made to the Board in October. The Review has not made any detailed proposals but has expressed a general desire to find ways by which the significant number of HE Chaplains working in the city centre (of all denominations) can support each other and be resourced rather better. It is hoped that during the beginning of 2001 a number of conversations will add flesh to this dream. The Review has also floated the idea of the large chaplaincy resource currently working amongst city centre students being extended to develop some FE work and some work in the field of formation for

educational chaplaincies. Further exploration of this idea will take place through 2001.

Through our partnership with other churches in the MARCEA FE Co-ordinating Committee and its officer Derek Wright, a conference at Liverpool Hope University College was organised to talk through elements of spiritual policy for FE Colleges with Principals and Governors. The Government and Ofsted continue to set this high on the list of priorities a college is expected to meet. Along with our partner churches we remain willing to contribute to the colleges' work in this area.

The bread and butter work of the Committee continues to be in its offering a forum in which those involved in HE and FE institutions and their chaplaincies can share news and ideas, finding support and inspiration. The Committee has tried to fulfil this role too throughout 2000. We particularly acknowledge the work of the University and John Moores chaplaincies under the leadership of the Reverends Jonathan Clatworthy and Bob Dickinson.

The Right Reverend Ian Stuart
Chairman



BOARD FOR SOCIAL RESPONSIBILITY

STRUCTURE

The Board has its origins in the Board for Moral Welfare. Today it draws its members from Deaneries, Anglican Organisations, Diocesan Synod and appointed and co-opted members. Work is undertaken by its Committees - Executive, Regional Issues, Personal/Pastoral Issues and Equal Opportunities.

The three remaining Deanery Projects from the days when the Board ran local social welfare projects (Wigan Churches Association for Family Welfare, Sefton Choices and Listening Ear Merseyside) are now vigorous and independent. They have all expanded their work since independence and have obtained new funding in the region of half a million pounds over the next three years. Such external funding was easier to obtain for small independent charities.

Diocesan cutbacks have meant a reduction approaching £50,000 in the BSR budget, reflecting the loss of a half-time Science Officer, a full-time Social/Community Work Officer, and economies as we ceased to support Deanery projects. We had anticipated having another post to work alongside our Director, Ultan Russell (who covers work previously undertaken by 2.6 staff: namely a Director, Officer for Social & Community Work, a half time Science Officer and an Equality Adviser); so work has been cut back and restructured.

The Board paid tribute to Ernie Wilkinson who retired from the Board after 15 years' service and Noel Davies who had represented St. Helens Deanery over many years.

HOUSING & HOMELESSNESS OFFICER

Captain Ralph Upton has forged links with agencies including Petrus, Shelter and the Whitechapel Centre. 500 toiletry bags have been donated chiefly via the Mothers' Union. Two major projects, the ROC in St Helens and the interchurch project in the Bootle Salvation Army Citadel, have received broad-based financial support. Multi-agency initiatives on pastoral care for released prisoners from Walton and Hindley Prisons are being developed.

Practical and pastoral work with asylum seekers was an unexpected initiative that has become a major part of Ralph's work, notably in Liverpool and Sefton. Ralph's Grove Booklet *Homelessness and Evangelism* was launched in November and has aroused interest. A report entitled *Homelessness & the Diocese* is being produced by Ultan and Ralph in mid 2001. Ralph, with Revd Tim Stratford, has established a network for clergy and lay workers on outer-ring estates.

MARRIAGE & FAMILY LIFE OFFICER

Marian Pope drafted a submission to the Government's discussion paper *Sex Education in Schools*. Marian continues to support colleagues in other Dioceses via FLAME (Family Life and Marriage Education). Much work has been undertaken to ensure that the House of Bishop's statement on Marriage in Church after Divorce is widely studied and Marian has made presentations to parishes and deaneries.

Marian led a reflection at the March 2000 Diocesan Synod around the House of Bishops' Report *Issues in Human Sexuality*. Marian has spearheaded BSR links with Continuing Ministerial Education (CME). This will include training days (for example on domestic violence) together with input to sessions for new incumbents and newly ordained clergy.

LEARNING DISABILITIES OFFICER

Sister Ruth Reed's work has shifted strongly to training/enabling clergy and laity to support individuals and families. Sr Marjorie Griffin has been assisting Ruth on a sessional basis. Efforts are being made to update Ruth's range of leaflets on learning disability (for which BSR receives requests from all over the Diocese and nation!). The retreats in Southport, Liverpool and St Helens continue to be well supported and invariably overbooked. The volunteers who have loyally supported the Southport and St Helens retreats are to be commissioned in 2001.

RURAL AND ENVIRONMENT ISSUES

The Director serves on the ACORA/Rural Issues Group. The Environmental Fora (a joint BSR/ACORA initiative) continue to meet three times a year, grouping agencies concerned about environmental issues. In collaboration with the ACORA Group, BSR has tried to obtain external funding for a full-time Rural/Urban Projects Officer.

EQUALITY ISSUES

The Equal Opportunities Monitoring Committee continues to monitor the position of women clergy. Revisions to the Diocesan Equal Opportunities Policy will go to Diocesan Synod in 2001. A report on Racial Justice went to the November Synod and the Committee has been asked to follow this up. A paper is being produced on Equal Opportunities & Interregna.

INTERCHURCH CONTACTS

The Marriage & Family Life Officer services MARCEA's Marriage & Family Life Group, while the Director is Chairman of MARCEA's Social Responsibility Department. Links are close with Marriage Care, Sr Margaret Clark (RC Justice and Peace Commission) and Merseyside and Region Church Action on Poverty (MARCAP). There are joint initiatives with Nugent Care on the elderly, homelessness and adapting their disability pack for Diocesan use.

The Director works closely with the MiE (Mission in the Economy) Team. Captain Ralph Upton supports the MARCEA SAS (Support for Asylum Seekers Project) and Adullam Homes. Nearly all his local initiatives are interdenominational from the outset. Sr Ruth Reed's work includes close links with Nugent Care and an ongoing initiative to establish an interchurch pastoral centre.

COMMUNICATION AND PUBLICITY

Several leaflets have been produced including prayer material on relationships, asylum seekers/refugees and prisoners. Our Director regularly contributes to Livewire. A regular BSR mailing is circulated to PCC Secretaries, community workers and interested individuals. Marian Pope edits this. Irene Summers (our Office Administrator) and Diane Pendleton (our part-time assistant) manage the office and respond cheerfully to a variety of enquiries and demands!

NEW DEAL (18-24 YEAR OLDS)

Gordon Buss (temporary New Deal Officer) and the Director produced a detailed report *New Deal & The Diocese* in collaboration with the Regional Issues Committee. The report received wide publicity in the national and local press. Gordon and Utan led a seminar at the February British interchurch *Unemployment & the Future of Work* Conference. The Chairman and Director met with Tessa Jowell MP (DFEE Minister responsible for New Deal) to share our concerns about the operation of the scheme.

JOINED UP WORKING

Collaboration with the Youth Department has expanded over young offenders, homelessness and drugs awareness. The staff work closely with the Mothers' Union on issues including family life, homelessness and equality/inclusion. Joint initiatives are being developed with the Revd Heather Penman (RE Adviser)

Links with the Resources Department continue through co-sponsorship of the Community Workers Forum and sharing information/expertise to support

parishes and church community projects. The Director works with the World Development Adviser.

THE WIDER SCENE

The Board's Sector Committees have responded to documents from the Government's Social Exclusion Unit and endorsed the proposals for a NW Regional Assembly. The staff team is called upon to advise Bishop James on a range of social and community issues. There are close links with Sefton Council for Voluntary Service, Liverpool Voluntary Service Council and Mersey Volunteer Bureau. Liaison with Church Action on Racial Equality (CARE) and Voluntary Sector North West (VSNW) are now in BSR's remit.

CONFERENCES AND EVENTS

A major Conference on Health was arranged in July and attended by a range of health professionals and denominational representatives. Staff and Board members actively supported the Diocesan Youth Work Conference and the Renewal and Regeneration Conference. A Prison Week Lecture was successfully launched on November 24th. A network of scientific experts willing to offer advice to the Bishop or BSR is being created after sensitive and broad based consultation.

Approved by BSR Executive Committee



RESOURCES DEPARTMENT

This has been a busy year for the department, with the exciting but challenging work involved in the Bishop's Conference on Renewal & Regeneration, which took place on the 16th September 2000 with an attendance of 440 people. The follow up work on the conference continues with the development of an 'A' Team to help spread good practice, and the publication of a study course using the video stories from the conference day. The team was also under a great deal of pressure as Mr Graeme Pollard left in January and Revd Steve Pierce only joined the department in July.

Christian Responsibility & Ministry of Money Programmes

Ten programmes were undertaken by the department, and two in parishes with no departmental involvement following an initial meeting and sharing of resources. Presentations and planning meetings were held in 13 parishes and 5 of these are having programmes in 2001.

Capital Fundraising, Community Development & Church Urban Fund

The Manual of Good Practice and Evaluation of 10 years of Projects in Liverpool Diocese using the Church Urban Fund were launched on 6th October 2000. The launch of the documents has been much appreciated and national distribution has arranged through CUF London who sponsored the publication of the document. There has been a

very large number of grant applications in the year with 27 applications receiving £259,934 value of bids.

Seven churches have been helped with Away Days, Parish Audits and Parish weekends. Two of these churches were undertaking the 'Preparing for Growth' (Small Parish Audit Programme).

An audit was held by ENTRUST of the Diocesan procedure. This was passed with flying colours. We were extremely pleased about this, as over £314,000 had been received from ENTRUST over the past twelve months.

Finance

There continues to be a large workload in supporting treasurers as they implement the Charities Act & Church Accounting Regulations. This year, a special attention was paid to the Parish Returns for the Central Board of Finance, with a need to ensure that information going to London was accurate, in view of the national changes involved in Diocesan allocations, which uses some of this information. There continues to be a high level of compliance with the Regulations, despite the onerous nature of this work.

The Treasurers Conferences continue to be well supported and one-to-one help is given not only by members of the Resources Department, but also by voluntary advisers where treasurers in parishes are in need of face-to-face support.

Gift Aid

The launch of the new Gift Aid arrangements to supersede covenanting has been extremely welcome. The training events supported by both Bishop John and the Inland Revenue were attended by 321 people. To date, over 2,100 Gift Aid forms have been processed by the Diocese on the Diocesan Scheme. A number of parishes are reporting a huge uptake in Gift Aid from people who previously would not covenant.

Kath Rogers Senior Resources Officer



BOARD OF MINISTRY

At the beginning of the year the Revd Philip Burman joined the Board as Officer for Collaborative Ministry.

There were three full Board meetings during the year. The first was a presentation and discussion on MODEM (Managerial and Organisational Disciplines for the Enhancements of Ministry). Parishes were invited to consider joining a diocesan pilot scheme for the Quality in Ministry Initiative Collaborative Ministry was the main theme for discussion at the June meeting.

The third meeting concentrated on Reader Ministry and the current changes in initial training and CME which are underway.

The Millennium Ministry Lecture was given by the Archbishop of York, the Most Revd. and Rt. Hon. David Hope, who addressed the theme "Models of the Church for the 21st Century".

Most of the work on different aspects of ministry is done by the Board's constituent groups.

Accredited Ministry Training Forum.

The Forum has continued to meet regularly to enable those leading training initiatives in the diocese to share current developments and issues. The major issue of the year was the review of the Forum's work which was undertaken by Ian Stubbs, National Adult Learning Adviser, Archbishops' Council. His final report and recommendations formed the main agenda item for on-going meetings and have formed the basis of a consultation paper "Towards Training for Ministry and Nurture in Discipleship in the Diocese of Liverpool".

Annual Work Consultation and Ministerial Review

These are the new names of the JWC and Appraisal schemes in the Diocese which were launched on 1 November 2000 together with new information packs for all clergy and accredited lay ministers giving details of these newly revised schemes.

This revision has been carried out by the Clergy and Accredited Lay Ministers Review and Development Group following the 1999 Liverpool University survey and with wide consultation with those involved in the provision and undertaking of AWC and Ministerial Review.

Together with Spiritual Direction AWC and Ministerial Review form the three complementary and mutual supportive elements of the Diocesan structure of ministerial support. Each has its own distinctive and distinguishable primary thrust: Spiritual Direction on spiritual and personal growth; AWC on work; and Ministerial Review on performance in totality of ministry.

This revision represents a new chapter in the support that is offered to clergy and Accredited Lay Ministers in the Diocese of Liverpool.

Continuing Ministerial Education

The activities of the CME Team continued throughout the year despite the dramatic increase in costs for residential events brought about by the closure of St. Joseph's College, Upholland.

Two members of the Team attended the National Conference held at Durham in September. The main business of the Conference was to look at, and agree, the final text of the CME Report 'Mind the Gap' which was about to go to the House of Bishops, and is due to be published later this year.

Ordained Local Ministry.

In July seven participants were ordained Deacon in their own parish churches, and at the end of their first year three participants were recommended for continuing training. In September eight participants began the course. The course was inspected by the Ministry Division who commended "the Scheme was an interesting and effective way of achieving its own declared aims of preparing students to work as

Ordained Local Ministers in specific parishes in the Liverpool Diocese". The course is responding to specific recommendations intended to improve its balance.

Reader Ministry.

The Liverpool Diocesan Readers' Association welcomed fourteen new Readers at the annual Licensing and Admission service in March 2000, bringing the total number of Readers in the Diocese to 339 at the end of December. The numbers continue to grow in spite of retirements and those moving to other areas of ministry. During the year the pre-admission training course was re-designed and work began on assessing CME requirements to ensure that Readers continue to be well equipped for their expanding role in the Diocese.

Diocesan Renewal Group.

Due to the many extra activities throughout the Diocese during the Millennium year the Renewal Group needed not to hold any conferences or special events. Activities planned to begin again in 2001.

Diocesan Theological Consultant.

A programme of conferences and courses running through the year centred mainly on college and university venues-Southport, Liverpool, Ormskirk-with some ad hoc work in parishes. In-service training was also provided for Area Deans in relation to Ministerial Review.

Archdeacon of Warrington, Chair of the Board of Ministry



PASTORAL COMMITTEE

You will recall that last year saw the culmination of some very hard work by the deaneries achieving targets for a reduced number of Incumbent Status Posts. It is now very evident that, because some recommended pastoral re-organisation won't be realised by 2003, necessary savings won't be made by that deadline. It is also predicted that clergy numbers will continue to fall for some time to come. The likelihood is, therefore, that more savings will need to be made.

In both Archdeacons discussions have been, and are still, taking place for both Group and Team Ministries in order to enhance the ministry and mission in specific areas. In the Liverpool Archdeaconry, the proposed Litherland Group will now include the parish of Netherton and it is hoped that these proposals will be formalised before too long. Work also in the Warrington Archdeaconry nears completion.

Liverpool Archdeaconry: The united benefice of Altcar St. Michael & All Angels, and Hightown St. Stephen came into effect at the end of October upon the retirement of Canon Frances Briscoe. The proposals providing for the united benefice of St. Cyprian and St. Mary Edgehill have been forwarded to the Church Commissioners and will come into operation in the New Year. St. Dunstan's Edgehill will be incorporated within the St. Luke in the City

Team when the Team is reconstituted hopefully in the near future.

Warrington Archdeaconry: Proposals for the Parr Team to incorporate Parr Mount and provide for the Parr Districts to become Parishes have been forwarded to the Church Commissioners. It is hoped that this new Parr Team will come into operation on 1 January 2001. The two Group Ministries recommended for the Winwick Deanery referred to in last year's report are progressing. Firstly, proposals for the Culcheth Group to include Glazebury & Hollinfare, Newchurch & Croft [which will become united benefice] and Winwick have been sent to the Church Commissioners. Secondly, a Group to include the Four Newton parishes and provide for the union of the benefices of All Saints Newton and St. John Earlestown is still being discussed: both Groups accommodating one saving of an Incumbent Status Post. On a sad note, the old church of St. Simon & St. Jude Southport has been declared redundant, and will be demolished, but the good news is the parish are investing in another building within the parish boundary. It is hoped that all negotiations and re-ordering of the new building will be completed by 2002.

The Chairman and his Pastoral Committee will be working on a strategy for the likely further savings to present to the Diocesan Synod in 2001.

Margaret Sadler
Secretary



DIOCESAN ADVISORY COMMITTEE

The Committee met on the first Friday of every month during the year.

The Committee's Advice has been sought for many diverse projects during 2000. Negotiations for one of the most major restoration projects for many years [funded by the National Lottery Heritage Fund] have continued during the year for St. Margaret's Toxteth. It is hoped that restoration will begin in 2001. A new Centre [The Sheppard Centre] for worship and community use has been completed this year at St. Paul's Kirkdale. The Committee congratulate the Incumbent on successfully seeing through this project. One of the most challenging issues that came before the Committee is that of parishes wishing to enter into contracts with telecommunication companies. Provision of space in Church Towers for the equipment is a sensitive issue and the DAC Bells Adviser, Mr. John Wilton, is on hand to discuss and advise parishes on the appropriateness of such installations. This issue is not confined to Liverpool Diocese, but is a national one, and the Archbishop's Council has set up a Task Group to help parishes negotiate with telecommunication companies, and the Diocesan Registry also play its part in helping parishes through these negotiations.

The Committee offers thanks to its Advisers who serve on the Committee and are only too willing to visit and advise parishes on works that are proposed. Mr. Alan Iddon our Buildings Adviser is also available to meet with representatives of

parishes to discuss and advise on work to Church Buildings.

As always we would remind Parishes that most works and adjustments to buildings need a Faculty. Please seek advice early on any work that is proposed. This can only save time and money in the long run and avoid having to pay Retrospective Faculty Fees. We are here to help!

Noel Michell, Secretary



BOARD FOR MISSION AND UNITY

It has been another exciting year - beginning with a service at the Cathedral to celebrate the Porvoo agreement. During Lent we saw the culmination of all the work done by the Board to plan and support the Bishop's visits around the Diocese. In June we had a major celebration of the 10 years of the Foundation Course. In September the Diocese hosted the Springboard long course. In October we welcomed our Akure visitors. In November the Board ran the Readers Annual Training Day which was highly successful.

All in all a busy and fruitful year for the Board which reflects the contribution of all the Board members, especially our Administrator David Taylor.
Linda Jones

CHURCH PLANTING REPORT

During the year several clergy from St Helens and North Meols deaneries sought advice on the processes involved in initiating church planting within their parishes. On 30th June a church planting workshop took place at St John's, Ainsdale as part of the diocesan 'Faith in Action' roadshow. The main diocesan church planting network conference was held on the 19th October at Church House. The guest speaker was the Revd Bill Croft of St John's, Manor Oaks, Sheffield. Easter 2000 saw the weekly launch of the newest church plant within the diocese at Worsley Hall Community Church; a church plant in a community centre within the parish of St Mark's, Newtown.

Alan Overend

WORLD DEVELOPMENT REPORT 2000

Revd Guy Elsmore was the World Development Adviser until Advent 2000 when Revd Mark Coleman took over. There was considerable work done with Jubilee 2000, including talks given at St Thomas, Ashton and Penketh Methodist Church. Continued collaboration with colleagues in Christian Aid, CAFOD, and others under the umbrella of the MARCEA Development Workers Group took place. Help and assistance was provided with the planning of the Christian Aid "Walk the Waterfront" event. The Jubilee 2000 stall was staffed at the March for Jesus. Work continued with the Friends of IPASC to support the work of CMS's Pat Nixon and events in 2000 and 2001 held at the Tropical School. As a member of the BMU, work with colleagues to raise the profile and awareness of World Development issues continued.

Mark Coleman

LAY SWANWICK PLANNING GROUP

The Swanwick Weekend 2000 was, from the start of our planning, bound to be different - and special. Not only was it a turn-of-Millennium event, our 'Guest' Speaker was to be our own Bishop James. Swanwick 2000 was therefore 'the Bishop's Conference for the Laity' in a particularly significant way. He carried the major weight of the entire Weekend on his own shoulders and did so with outstanding accomplishment. 'One of the best Swanwicks ever' wrote one of the participants. The retirement of our Conference Secretary, Audrey Moss, and of her husband, Jack, our Treasurer, after more than 20 years dedicated commitment to the Swanwick experience, marks the end of an era. They will long be remembered and valued for their kindness, cheerfulness, infectious enthusiasm and unflappable efficiency. There were, as always, a great many people involved in the running of the Weekend: the Chaplain (Revd Clive Gardner), the Musical Director (Mike Perrin) and his Music Group, the Laity Development Team (planning the group work), all the Group Leaders, all the Planning Group - as well as all the Staff at the Hayes Conference Centre. Ours is a team effort in which every member plays an important part.

Audrey Smale

EVANGELISM TEAM REPORT

The year 2000 began for most with a big party! The Evangelism Team celebrated being up to full strength again with the appointment of Revd Tony Hardy as half time evangelist and half time CPAS NW representative. Preparing for and participating in the Bishop's Lent 2000 visits to each deanery took centre stage for the first quarter of the year. This was followed by the Parish Enabling Group Roadshow. Added to these were a variety of millennium initiatives, which filled in the gaps and made for a rather busy period. The major focus of the Team for the year was the Springboard Long Course in evangelism in September. Five churches hosted teams for a weekend of mission in the middle of the course, and relationships established then continue to be a source of encouragement both to the churches and the individuals involved. The Team has vision to train individual Christians to be better at sharing their faith; to identify and serve churches serious about growing, and to identify those churches in the diocese that are willing to partner with others and help them to do so. The Team can never meet all the evangelistic needs of the diocese, so multiplication is essential.

Phil Pawley

LAITY DEVELOPMENT TEAM

The highlight of the year was the celebration of 10 years of the Foundation Course in the diocese, where we heard stories of the effect of it in people's lives. Almost 2000 people across the diocese have done the course, we commenced a revision of it for the next 10 years! The courses continue to prove popular and beneficial with 'A Faith to Live By' revised in the light of feedback, and proving very good. 'Discovering the Bible' continues to be commended by those who do it. The 'Spirituality' course is still in constant demand. Our 'Ways of Prayer' course is very popular and well received. "Please Sit" our two session training for those who read and lead intercessions in church is being run all the time especially with the

introduction of Common Worship. Our latest short course 'Ways of Bible Study' had a successful run this year with comments like: 'Enjoyed the innovative and creative ways of using Bible passages', 'I've learned things about myself and the Bible passages have come to life', 'Insight and enjoyment', 'Too good to keep to myself.' Chris Peck led another successful trip to Iona. After 11 years in the diocese he left for a challenge in Peterborough diocese. Our 'Guide to Good Tutoring' is being sold nationally to other dioceses and this year saw another useful production '101 Things to do with stones.' We recruited four more team associates who are proving invaluable in working alongside us running courses in Parishes. We ran in 3 centres across the diocese an Advent Quiet Day, which was a good space for those that came. A significant report 'Called to new life' was put on the agenda, with work on a pack for parishes to focus on the world of lay discipleship, enabling and supporting lay Christians in their everyday lives.

Sandra Wellington

WORLD MISSION

During 2000 Bob Wilkes and Guy Elsmore developed the idea of their working together to gather and encourage World Church Link people in the parishes. On St. Andrew's Day, thirty people shared a meal and their stories of international links. The Akure link was well represented by Cynthia Dowdle and exchange visit participants. Mission and Development agencies representatives made presentations. Bob Wilkes prepared the "week headings" for the revamped Diocesan Prayer Cycle, which show the many and varied international links which enrich the Diocese. He also offered advice to the Bishop, groups and individuals on links with the world Church, and was active in preparation for the PIM Millennium exchange visits. Bob keeps in touch with mission agencies.

Bob Wilkes

ECUMENICAL ISSUES GROUP

We have continued to meet with our Methodist counterparts in the context of the Methodist/Anglican conversations about a growing unity. We await the report coming to General Synod and the Methodist Conference in the summer this year. Anglican clergy working in Local Ecumenical Partnerships have valued meeting twice a year, and are currently working on promoting the mission opportunities they provide. The story of the brand new LEP at St Philip and St Paul with Wesley in Southport has been an illustration of this. We have had a couple of occasions to celebrate and build on locally the Porvoo agreement, bringing the Church of England into a new relationship with the Nordic and Baltic Lutheran churches.

Andrew Edwards

PARTNERS IN MISSION

The last year has been an extremely busy one for the Partners in Mission Team. Much of the work was concerned with the Millennium exchange between Liverpool and Akure, Nigeria, planned to take place in June and October. The team of 35 people from Liverpool, half of which were under 30, continued their preparation and team building in monthly meetings and a weekend away at Quinta

Hall, near Oswestry. In June the team were commissioned at the Cathedral and then flew out to Nigeria. The team spent two weeks making both group and individual visits to all parts of the diocese and were overwhelmed at times by the welcomes they received and by the generosity of the people. On returning home the team met to reflect on the visit and to prepare to share their experiences with the churches and the deanery who had supported them in prayer and in fund-raising for the trip. Most of the team agree that the trip has been a life changing experience and that they understand better what it means to be members of the Anglican Communion. In October we welcomed a team from Akure, much reduced in numbers by many of the younger members of the team not being able to obtain entry visas into the UK. The Bishop of Akure, Rt. Revd Emmanuel Gbonigi visited every deanery that did not receive a visitor in order to thank them for their offer of hospitality. The result of the Millennium Exchange is that the link has been strengthened, new links made and many parishes who previously were not aware of the link now know something about it.

Cynthia Dowdle

HEALING PANEL 2000

Early in the year we completed our series of "roadshows" which took place throughout the Diocese. In all about 400 people attended these Sunday afternoon events, and we were encouraged at the level of interest in the Ministry of Healing, and the desire evident in many of the participants to 'move on' in their own Christian ministry.

One particular outcome was the realisation that many of the Clergy still remain wary about Healing Services. The panel discussed the possibility of more such events aimed at reluctant clerics. In consultation with the Bishop it was decided rather to ask the Chairman of the Panel to make visits to Deanery Chapters, and this programme continues.

The panel has three more ecumenical members who, as well as taking part in our committee work, help us with insights from the other churches. We hope this coming year to give some time to mental health issues, as well as to produce a revised second edition of the Panel's publication, "Wholeness and Healing".

Paul Nener



PARSONAGES COMMITTEE

The Parsonages Board continues to be grateful for the services of Hardcastle & Hogarth for the care of our property. The Board made a commitment to keep up to date with Quinquennial Repairs and, in order to do this, employed the firm on a fee basis for 20 extra properties. The funding for this extra work came from the Pastoral Account of the Diocese. Following pastoral re-organisation, proceeds from the sale of the Vicarages from previous years had been paid into the Pastoral Account. They were then fed back to support parsonage repairs and improvements. However, during the year 2000 there were no Vicarage sales, and we faced the prospect and harsh reality of the Pastoral income falling. The cost of Quinquennial

repairs average between £7-£8,000 per property. Some required less work, but there were sufficient areas of structural repairs that needed attention, hence the higher cost of some of them. In addition to Quinquennials the Board undertook repairs in anticipation of clergy moving into Vicarages.

The Board has continued with the central heating maintenance contract. Contributions towards decorating have had to remain at their poor levels which leads the Board to be very grateful to those in Parishes who have undertaken decorating work themselves.

Security has continued to be a major concern of the Parsonages Board. To this end of the Board wishes to express its gratitude to Marshall's Charity. In addition to their grant of £15,000 towards the cost of improvements, the charity also agreed to contribute fifty per cent of the cost of 20 CCTV installations in Vicarages, the balance being divided equally between the Parsonages Improvement Budget and the appropriate Parochial Church Council.

Bob Metcalf
Chairman - Parsonages Board



COMMUNICATIONS

This has been another busy year for the Communications Department as it continues to build its role within the Diocese. Much of the year has been spent taking forward many of its issues highlighted in the Communications Audit.

Work began this year on three principal areas - Livewire, a Corporate identity for the Diocese, and to develop the area of electronic communications. Three working groups were set up. A preliminary Report was made to the Bishop's Council on Livewire and further work continues. The Corporate identity has been agreed and is now in use. Work is continuing to develop a Diocesan Website and to establish a Diocesan email address. The next stage is to encourage the use of electronic communications within Church House and around the Diocese to make communications more effective.

A new telecommunications system has been installed in Church House with features such as Direct Dial and Voicemail - further improvements are being developed.

Major events in 2000 included work on the publicity for Bishop of Liverpool's Lent visits and the arrival of the new Bishop of Warrington towards the end of the year. Other work such as the Church House Open Day was also organised through this Department.

This year for the second year running we worked in conjunction with the Chester Diocese to provide reasonably priced Communication Training for clergy and officers. We also ran one-off training events for various people including CME.

The Department continues to be busy sending out regular press releases covering Diocesan news and the Bishop's business. It also handles continual press calls and interview requests. The Diocesan Communications Office continues to provide an on-call service for the clergy 6 days a week.

Katherine Miller
Communications Officer

