



WORCESTER
CATHEDRAL



**Annual Report and Accounts for the year ended
31st March 2022**



WORCESTER
CATHEDRAL

Principal Office

The Chapter Office, 8 College Yard, Worcester WR1 2LA

THE CHAPTER

The Very Reverend Dr Peter Atkinson	Dean	(from 28.4.07)
The Reverend Canon Dr Stephen Edwards	Residentiary Canon	(from 15.9.19)
The Reverend Canon John Paul Hoskins	Residentiary Canon	(from 29.1.22)
The Reverend Canon Dr Michael Brierley	Residentiary Canon	(to 31.8.21)
The Reverend Canon Dr Georgina Byrne	Residentiary Canon	(to 31.8.21)
Dr David Bryer	Lay Canon	(from 23.9.13)
Anne Penn	Lay Canon	(from 19.1.16)
Henry Briggs	Lay Canon	(from 1.03.19)

SENIOR STAFF

Val Floy	Chief Operating Officer (to March 2022)
Matthew Hall	Chief Operating Officer (from July 2022)
Chris Guy	Archaeologist (to August 2022)
Maria Scialacomo	Catering Manager
Daniel Parnell	Director of Learning and Community Involvement
Samuel Hudson	Director of Music
Emily Draper	Estates Manager (to August 2022)
Monika Nicholson	Finance Director (from June 2022)
Debbie Harding	Finance Manager (to June 2022)
Cathy Sloan	Fundraising Manager
James Prior	Head Verger
David Morrison	Librarian & Archivist
Sarah Bowyer	PR and Digital Communications Manager
Steve Smith	Service Manager
Tracey Jagers	Shop Manager (to May 2022)
Helen Lancaster	Shop Manager (from June 2022)
Susan MacLeod	Visitor Experience Manager
Darren Steele	Works Manager / Master Mason
Camilla Finlay	Consultant Surveyor of the Fabric

Bankers

Barclays Bank Plc., 54 High Street, Worcester WR1 2QQ

Solicitor

Stallard March and Edwards, 8 Sansome Walk, Worcester WR1 1LW

Auditor

Hazlewoods LLP, Staverton Court, Staverton, Cheltenham, GL51 0UX

Investment Manager

EFG Harris Allday, Church Mews, Ombersley, Worcester WR9 0EW

Property Agent

Fisher German, Global House, Hindlip Lane, Worcester, WR3 8SB

Worcester Cathedral

Annual Report

For the year ended 31 March 2022

Prelude

The annual report is for the financial year April 2021 to April 2022, better described as the liturgical year from Easter to Easter. But the report appears some months later, when the accounts have been audited and approved, and my task is to write the narrative part of the report with a measure of hindsight. It is, for instance, impossible not to take note of the fact that I am writing these words in the week between the death of Her Majesty Queen Elizabeth II and her Funeral. The Cathedral is at present playing one of its principal roles, of offering a place of solace and reflection to all who come to pray, sign the book of condolence, and light a candle. We have recalled the Queen's several visits to the Cathedral in the course of her reign, and we pray for His Majesty King Charles III.

The year in question was marked by chronic political controversy and instability at home, and gathering international tension abroad, culminating in the Russian invasion of Ukraine. At the time of writing, there is a new Government and a continuing cost of living crisis, and much that is unpredictable about the next few months.

Worship

The period from Easter 2021 to Easter 2022 was marked by the gradual easing of Covid restrictions in the way we celebrated public worship and the way we welcomed visitors and held events. Numbers were still restricted in Holy Week 2021, and the threat of cancellation hung over the Three Choirs Festival at Worcester, which had already been deferred for a year. In the event the Festival went ahead, and notwithstanding all the uncertainties, was acclaimed a great success, for which the Artistic Director, Sam Hudson, deserves our gratitude. The threat of new Covid restrictions hung over the days before Christmas, but in the event our programme was able to go ahead. By the time we reached Holy Week and Easter 2022, restrictions were easing again, apart from those made necessary by the damage to the Cathedral (see below). In the meantime, back in September, our new choir arrangements came into force: the equalizing of opportunities for girls and boys in the Cathedral Choir, the re-founding of the Voluntary Choir as a choir of young girls and boys, and the formation of a new Youth Choir for teenagers. That these changes have been accompanied by the best recruitment rate for years speaks for itself.

Storm Arwen

A substantial piece of masonry, a pinnacle from half-way up the tower, fell through the roof of the north choir aisle in the night of 27 November 2021, during the extreme weather known as Storm Arwen. The damage, while restricted in area and not affecting the nave, was severe, and the repair programme will be completed about the time of the anniversary of the storm. Dust infected the organ, which has required complete off-site cleaning. Access to the east end of the Cathedral has been restricted, with inevitable impact on visiting, events, and services. I pay tribute to the expertise of our professional advisers, led by the Surveyor of the Fabric, Camilla Findlay, and to the steady support of the Ecclesiastical Insurance Group. It was, all the same, a bitterly disappointing occurrence, just at the moment we felt we were emerging from all the restrictions of the pandemic.

The fallen pinnacle gives our excellent stonemasons the opportunity of doing some new and beautiful carving.

Chapter and Staff

In June 2021 we learnt that Canons Michael Brierley and Georgina Byrne were both moving to new appointments, teaching in theological colleges. That these highly gifted colleagues should move to fresh posts in due course was only to be expected: what I hadn't expected was that it would happen simultaneously. (Both told me on the same day, unknown to each other, a few minutes after Evensong.) We said our goodbyes to them in the autumn and it has been good to see them in the Cathedral from time to time.

We moved swiftly to enable the Crown to fill the precentorship, which requires as much continuity as possible, and were delighted with the appointment of Canon John Paul Hoskins, who was installed in January. Financial considerations led us to pause an appointment to the other canonry, but at the time of writing we await news of an appointment to that post, one of the first in His Majesty's in-tray.

Worcester Cathedral Annual Report (continued) For the year ended 31 March 2022

In December, our Chief Operating Officer, Val Floy, decided to move to another post, and left the staff in March. Val made a very significant contribution to the work of the Cathedral and we were sorry to see her go. Though it falls outside the year in question, I can add that her successor, Matthew Hall, came into post in July, and we are delighted to have him in post. There have been other important staff changes since Easter, which will be noted in next year's report.

Also in December, the Chapter resolved to revive the old Worcester title of Vice-Dean and confer it on Canon Stephen Edwards, an appointment which I believe has been universally welcomed.

Cathedrals Measure

Vacancies in two of the three residentiary canonries, followed by the considerable work generated by Storm Arwen, followed by the vacancy in the post of Chief Operating Officer, inevitably meant that some work-streams have been interrupted. Work on the revision of the Constitution and Statutes, and other tasks necessitated by the new Cathedrals Measure, will be accelerated in the year 2022-23.

Cathedral Strategy and Eco Agenda

Notwithstanding the pressures alluded to above, there has been steady progress made on the aims of the Cathedral Strategy. Perhaps most gratifying here is the emphasis on the Eco agenda, bringing together many committed people among the staff, the volunteers, and the regular worshippers. In the year 2021-22 the Cathedral attained the Eco-Church bronze standard, and we expect to reach silver standard in 2022-23. You can follow this in more detail on the Cathedral website.

Memorial Services and Weddings

A sad consequence of the pandemic was the number of funerals which were celebrated under Covid restrictions, and which were then followed, sometimes later, by a memorial service when more relatives and friends could assemble. Among the many memorial services we held were those for Lady Morrison, President of the Friends; Margaret Bryer, wife of David, one of our Lay Canons; and Professor Michael Clarke, former Lay Canon, Chair of the Cathedral Council, and Chair of the Three Choirs Festival. We also held, under some Covid restrictions, a service of thanksgiving for His Late Royal Highness The Duke of Edinburgh.

There was also a happy crop of weddings, saved up for the same reason.

Landscape and Old Palace

The prospect of a grant from the Government-funded Towns Deal, to enhance the physical environment of a hundred English towns, prompted the Chapter to commission a landscape masterplan, which may now be viewed on the Cathedral website. A masterplan is the first requirement of the Cathedrals Fabric Commission for England, in the process of gaining approval for the altering or enhancing of a cathedral's precinct. The Towns Deal funding, warmly supported by the City Council, has been consolidated from other generous local sources, and within the next year we should see work beginning on an attractive refurbishment of College Yard, which at present looks shabby and neglected, and fails to offer the visitor a clear direction to the North Door.

In the year 2021-22, the negotiations were concluded between the Chapter and the Diocesan Board of Finance with regard to the termination of the lease of the Old Palace from the former to the latter. The Old Palace is now in the direct management of the Chapter, and the plan is for the Chapter to move its offices there from 8 College Yard in the course of 2022-23.

Cathedral Finances

The complex picture of Cathedral finances is fully reported on in the remainder of this document. As I intimated last year, the picture is complex because of the loss of ordinary income as a result of the lockdown, and grants from several large organizations designed specifically to sustain churches, charities, and small businesses through the same period. It is clear that by assiduously pursuing grant opportunities, together with the continued support of the Cathedral and wider community, the Cathedral weathered the immediate aftermath of the lockdown remarkably well.

**Worcester Cathedral
Annual Report (continued)
For the year ended 31 March 2022**

But, as I warned last year, much of the funding we received was pandemic-related, and will not continue. And, as I did not warn last year because we could not foresee it, there were new challenges on the horizon, not least the effect of the war in Ukraine and its impact on fuel supplies. To comment further on this is to take us beyond the year on which I am reporting, but it would be unrealistic not to acknowledge that, at the time of writing, the Cathedral continues to face some formidable financial challenges. That all of us individuals, as well as all other organizations, large and small, are facing the same prospect, is not much comfort. Of greater comfort is the knowledge that we weathered the challenges of Covid well, not least because of the loyal support of the Cathedral community, and therefore it is with greater confidence that we meet the challenges of the year ahead.

Postlude – and Personal

In the course of 2021-22 I made it known that I was due to retire in 2023. That I have no choice about this is because I have reached a certain age. All the same I was duty-bound to submit my resignation to the Queen, and this was accepted and approved just two weeks before Her Majesty's death. The deanery of Worcester will therefore fall vacant on 25 August 2023. This is a little later than I have earlier indicated, and my farewell to the Cathedral will now take place at the Sunday services on 10 September, the first Sunday of the choir year. It is not too soon to pray for those who will select a name to be submitted to the King for his appointment. Nor is it too soon to pray for me and Lynne as we prepare to move to our new home in North Yorkshire.

Peter Atkinson

September 2022

Worcester Cathedral

Annual Report (continued)

For the year ended 31 March 2022

Public Benefit

The Cathedral is mindful of section 17 of the Charities Act 2011, where charities should have regard to the public benefit guidance published by the Charity Commission when determining the activities of the Cathedral. The Cathedral is at the service of the wider community, not only in its daily religious and charitable work, but is an active resource of national importance in the promotion of religion, music, education, history and architecture.

Financial Review

The financial performance of the Cathedral and its trading subsidiary is set out in the Statement of Financial Activities on page 16 and its financial position is summarised in the balance sheet set out on page 17. Further information is provided in the Cash Flow Statement on page 18 and the notes to the financial statements.

The total funds at 31 March 2022 totalled £14,012,388, compared to £13,627,531 in the previous year, an increase of £384,857 (2021: increase of £751,849). Included in this are the Endowment funds which totalled £11,072,087 (2021: £10,841,131) and restricted funds of £2,508,235 (2021: £2,521,659). The unrestricted funds in total are £432,066 (2021: £264,741). The total income for the year was £3,188,083 (2021: £3,291,620), a decrease of £103,537 from the previous year. The expenditure for the year totalled £3,507,190 (2021: £3,274,965), an increase of £232,225 from the previous year.

The ongoing operating costs of the Cathedral are met from the unrestricted funds. The unrestricted income for the year before the extraordinary item, amounted to £1,596,662 (2021: £806,780) and with the transfer of funds from the restricted and endowment from the Total Return policy, totalled £2,016,396 (2021: £1,242,844). Unrestricted expenditure for the year totalled £2,237,947 (2021: £1,147,992) an increase in the year of £1,089,955. The main reasons for this increase in income and expenditure was a return to nearer to normal activity and opening of the Cathedral after the severe effects of the pandemic on the results of the previous year. There were also some underlying rises in utility costs and administrative and support costs, including those relating to the Old Palace. These all related to enhancing the future viability of operations.

Overall, and taking into account the Total Return transfer from the Permanent Endowment to support current operations, but before the Extraordinary item to establish a necessary level of unrestricted reserves to support future operations, the operating deficit for the year amounted to £221,551.

General

Despite the extended closure and limited operation of the cathedral for part of the year due to the pandemic, it has emerged in remarkably strong financial shape. This was largely due to continued grants and the extraordinary grant from the National Lottery Heritage Fund for Culture Recovery to bring the unrestricted general reserves up to the targeted level, the details of which are set out in note 30 to the accounts.

Operating Income and Expenditure

While still showing lower levels of income from visitors and from the use of the cathedral for events and activities compared with pre-pandemic levels, much of its other income, including donations, improved on last year. This was augmented by substantial grants of public funding, though the furlough scheme support fell to £18,570 (£216,523). At the same time, expenditure was managed carefully, and savings made where possible.

The following major pandemic grants were received:

- National Lottery Heritage Fund- Heritage Emergency Fund
- Arts Council Cultural Recovery Fund
- Church Commissioners- Cathedral Sustainability Fund

With this funding, the surplus, after the extraordinary item, applied to the unrestricted fund (used for managing the operations), allowed more regular expenditure on the fabric to be met from unrestricted funds to maintain the fabric fund.

Balance Sheet

The balance sheet has benefited from the strong overall result which, when added to gains in financial and property investments, as well as other income, increased the cathedral's total funds from £13,627,531 to £14,012,388. The endowment fund investment gains were £306,460 and the fabric and music investment gains were £8,628.

Worcester Cathedral Annual Report (continued) For the year ended 31 March 2022

The cathedral's liquidity has remained strong and its cash balance stood at £671,394 (2021: £952,912) at the end of the year, a fall that is partly due to early receipt of some early grant funding in the previous year.

Investments

In order to support its operations, the cathedral relies heavily on income from its endowment fund, which holds investments in property and financial assets. At the end of the year, the fund for investment had a value of £7,621,965 (2021: £7,503,271) (excluding assets in cathedral use). During the year, the returns generated by the endowment fund enabled the Chapter to contribute £411,058 towards the operating costs of the Cathedral.

The cathedral operates a 'total return' policy in its management of the endowment fund, the total return comprising not only income (rent and dividends) received during the year but also the increase in the capital value of its investments. Over the seven-year period since the total return policy was adopted, the fund has achieved an average annual return of 8.09%, which has enabled the Chapter, on advice from the Finance Committee, to transfer an amount equal to 7% of the endowment fund towards its operating costs in the year. It is also worth noting that the total return policy on its endowed funds has given the cathedral an unapplied total return fund of over £1.3 million.

The Finance Committee (through the Investment Sub-Committee) reviews annually its assumption about the sustainable rate of return, based on advice from its financial and property investment advisers, EFG Harris Allday and Fisher German respectively. This allows the cathedral to plan and budget with confidence, irrespective of the short-term fluctuations in the financial and property markets.

In addition to its endowment fund, the cathedral holds financial investments through its restricted funds (fabric and music). These amount to £1.3m, resulting in over £2.6m of financial investments when added to the endowment fund investments. These investments are largely held in listed investment trusts which, by their nature, reduce exposure to risk in a period of stock market volatility.

The cathedral's investment policy is set out in a document approved by Chapter. As well as describing its approach to investments in terms of its risk profile, it also commits the cathedral to an ethical approach in line with Church of England's guidance.

Reserves

The cathedral needs sufficient reserves to be able to withstand adverse or irregular movement in its operating income and expenditure. With an income from a diversity of sources, the risks are generally low, and Chapter considers reserves of between two months (£360,000) of operating expenditure to be sufficient, particularly against a background of a target of break-even budgeting. During the year, an extraordinary grant was awarded by the Culture Recovery Fund, based on target reserves, in order to bring unrestricted reserves to an acceptable level. In this context, the unrestricted reserves, after designated expenditure, stood at £432,066 at the end of the year, are considered adequate. The budget for the next twelve months shows unrestricted reserves being reduced, but it is anticipated they will stay in line with the targeted level.

Pay & Remuneration of staff

The pay and remuneration of staff at the Cathedral is reviewed annually as part of the budget setting process. A recommendation is made to Chapter about an annual increase taking account changes in the retail price index and comparable public sector pay awards. We also uplift staff who are paid the real living wage against the agreed national rates of pay. All of our staff are remunerated at the minimum of the real living wage. We participate in regular voluntary pay benchmarking exercises that are done across Cathedrals to ensure we are paying consistently against other similar job roles.

**Worcester Cathedral
Annual Report (continued)
For the year ended 31 March 2022**

Risk Management

During much of the year, the key work of Chapter has been in managing the risk associated with the pandemic and some of aspects the Cathedral's 'business as usual' was affected as a result. Risk was closely managed at every meeting. As we return to a more even keel Chapter have reverted to our usual method of risk management and updated our risk register to reflect the new operating environment. The Risk Register is reviewed by the Finance Committee and the Chapter on a 6-monthly basis. The Chapter considers the principal risks and uncertainties as follows:

Risk	Mitigating Actions
Impact of COVID-19 in creating uncertainty around planning and future events. Residual disruption to the operations and long term impact on staff results in higher costs and lower income	Crisis management and plans in place. Recovery Appeal being run, to generate funds to enable the uncertainties of the operation to be smoothed. Staff support plans in place
Future purpose for the Old Palace unknown and costs of maintenance and security	Business Plan and Feasibility study being progressed.
Failure to generate sufficient commercial income	Close monitoring of income from bookings, events and Enterprises.
Fire risk and ongoing maintenance to the fabric	Fire prevention measures being put in place in high risk areas eg Tower. Prioritising of essential repairs and maintenance during the year under Estates Manager's jurisdiction
Impact of implementing the new Cathedral Measure, including Charity Commission registration	Chapter to put in place a plan. Support from Church Commissioners to progress work required and central resources available

Plans for 2022-23

Chapter have set a number of priorities for the year:

A community welcoming everyone to share our amazing heritage

- Review the quality of our welcome to visitors through the Visitor Engagement Plan
- Improve the external approach to the Cathedral through Phase One of the Landscape Plan (College Yard)

A place of breadth and depth in worship and prayer

- Reoccupy all areas of the Cathedral for prayer and worship following Covid restrictions and storm damage
- Prepare the way for the Nave organ and furnishings project

A place of learning, discipleship, and nurture

- Welcome a new residentiary canon with special responsibility for promoting our library and learning resources as part of the Cathedral's mission
- Finalise and implement the three-year chorister formation programme, and coordinate learning programmes across the Cathedral

A catalyst for campaigning and raising awareness on the environment and social justice

- Achieve the Silver level Eco-Church award
- Develop existing Living Gently programme to a broader audience working with other city churches and institutions
- Launch an Environment and Social Justice forum across the Cathedral Community which brings together current and new areas of justice and outreach work alongside our Charitable Giving

A resilient organisation with stable finances

- Achieve a stable and sustainable staffing structure
- Relocate Chapter offices to Old Palace and promote the Old Palace for functions
- Complete the implementation of the Cathedrals Measure

Worcester Cathedral Annual Report (continued) For the year ended 31 March 2022

Structure, Governance and Management

The Cathedral Church of Christ and the Blessed Mary the Virgin, of Worcester is run in accordance with the Constitution and Statutes, drawn up in line with the Cathedrals Measure 1999 and authorised on 21 June 2001. The Cathedral is the seat of the Bishop of Worcester and an ecclesiastically exempt charity. The Cathedral is incorporated in England and Wales.

The Chapter

The Chapter is the governing body of the Cathedral, providing strategic direction and oversight. Section 4(8) of the Cathedrals Measure states that the main function of the Chapter is 'to direct and oversee the administration of the affairs of the cathedral.'

The Chapter, which is the governing body of the Cathedral, consists of the Dean, the three Residentiary Canons and three Lay Canons. The Dean and Residentiary Canons are appointed by the Crown and the Lay Canons are appointed by the Bishop and the Dean acting jointly, having due regard to the advice of the Chapter. The Lay Canons appointed to the Chapter hold office for three years but are eligible for further terms of office. All new Canons, both those appointed to the Chapter and Honorary Canons, undergo a local induction programme, during which they are introduced to the operation of the Cathedral, meet members of staff and obtain an understanding of the policies and procedures of the Chapter.

The Chapter is responsible for the strategic direction of the Cathedral's mission and ministry and for providing the vision that leads all activity. It also sets policy and monitors performance, including financial performance. During the year the Chapter met on eleven occasions, in addition to one away day.

The Chief Operating Officer is the senior administrative officer and as such is responsible for the Cathedral's management and the team of 96 full and part-time staff and over 300 volunteers.

Safeguarding

The Chapter is committed to ensure that Safeguarding is progressed, both in terms of activities, but also to ensure the Cathedral has a culture that promotes safeguarding and learning. There has been a lot of work nationally to encourage safeguarding to be built into the theology and way we operate as a Christian community,

The Chief Operating Officer is the Cathedral Safeguarding Lead and the Safeguarding team is strengthened by a HR and Safeguarding Officer. The Cathedral works within the Church of England's national policies and procedures and closely with the Diocesan Safeguarding team. The Chapter operates a service level agreement with the Diocese that includes training support and other advice and support. The Chief Operating Officer is a member of the Diocesan Safeguarding Advisory Panel (DSAP) on behalf of Chapter and attends the Diocesan Operational Safeguarding Group.

As part of the National programme of Cathedral Safeguarding Audits, commissioned by the National Safeguarding Team and run by the Social Care Institute of Excellence (SCIE), the Cathedral was audited in January 2021. An action plan has been developed and work has progressed during coming year to implement a number of recommendations. This is supported by the Safeguarding Committee, chaired by Richard Carter, and will continue to take forward work to further develop and improve safeguarding measures, including oversight of quality assurance.

The Council

The Council is responsible for furthering and supporting the work of the Cathedral. It also reviews and advises upon the direction and oversight of the work of the Chapter. Membership during the year was as follows:

Lt Col Patrick Holcroft (Chair)	
The Bishop of Worcester	Mrs Diana Gant
The Dean of Worcester	Canon Anne Penn
Lady McFarlane	Mr Gerald Harris
Mr Paul West	Professor John Vickerman

During the year the Council received and considered the annual budget, and the annual report and the audited accounts.

Worcester Cathedral Annual Report (continued) For the year ended 31 March 2022

The College of Canons

This body brings opinion and questions from across Worcestershire and the Metropolitan District of Dudley. It is designed to ensure that the Cathedral hears from parishes in all parts of the Diocese. The College of Canons is chaired by the Dean and includes Residentiary Canons, Lay Canons, Honorary Canons and Monastic and Ecumenical Honorary Canons.

During the year the College of Canons worshipped and met together on one occasion jointly with the Cathedral Council. The College received and considered the annual report and audited accounts. Members were also updated on various Cathedral activities.

Ministry

The Chapter is grateful for the liturgical, preaching, and pastoral ministry of a large number of ministers, among whom are the Reverend Dr Mark Dorsett (Chaplain of the King's School and Minor Canon), Professor John Vickerman (Reader with the Bishop's Permission to Officiate), the Venerable Robert Jones (Archdeacon of Worcester), the Venerable Nikki Groarke (Archdeacon of Dudley), the Reverend Canon Dr Stuart Currie (Bishop's Chaplain), the Reverend Dr John Fitzmaurice (Diocesan Director of Ordinands), the Reverend Canon Doug Chaplin (Discipleship and Lay Training Officer), the Reverend Canon Dr Georgina Byrne, the Reverend Charmian Manship and the Reverend Canon Brian Gant. In addition, the Chapter is grateful to all those who generously give their time to serve as day chaplains.

Finance Committee

The Finance Committee reports directly to the Chapter with the function of advising the Chapter in connection with its responsibilities for the management of Cathedral finances, property and investments. Members are selected for their financial or business experience.

Members:

Canon Henry Briggs FCA (Chairman)	Mr Roger Burman
The Dean	Mr Gerald Harris
Canon Dr David Bryer	Ms Fern Horder

The Finance Committee is supported by the Chief Operating Officer and Mr Anthony Champion, from Fisher German, as the Chapter's property advisor. The Finance Committee has a sub group to advise and monitor the investments, which is chaired by Mr Burman. Ms Lindsey Ruddell from EFG Harris Allday, attended meetings of the Investment Sub Group, as the Chapter's investment advisor.

The Fabric Advisory Committee

The Fabric Advisory Committee is chaired by Jennie Page. The Committee was made up of ten members, with half the membership being appointed by the Chapter and half appointed by the Cathedrals Fabric Commission for England (CFCE). The membership at the end of the year was as follows:

Ms Jennie Page (Chair)	Mr Chris Baines
Ms Victoria Harrison	The Reverend Canon Simon Jones
Mrs Judith Leigh	Mr Andrew McCrea
The Reverend Andrew Mottram	Mr Stephen Oliver
Mr Andrew Stonyer	

Ms Gill Collins, Professor John Hunter, Mr Ian Stainburn and the Very Reverend Nicholas Bury stepped down in the year, with grateful thanks from the Chapter for their service. The Secretary to the Committee is Mr Rob Alexander.

The Committee considers applications referred from the Chapter and provides advice and expertise on matters relating to the buildings and furnishings. The Committee met on four occasions during the year.

Worcester Cathedral Annual Report (continued) For the year ended 31 March 2022

Worcester Cathedral Enterprises Ltd

The principal activities of the company are the management of the Cathedral shop, the Cloister Café, catering for Cathedral functions and events and managing the facilities of the Guesten building at 15 College Green. This activity is seen by the Chapter as part of the mission of the Cathedral in reflecting its Benedictine foundation that 'all guests are to be welcomed as Christ'. The company is also tasked with raising funds to support the ministry and mission of the Cathedral, and all the operating profit is transferred to the Chapter as one of the key income streams.

The company is managed by a Board of Directors elected by the Chapter, who are the shareholders. The current chairman is Gerald Harris and the administration is provided by the Cathedral's Chief Operating Officer, who acts as the company secretary. The Board comprises, apart from the chairman, two members of Chapter, the Dean and Canon Georgina Byrne (to 31 August 2022) and Ann Blackwell. Ann retired at the AGM after many years of highly valued service and Staffan Engstrom has been appointed as the external director at the AGM. The company achieved annual sales of £245,627 (2021: £52,065), an increase of 372% over the previous year, which was affected by the pandemic, and made an operating profit of £41,513 (2021: £35,049), an increase of 18%, with which the directors were pleased.

Trusts and Foundations

Worcester Cathedral is most grateful to the following Trusts and organisations for their generous financial contributions to our work:

Advent Charitable Trust
Albert and Elizabeth Clark Charitable Trust
Andrew Harris Charitable Trust
Architectural Heritage Fund
Arts Council England - Cultural Recovery Fund
Benefact Trust
Bransford Trust
Catalyst Continuation Fund
Cathedral Music Trust
Cathedrals' Workshop Fellowship
Church of England Cathedrals Sustainability Fund
Co-Operative Group Limited
Cultural Recovery Capital Works Fund (via Church of England)
Department for Digital, Culture, Media and Sport
Elgar Foundation
Elmley Foundation
Fitzmaurice Charitable Trust
Friends of Worcester Cathedral
Hamish Ogston Foundation
Hawthorne Charitable Trust
Ian Addison Foundation
J A Trust
Kildare Trust
Listed Places of Worship Grant Scheme
L G Harris Charitable Trust
National Lottery Community Fund
National Lottery Heritage Fund
National Lottery Heritage Fund - Cultural Recovery Fund
National Lottery Community Fund: Together for Our Planet Fund
Provincial Grand Lodge of Worcestershire
Quayle Charitable Trust
Richardson Brothers Foundation
Robin and Henrietta Woods Charitable Trust
Rowlands Trust
Society of the Salutation of Mary the Virgin Limited
Westhill Endowment
Worcester Cathedral Old Choristers Association Charitable Trust
Worcestershire County Council Kick Start Scheme

**Worcester Cathedral
Annual Report (continued)
For the year ended 31 March 2022**

Friends of Worcester Cathedral

We are very grateful for the ongoing support of the Friends of Worcester Cathedral, who during the year supported financially the following activities:

Annual Grants	£
Cathedral Music Grant	17,500
Chapter 'administration' grant	2,000
Total	19,500

The Friends continue to support the cathedral with 'annual' grants, in particular in respect of the music of the cathedral. We are grateful for the ongoing support of the music team in Worcester Cathedral as part of their long term commitment.

Worcester Cathedral
Statement of the responsibilities of Chapter
For the year ended 31 March 2022

The Chapter is responsible for preparing the financial statements in accordance with applicable law and United Kingdom generally accepted accounting practice.

The Cathedrals Measure 1999 requires the Chapter to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Cathedral and of the surplus or deficit for the Cathedral for that period. In preparing those financial statements, the Chapter are required to:

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

The Chapter is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Cathedral and to enable them to ensure that the financial statements comply with the Cathedral Measure 1999. They are also responsible for safeguarding the assets of the Cathedral and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Chapter on

2022 and signed on its behalf by

The Very Reverend Peter Atkinson
Dean of Worcester

Worcester Cathedral

Independent Auditor's Report to the Chapter

For the year ended 31 March 2022

Opinion

We have audited the financial statements of Worcester Cathedral for the year-ended 31 March 2022 which comprises of the Consolidated Statement of Financial Activities, the Consolidated and Chapter-only Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the Cathedral's affairs as at 31 March 2022 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the regulations specified by the Church Commissioners under the powers given to them by section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chapter's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Cathedral's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the Chapter with respect to going concern are described in the relevant sections of this report.

Other information

The members of the Chapter are responsible for the other information. The other information comprises the information included in the Annual Report of the Chapter. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Worcester Cathedral Independent Auditor's Report to the Chapter For the year ended 31 March 2022

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Chapter's Report.

We have nothing to report in respect of the following matters in relation to which we report to you if, in our opinion:

- sufficient accounting records have not been kept by the Cathedral; or
- the Cathedral's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the members of the Chapter for the financial statements

As explained more fully in the responsibilities statement set out on page 12, the members of the Chapter are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Chapter are responsible for assessing the group's and the Cathedral's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the group or the Cathedral or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Cathedral financial statements or that had a fundamental effect on the operations of the Cathedral. We determined that the most significant laws and regulations included Charities Act 2011 and Cathedrals Measure 1999:
- We assessed the susceptibility of the Cathedral's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included challenging assumptions and judgements made by management in its significant accounting estimates and identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Worcester Cathedral
Independent Auditor's Report to the Chapter
For the year ended 31 March 2022**

Use of our report

This report is made solely to the Chapter, as a body, in accordance with section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Scott Lawrence (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Staverton Court, Staverton, Cheltenham, GL51 0UX

Date:

Worcester Cathedral
Consolidated Statement of Financial Activities
For the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Income and endowments from						
Donations and legacies	2	482,046	28,113	-	510,159	520,673
Grants in support of mission:	3	677,653	1,191,506	-	1,869,159	2,223,450
Charges and fees arising in the course of mission	4	228,446	-	-	228,446	32,836
Trading and fundraising	5	82,170	-	-	82,170	105,697
Investments	6	14,845	30,845	327,530	373,220	351,845
Other income	7	111,502	-	13,427	124,929	57,119
Total income		<u>1,596,662</u>	<u>1,250,464</u>	<u>340,957</u>	<u>3,188,083</u>	<u>3,291,620</u>
Expenditure on:						
Raising funds	8	402,406	111,623	5,403	519,432	332,586
Ministry	9	754,569	184,935	-	939,504	836,527
Cathedral and precincts upkeep	10	882,107	957,519	-	1,839,626	1,763,856
Education and outreach	11	129,642	9,763	-	139,405	106,839
Other expenditure	12	69,223	-	-	69,223	235,157
Total Expenditure		<u>2,237,947</u>	<u>1,263,840</u>	<u>5,403</u>	<u>3,507,190</u>	<u>3,274,965</u>
Net (expenditure) / income before investment gains		(641,285)	(13,376)	335,554	(319,107)	16,655
Net gains on investments - realised		-	8,628	38,960	47,588	437,561
Net gains on investments - unrealised		-	-	-	-	11,418
Net gains on investment property		-	-	185,000	185,000	251,215
Net gains on non-investment property		-	-	82,500	82,500	35,000
Net (expenditure) / income		<u>(641,285)</u>	<u>(4,748)</u>	<u>642,014</u>	<u>(4,019)</u>	<u>751,849</u>
Extraordinary item	30	388,876	-	-	388,876	-
Gross transfers between funds	28	419,734	(8,676)	(411,058)	-	-
Net increase in funds		<u>167,325</u>	<u>(13,424)</u>	<u>230,956</u>	<u>384,857</u>	<u>751,849</u>
Total funds brought forward		<u>264,741</u>	<u>2,521,659</u>	<u>10,841,131</u>	<u>13,627,531</u>	<u>12,875,682</u>
Total funds carried forward		<u>432,066</u>	<u>2,508,235</u>	<u>11,072,087</u>	<u>14,012,388</u>	<u>13,627,531</u>

The notes form part of these financial statements.
An analysis of the 2022 figures split between funds is provided in note 28.

Worcester Cathedral
Consolidated Balance Sheet
For the year ended 31 March 2022

	Notes	Consolidated		Cathedral only	
		Total 2022 £	Total 2021 £	Total 2022 £	Total 2021 £
FIXED ASSETS					
Investment property	15	6,312,800	6,127,800	6,312,800	6,127,800
Other investments	16	2,732,636	2,646,934	2,748,826	2,663,124
Non-investment property	17	3,532,800	3,450,300	3,532,800	3,450,300
Equipment and tools	18	699,365	730,771	699,365	730,771
		<u>13,277,601</u>	<u>12,955,805</u>	<u>13,293,791</u>	<u>12,971,995</u>
CURRENT ASSETS					
Stocks		66,345	77,107	34,740	34,740
Debtors	19	485,719	242,926	487,968	261,104
Cash at bank and in hand		671,394	952,912	647,801	893,506
		<u>1,223,458</u>	<u>1,272,945</u>	<u>1,170,509</u>	<u>1,189,350</u>
LIABILITIES: due within one year					
Creditors	20	(405,716)	(436,502)	(380,567)	(425,577)
		<u>817,742</u>	<u>836,443</u>	<u>789,942</u>	<u>763,773</u>
NET CURRENT ASSETS					
		<u>14,095,343</u>	<u>13,792,248</u>	<u>14,083,733</u>	<u>13,735,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
LIABILITIES: due after one year					
Loans	21	(82,955)	(162,717)	(82,955)	(112,717)
Clergy pension	22	-	(2,000)	-	(2,000)
		<u>14,012,388</u>	<u>13,627,531</u>	<u>14,000,778</u>	<u>13,621,051</u>
NET ASSETS					
FUNDS					
Unrestricted funds	28	404,158	176,832	404,158	176,832
Unrestricted designated funds	28	16,298	81,429	16,298	81,429
Unrestricted trading subsidiary		11,610	6,480	-	-
Restricted funds	28	2,508,235	2,521,659	2,508,235	2,521,659
Endowment funds	28	11,072,087	10,841,131	11,072,087	10,841,131
		<u>14,012,388</u>	<u>13,627,531</u>	<u>14,000,778</u>	<u>13,621,051</u>

The notes form part of these financial statements.

Approved by the Dean and Chapter, and authorised for issue on 2022:

.....
The Very Reverend Peter Atkinson – Dean

Worcester Cathedral

Worcester Cathedral
Consolidated Statement of Cashflows
For the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities (see note A below)		
Net cash (used in) / from operating activities	(565,781)	306,082
Cash flows from investing activities		
Rents received net of costs	282,865	265,964
Interest and dividends received net of costs	90,355	91,790
Purchase of equipment and tools	(32,542)	(43,325)
Proceeds from sale of investments	286,817	230,591
Proceeds from sale of property	-	550,000
Purchase of investments	(313,470)	(614,034)
Net cash provided by investing activities	314,025	480,986
Cash flows from financing activities		
New loans	-	50,000
Loans repaid	(29,762)	(29,024)
Net cash (used in) / provided by financing activities	(29,762)	20,976
(Decrease)/Increase in cash and cash equivalents	(281,518)	808,043
Cash and cash equivalent brought forward	952,912	144,869
Cash and cash equivalent carried forward (note B)	671,394	952,912
Note A: reconciliation of net income/(expenditure) to net cash flows from operating activities		
Net (expenditure) / income before investment gains	(319,107)	16,655
Income from extraordinary item	388,876	-
Income from property and investments	(373,220)	(357,754)
Depreciation	31,522	30,499
(Increase) / decrease in stock	(10,762)	8,873
(Increase) / decrease in debtors	(242,793)	206,747
(Decrease) / increase in creditors excluding pension	(30,786)	105,073
Movement in investment cash	(9,511)	(71,146)
Net cash (used in) / from operating activities	(565,781)	306,082
Note B: analysis of cash and cash equivalents		
Cash at bank and in hand	671,394	952,912
Bank overdraft	-	-
Total cash and cash equivalents	671,394	952,912

The notes form part of these financial statements.

Worcester Cathedral
Notes to the Financial Statements
For the year ended 31 March 2022

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) **Accounting Convention**

The financial statements have been prepared in accordance UK Accounting Standard (FRS102), and the Accounting and Reporting Regulations for English Anglican Cathedrals issued in February 2016 and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

All assets and liabilities are initially measured at cost or transaction value. Investments and investment property are subsequently re-measured at market value at the balance sheet date with changes to market value being recorded through the Statement of Financial Activities. The Cathedral holds only simple financial instruments and there are no areas of material estimation uncertainty in the accounts.

b) **Going concern**

The financial statements have been prepared on a going concern basis, which the Chapter considers to be appropriate. As a result of the pandemic, a drop in income, compared to pre-pandemic levels, has been seen due to the Cathedral being closed during lockdown, and the Cathedral has made use of the Government Covid-19 initiatives such as the Covid-19 Job Retention Scheme. During the year, the Cathedral has fully reopened but future income still remains uncertain.

The Chapter have prepared forecasts and are conducting strategies that show that the Cathedral will continue to operate for the foreseeable future and therefore the Cathedral continues to adopt the going concern basis in preparing its financial statements.

c) **Consolidated and Group Accounts**

The statement of financial activities and balance sheet include the financial statements of the Cathedral and its subsidiary undertaking, Worcester Cathedral Enterprises Limited, made up to 31 March 2022. Intra-group income and surpluses are eliminated fully on consolidation. The accounts of The Friends of Worcester Cathedral, whilst benefiting Worcester Cathedral, have not been consolidated in these financial statements because Worcester Cathedral has no control of the trustees of that charity.

d) **Income**

Incoming resources are included in the financial statements using the accruals concept. Income tax recoverable on gift aided donations is included at such time as the tax is claimed.

e) **Donations and Gifts Received in Kind**

Donations and gifts received in kind, whether by way of goods or services received, have been included in the financial statements at market value where it is practicable to estimate the market value. Where it is not possible to estimate the market value, then a note giving a description of the donated asset is included in the annual report.

f) **Legacies**

Legacies are accounted for when entitlement, probability and measurement of the income can be confirmed.

g) **Grants**

Grants are included in the Statement of Financial Activities when the related conditions have been met.

h) **Expenditure**

The cost of generating funds, resources expended on mission and other expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the SOFA categories.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

- i) **Support Costs**
The support costs which represent finance, administration and governance costs (see below), are allocated to the activities which they directly support based on a time apportionment of the relevant staff.
- j) **Governance Costs**
This includes the costs associated with the governance infrastructure which allows the Cathedral to operate, including expenditure on internal and external audit, legal advice and the costs of constitutional and statutory requirements. These are included within support costs.
- k) **Repairs, Restoration and Maintenance**
Expenditure on these items is charged as incurred.
- l) **Pensions**
The Cathedral makes contributions to a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities on an accruals basis. In addition, contributions are made for one member of Chapter into the Clergy pension scheme which is a multi-employer defined benefit scheme where the scheme is unable to identify the Cathedral's share of the assets and liabilities. Contributions relating to future benefits are charged to the Statement of Financial Activities as they fall due whereas a liability is recognised for the present value of future deficit repair contributions with movements in this liability being dealt with through the Statement of Financial Activities. More details are given in note 24.
- m) **Investments**
Quoted investments are valued at their bid price on the balance sheet date. Investment properties are revalued professionally every three to five years, or in the intervening years if the Chapter considers the value is likely to have changed materially.
- n) **Taxation**
Non-recoverable VAT is charged to the relevant expenditure item.
- o) **Fixed Assets and Depreciation**
Tangible fixed assets are depreciated at rates calculated to write off the excess cost over estimated residual amount evenly over the estimated useful economic life of each asset being 4-6 for equipment and 50 years for the Cathedral organ. Fixed assets do not include expenditure below £500. No depreciation is charged on properties but an annual impairment review is undertaken on all properties and they are carried in the balance sheet at the open market values as advised by external surveyors.
- p) **Stocks**
Stock is valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.
- q) **Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.
- r) **Debtors**
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Cathedral will not be able to collect all amounts due according to the original terms of the debtors.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

s) **Liabilities**

Liabilities are recognised in the accounts as soon as an obligation arises.

t) **The Cathedral, its Ancillary Buildings and the Inventory**

The Cathedral and its ancillary buildings as described in the relevant plan annexed to the Ecclesiastical Exemption (Listed Buildings and Conservation Areas) Order 1994 are excluded from the balance sheet because reliable cost information is not available and conventional valuation approaches lack sufficient reliability and would involve significant costs in relation to the benefit likely to be derived by users of the accounts. Similarly, no value is attributed to items included in the inventory prepared under section 13(1) of the care of Cathedrals Measure 1999 as being of architectural, archaeological, artistic or historic interest. Due to their age it is not possible to put a value on many of these items. They are insured for repair and restoration from damage and where possible for a modern replacement. Similarly, other heritage assets are excluded from the balance sheet where reliable cost information is not available and conventional valuation methods lack sufficient reliability.

u) **Fund accounting**

Unrestricted funds are income funds which are expendable at the discretion of the Dean and Chapter. Within unrestricted funds designated funds are amounts which the Dean and Chapter has chosen to earmark for specific purposes or activities. Restricted funds are income funds where the grantor or donor of the funds has specified that they may only be expended for certain purposes or activities. Endowment funds represent capital funds which generate unrestricted or restricted income. The endowment capital may not be expended other than for the maintenance or enhancement of the endowment. Since 1 April 2016 the endowments have been managed on a Total Return basis as set out in note 31.

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Collections and giving	246,828	373	-	247,201
Donations	187,780	27,740	-	215,520
Tax recoverable under Gift Aid	24,938	-	-	24,938
Friends	19,500	-	-	19,500
Other legacies	3,000	-	-	3,000
	<u>482,046</u>	<u>28,113</u>	<u>-</u>	<u>510,159</u>
	<u><u>482,046</u></u>	<u><u>28,113</u></u>	<u><u>-</u></u>	<u><u>510,159</u></u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Collections and giving	125,721	-	-	125,721
Donations	87,788	267,913	-	355,701
Tax recoverable under Gift Aid	22,098	-	-	22,098
Friends	15,750	1,000	-	16,750
Other legacies	200	-	203	403
	<u>251,557</u>	<u>268,913</u>	<u>203</u>	<u>520,673</u>
	<u><u>251,557</u></u>	<u><u>268,913</u></u>	<u><u>203</u></u>	<u><u>520,673</u></u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

3. GRANTS IN SUPPORT OF MISSION

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Church Commissioners	126,240	211,983	338,223
Other revenue and capital grants	532,843	979,523	1,512,366
Pandemic related grants	18,570	-	18,570
	<u>677,653</u>	<u>1,191,506</u>	<u>1,869,159</u>

Included within unrestricted pandemic related grants is £18,570 (2021: £216,523) in relation to the Coronavirus Job Retention Scheme.

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Church Commissioners	-	314,717	314,717
Other revenue and capital grants	132,282	1,016,548	1,148,830
Pandemic related grants	216,523	543,380	759,903
	<u>348,805</u>	<u>1,874,645</u>	<u>2,223,450</u>

4. CHARGES AND FEES ARISING IN THE COURSE OF MISSION

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Charges for tours for school visits	14,844	-	14,844
Music School income	29,418	-	29,418
Hire of Cathedral	68,724	-	68,724
Other income	101,842	-	101,842
Designated fees	13,618	-	13,618
	<u>228,446</u>	<u>-</u>	<u>228,446</u>

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Charges for tours for school visits	1,625	-	1,625
Music School income	863	-	863
Hire of Cathedral	14,448	-	14,448
Other income	15,900	-	15,900
	<u>32,836</u>	<u>-</u>	<u>32,836</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

5. TRADING AND FUNDRAISING

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Trading income	67,655	-	67,655
Other activities	14,515	-	14,515
	<u>82,170</u>	<u>-</u>	<u>82,170</u>
	<u><u>82,170</u></u>	<u><u>-</u></u>	<u><u>82,170</u></u>
	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Trading income	102,759	-	102,759
Other activities	2,938	-	2,938
	<u>105,697</u>	<u>-</u>	<u>105,697</u>
	<u><u>105,697</u></u>	<u><u>-</u></u>	<u><u>105,697</u></u>

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment property	-	-	282,865	282,865
Investments	14,845	30,845	44,665	90,355
	<u>14,845</u>	<u>30,845</u>	<u>327,530</u>	<u>373,220</u>
	<u><u>14,845</u></u>	<u><u>30,845</u></u>	<u><u>327,530</u></u>	<u><u>373,220</u></u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Investment property	-	4,375	265,964	270,339
Investments	10,766	30,387	40,353	81,506
	<u>10,766</u>	<u>34,762</u>	<u>306,317</u>	<u>351,845</u>
	<u><u>10,766</u></u>	<u><u>34,762</u></u>	<u><u>306,317</u></u>	<u><u>351,845</u></u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

7. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Interest receivable on short term deposits	53	-	-	53
Administrative recharge	27,540	-	-	27,540
Other income	83,909	-	13,427	97,336
	<u>111,502</u>	<u>-</u>	<u>13,427</u>	<u>124,929</u>
	<u><u>111,502</u></u>	<u><u>-</u></u>	<u><u>13,427</u></u>	<u><u>124,929</u></u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Interest receivable on short term deposits	1,043	-	-	1,043
Administrative recharge	34,897	-	-	34,897
Other income	21,178	-	-	21,178
	<u>57,119</u>	<u>-</u>	<u>-</u>	<u>57,119</u>
	<u><u>57,119</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>57,119</u></u>

8. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Costs of facilities to visitors	197,472	-	-	197,472
Cost of fundraising	25,670	111,623	-	137,293
Investment property costs	117,615	-	5,403	123,018
Costs of trading and other activities	61,649	-	-	61,649
	<u>402,406</u>	<u>111,623</u>	<u>5,403</u>	<u>519,432</u>
	<u><u>402,406</u></u>	<u><u>111,623</u></u>	<u><u>5,403</u></u>	<u><u>519,432</u></u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Costs of facilities to visitors	73,288	-	-	73,288
Cost of fundraising	-	95,229	-	95,229
Investment property costs	93,711	-	-	93,711
Costs of trading and other activities	41,334	-	29,024	70,358
	<u>208,333</u>	<u>95,229</u>	<u>29,024</u>	<u>332,586</u>
	<u><u>208,333</u></u>	<u><u>95,229</u></u>	<u><u>29,024</u></u>	<u><u>332,586</u></u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

9. MINISTRY

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Clergy stipends	6,261	119,285	125,546
Clergy working expenses	5,404	-	5,404
Clergy housing costs	9,940	-	9,940
Clergy support costs	166,051	-	166,051
Services	129,491	-	129,491
Music	293,691	65,650	359,341
Support Costs	143,731	-	143,731
	<u>754,569</u>	<u>184,935</u>	<u>939,504</u>
	<u><u>754,569</u></u>	<u><u>184,935</u></u>	<u><u>939,504</u></u>
			2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £
Clergy stipends	21,474	103,108	124,582
Clergy working expenses	591	-	591
Clergy housing costs	11,151	-	11,151
Clergy support costs	111,529	-	111,529
Services	82,526	-	82,526
Music	207,788	245,863	453,651
Support Costs	52,497	-	52,497
	<u>487,556</u>	<u>348,971</u>	<u>836,527</u>
	<u><u>487,556</u></u>	<u><u>348,971</u></u>	<u><u>836,527</u></u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

10. CATHEDRAL AND PRECINCTS UPKEEP

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Major repairs and restoration	329,553	957,519	1,287,072
Maintenance and interior upkeep	314,372	-	314,372
Cathedral insurance	58,929	-	58,929
Precincts, security and gardens upkeep	9,574	-	9,574
Support costs	15,367	-	15,367
Utility costs	154,312	-	154,312
	<u>882,107</u>	<u>957,519</u>	<u>1,839,626</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total Funds £
Major repairs and restoration	17,165	1,421,963	4,334	1,443,462
Maintenance and interior upkeep	165,690	-	-	165,690
Cathedral insurance	63,333	-	-	63,333
Precincts, security and gardens upkeep	7,889	-	-	7,889
Support costs	25,998	-	-	25,998
Utility costs	57,484	-	-	57,484
	<u>337,559</u>	<u>1,421,963</u>	<u>4,334</u>	<u>1,763,856</u>

11. EDUCATION AND OUTREACH

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Choir school costs	148	-	148
Educational activities	106,086	-	106,086
Archives and library	23,408	9,763	33,171
	<u>129,642</u>	<u>9,763</u>	<u>139,405</u>

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Choir school costs	618	-	618
Educational activities	80,445	-	80,445
Archives and library	21,481	4,295	25,776
	<u>102,544</u>	<u>4,295</u>	<u>106,839</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

12. OTHER EXPENDITURE ON MISSION

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Administrative costs funded by Church Commission	-	-	-
Projects funded by the Friends	-	-	-
Charitable and other giving	12,000	-	12,000
Irrecoverable input VAT	57,223	-	57,223
	<u>69,223</u>	<u>-</u>	<u>69,223</u>
	<u><u>69,223</u></u>	<u><u>-</u></u>	<u><u>69,223</u></u>

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Administrative costs funded by Church Commission	-	221,157	221,157
Projects funded by the Friends	-	2,000	2,000
Charitable and other giving	12,000	-	12,000
	<u>12,000</u>	<u>223,157</u>	<u>235,157</u>
	<u><u>12,000</u></u>	<u><u>223,157</u></u>	<u><u>235,157</u></u>

13. ADMINISTRATION AND FINANCE SUPPORT COSTS

The following costs are apportioned within the costs categories shown in notes 8 to 12.

	2022 £	2021 £
Salaries and employment costs	252,073	118,109
Telephone	10,206	13,866
Photocopying	-	236
Postage	601	493
Stationery	2,626	1,370
Depreciation	10,709	11,936
Cash collection charges	-	-
Sundry administration	15,840	959
Information and technology – Photocopier	24,749	39,173
- Computers	67,221	41,592
- Other	3,709	6,414
Personnel and training	37,246	15,005
Bank charges and interest	2,613	2,310
Governance costs	10,212	11,030
	<u>437,805</u>	<u>262,493</u>
	<u><u>437,805</u></u>	<u><u>262,493</u></u>

The above costs are allocated to those activities which they directly support based on a time apportionment of the five members of staff in the Administration Department.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

14. CHARITABLE AND OTHER GIVING

The Dean and Chapter made charitable donations totalling £11,451 (2021: £12,961).

15. INVESTMENT PROPERTY – CONSOLIDATED AND CATHEDRAL ONLY

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Valuation at 1 April 2021	6,127,800	5,957,800
Disposals	-	-
Net increase on revaluation	185,000	170,000
	<u>6,312,800</u>	<u>6,127,800</u>
At valuation 31 March 2022	<u><u>6,312,800</u></u>	<u><u>6,127,800</u></u>

All investment properties are freehold. They have been valued on an open market basis on 31 March 2022 by Fisher German, Chartered Surveyors, who are the property advisors contracted by the Cathedral.

16. UK INVESTMENTS – CONSOLIDATED AND CATHEDRAL ONLY

	2022	2021
	Total	Total
	Funds	Funds
	£	£
Investments at market value		
1 April 2021	2,634,305	1,921,458
Additions	313,470	614,034
Proceeds from disposals	(286,817)	(230,591)
Net increase/(decrease) on Revaluation	46,765	329,404
	<u>2,707,723</u>	<u>2,634,305</u>
Investments at market value		
Cash	24,913	12,629
	<u>2,732,636</u>	<u>2,646,934</u>
Total – consolidated		
Investment in subsidiary	16,190	16,190
	<u>2,748,826</u>	<u>2,663,124</u>
Total – cathedral only	<u><u>2,748,826</u></u>	<u><u>2,663,124</u></u>

The above investment shares have been valued on the basis of prices published on the stock market on 31 March 2022.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

17. NON-INVESTMENT PROPERTY	2022 Total Funds £	2021 Total Funds £
At valuation 1 April 2021	3,450,300	3,415,300
Net increase on revaluation	82,500	35,000
	<u>3,532,800</u>	<u>3,450,300</u>
At valuation 31 March 2022	<u>3,532,800</u>	<u>3,450,300</u>

All non-investment properties are freehold. They have been valued on an open market basis on 31 March 2021 by Fisher German, Chartered Surveyors, who are the property advisors contracted by the Cathedral.

All non-investment properties are held as follows:

	2022 Total Funds £	2021 Total Funds £
At 31 March		
For Cathedral trading activities	245,000	242,500
For Cathedral clergy and staff housing	3,287,800	3,207,800
	<u>3,532,800</u>	<u>3,450,300</u>

18. EQUIPMENT AND TOOLS	2022 Total Funds £	2021 Total Funds £
<i>Cost</i>		
At 1 April 2021	1,232,009	1,188,684
Additions	32,542	43,325
Disposals	(32,426)	-
	<u>1,232,125</u>	<u>1,232,009</u>
At 31 March 2022	<u>1,232,125</u>	<u>1,232,009</u>
<i>Depreciation</i>		
At 1 April 2021	501,238	470,739
Depreciation for the year	31,522	30,499
	<u>532,760</u>	<u>501,238</u>
At 31 March 2022	<u>532,760</u>	<u>501,238</u>
Net book value at 31 March 2022	<u>699,365</u>	<u>730,771</u>
Net book value at 31 March 2021	<u>730,771</u>	<u>717,945</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

19. DEBTORS	Consolidated		Cathedral-only	
	2022 Total Funds £	2021 Total Funds £	2022 Total Funds £	2021 Total Funds £
Trade debtors	108,515	56,286	98,345	55,215
Other debtors	125,414	96,621	137,833	115,870
Prepayments	251,790	90,019	251,790	90,019
	<u>485,719</u>	<u>242,926</u>	<u>487,968</u>	<u>261,104</u>
20. CREDITORS	Consolidated		Cathedral-only	
	2022 Total Funds £	2021 Total Funds £	2022 Total Funds £	2021 Total Funds £
Trade creditors	232,232	248,111	226,978	247,597
Other creditors	173,484	188,391	153,589	177,980
	<u>405,716</u>	<u>436,502</u>	<u>380,567</u>	<u>425,577</u>
21. LOANS – CONSOLIDATED			2022 Total Funds £	2021 Total Funds £
	Church Commissioners (secured on 10 College Green)		39,000	39,000
Bank loan (secured on 6 College Yard)		43,955	73,717	
Bounce back loan		-	50,000	
		<u>82,955</u>	<u>162,717</u>	
22. CLERGY PENSION – CONSOLIDATED AND CATHEDRAL-ONLY			2022 £	2021 £
	Contributions due after one year		-	2,000
			<u>-</u>	<u>2,000</u>
23. AUDITOR'S REMUNERATION			2022 £	2021 £
	Audit of Worcester Cathedral		9,130	8,845
			<u>9,130</u>	<u>8,845</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

24. PERSONNEL

There are 50 (2021: 47) full or part time staff, equating to 36 full time equivalents (2021: 34) They are supported by 250 (2021: 300) volunteers.

	2022	2021
	£	£
Salary costs were as follows:		
Salary costs	974,367	856,516
Social security costs	70,801	60,171
Pension costs	40,130	36,613
	<u>1,085,298</u>	<u>953,300</u>

No employee (2021: one) had emoluments above £60,000, in the banding £60,000-£70,000.

During the year £26,988 of termination payments were made to staff. (2021: £6,349).

The stipends of the members of the Chapter are shown below.

	Salary	NIC & AL	Pension	Total
	£	£	£	£
Stipends – 2022				
The Very Rev Peter Atkinson	37,670	4,166	12,601	54,437
The Rev Canon Dr Michael Brierley	12,166	1,112	4,219	17,497
The Rev Canon Dr Georgina Byrne	6,760	-	2,501	9,261
The Rev Canon Dr Stephen Edwards	29,199	2,506	10,081	41,786
The Rev Canon John Paul Hoskins	5,102	463	-	5,565
	<u>90,897</u>	<u>8,247</u>	<u>29,402</u>	<u>128,546</u>
Stipends - 2021				
The Very Rev Peter Atkinson	37,670	4,175	12,354	54,199
The Rev Canon Dr Michael Brierley	29,199	2,679	9,883	41,761
The Rev Canon Dr Georgina Byrne	16,569	-	4,904	21,473
The Rev Canon Dr Stephen Edwards	29,199	2,595	9,883	41,677
	<u>112,637</u>	<u>9,449</u>	<u>37,024</u>	<u>159,110</u>

The Stipends of the Dean and the Residentiary Canons are paid directly by the Church Commissioners and borne by them. The cost for the Rev Canon Dr Georgina Byrne is borne by the Cathedral and is invoiced by the Church Commissioners. This amount is therefore not included in the Church Commissioners grants shown in note 3. Lay members of Chapter were not remunerated.

Travel expenses of £96 (2021 - £1,707) were reimbursed to Chapter members during the year.

Pension Costs

The pension costs of the Dean and the Residentiary Canons relates to the Clergy pension scheme which is a defined benefit scheme. The costs of this scheme are borne by the Church Commissioners whereas the pension costs for Canon Byrne are reflected in the amounts invoiced by the Church Commissioners. Further information is given below.

The Cathedral makes contributions into a defined contribution pension scheme for employees. The costs are charged to expenditure as they fall due.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

24. PERSONNEL (continued)

Clergy Scheme

Worcester Cathedral is the responsible body for 1 member of the scheme (2021: 1) who left the Cathedral during the year ended 31 March 2022.

A valuation of the Clergy Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long term annual rate of improvement of 1.5%, a smoother parameter” of 7 and an initial addition to mortality improvements of 0.5%

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at December 2019 and December 2020, the deficit repair contributions payable under the recovery plan in force were set out in the table above. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme’s rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability.

The movement in the provision is set out in the table on the following page.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

24. PERSONNEL (continued)

	2022	2021
	£	£
Balance sheet liability at 1 January	2,000	3,000
Deficit contribution paid	(1,000)	(1,000)
Remaining change to the balance sheet liability* (recognised in SOFA)	(1,000)	-
Balance sheet liability at 31 December	<u>-</u>	<u>2,000</u>
	<u>-</u>	<u>2,000</u>
Amounts recognised on balance sheet at 31 March	2022	2021
	£	£
Included in creditors due within one year	-	-
Included in creditors due after one year	-	2,000
	<u>-</u>	<u>2,000</u>
	<u>-</u>	<u>2,000</u>

* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December	December	December
	2022	2021	2020
Discount rate	0.0%	0.2%	1.1% p.a.
Price inflation	n/a	3.1%	2.8% p.a.
Increase to total pensionable payroll	(1.5%)	1.6%	1.3% p.a.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities

25. OBLIGATIONS UNDER OPERATING LEASES

The total of future minimum lease payments as follows:

	2022	2021
	£	£
Not later than one year	135,800	65,660
Later than one year and not after five years	258,819	174,619
	<u>394,619</u>	<u>240,279</u>
	<u>394,619</u>	<u>240,279</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

26. CONNECTED ENTITIES

Worcester Cathedral Enterprises Limited, registered company number 1298811, is a wholly owned trading subsidiary company controlled by the Cathedral. The company's independently audited accounts for the year ended 31 March 2022, included in these consolidated accounts, show:

	2022	2021
	£	£
Turnover	258,961	52,065
Government grant received – Coronavirus job retention scheme	10,102	106,657
Profit before taxation	41,513	35,049
Gross assets	66,932	105,279
Net assets	27,800	24,670
Ordinary share capital	4	4
Donation to the Cathedral	38,383	37,956

*The profit before taxation of £41,513 (2021: £35,049) as disclosed above is after business rates relief and small company grants.

The Friends of Worcester Cathedral registered with the Charity Commission, number 517009, is a connected entity not controlled by the Cathedral but wholly for its financial benefit. The charity's most recent available independently examined accounts which relate to the year-ended 31 March 2021 show:

	2021	2020
	£	£
Gross income	31,612	53,180
Net income/(expenditure)	(44,551)	24,059
Amount granted to the Cathedral	69,500	17,850
Gross assets	314,774	295,617
Net assets	241,884	240,478

27. RELATED PARTY TRANSACTIONS

The members of the Chapter are the Trustees of Saint Oswald's Hospital in Worcester and the Cathedral makes charges for services of £24,432 (2021 - £25,704).

During the year, rental income of £203,497 (2021: £nil) was received from King's School Worcester, a School in which members of the Chapter of Worcester Cathedral are governors. Purchases of £87,550 (2021: £nil) were made during the year from King's School Worcester.

During the year, purchases of £2,600 (2021: £nil) were made from JDA Media, a company owned by James Atkinson, son of The Very Reverend Dr Peter Atkinson.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS

Consolidated balance sheet analysed between funds - 2022

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
FIXED ASSETS				
Investment property	-	-	6,312,800	6,312,800
Other investments	-	1,346,584	1,386,052	2,732,636
Non-investment property	-	-	3,532,800	3,532,800
Equipment and tools	51,453	647,912	-	699,365
	<u>51,453</u>	<u>1,994,496</u>	<u>11,231,652</u>	<u>13,277,601</u>
CURRENT ASSETS				
Stocks	31,605	34,740	-	66,345
Debtors	243,430	242,289	-	485,719
Cash at bank and in hand	422,618	325,386	(76,610)	671,394
	<u>697,653</u>	<u>602,415</u>	<u>(76,610)</u>	<u>1,223,458</u>
LIABILITIES: due within one year				
Creditors	(317,040)	(88,676)	-	(405,716)
	<u>(317,040)</u>	<u>(88,676)</u>	<u>-</u>	<u>(405,716)</u>
NET CURRENT ASSETS	<u>380,613</u>	<u>513,739</u>	<u>(76,610)</u>	<u>817,742</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	432,066	2,508,235	11,155,042	14,095,343
LIABILITIES: due after one year				
Loans	-	-	(82,955)	(82,955)
Clergy pension	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(82,955)</u>	<u>(82,955)</u>
NET ASSETS	<u>432,066</u>	<u>2,508,235</u>	<u>11,072,087</u>	<u>14,012,388</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

Consolidated balance sheet analysed between funds - 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
FIXED ASSETS				
Investment property	-	-	6,127,800	6,127,800
Other investments	-	1,338,153	1,308,781	2,646,934
Non-investment property	-	-	3,450,300	3,450,300
Equipment and tools	29,600	701,171	-	730,771
	<u>29,600</u>	<u>2,039,324</u>	<u>10,886,881</u>	<u>12,955,805</u>
CURRENT ASSETS				
Stocks	42,367	34,740	-	77,107
Debtors	159,972	82,954	-	242,926
Assets held for sale	-	-	-	-
Cash at bank and in hand	391,368	494,577	66,967	952,912
	<u>593,707</u>	<u>612,271</u>	<u>66,967</u>	<u>1,272,945</u>
LIABILITIES: due within one year				
Creditors	(308,566)	(127,936)	-	(436,502)
	<u>(308,566)</u>	<u>(127,936)</u>	<u>-</u>	<u>(436,502)</u>
NET CURRENT ASSETS	<u>285,141</u>	<u>484,335</u>	<u>66,967</u>	<u>836,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	314,741	2,523,659	10,953,848	13,792,248
LIABILITIES: due after one year				
Loans	(50,000)	-	(112,717)	(162,717)
Clergy pension	-	(2,000)	-	(2,000)
	<u>(50,000)</u>	<u>(2,000)</u>	<u>(112,717)</u>	<u>(162,717)</u>
NET ASSETS	<u>264,741</u>	<u>2,521,659</u>	<u>10,841,131</u>	<u>13,627,531</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

Cathedral-only balance sheet analysed between funds - 2022

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
FIXED ASSETS				
Investment property	-	-	6,312,800	6,312,800
Other investments	16,190	1,346,584	1,386,052	2,748,826
Non-investment property	-	-	3,532,800	3,532,800
Equipment and tools	51,453	647,912	-	699,365
	<u>67,643</u>	<u>1,994,496</u>	<u>11,231,652</u>	<u>13,293,791</u>
CURRENT ASSETS				
Stocks	-	34,740	-	34,740
Debtors	245,679	242,289	-	487,968
Cash at bank and in hand	399,025	325,386	(76,610)	647,801
	<u>644,704</u>	<u>602,415</u>	<u>(76,610)</u>	<u>1,170,509</u>
LIABILITIES: due within one year				
Creditors	(291,891)	(88,676)	-	(380,567)
	<u>(291,891)</u>	<u>(88,676)</u>	<u>-</u>	<u>(380,567)</u>
NET CURRENT ASSETS	<u>352,813</u>	<u>513,739</u>	<u>(76,610)</u>	<u>789,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	420,456	2,508,235	11,155,042	14,083,733
LIABILITIES: due after one year				
Loans	-	-	(82,955)	(82,955)
Clergy pension	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(82,955)</u>	<u>(82,955)</u>
NET ASSETS	<u>420,456</u>	<u>2,508,235</u>	<u>11,072,087</u>	<u>14,000,778</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

Cathedral-only balance sheet analysed between funds - 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
FIXED ASSETS				
Investment property	-	-	6,127,800	6,127,800
Other investments	16,190	1,338,153	1,308,781	2,663,124
Non-investment property	-	-	3,450,300	3,450,300
Equipment and tools	29,600	701,171	-	730,771
	<u>45,790</u>	<u>2,039,324</u>	<u>10,886,881</u>	<u>12,971,995</u>
CURRENT ASSETS				
Stocks	-	34,740	-	34,740
Debtors	178,150	82,954	-	261,104
Assets held for sale	-	-	-	-
Cash at bank and in hand	302,939	494,577	95,991	893,506
	<u>481,090</u>	<u>612,271</u>	<u>95,991</u>	<u>1,189,350</u>
LIABILITIES: due within one year				
Creditors	(297,641)	(127,936)	-	(425,577)
NET CURRENT ASSETS	<u>183,448</u>	<u>484,335</u>	<u>95,991</u>	<u>763,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	229,237	2,523,659	10,982,872	13,735,768
LIABILITIES: due after one year				
Loans	-	-	(112,717)	(112,717)
Clergy pension	-	(2,000)	-	(2,000)
NET ASSETS	<u><u>229,237</u></u>	<u><u>2,521,659</u></u>	<u><u>10,870,155</u></u>	<u><u>13,621,051</u></u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28 FUNDS (continued)

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Extraordinary Item £	At 31 March 2022 £
Unrestricted funds						
Designated Funds						
Voluntary Choir	4,460	2,385	(1,248)	-	-	5,597
Chamber Choir	8,482	8,193	(3,592)	(13,083)	-	-
Bellringers	52	3,040	(350)	(2,742)	-	-
College Hall						
Maintenance	8,968	-	1,733	-	-	10,701
Choir	1,566	-	-	(1,566)	-	-
Educational						
Equipment	2,069	-	-	(2,069)	-	-
Development						
Projects	55,832	-	-	(55,832)	-	-
	<u>81,429</u>	<u>13,618</u>	<u>(3,457)</u>	<u>(75,292)</u>	<u>-</u>	<u>16,298</u>
Sub-total for designated						
General Funds	183,312	1,583,044	(2,234,490)	495,026	388,876	415,768
	<u>264,741</u>	<u>1,596,662</u>	<u>(2,237,947)</u>	<u>419,734</u>	<u>388,876</u>	<u>432,066</u>
Total unrestricted						

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	Extraordinary Item £	At 31 March 2021 £
Unrestricted funds						
Designated Funds						
Voluntary Choir	4,724	-	(264)	-	-	4,460
Chamber Choir	7,817	665	-	-	-	8,482
Bellringers	3,480	-	(3,428)	-	-	52
College Hall						
Maintenance	8,968	-	-	-	-	8,968
Choir	1,566	-	-	-	-	1,566
Educational						
Equipment	2,069	-	-	-	-	2,069
Development						
Projects	56,465	-	(633)	-	-	55,832
	<u>85,089</u>	<u>665</u>	<u>(4,325)</u>	<u>-</u>	<u>-</u>	<u>81,429</u>
Sub-total for designated						
General Funds	84,800	806,115	(1,143,667)	436,064	-	183,312
	<u>169,889</u>	<u>806,780</u>	<u>(1,147,992)</u>	<u>436,064</u>	<u>-</u>	<u>264,741</u>
Total unrestricted						

Designated Unrestricted Funds

Designated Unrestricted Funds are held for the purposes stated in the above tables.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

	At 1 April 2021	Income	Expenditure	Gains / (losses)	Transfers	At 31 March 2022
	£	£	£	£	£	£
Restricted funds						
Chamber Choir	-	-	-	-	13,084	13,084
Bellringers	-	-	-	-	2,740	2,740
Development and Restoration Fund	878,493	130,202	(117,140)	12,988	(2,294)	902,249
Cathedral Library Fund	15,246	3,138	-	-	(152)	18,232
Church Commissioners Fund	-	119,285	(119,285)	-	-	-
Fabric Fund	312,113	11,654	-	-	(200)	323,567
Music Fund	1,299,707	11,506	(101,403)	(4,360)	(24,500)	1,180,950
Small Projects Fund	20,395	372	-	-	2,646	23,413
Friends Projects Fund	-	-	-	-	-	-
Adopt a Book Fund	18,453	1,086	-	-	-	19,539
Project Fund	(22,748)	973,221	(926,012)	-	-	24,461
	-	-	-	-	-	-
Total restricted	<u>2,521,659</u>	<u>1,250,464</u>	<u>(1,263,840)</u>	<u>8,628</u>	<u>(8,676)</u>	<u>2,508,235</u>

	At 1 April 2020	Income	Expenditure	Gains / (losses)	Transfers	At 31 March 2021
	£	£	£	£	£	£
Restricted funds						
Development and Restoration Fund	741,591	1,015,624	(1,039,068)	160,346	-	878,493
Cathedral Library Fund	15,110	3,000	(2,864)	-	-	15,246
Church Commissioners Fund	-	242,911	(242,911)	-	-	-
Fabric Fund	291,219	86,276	(65,382)	-	-	312,113
Music Fund	1,102,567	149,695	(40,226)	87,671	-	1,299,707
Small Projects Fund	21,395	(1,000)	-	-	-	20,395
Friends Projects Fund	-	17,750	(17,750)	-	-	-
Adopt a Book Fund	17,055	1,398	-	-	-	18,453
Project Fund	-	662,666	(685,414)	-	-	(22,748)
	-	-	-	-	-	-
Total restricted	<u>2,188,937</u>	<u>2,178,320</u>	<u>(2,093,615)</u>	<u>248,017</u>	<u>-</u>	<u>2,521,659</u>

The funds are described on the following page.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

Restricted Funds are held for the following purposes:

Development and Restoration Fund	For the development and restoration of the Cathedral and its ancillary buildings
Cathedral Library Fund	For the general purposes of the Cathedral Library.
Church Commissioners' Fund	For the purpose of ensuring the Church Commissioners' grant is used for the appropriate expenditure
Fabric Fund	For the maintenance of the Cathedral and ancillary buildings
Music Fund	For the purpose of supporting the music in the Cathedral.
Small Projects Fund	For the purpose of funding small projects in the Cathedral
Friends Project Fund	For the purposes defined by the Friends of Worcester Cathedral.
Adopt a Book Fund	For the purpose of supporting the conservation of books and manuscripts in the Cathedral Library

	At 1 April 2021	Net income	Gain/(losses)	Transfers	At 31 March 2022
	£	£	£	£	£
Endowed funds					
General Endowment	7,227,332	329,004	305,900	(482,884)	7,379,352
Fabric Endowments	2,027,510	-	-	42,647	2,070,157
Choral Foundation	1,387,244	-	-	29,179	1,416,423
Stratton Library Endowment	199,045	6,550	560	-	206,155
	<u>10,841,131</u>	<u>335,554</u>	<u>306,460</u>	<u>(411,058)</u>	<u>11,072,087</u>
Total endowed					

	At 1 April 2020	Net income	Gain/(losses)	Transfers	At 31 March 2021
	£	£	£	£	£
Endowed funds					
General Endowment	6,951,241	267,106	460,193	(451,208)	7,227,332
Fabric Endowments	2,053,931	-	-	(26,421)	2,027,510
Choral Foundation	1,345,679	-	-	41,565	1,387,244
Stratton Library Endowment	166,005	6,056	26,984	-	199,045
	<u>10,516,856</u>	<u>273,162</u>	<u>487,177</u>	<u>(436,064)</u>	<u>10,841,131</u>
Total endowed					

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

28. FUNDS (continued)

Endowment Funds

Endowment Funds are held for the following purposes:

General Endowment Fund	For generating income which can be used for financing unrestricted expenditure of the Cathedral.
Fabric Fund	For generating income which can be used for financing expenditure on the fabric of the Cathedral building.
Choral Foundation Fund	For generating income which can be used for financing expenditure on music in the Cathedral.
Stratton Library Endowment	For generating income to be spent on the library.

All funds

	At 1 April	Income	Expenditure	Net gains	Extraordinary item	At 31 March
	2021					2022
	£	£	£	£	£	£
GRAND TOTAL	13,627,531	3,188,083	(3,507,190)	315,088	388,876	14,012,388
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	At 1 April	Income	Expenditure	Net gains	Extraordinary item	At 31 March
	2020					2021
	£	£	£	£	£	£
GRAND TOTAL	12,875,682	3,291,620	(3,274,965)	735,194	-	13,627,531
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

29. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the year end an agreement has been reached with the former tenant of an Endowment Investment Property (The Old Palace) on the termination of the lease, for dilapidations. Payment has been received in respect of this amounting to £440,000.

30. EXTRAORDINARY ITEM

During the year, the Department of Culture, Media and Sports (DCMS) made a grant award for £388,876 to re-inflate the Cathedral's unrestricted reserves to the targeted eight weeks running costs, based on the previous year's accounts. This was delivered through the Culture Recovery Fund, which was delivered in partnership between DCMS, Arts Council England, British Film Institute, Historic England and the National Lottery Heritage Fund and was given as an extraordinary grant to enable the Cathedral to recover from the adverse financial effects of Covid-19.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

31. TOTAL RETURN

With effect from 1 April 2016 the Chapter has adopted a total return basis for maintaining the endowments. As at that date it was determined that the endowment comprised the following:

- The Cathedral-Use property which was excluded from the Total Return
- A capital amount referred to as the Trust for investment below derived from the value of endowment investment property and other investments at 31 March 2009
- The total return being the difference between the Trust for Investment and the current fair value of the underlying assets.

Under the total return approach, a value of up to the value of the total return may be applied to fund the unrestricted net expenditure of the charity. The movements are set out in the tables on the following pages:

	Cathedral- Use property £	Trust for Investment £	Unapplied Total return £	Total endowment £
At 1 April 2021:				
Gift component of the permanent endowment	3,337,860	6,016,329	-	9,354,189
Stratton endowment	-	194,481	4,564	199,045
Unapplied total return	-	-	1,287,897	1,287,897
Total	3,337,860	6,210,810	1,292,461	10,841,131
Movement in the reporting period:				
Investment return – income	-	-	327,530	327,530
Investment return: net gains	82,500	-	223,960	306,460
Other gains	-	-	8,024	8,024
Transfer of property to Cathedral Use	-	-	-	-
Total	82,500	-	559,514	642,014
Unapplied total return allocated to income in the reporting period	29,762	-	(440,820)	(411,058)
Net movements in reporting period	112,262	-	118,694	230,956
At 31 March 2022:				
Gift component of the permanent endowment	3,450,122	6,016,329	-	9,466,451
Stratton endowment	-	194,481	11,674	206,155
Unapplied total return	-	-	1,399,481	1,399,481
Total endowment per balance sheet	3,450,122	6,210,810	1,411,155	11,072,087

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

31. TOTAL RETURN (continued)

	Cathedral- Use property £	Trust for Investment £	Unapplied Total return £	Total endowment £
At 1 April 2020:				
Gift component of the permanent endowment	3,273,836	6,016,329	-	9,290,230
Stratton endowment	-	194,278	(28,208)	166,005
Unapplied total return	-	-	1,060,621	1,060,621
Total	3,273,836	6,210,607	1,032,413	10,516,856
Movement in the reporting period:				
Investment return – income	-	203	306,115	306,318
Investment return: net gains	35,000	-	419,021	454,021
Other gains	-	-	-	-
Transfer of property to Cathedral Use	-	-	-	-
Total	35,000	203	725,136	760,339
Unapplied total return allocated to income in the reporting period	29,024	-	(465,088)	(436,064)
Net movements in reporting period	64,024	203	260,048	324,275
At 31 March 2021:				
Gift component of the permanent endowment	3,337,860	6,016,329	-	9,354,189
Stratton endowment	-	194,481	4,564	199,045
Unapplied total return	-	-	1,287,897	1,287,897
TOTAL:	3,337,860	6,210,810	1,292,461	10,841,131

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2022

32. STATEMENT OF FINANCIAL ACTIVITIES FOR 2021 ANALYSED BETWEEN FUNDS

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
Income and endowments from					
Donations and legacies	2	251,557	268,913	203	520,673
Grants in support of mission	3	348,805	1,874,645	-	2,223,450
Charges and fees arising in the course of mission	4	32,836	-	-	32,836
Trading and fundraising	5	105,697	-	-	105,697
Investments	6	10,766	34,762	306,317	351,845
Other income	7	57,119	-	-	57,119
Total income		<u>806,780</u>	<u>2,178,320</u>	<u>306,520</u>	<u>3,291,620</u>
Expenditure on:					
Raising funds	8	208,333	95,229	29,024	332,586
Ministry	9	487,556	348,971	-	836,527
Cathedral and precincts upkeep	10	337,559	1,421,963	4,334	1,763,856
Education and outreach	11	102,544	4,295	-	106,839
Other expenditure	12	12,000	223,157	-	235,157
Total Expenditure		<u>1,147,992</u>	<u>2,093,615</u>	<u>33,358</u>	<u>3,274,965</u>
Net (expenditure)/income before investment gains		(341,212)	84,705	273,162	16,655
Net gains on investments - realised		-	233,944	203,617	437,561
Net gains on investments - unrealised		-	14,073	(2,655)	11,418
Net gains on investment property		-	-	251,215	251,215
Net gains on non-investment property		-	-	35,000	35,000
Net (expenditure)/income		<u>(341,212)</u>	<u>332,722</u>	<u>760,339</u>	<u>751,849</u>
Gross transfers between funds	28	<u>436,064</u>	<u>-</u>	<u>(436,064)</u>	<u>-</u>
Net (increase)/decrease in funds		94,852	332,722	324,275	751,849
Total funds brought forward		<u>169,889</u>	<u>2,188,937</u>	<u>10,516,856</u>	<u>12,875,682</u>
			-		-
Total funds carried forward		<u>264,741</u>	<u>2,521,659</u>	<u>10,841,131</u>	<u>13,627,531</u>

