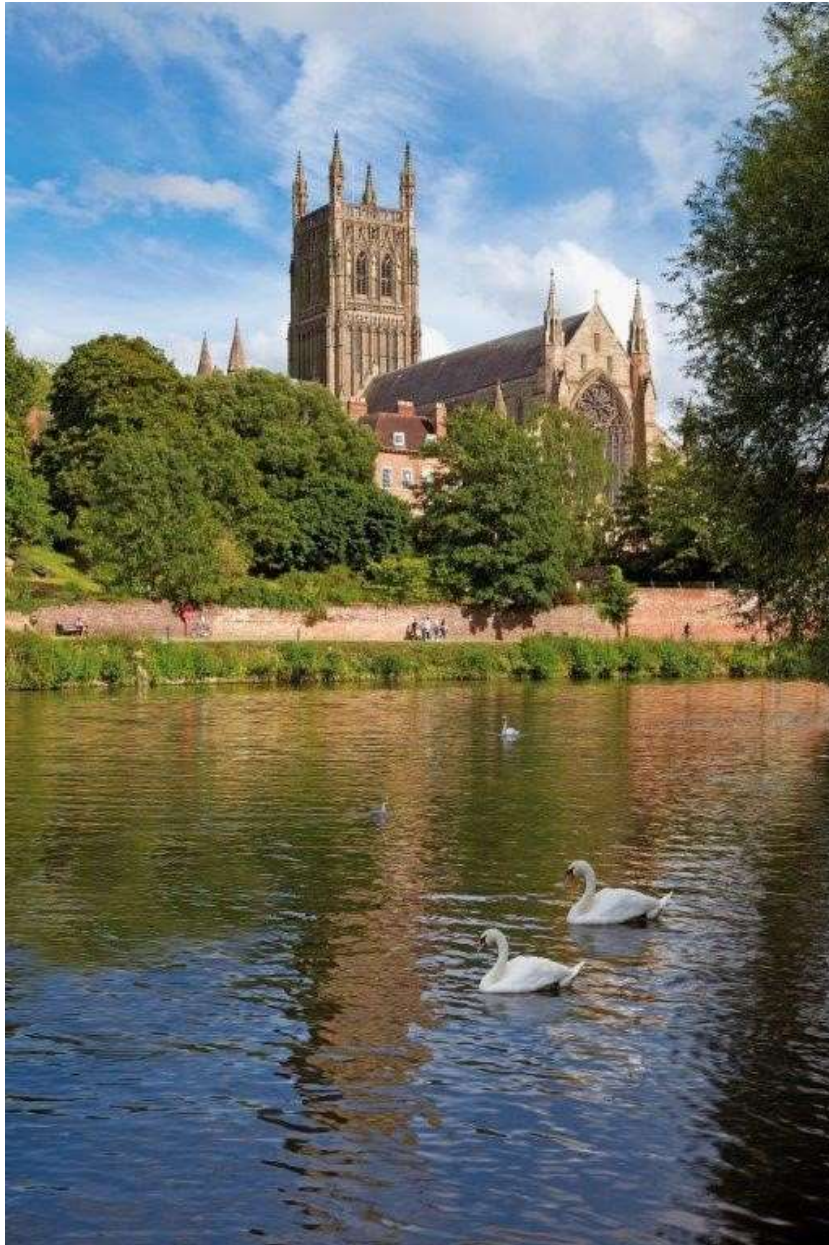




WORCESTER CATHEDRAL



**Annual Report and Consolidated Financial
Statements for the year ended 31st March 2023**

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Worcester Cathedral Annual Report For the year ended 31 March 2023

The Chapter of Worcester Cathedral present the Annual Report and Financial Statements of The Cathedral Church of Christ and the Blessed Mary the Virgin, of Worcester ("the Cathedral"), together with the Independent Auditor's Report, for the year ended 31st March 2023.

OBJECTIVES AND ACTIVITIES

Legal objects

In accordance with the governing documents, the objects of the Cathedral are:

- a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;
- b) to care for and conserve the fabric and structure of the Cathedral Church building;
- c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b).

Values

At the heart of everything we do lies the commitment, inspired by our Benedictine heritage, to prayer, learning and welcome; and promoting the values of love, compassion, justice and freedom.

The vision for Worcester Cathedral is to be a place of **prayer, learning and welcome**.

Aims and purpose

With those purpose in mind, the vision of the Cathedral is to be:

- A community proud to share the amazing quality and heritage of the Cathedral;
- A place of breadth and depth in worship and prayer;
- A place of learning, discipleship and nurture;
- A catalyst for campaigning and awareness on the environment and social justice;
- A resilient organisation with stable finances.

Objectives

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

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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

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.

ACHIEVEMENTS AND PERFORMANCE

Review of the year by the Dean of Worcester

The annual report is for the financial year April 2022 to the end of March 2023, which, from a Christian point of view, is better described as the year from Easter to Easter. Last year, for various reasons, this report and the audited accounts appeared in September, and it was impossible to ignore what had been going on in the life of the Cathedral between Easter and the time of writing. As I noted at the time, I was writing the report in the week between the death of our late Queen and her funeral.

Worship

The period from Easter 2022 to Easter 2023 may be described as one of consolidation after the long period of Covid restrictions. As noted last year, the collapse of the tower pinnacle during Storm Arwen at the end of 2021 led to a whole new set of restrictions, while we could not use (much of) the quire, and while the quire organ was out of use. We happily regained the use of both the quire and the organ in time for Advent 2022. Meanwhile, our choirs emerged from the long period of restrictions stronger than ever. We are still in the transitional phase of arrangements for the girl choristers. Recruitment for the boy choristers is very good. The re-formed voluntary choir (the 'Vollers') and the new youth choir are both gaining in confidence, strength, and maturity. The chamber choir plays an increasingly integrated role in the life of the Cathedral.

Notable services were held to mark the accession of the King, the funeral of the late Queen, and the coronation. It has been good to see a steady consolidation of numbers attending our regular Sunday and weekday services.

Chapter and Staff

After Canon Georgina Byrne left the Chapter in 2021, we spent time considering the best way forward with that post, and finally made the bold decision to create a full-time post out of the cathedral canonry and the chaplaincy of our ancient almshouse, St Oswald's. Canon Kimberly Bohan was appointed to this new role, with responsibility for the Cathedral's learning programme as well as being canon librarian. She has been warmly welcomed in both the Cathedral and at St Oswald's.

Canon Staffan Engstrom was appointed a lay member of Chapter. His appointment has strengthened the excellent work led by the Vice-Dean to promote the Cathedral's eco agenda, which is being so well supported by staff, volunteers, and worshippers.

Chris Guy, our very long-serving archaeologist, retired on grounds of ill-health in the summer of 2022, and has now been replaced by Fiona Keith-Lucas. Fiona worked with Chris on the excavations in relation to the undercroft project. The Chapter conferred on Chris the well-deserved title of Cathedral Archaeologist Emeritus.

Susan Macleod was another long-serving member of staff who retired before Easter. Her multiple roles have been re-configured, with Dan Parnell becoming director both learning and welcome, and

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Sam Poursain, director of events and operations, as well as continuing with his work managing the Old Palace.

Fabric and Estate

Camilla Findlay, cathedral architect and surveyor of the fabric, is completing her quinquennial inspection report. The picture which emerges is of a building now in fundamentally sound condition, but requiring much continuing maintenance to keep it so. This will continue to be the principal expenditure of the Chapter for years to come.

In addition to the year-in-year-out cost of the building itself are the various potential projects which will make the cathedral more prayerful, more welcoming, more accessible, more workable, and more affordable. The list is well-known: a new heating system, with new sources of energy, and more effective ways of retaining the heat; a new lighting system; better access to all parts of the building for the less able and the partially sighted; a restored transept/nave organ; more beautiful liturgical furniture in the nave.

I have often made two points about 'future projects'. The first is that none of the items I have mentioned are dispensable. For instance, someone might ask whether we really needed a new nave organ? The answer is yes, because the present electronic organ is near the end of its life. Do we really need new liturgical furniture? The answer is yes, because the nave choir stalls are on the verge of collapse. Can we really afford a new heating system? The answer is we cannot afford not to, with a boiler nearing the end of its life.

The second point that must be made about 'future projects' is that we cannot always choose the order in which we do them. That decision is often made for us by funding opportunities. That is true of the College Yard landscaping plan. Time-limited offers of substantial funding from the Towns Deal Fund and the Kildare Trust have prompted the Chapter to seize the moment to make our main approach to the Cathedral more accessible and more beautiful. The initial phase will be completed by March 2025.

Vacancy in the Office of Dean

A third point I might make about future projects is that there is plenty for the next dean to do. But before the next dean arrives, there will be a period of vacancy. As is generally known, the office of dean falls vacant on 25 August 2023, and the Bishop, acting under the constitution and statutes of the Cathedral, has appointed our vice-dean, Canon Stephen Edwards, to the post of acting or interim dean for the duration of the vacancy. I am confident that he will receive the prayerful support and warm encouragement of the whole cathedral community.

Dean

FINANCIAL REVIEW

The financial performance of the Cathedral and its trading subsidiary is set out in the Statement of Financial Activities on page 20 and its financial position is summarised in the balance sheet set out on page 21. 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 2023 totalled £14,095,517, compared to £14,012,388 in the previous year, an increase of £83,129 (2022: increase of £384,857). Included in this are the Endowment funds which totalled £11,386,245 (2022: £11,072,087) and restricted funds of £2,444,608 (2022: £2,508,235). The unrestricted funds in total are £264,664 (2022: £432,066). The total income for the year was £3,120,374 (2022: £3,188,083), a decrease of £67,709 from the previous year. The expenditure for the year totalled £3,258,871 (2022: £3,507,190), a decrease of £248,319 from the previous year.

The ongoing operating costs of the Cathedral are met from the unrestricted funds. The unrestricted income for the year amounted to £1,250,272 (2022: £1,596,662) and with the transfer of funds from the restricted and endowment funds, totalled £1,960,509 (2022: £2,016,396). Unrestricted expenditure for the year totalled £2,127,911 (2022: £2,237,947) a decrease in the year of £110,036. The main reasons for the decrease in income was as a result of donations being £26,000 lower than last year and grant income being £230,000 lower. This reduction in grant income is connected to the phasing of grants received towards major projects, most notably the undercroft. Income from charges was also £21,000 lower than last year and income from trading reduced to £18,000 for the year, compared to £82,000 at the end of March 2022. The trading result in particular highlights the continuing challenges of the recovery from the pandemic and the improvement of visitor numbers. Costs were broadly in line with last year, with expenditure on IT being a notable area of increased expenditure in the year.

Overall, and taking into account the Total Return transfer from the Permanent Endowment to support current operations, the operating deficit for the year amounted to £160,402 (2022: £221,551).

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 £14,012,388 to £14,095,517. The endowment fund investment gains were £331,769 (2022: £306,460 gain) and the fabric and music investment losses were £110,143 (2022: £8,628 gain). The cathedral's liquidity has remained strong, and its cash balance stood at £934,046 (2022: £671,394) at the end of the year, an increase that is partly due to the advance receipt of insurance money covering the Storm Arwen repairs and the dilapidations relating to the Old Palace.

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 £7,773,838 (2022: £7,621,965) (excluding assets in cathedral use). During the year, the returns generated by the endowment fund enabled the Chapter to contribute £688,237 (2022: £411,058) towards the operating costs of the Cathedral.

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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 8.19%, which has enabled the Chapter, on advice from the Finance Committee, to transfer an amount of £688,237 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 £1.5 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 £1.2m, resulting in over £2.4m 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 income from a diversity of sources, the risks are generally low, and Chapter considers reserves equivalent to two months of operating expenditure (£338,000) to be sufficient. In this context, unrestricted reserves after designated expenditure stood at £264,664 at the end of the year (2022: £432,066) and with a break-even position budgeted for the 2023-24 financial year, this is considered to be adequate.

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 annual increases, taking into account changes in the retail price index, comparable public sector pay awards and published increases to the *Real Living Wage* national rates of pay. We participate in regular voluntary pay benchmarking exercises that are done across Cathedrals to ensure we are paying consistently against other similar job roles.

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Risk Management

During much of the year, the key work of Chapter has been in managing the risk associated with the pandemic and some aspects of 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
The financial burden of the Old Palace on the resources of the Cathedral	A feasibility study has been carried out and plans are proceeding with the recommended option of using it as office accommodation and an events space, with a view to achieving financial sustainability.
Failure to generate new income streams to support the fabric projects and essential project/maintenance work	The Fundraising Team are proactive in identifying opportunities for funding capital projects, working closely with the Chief Operating Officer and Cathedral Architect.
Breach of Health and Safety and Fire regulations	A Health and Safety policy is in place, supported by departmental procedures, that seeks to reinforce a culture of safe working and minimise this risk.
Loss of key staff	Pay and conditions are kept under review and the Cathedral determines cost of living increases that balance affordability and supporting staff. The Cathedral continues to be a <i>Real Living Wage</i> employer.
Failure to keep the various buildings on the Cathedral estate in good repair or unanticipated building issues arising	The state of the various buildings that make up the Cathedral estate is regularly monitored, with advice from the Cathedral Architect, the Precinct Architect and the Cathedral's external property managers . Actions are planned and executed accordingly.
Failure to generate sufficient funds to operate to budget	Income from the Cathedral's various income sources is closely monitored and the Fundraising Team are active in seeking out funding opportunities.
Poor performance of investments	Investment performance is closely monitored by the Investment sub-committee, which reports directly to the Finance Committee and ultimately to Chapter. Representatives from the Cathedral's investment managers attend most of those meetings.

PLANS FOR THE FUTURE

Chapter have set a number of priorities for the year:

A community welcoming everyone to share our amazing heritage

- Make further improvements the Cathedral's Visitor Engagement Plan, including signage, access and interpretation
- Implement the first phases of the College Yard landscaping project (due for completion by March 2025)
- Complete and celebrate the conclusion of the pinnacle repair work caused by Storm Arwen
- Develop plans to continue the maintenance and repair of the Cathedral building, in light of the findings of the most recent quinquennial inspection
- Sustain a programme of high quality events across the Cathedral estate, that contributes to the Cathedral's vision

A place of breadth and depth in worship and prayer

- Develop plans to progress key projects within the Cathedral, including lighting and the Nave Organ
- Continue implementation of the three-year chorister formation programme

A place of learning, discipleship, and nurture

- Develop plans to further enhance the Cathedral's learning offering and the accessibility of the resources of the library
- Strengthen the links between the Cathedral and the community of St Oswald's Hospital

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

- Progress the implementation of the Cathedral's environmental strategy
- Work towards achieving the Eco Church 'Gold' award

A resilient organisation with stable finances

- Achieve a balanced operational budget
- Move the Chapter office functions to Old Palace
- Complete the implementation of the Cathedrals Measure 2021
- Maximise occupancy across the Cathedral's various properties
- Engage with the consultation and selection process for a new dean

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 four 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 110 full and part-time staff and over 250 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 to implement a number

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of recommendations and this will continue over the coming year. 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. The Bishop of Worcester is entitled to attend and the membership during the year was as follows:

Lt Col Patrick Holcroft (Chair)

Mrs Diana Gant

The Dean of Worcester

Lady McFarlane

Mr Paul West

Mr David Green

Canon Anne Penn

Mr Gerald Harris

Professor John Vickerman

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.

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), the Revd Dr Robin Parry (Associate Priest for Eco Spirituality), 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. The membership at the end of the year was as follows:

Canon Henry Briggs FCA (Chairman)

The Dean

Canon Dr David Bryer

Mr Roger Burman

Mr Gerald Harris

Ms Fern Hordern

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

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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	Mr Nigel Baker

Mr Nigel Baker was welcomed to the Fabric Advisory Committee during the year. 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 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 Staffan Engstrom.

The company achieved annual sales of £299,721 (2022: £245,627), an increase of 22% over the previous year. The Cathedral's shop and café continued to be affected by reduced footfall in the aftermath of the pandemic, and made an operating profit of £8,130 (2022: £41,513), a decrease of 80%. The performance of the retail and catering operations will continue to be monitored closely.

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Trusts and Foundations

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

Andrew Harris Charitable Trust
Benefact Trust
Bransford Trust
Cathedrals' Fabric Commission for England
Cathedrals' Workshop Fellowship
Church of England Cathedrals Sustainability Fund
Cultural Recovery Capital Works Fund (via Church of England)
Department for Digital, Culture, Media and Sport
Ecclesiastical Home Insurance
Elgar Foundation
Elmley Foundation
Friends of Worcester Cathedral
Hamish Ogston Foundation
Hawthorne Charitable Trust
Ian Addison Foundation
Kidderminster Historical Association
Kildare Charity Trust
Lansdowne Rodway Estates Limited
Leigh Collis Trust
Listed Places of Worship Grant Scheme
McCorquodale Charitable Trust
National Lottery Heritage Fund
Richard Hall Charitable Trust
Society of the Salutation of Mary the Virgin Limited
St Mary's Convent Old Girls Association
Westhill Endowment
Worcester and Hereford Parachute Regimental Association
Worcester Cathedral Old Choristers Association Charitable Trust
Worcester Lodge No.280

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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:

Grants	£
Cathedral Music Grant	17,500
Christ in Majesty	6,090
Choir Grant (to sponsor the St. John Passion performance)	2,500
Chapter administration grant	2,000
Library Grant (camera)	562
Total	28,652

In the previous year, the Friends generously supported the Cathedral with the following grants:

Grants	£
Cathedral Music Grant	17,500
Christ in Majesty	31,165
Cathedral appeal	20,000
Choir Grant	373
Chapter administration grant	2,000
Total	71,038

The Friends continue to provide financial support for the work of the music team at the Cathedral, ad hoc requests from the Chapter and in recent year, with the restoration of the 13th Century Christ in Majesty sculpture in College Hall. Chapter also provides the Friends with office accommodation in the Chapter Office.

TRIO

We are very grateful for the ongoing support of all those who make a contribution towards the considerable costs involved in running this place of prayer and worship through the Cathedral's stewardship scheme 'TRIO': The Responsibility Is Ours. In the year March 2023, £100,204 was given through TRIO stewardship scheme, compared to £112,841 in the previous year.

Support for the Cathedral

Our sincerest thanks to all who supported the Cathedral through our many fundraising streams. We are grateful to those who gave to specific initiatives including our Endow a Day of Music, Summer and Christmas Appeals, and our Adoption programmes. We would also like to thank individuals who gave regularly throughout the year as members of our Guild of Benefactors and Music & Light schemes, and donors who are part of our Regular Giving programme. Alongside these frequent givers, a number of individuals have made one-off donations over the last 12 months for which we are very grateful.

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REFERENCE AND ADMINISTRATIVE DETAILS

Principal Office

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

THE CHAPTER

The Very Reverend Dr Peter Atkinson	Dean of Worcester	(from 28.4.07)
The Reverend Canon Kimberly Bohan	Residentiary Canon	(from 27.1.23)
The Reverend Canon Dr Stephen Edwards	Residentiary Canon	(from 15.9.19)
The Reverend Canon John Paul Hoskins	Residentiary Canon	(from 29.1.22)
Canon Henry Briggs	Lay Canon	(from 1.03.19)
Canon Dr David Bryer	Lay Canon	(from 23.9.13)
Canon Staffan Engstrom	Lay Canon	(from 5.12.22)
Canon Anne Penn	Lay Canon	(from 19.1.16)

SENIOR STAFF

Val Floy	Chief Operating Officer (to March 2022)
Matthew Hall	Chief Operating Officer (from July 2022)
Maria Scialacomo	Catering Manager
Chris Guy	Cathedral Archaeologist (to August 2022)
Sam Poursain	Director of Events and Operations
Monika Nicholson	Director of Finance (from June 2022)
Samuel Hudson	Director of Music
Daniel Parnell	Director of Welcome, Learning and Engagement
Emily Draper	Estates Manager (to August 2022)
Debbie Harding	Finance Manager (to June 2022)
Cathy Sloan	Director of Fundraising
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 (to February 2023)
Darren Steele	Works Manager / Master Mason
James Dinn	Consultant Cathedral Archaeologist (from August 2022)
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

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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
Statement of the responsibilities of Chapter
For the year ended 31 March 2023

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 27 July 2023 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 2023

Opinion

We have audited the financial statements of Worcester Cathedral for the year-ended 31 March 2023 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 2023 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.

**Worcester Cathedral
Independent Auditor's Report to the Chapter
For the year ended 31 March 2023**

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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.

**Worcester Cathedral
Independent Auditor's Report to the Chapter
For the year ended 31 March 2023**

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.

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.

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

Date: 25/8/23

Worcester Cathedral
Consolidated Statement of Financial Activities
For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and endowments from						
Donations and legacies	2	455,816	43,652	-	499,468	510,159
Grants in support of mission:	3	448,277	1,018,125	-	1,466,402	1,869,159
Charges and fees arising in the course of mission	4	207,686	5,895	-	213,581	228,446
Trading and fundraising	5	17,991	-	-	17,991	82,170
Investments – normal	6	15,930	31,852	330,578	378,360	373,220
Investments - exceptional	6	-	-	440,000	440,000	-
Other income	7	104,572	-	-	104,572	124,929
Total income		1,250,272	1,099,524	770,578	3,120,374	3,188,083
Expenditure on:						
Raising funds	8	414,815	1,284	42,101	458,200	519,432
Ministry	9	751,195	141,612	-	892,807	939,504
Cathedral and precincts upkeep	10	818,224	879,599	57,851	1,755,674	1,839,626
Education and outreach	11	131,677	8,513	-	140,190	139,405
Other expenditure	12	12,000	-	-	12,000	69,223
Total Expenditure		2,127,911	1,031,008	99,952	3,258,871	3,507,190
Net (expenditure) / income before investment gains		(877,639)	68,516	670,626	(138,497)	(319,107)
Net (losses) on investments - realised		-	(2,680)	(3,283)	(5,963)	47,588
Net (losses) on investments - unrealised		-	(107,463)	(102,848)	(210,311)	-
Net gains on investment property		-	-	353,200	353,200	185,000
Net gains on non-investment property		-	-	84,700	84,700	82,500
Net (expenditure) / income		(877,639)	(41,627)	1,002,395	83,129	(4,019)
Extraordinary item	29	-	-	-	-	388,876
Gross transfers between funds	27	710,237	(22,000)	(688,237)	-	-
Net increase/(decrease) in funds		(160,402)	(63,627)	314,158	83,129	384,857
Total funds brought forward		432,066	2,508,235	11,072,087	14,012,388	13,627,531
Total funds carried forward		264,664	2,444,608	11,386,245	14,095,517	14,012,388

The notes form part of these financial statements.

An analysis of the 2023 figures split between funds is provided in note 28.

Worcester Cathedral
Consolidated Balance Sheet
For the year ended 31 March 2023

	Notes	Consolidated		Cathedral only	
		Total 2023 £	Total 2022 £	Total 2023 £	Total 2022 £
FIXED ASSETS					
Investment property	15	6,758,500	6,312,800	6,758,500	6,312,800
Other investments	16	2,474,654	2,732,636	2,490,844	2,748,826
Non-investment property	17	3,525,000	3,532,800	3,525,000	3,532,800
Equipment and tools	18	845,120	699,365	845,120	699,365
		<u>13,603,274</u>	<u>13,277,601</u>	<u>13,619,464</u>	<u>13,293,791</u>
CURRENT ASSETS					
Stocks		79,409	66,345	34,740	34,740
Debtors	19	429,847	485,719	427,765	487,968
Cash at bank and in hand		934,046	671,394	911,100	647,801
		<u>1,443,302</u>	<u>1,223,458</u>	<u>1,373,605</u>	<u>1,170,509</u>
LIABILITIES: due within one year					
Creditors	20	(898,589)	(405,716)	(856,254)	(380,567)
Loans		(13,470)	-	(13,470)	-
		<u>531,243</u>	<u>817,742</u>	<u>503,881</u>	<u>789,942</u>
NET CURRENT ASSETS					
		<u>14,134,517</u>	<u>14,095,343</u>	<u>14,123,345</u>	<u>14,083,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
LIABILITIES: due after one year					
Loans	21	(39,000)	(82,955)	(39,000)	(82,955)
		<u>14,095,517</u>	<u>14,012,388</u>	<u>14,084,345</u>	<u>14,000,778</u>
NET ASSETS					
FUNDS					
Unrestricted funds	27	237,094	404,158	237,094	404,158
Unrestricted designated funds	27	16,398	16,298	16,398	16,298
Unrestricted trading subsidiary		11,172	11,610	-	-
Restricted funds	27	2,444,608	2,508,235	2,444,608	2,508,235
Endowment funds	27	11,386,245	11,072,087	11,386,245	11,072,087
		<u>14,095,517</u>	<u>14,012,388</u>	<u>14,084,345</u>	<u>14,000,778</u>

The notes form part of these financial statements.

Approved by the Dean and Chapter, and authorised for issue on 27 July 2023:

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The Very Reverend Peter Atkinson – Dean
Worcester Cathedral

Worcester Cathedral
Consolidated Balance Sheet
For the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities (see note A below)		
Net cash (used in) / from operating activities	67,073	(565,781)
Cash flows from investing activities		
Rents received net of costs	284,371	282,865
Interest and dividends received net of costs	93,989	90,355
Purchase of equipment and tools	(183,952)	(32,542)
Proceeds from sale of investments	153,070	286,817
Purchase of investments	(121,414)	(313,470)
Net cash provided by investing activities	226,064	314,025
Cash flows from financing activities		
Loans repaid	(30,485)	(29,762)
Net cash (used in) / provided by financing activities	(30,485)	(29,762)
Increase/(Decrease) in cash and cash equivalents	262,652	(281,518)
Cash and cash equivalent brought forward	671,394	952,912
Cash and cash equivalent carried forward (note B)	934,046	671,394

Note A: reconciliation of net income/(expenditure) to net cash flows from operating activities

Net (expenditure) / income before investment gains	(86,059)	(319,107)
Income from extraordinary item	-	388,876
Income from property and investments	(378,360)	(373,220)
Depreciation	38,197	31,522
(Increase) / decrease in stock	(13,066)	(10,762)
Decrease / (increase) in debtors	17,423	(242,793)
Increase / (decrease) in creditors excluding pension	478,847	(30,786)
Movement in investment cash	10,091	(9,511)
Net cash from /(used in) operating activities	67,073	(565,781)

Note B: analysis of cash and cash equivalents

Cash at bank and in hand	934,046	671,394
Total cash and cash equivalents	934,046	671,394

The notes form part of these financial statements.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

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.

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 2023. 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.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

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.

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.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

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.

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.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Collections and giving	253,049	558	-	253,607
Donations	78,828	28,300	-	107,128
Tax recoverable under Gift Aid	19,498	-	-	19,498
Friends	22,563	9,791	-	32,354
Legacies	81,878	5,003	-	86,881
	<u>455,816</u>	<u>43,652</u>	<u>-</u>	<u>499,468</u>
	=====	=====	=====	=====
				2022
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	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
Legacies	3,000	-	-	3,000
	<u>482,046</u>	<u>28,113</u>	<u>-</u>	<u>510,159</u>
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

3. GRANTS IN SUPPORT OF MISSION

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Church Commissioners	188,915	136,980	325,895
Other revenue and capital grants	259,362	881,145	1,140,507
	<u>448,277</u>	<u>1,018,125</u>	<u>1,466,402</u>
	=====	=====	=====

	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>1,191,461</u>	<u>1,869,159</u>
	=====	=====	=====

Included in Other revenue and capital grants is the receipt of insurance money covering the Storm Arwen repairs of £624,602 (2022: £179,387)

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

4. CHARGES AND FEES ARISING IN THE COURSE OF MISSION

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Charges for tours for school visits	28,245	-	28,245
Music School income	19,374	-	19,374
Hire of Cathedral	44,440	-	44,440
Other income	115,277	5,895	121,172
Designated fees	350	-	350
	<u>207,686</u>	<u>5,895</u>	<u>213,581</u>
	=====	=====	=====
			2022
	Unrestricted Funds £	Restricted Funds £	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>
	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

5. TRADING AND FUNDRAISING

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Trading income	8,130	-	8,130
Other activities	9,861	-	9,861
	17,991	-	17,991
	17,991	-	17,991
	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Trading income	67,655	-	67,655
Other activities	14,515	-	14,515
	82,170	-	82,170
	82,170	-	82,170

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Investment property	-	-	284,371	284,371
Investment property – dilapidations	-	-	440,000	440,000
Investments	15,930	31,852	46,207	93,989
	15,930	31,852	770,578	818,360
	15,930	31,852	770,578	818,360
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total Funds £
Investment property	-	-	282,865	282,865
Investments	14,845	30,845	44,665	90,355
	14,845	30,845	327,530	373,220
	14,845	30,845	327,530	373,220

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

7. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Interest receivable on short term deposits	1,083	-	-	1,083
Administrative recharge	29,144	-	-	29,144
Other income	74,345	-	-	74,345
	<u>104,572</u>	<u>-</u>	<u>-</u>	<u>104,572</u>
	=====	=====	=====	=====
				2022
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	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>
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

8. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Costs of facilities to visitors	234,916	1,284	-	236,200
Cost of fundraising	104,523	-	-	104,523
Investment property costs	30,771	-	42,101	72,872
Costs of trading and other activities	44,605	-	-	44,605
	<u>414,815</u>	<u>1,284</u>	<u>42,101</u>	<u>458,200</u>
	=====	=====	=====	=====
				2022
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	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>
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

9. MINISTRY

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Clergy stipends	7,083	136,980	144,063
Clergy working expenses	(3,548)	-	(3,548)
Clergy housing costs	11,362	-	11,362
Clergy support costs	162,716	-	162,716
Services	153,162	-	153,162
Music	312,721	4,632	317,353
Support Costs	107,699	-	107,699
	<u>751,195</u>	<u>141,612</u>	<u>892,807</u>
	=====	=====	=====
	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>
	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

**10. CATHEDRAL AND PRECINCTS
UPKEEP**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £
Major repairs and restoration	247,193	879,599	-	1,126,792
Maintenance and interior upkeep	344,163	-	27,683	371,846
Cathedral insurance	62,415	-	30,067	92,482
Precincts, security and gardens upkeep	10,576	-	-	10,576
Support costs	8,122	-	-	8,122
Utility costs	145,755	-	101	145,856
	-----	-----	-----	-----
	818,224	879,599	57,851	1,755,674
	=====	=====	=====	=====

	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
	-----	-----	-----	-----
	882,107	957,519	-	1,839,626
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

11. EDUCATION AND OUTREACH

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Choir school costs	300	-	300
Educational activities	104,518	8,513	113,031
Archives and library	26,859	-	26,859
	<u>131,677</u>	<u>8,513</u>	<u>140,190</u>
	=====	=====	=====
	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>
	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

12. OTHER EXPENDITURE ON MISSION

	Unrestricted Funds £	Restricted Funds £	2023 Total Funds £
Charitable giving	12,000	-	12,000
Irrecoverable input VAT	-	-	-
	<u>12,000</u>	<u>-</u>	<u>12,000</u>
	=====	=====	=====
	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Charitable giving	12,000	-	12,000
Irrecoverable input VAT	57,223	-	57,223
	<u>69,223</u>	<u>-</u>	<u>69,223</u>
	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

13. ADMINISTRATION AND FINANCE SUPPORT COSTS

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

	2023	2022
	£	£
Salaries and employment costs	274,063	252,073
Telephone	24,289	10,206
Postage	1,361	601
Stationery	4,892	2,626
Depreciation	17,364	10,709
Sundry administration	24,263	15,840
Information and technology – Photocopier	36,860	24,749
- Computers	110,929	67,221
- Other	-	3,709
Personnel and training	26,815	37,246
Bank charges and interest	3,067	2,613
Governance costs	14,592	10,212
	<hr/>	<hr/>
	538,495	437,805
	=====	=====

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.

14. CHARITABLE GIVING

The Dean and Chapter made charitable donations totalling £12,000 (2022: £12,000).

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

15. INVESTMENT PROPERTY – CONSOLIDATED AND CATHEDRAL ONLY

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Valuation at 1 April 2022	6,312,800	6,127,800
Reclassification between investment and non-investment property	92,500	-
Net increase on revaluation	353,200	185,000
	<u>6,758,500</u>	<u>6,312,800</u>
At valuation 31 March 2023	6,758,500	6,312,800
	=====	=====

All investment properties are freehold. They have been valued on an open market basis on 31 March 2023 by Fisher German, Chartered Surveyors, who are the property advisors contracted by the Cathedral.

16. UK INVESTMENTS – CONSOLIDATED AND CATHEDRAL ONLY

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Investments at market value		
1 April 2022	2,707,723	2,634,305
Additions	121,414	313,470
Proceeds from disposals	(153,070)	(286,817)
Net (decrease)/increase on revaluation	(208,209)	46,765
	<u>2,467,858</u>	<u>2,707,723</u>
Investments at market value		
Cash	6,796	24,913
	<u>2,474,654</u>	<u>2,732,636</u>
Total – consolidated	2,474,654	2,732,636
Investment in subsidiary	16,190	16,190
	<u>2,490,844</u>	<u>2,748,826</u>
Total – cathedral only	2,490,844	2,748,826
	=====	=====

The above investment shares have been valued on the basis of prices published on the stock market on 31 March 2023.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

17. NON-INVESTMENT PROPERTY

	2023	2022
	Total	Total
	Funds	Funds
	£	£
At valuation 1 April 2022	3,532,800	3,450,300
Reclassification between investment and non-investment property	(92,500)	-
Net increase on revaluation	84,700	82,500
	<u>3,525,000</u>	<u>3,532,800</u>
At valuation 31 March 2023	=====	=====

All non-investment properties are freehold. They have been valued on an open market basis on 31 March 2023 by Fisher German, Chartered Surveyors, who are the property advisors contracted by the Cathedral.

All non-investment properties are held as follows:

	2023	2022
	Total	Total
	Funds	Funds
	£	£
At 31 March		
For Cathedral trading activities	245,000	245,000
For Cathedral clergy and staff housing	3,280,000	3,287,800
	<u>3,525,000</u>	<u>3,532,800</u>
	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

18. EQUIPMENT AND TOOLS

	2023	2022
	Total	Total
	Funds	Funds
	£	£
<i>Cost</i>		
At 1 April 2023	1,232,125	1,232,009
Additions	183,952	32,542
Disposals	-	(32,426)
	-----	-----
At 31 March 2023	1,416,077	1,232,125
	-----	-----
<i>Depreciation</i>		
At 1 April 2022	532,760	501,238
Depreciation for the year	38,197	31,522
	-----	-----
At 31 March 2023	570,957	532,760
	-----	-----
Net book value at 31 March 2023	845,120	699,365
	=====	=====
Net book value at 31 March 2022	699,365	730,771
	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

19. DEBTORS

	Consolidated		Cathedral-only	
	2023	2022	2023	2022
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Trade debtors	67,849	108,515	57,619	98,345
Other debtors	6,550	125,414	14,698	137,833
Prepayments and accrued income	355,448	251,790	355,448	251,790
	<u>429,847</u>	<u>485,719</u>	<u>427,765</u>	<u>487,968</u>
	=====	=====	=====	=====

20. CREDITORS

	Consolidated		Cathedral-only	
	2023	2022	2023	2022
	Total	Total	Total	Total
	Funds	Funds	Funds	Funds
	£	£	£	£
Trade creditors	237,350	232,232	226,019	226,978
Other creditors	661,239	173,484	630,235	153,589
	<u>898,589</u>	<u>405,716</u>	<u>856,254</u>	<u>380,567</u>
	=====	=====	=====	=====

21. LOANS – CONSOLIDATED

	2023	2022
	Total	Total
	Funds	Funds
	£	£
Church Commissioners (secured on 10 College Green)	39,000	39,000
Bank loan (secured on 6 College Yard)	13,470	43,955
	<u>52,470</u>	<u>82,955</u>
	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

22. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Audit of Worcester Cathedral	11,513	9,130
	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

23. PERSONNEL

There are 48 (2022: 50) full or part time staff, equating to 36 full time equivalents (2022: 36) They are supported by 250 (2022: 250) volunteers.

	2023	2022
	£	£
Salary costs were as follows:		
Salary costs	1,025,553	974,367
Social security costs	81,008	70,801
Pension costs	44,359	40,130
	<u>1,150,920</u>	<u>1,085,298</u>
	=====	=====

1 employee (2022: none) had emoluments above £60,000, in the banding £60,000-£70,000.

During the year no termination payments were made to staff (2022: £26,988).

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

	Salary	NIC & AL	Pension	Total
	£	£	£	£
Stipends – 2023				
The Very Rev Peter Atkinson	38,050	4,397	10,738	53,185
The Rev Canon Dr Stephen Edwards	29,783	2,757	8,590	41,130
The Rev Canon John Paul Hoskins	29,783	2,557	10,326	42,666
The Rev Canon Kimberly Bohan	5,364	540	1,179	7,083
	<u>102,980</u>	<u>10,251</u>	<u>30,833</u>	<u>144,064</u>
	=====	=====	=====	=====
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>
	=====	=====	=====	=====

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 Kimberly Bohan 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 £12 (2022: £96) were reimbursed to Chapter members during the year.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

23. PERSONNEL (continued)

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 The Reverend Canon K Bohan 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.

Clergy Scheme

Worcester Cathedral participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means that contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2022: £3,359K, 2021: £3,444K), plus the figures highlighted in the table below as being recognised in the statement of financial activities, giving a total charge of £3,359K for 2022 (2021: £3,456K).

Worcester Cathedral is the responsible body for 1 member of the scheme (2022: 1) who joined the Cathedral during the year ended 31 March 2023.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of E560M, based on assets of £2,720M and a funding target of £2,160M, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of actuarial mortality tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0%.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

23. PERSONNEL (continued)

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

As at 31 December 2021 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is £nil. The movement in the provision is set out in the table on the following page.

	2023	2022
	£	£
Balance sheet liability at 1 January	-	2,000
Deficit contribution paid	-	(1,000)
Remaining change to the balance sheet liability* (recognised in SOFA)	-	(1,000)
	-----	-----
Balance sheet liability at 31 December	-	-
	=====	=====

** 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

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

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

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

24. OBLIGATIONS UNDER OPERATING LEASES

The total of future minimum lease payments as follows:

	2023	2022
	£	£
Not later than one year	104,812	135,800
Later than one year and not after five years	126,403	258,819
	<u>231,215</u>	<u>394,619</u>
	=====	=====

25. 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 2023, included in these consolidated accounts, show:

	2023	2022
	£	£
Turnover	299,721	258,961
Government grant received – Coronavirus job retention scheme	-	10,102
Profit before taxation	8,130	41,513
Gross assets	78,689	66,932
Net assets	27,800	27,800
Ordinary share capital	4	4
Donation to the Cathedral	8,130	38,383
	=====	=====

*The profit before taxation of £8,130 (2022: £41,513) 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 2022 show:

	2022	2021
	£	£
Gross income	31,551	31,612
Net income/(expenditure)	7,364	(44,551)
Amount granted to the Cathedral	19,500	69,500
Gross assets	278,214	314,774
Net assets	256,862	241,884
	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

26. 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 £27,192 (2022: £24,432).

During the year, rental income of £99,883 (2022: £203,497) was received from King's School Worcester, a School in which members of the Chapter of Worcester Cathedral are governors. Purchases of £96,046 (2022: £87,550) were made during the year from King's School Worcester.

During the year, purchases of £825 (2022: £2,600) 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 2023

27. FUNDS

Consolidated balance sheet analysed between funds - 2023

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
FIXED ASSETS				
Investment property	-	-	6,758,500	6,758,500
Other investments	-	1,236,638	1,238,016	2,474,654
Non-investment property	-	-	3,525,000	3,525,000
Equipment and tools	204,996	640,124	-	845,120
	-----	-----	-----	-----
	204,996	1,876,762	11,521,516	13,603,274
	-----	-----	-----	-----
CURRENT ASSETS				
Stocks	44,669	34,740	-	79,409
Debtors	371,623	35,008	23,216	429,847
Cash at bank and in hand	71,991	966,162	(104,107)	934,046
	-----	-----	-----	-----
	488,283	1,035,910	(80,891)	1,443,302
	-----	-----	-----	-----
LIABILITIES: due within one year				
Loan	-	-	(13,470)	(13,470)
Creditors	(428,614)	(468,065)	(1,910)	(898,589)
	-----	-----	-----	-----
NET CURRENT ASSETS	59,669	567,845	(96,271)	531,243
	=====	=====	=====	=====
TOTAL ASSETS LESS				
CURRENT LIABILITIES	264,664	2,444,608	11,425,245	14,134,517
LIABILITIES: due after one year				
Loans	-	-	(39,000)	(39,000)
	-----	-----	-----	-----
NET ASSETS	264,664	2,444,608	11,386,245	14,095,517
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. FUNDS (continued)

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
	-----	-----	-----	-----
	51,453	1,994,496	11,231,652	13,277,601
	-----	-----	-----	-----
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
	-----	-----	-----	-----
	697,653	602,415	(76,610)	1,223,458
	-----	-----	-----	-----
LIABILITIES: due within one year				
Creditors	(317,040)	(88,676)	-	(405,716)
	-----	-----	-----	-----
NET CURRENT ASSETS	380,613	513,739	(76,610)	817,742
	=====	=====	=====	=====
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)
	-----	-----	-----	-----
NET ASSETS	432,066	2,508,235	11,072,087	14,012,388
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. FUNDS (continued)

Cathedral-only balance sheet analysed between funds - 2023

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
FIXED ASSETS				
Investment property	-	-	6,758,500	6,758,500
Other investments	16,190	1,236,638	1,238,016	2,490,844
Non-investment property	-	-	3,525,000	3,525,000
Equipment and tools	204,996	640,124	-	845,120
	<u>221,186</u>	<u>1,876,762</u>	<u>11,521,516</u>	<u>13,619,464</u>
CURRENT ASSETS				
Stocks	-	34,740	-	34,740
Debtors	369,541	35,008	23,216	427,765
Cash at bank and in hand	49,045	966,162	(104,107)	911,100
	<u>418,586</u>	<u>1,035,910</u>	<u>(80,891)</u>	<u>1,373,605</u>
LIABILITIES: due within one year				
Creditors	(386,279)	(468,065)	(1,910)	(856,254)
Loans	-	-	(13,470)	(13,470)
	<u>32,307</u>	<u>567,845</u>	<u>(96,271)</u>	<u>503,881</u>
NET CURRENT ASSETS	<u>32,307</u>	<u>567,845</u>	<u>(96,271)</u>	<u>503,881</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>253,492</u>	<u>2,444,607</u>	<u>11,425,245</u>	<u>14,123,345</u>
LIABILITIES: due after one year				
Loans	-	-	(39,000)	(39,000)
NET ASSETS	<u>253,492</u>	<u>2,444,607</u>	<u>11,386,245</u>	<u>14,084,345</u>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. 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
	-----	-----	-----	-----
	67,643	1,994,496	11,231,652	13,293,791
	-----	-----	-----	-----
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
	-----	-----	-----	-----
	644,704	602,415	(76,610)	1,170,509
	-----	-----	-----	-----
LIABILITIES: due within one year				
Creditors	(291,891)	(88,676)	-	(380,567)
	-----	-----	-----	-----
NET CURRENT ASSETS				
	352,813	513,739	(76,610)	789,942
	=====	=====	=====	=====
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)
	-----	-----	-----	-----
NET ASSETS				
	420,456	2,508,235	11,072,087	14,000,778
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. FUNDS (continued)	At 1 April					Extraordinary Item £	At 31 March 2023 £
	2022 £	Income £	Expenditure £	Transfers £			
Unrestricted funds							
Designated Funds							
Voluntary Choir	5,597	-	(250)	-	-	-	5,347
College Hall						-	
Maintenance	10,701	350	-	-	-	-	11,051
Old Palace	-	53,350	(76,765)	23,415	-	-	-
	-----	-----	-----	-----	-----	-----	-----
Sub-total for designated	16,298	53,700	(77,015)	23,415	-	-	16,398
General Funds	415,768	1,196,922	(2,051,246)	686,822	-	-	248,266
	-----	-----	-----	-----	-----	-----	-----
Total Unrestricted	432,066	1,250,622	(2,128,261)	710,237	-	-	264,664
	-----	-----	-----	-----	-----	-----	-----
	At 1 April						At 31
	2021	Income	Expenditure	Transfers	Extraordinary		March
	£	£	£	£	Item		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)	-	-	-
	-----	-----	-----	-----	-----	-----	-----
Sub-total for designated	81,429	13,618	(3,457)	(75,292)	-	-	16,298
General Funds	183,312	1,583,044	(2,234,490)	495,026	388,876	-	415,768
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Total unrestricted	264,741	1,596,662	(2,237,947)	419,734	388,876	-	432,066
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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 2023

27. FUNDS (continued)

	At 1 April 2022	Income	Expenditure	Gains / (losses)	Transfers	At 31 March 2023
	£	£	£	£	£	£
Restricted funds						
Chamber Choir	13,084	6,630	(4,632)	-	-	15,082
Bellringers	2,740	787	(541)	-	-	2,986
Development and Restoration Fund	902,249	176,812	(77,649)	(80,205)	-	921,207
Cathedral Library Fund	18,232	-	(3,835)	-	-	14,397
Church Commissioners Fund	-	83,903	(83,903)	-	-	-
Fabric Fund	323,567	10,277	(34,658)	-	-	299,186
Music Fund	1,180,950	18,173	(32,415)	(29,937)	(22,000)	1,114,771
Small Projects Fund	23,413	-	-	-	-	23,413
Adopt a Book Fund	19,539	3,331	(1,785)	-	-	21,085
Project Fund	24,461	799,611	(791,591)	-	-	32,481
	-----	-----	-----	-----	-----	-----
Total restricted	2,508,235	1,099,524	(1,031,009)	(110,142)	(22,000)	2,444,608
	-----	-----	-----	-----	-----	-----
	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
Adopt a Book Fund	18,453	1,086	-	-	-	19,539
Project Fund	(22,748)	973,221	(926,012)	-	-	24,461
	-----	-----	-----	-----	-----	-----
Total restricted	2,521,659	1,250,464	(1,263,840)	8,628	(8,676)	2,508,235
	-----	-----	-----	-----	-----	-----

The funds are described on the following page.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. 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.
Fabric Fund	or 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
Adopt a Book Fund	For the purpose of supporting the conservation of books and manuscripts in the Cathedral Library

	At 1 April 2022	Net income	Gain/(losses)	Transfers	At 31 March 2023
	£	£	£	£	£
Endowed funds					
General Endowment	7,379,352	664,210	347,226	(688,237)	7,774,377
Fabric Endowments	2,070,157	-	-	-	2,070,157
Choral Foundation	1,416,423	-	-	-	1,416,423
Stratton Library Endowment	206,155	6,416	(15,457)	-	197,114
	-----	-----	-----	-----	-----
Total endowed	11,072,087	670,626	331,769	(688,237)	11,386,245
	-----	-----	-----	-----	-----

	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
	-----	-----	-----	-----	-----
Total endowed	10,841,131	335,554	306,460	(411,058)	11,072,087
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Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

27. 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
	2022					2023
	£	£	£	£	£	£
GRAND TOTAL	14,012,388	3,120,724	(3,258,871)	221,627	-	14,095,517
	=====	=====	=====	=====	=====	=====

	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
	=====	=====	=====	=====	=====	=====

28. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There were no non-adjusting events after the reporting period.

29. EXTRAORDINARY ITEM

There were no extraordinary items during the year.

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

30. 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 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	3,450,122	6,210,810	1,411,155	11,072,087
Movement in the reporting period:				
Investment return – income	-	-	818,360	818,360
Investment return: net gains	84,700	-	247,069	331,769
Other (losses)/gains	-	-	(42,101)	(42,101)
	-----	-----	-----	-----
Total	84,700	-	1,023,328	1,108,028
Unapplied total return allocated to income in the reporting period	30,485	-	(718,722)	(688,237)
	-----	-----	-----	-----
Net movements in reporting period	115,185	-	304,606	419,791
At 31 March 2023:				
Gift component of the permanent endowment	3,565,307	6,016,329	-	9,581,636
Stratton endowment	-	194,481	(16,904)	177,577
Unapplied total return	-	-	1,627,032	1,627,032
	-----	-----	-----	-----
Total endowment per balance sheet	3,565,307	6,210,810	1,610,128	11,386,245
	=====	=====	=====	=====

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

30. TOTAL RETURN (continued)

	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
	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total	82,500	-	559,514	642,014
Unapplied total return allocated to income in the reporting period	29,762	-	(440,820)	(411,058)
	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total endowment per balance sheet	3,450,122	6,210,810	1,411,155	11,072,087
	<hr/>	<hr/>	<hr/>	<hr/>

Worcester Cathedral
Notes to the Financial Statements (continued)
For the year ended 31 March 2023

31. STATEMENT OF FINANCIAL ACTIVITIES FOR 2022 ANALYSED BETWEEN FUNDS

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



WORCESTER

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