

Gloucester Cathedral

The Cathedral Church
of St Peter and the
Holy and Indivisible Trinity, Gloucester

Annual Report
of the Dean and Chapter
and Financial Statements
for the year ended 31 December 2023

Registered with the Charity Commission number 1201309

Gloucester Cathedral Annual Report Of The Dean And Chapter And The Financial Statements For The Year Ended 31 December 2023
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Gloucester Cathedral

Reference and Administrative Information for the year ended 31 December 2023

Address of the Cathedral and Registered Office

The Chapter Office, 12 College Green, Gloucester GL1 2LX

The Charity

As required by the Cathedrals Measure 2021, the Cathedral, formerly a Charity by Act of Parliament, became a charity regulated by the Charity Commission on 12 December 2022. As part of that process, the charity name has been changed from "The Cathedral Church of St Peter and the Holy and Indivisible Trinity, Gloucester" to "Gloucester Cathedral". The registered charity number of the Cathedral is 1201309.

The Dean

The Right Reverend Robert Springett, Bishop of Tewkesbury, acted as Interim Dean of Gloucester from January until April 2023, when the Very Reverend Andrew Zihni was installed as Dean of Gloucester.

	Appointed	Resigned
The Residentiary Canons		
Reverend Canon Nikki Arthy		January 2023
Reverend Canon Andrew Braddock		
Venerable Hilary Dawson		
Reverend Canon Rebecca Lloyd (Chancellor)	March 2023	
Reverend Canon Dr Sandra Millar		January 2023
Reverend Canon Richard Mitchell (Precentor)	January 2024	
Reverend Canon Craig Huxley-Jones (Precentor)		
The Lay Canons		
Canon Peter Clark	January 2023	
Canon John Coates	January 2023	November 2023
Canon Marion David	January 2023	
Canon Treasurer Christopher Daws	January 2023	
Canon Jane MacDowall-Scott	November 2023	
Canon Treasurer Paul Mason		
Canon Margaret Sheather (Senior Non-Executive Member)		
The Chapter Steward		
Theo Platt	June 2023	

The Dean (Chair), Residentiary Canons and Lay Canons are members of Chapter. Following the retirement of Reverend Canon Richard Mitchell, the position of Precentor was vacant from January 2023 to the appointment of Reverend Canon Craig Huxley-Jones in January 2024. The Acting Chapter Steward was appointed in January 2023 and took up his role permanently from June 2023.

Director of Music

Canon Adrian Partington

Finance and Audit Committee

Canon Treasurer Paul Mason (Chair)	November 2023	
Canon Treasurer Christopher Daws (Chair)	January 2023	November 2023
Canon John Coates		
Clive Collier		January 2023
Canon Ben Preece-Smith		
Damian Smith	February 2023	
Sonia Scott	December 2023	

Gloucester Cathedral

Reference and Administrative Information for the year ended 31 December 2023

Finance and Audit Committee - in attendance:

Reverend Canon Andrew Braddock (Interim Dean)		January 2023
Penelope Brown (Head of Finance)		December 2023
Alison King (Secretary)		
Theo Platt (Chapter Steward)	January 2023	
Right Reverend Robert Springett (Bishop of Tewkesbury, Interim Dean)	January 2023	April 2023
Very Reverend Andrew Zihni (Dean)	April 2023	
Thomas Portch (Chief Finance Officer)	November 2023	

Fabric Advisory Committee

Dr Stephen Blake (Chair)
 Nick Cox
 Venerable Alan Jeans
 Laurence Keen OBE
 Jessica Monaghan
 Geraldine O'Farrell-Wallum
 Professor Andrew Stonyer
 Peter Webb

In attendance:

Susan Hamilton (Secretary)

Nominations Committee

Canon Margaret Sheather (Chair)		
Canon Peter Clark		
Canon John Coates		
Reverend Canon Andrew Braddock (Interim Dean)		January 2023
Very Reverend Andrew Zihni (Dean)	April 2023	

In attendance:

Theo Platt (Chapter Steward)

Senior Leadership Team (from January 2023)

Very Reverend Andrew Zihni (Dean and Chair)	April 2023	
Sonia Bielaszewska (Head of Development)	January 2023	May 2024
Penelope Brown (Head of Finance)	January 2023	December 2023
Lorna Giles (Head of Visitor Experience)	January 2023	
Reverend Canon Rebecca Lloyd (Chancellor and Director of Learning and Participation)	January 2023	
Eilidh McIntosh (Head of Fabric and Property)	April 2023	
Theo Platt (Chapter Steward)	January 2023	
Thomas Portch (Chief Finance Officer)	November 2023	
Reverend Canon Craig Huxley-Jones (Canon Precentor)	January 2024	
Will Jones (Head of Visitor Experience)	May 2024	
Chloe Bridgen (Head of Development)	September 2024	

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Reference and Administrative Information for the year ended 31 December 2023

Advisers

Bankers	Lloyds Bank plc, 19 Eastgate Street, Gloucester, GL1 1NU
Investment Advisors	CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Solicitors	Willans Solicitors, 28 Imperial Square, Cheltenham, GL50 1RH
Auditors	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Surveyors	Bruton Knowles, Olympus House, Olympus Park, Quedgeley, Gloucester, GL2 4NF
Valuers	Juliet Weston and Associates, Upper Venning, Much Marcle, Ledbury, HR8 2NG
Estate Agents	Move Sales and Lettings, 2 Longsmith Street, Gloucester, GL1 2HH
Insurers	Ecclesiastical Insurance, Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW
Architect	Antony Feltham-King, St Anne's Gate, The Close, Salisbury, SP1 2EB
Archaeologist	Richard K Morriss and Associates, Bromlow House, Bromlow, Minsterley, Shrewsbury, SY5 0EA

Gloucester Cathedral

Annual Report for the year ended 31 December 2023

The Dean and Chapter present their Annual Report and the audited Consolidated Financial Statements for the year ended 31 December 2023.

The Dean's Introduction

Having been Dean now for a year, it has been encouraging to reflect on so many signs of renewal, transformation and hope over the course of 2023 and into 2024. Following the wonderful service of Installation in April 2023, there was the joyful service of thanksgiving for the Coronation and celebration of volunteers in the Cathedral and across the county and diocese. A tremendous Three Choirs Festival was the highlight of last summer, followed in the autumn by the powerful *Light Eternal* installation, which brought nearly 20,000 people to the Cathedral. We then had the pleasure of welcoming thousands of people for worship, concerts, and family activities over the course of Advent and Christmas. Both Cathedral Carol Services were full to capacity, with over a thousand people attending on each occasion. It is a joy to see the return of pre-pandemic attendance numbers at our Cathedral services and the buoyant vibrancy this has brought to the Cathedral community. There has been a similarly positive beginning to 2024. The New Year saw the arrival of the new Precentor, which now completes the Cathedral team after such a long period of transition and vacancy.

Last autumn, the Chapter held an excellent away-day to explore how in this new season of the Cathedral's life we might seek to achieve the goals of deepening the community in worship and prayer; securing the future of our buildings and finances; engaging with the city, county and diocese in social outreach and action; and living out our tradition of Benedictine hospitality, together with our vision for the Cathedral in the next five, ten and fifty years. Our reflections included how we might develop a plan for the maintenance and renewal of the many historic buildings that form part of the Cathedral precincts and a blueprint for the Cathedral's mission and ministry in the coming years. This process has already helped us understand better how we live 'in tune with heaven and in touch with daily life' and to show this forth in all that we do from day to day.

I hope that the pages that follow will demonstrate how much there is that is exciting about the life of the Cathedral. There are, of course, also some challenges to face, in common with cathedrals all over the country, not least regarding longer-term financial sustainability. I am sure, however, that we shall be able to rise to these challenges with confidence and to find a sustainable way forward that is missionally focused and financially informed.

None of what we achieve at the Cathedral could happen without the support of an outstanding team of Chapter colleagues, staff members and volunteers, who do so much to sustain the life and witness of our wonderful Cathedral. My final word is therefore a heartfelt thanks for all they do to enable Gloucester Cathedral to be a place of worship, a place of hospitality, and a place of welcome for everyone.

The Very Reverend Andrew Zihni
Dean of Gloucester

Gloucester Cathedral

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Vision, Purpose and Strategic Priorities

Our Vision, 'to be in tune with heaven and in touch with daily life', is ambitious, but at its heart is a desire to be:

- 'in tune with heaven', through worship, prayer and service; and
- 'in touch with daily life', so that the mission and ministry we undertake in Jesus' name can make a real difference to the way in which people live their lives.

Four strategic priorities underline this vision:

1. To extend hospitality;
2. To deepen spirituality;
3. To grow learning and participation;
4. To revitalise and sustain heritage.

Governance and management

The Cathedral was delighted to welcome a new Dean in 2023. The Very Reverend Andrew Zihni was installed as the 39th Dean of Gloucester on Sunday 23 April 2023 having been appointed in January by His Majesty King Charles III. The Rev'd Craig Huxley-Jones was also announced as Canon Precentor & Director of Congregational Development in July, with his installation taking place in January 2024.

The following key senior staff appointments were also made within the year:

- Eilidh McIntosh as Head of Fabric & Property (April 2023);
- Theo Platt as Chief Operating Officer (COO)/Chapter Steward (June 2023);
- Tom Portch as Chief Finance Officer (CFO) and Deputy COO (November 2023).

As such, much of Chapter and the Senior Leadership Team's time was spent recruiting and preparing for the arrival of people in key senior roles, as well as ensuring effective inductions were undertaken. Another significant piece of work was the establishment of the four new strategic priorities set out in the section above. Chapter agreed these priorities at an away day in November and in 2024 a five-year strategic plan will be developed around them.

Additional workstreams included:

- development of a new annual business plan starting from 2024;
- reviewing and updating key policies and procedures;
- continuing to embed the requirements of the Cathedrals Measure 2021 (having completed the process of becoming a fully registered charity in December 2022).

The Chapter

Chapter is the body of trustees that directs and oversees administration of the affairs of the Cathedral, and consists of the Dean, who is the Chair, all the Residentiary Canons and lay members. There are currently twelve members, including nine non-executive members. The COO also attends meetings (and serves as Secretary), along with the CFO/Deputy COO. One of the non-executive members is appointed by the Bishop and is the Senior Non-Executive Member who chairs Chapter in the temporary absence of the Dean.

A lay member holds office for three years but is eligible to serve for a further two terms of office. A lay member may be appointed as a Lay Canon on their appointment to Chapter or at any other time during their membership of Chapter.

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New members of Chapter receive a comprehensive induction which includes meeting with key members of staff, briefing on the operations of the Cathedral and a tour of the building, its precincts and properties. They are also encouraged to attend a Chapter training day course run by the Association of English Cathedrals.

Chapter met on ten occasions during the year, with papers for each meeting circulated one week in advance by email. Decisions are taken at Chapter meetings, unless explicitly delegated to a specified person(s) or committee to take between meetings.

The College of Canons

The College of Canons comprises the Dean of the Cathedral, every Bishop Suffragan, every full-time stipendiary Assistant Bishop, every Canon and every Archdeacon in the Diocese. While not a formal part of the governance structure, the College has an important role to play by acting as ambassadors of the Cathedral to the Diocese, ambassadors of the Diocese to the Cathedral and as counsellors to the Bishop. The College met twice to discuss progress on key projects and theological issues.

Finance and Audit Committee

The Finance and Audit Committee advises the Dean and Chapter on all matters relating to the financial position and performance of the Cathedral. As a matter of course it reviews the annual budget, periodic management accounts, annual financial statements, and the going concern status of the Cathedral. It also reviews and monitors arrangements with the external auditors, the audit process, and the annual management letter relating to Chapter's responsibilities and those of the directors of Gloucester Cathedral Enterprises Limited. It also oversees Chapter's arrangements for the Cathedral's investments, properties, insurance, projects, capital spending and, when necessary, taxation. It reviews the Cathedral's risk register and monitors health and safety matters. The Committee met six times in the year. It is chaired by a member of Chapter but includes independent members appointed for their financial acumen and expertise.

The Nominations Committee

The Nominations Committee was established as part of the Cathedrals Measure 2021. Chaired by the Senior Non-Executive Member of Chapter, the Committee consists of two lay members of Chapter and the Dean, with the COO acting as Secretary. The Committee met six times in 2023 and focussed on the recruitment of the CFO and new Finance and Audit Committee members, as well as supporting the appointment process for a new Canon Precentor. Pressure of recruitment work and ensuring core governance elements were in place meant that work on the Cathedral Advisory Body was deferred to 2024.

Fabric Advisory Committee

The Fabric Advisory Committee (FAC) advises the Dean and Chapter on all matters relating to the fabric of the Cathedral. An independent body, it has an external Chair and members appointed based on their knowledge and expertise on heritage and historic building-related matters, and provides expert advice and guidance on the physical protection, preservation and development of the Cathedral's buildings, its fittings and contents and of its precincts. The FAC has a statutory responsibility to determine whether works proposed by Chapter which materially affect the architectural, archaeological, artistic and historic character of the Cathedral, may proceed. The Committee's advice is informed by the Cathedral's Architect and Archaeologist, who are both ex-officio members and retained as consultants. The Committee met on two occasions during the year. There is also a Fabric Standing Committee of nine members, all but two of whom are from the Cathedral's staff, which met six times in the year.

Senior Leadership Team (SLT)

The Senior Leadership Team (SLT) consisting of the Dean, Executive members of Chapter, COO and Deputy COO and Heads of Department met on a monthly basis to oversee delivery of the Cathedral's business plan and daily operations on behalf of Chapter.

Key Management Personnel

The Chapter considers that the key management personnel of the Cathedral consist of Executive members of Chapter and the Senior Leadership Team.

Safeguarding

Safeguarding is a key priority in the life of the Church. Chapter is committed to doing all that we can to ensure that the Cathedral's community offers the safest place possible for children and vulnerable people. This applies to all children and vulnerable adults who visit the Cathedral or participate in worship and other missional, education, volunteering, or outreach activities at the Cathedral.

Chapter has a Service Level Agreement (SLA) with Gloucester Diocesan Board of Finance (DBF) for the provision of Human Resources (HR) and safeguarding advice and guidance; this links people issues, and, across Chapter, all levels of employment, volunteering, and office holders, including safer recruitment and training. It also ensures that safeguarding expectations and standards are consistent across the Cathedral and the wider diocese. The SLA has been in place since 2015 and the Cathedral contributes financially to the DBF for the work undertaken, as outlined in the SLA.

The Archdeacon of Gloucester is the Chapter lead on safeguarding. In addition, a member of the cathedral congregation holds a role equivalent to a Parish Safeguarding Officer and links with the Diocesan Safeguarding Team (DST) as appropriate.

The SLA incorporates advice and guidance on people issues, strategy, delivery against action plans, record management, training, and day-to-day operational issues; it is reviewed and evaluated every three years and reviewed and renewed annually by Chapter. In addition, the SLA supports the Chapter in reviewing any lessons learnt from particular cases.

The Diocesan Director of People and Safeguarding oversees the SLA, and the Cathedral benefits directly from the DST on all casework, advice and guidance, learning and development, and from the services of the part time HR Adviser.

Safeguarding is a standing item on the agenda of all Chapter and Senior Leadership Team meetings and a report is issued a week in advance by the Diocesan Director for People, Pastoral and Safeguarding to apprise Chapter of casework, training, and to report against the Safeguarding Action Plan and other matters arising from the Diocesan Safeguarding Advisory Panel (DSAP).

At least annually, the Director for People and Safeguarding attends a Chapter meeting for a wider discussion and the SLA is reviewed. Chapter receives a regular safeguarding and HR report on activities. This linking of disciplines is key for the Cathedral where, for example, an issue relating to a member of staff, volunteer, or clergy, can be jointly overseen and supported through employment provisions with statutory and/or national church requirements.

The Chapter continues to monitor the Social Care Institute for Excellence (SCIE) action plan, which followed the 2019 SCIE Audit, and liaises with staff and departments for quality control. In spring 2024, the Cathedral participated in the INEQE independent Safeguarding Audit alongside Gloucester Diocese, and Chapter will discuss any considerations, opportunities or recommendations from this audit process to help shape our future activities.

Through the DST, and independently, the Cathedral has access to the Local Authority Designated Officer and to statutory social care helplines and other statutory bodies, as required.

As part of our people and safeguarding work in 2023, Chapter:

- approved the Safeguarding Handbook (which includes safeguarding policies and procedures);
- endorsed safeguarding training across governance, staff and volunteers in line with the Church of England Safeguarding training framework;
- oversaw continued development of safeguarding activities in line with our SCIE report;
- ensured that all recruitment of staff and volunteers was undertaken within Safer Recruitment guidance with clear references for all roles, and DBS checks carried out where roles meet that threshold;
- oversaw the submission of key documentation to INEQE in preparation for the 2024 Safeguarding Audit.

At a National Church level the SLA ensures that the Church of England's annual requirements for data are met in a timely fashion.

Achievements and Performance

Worship and Music

The Cathedral's worshipping communities continue to flourish. Significant numbers were welcomed to Cathedral worship throughout the Christmas season, resulting in the need to enhance provision in 2024 with an increased number of services. Congregations continue to grow across the board, most notably at the principal Sunday Eucharist. Average attendance at the Cathedral's principal act of worship in the first three months of 2024 is up 37% on the previous year.

We continue to live stream the principal Sunday Eucharist and this has a steady and varied following. Morning Prayer on Sundays takes place on Zoom and has a committed community which values the support of members. Monthly Prayers for Peace and Justice also take place in the Cathedral and on Zoom. This has also attracted a faithful following. There were two very successful congregational nurture groups run through Lent and Eastertide.

The choral provision remains strong. The boys, girls and Lay Clerks sing the usual round of services as well as at one-off and significant occasions, always singing to a very high standard. Choral outreach continues with the Junior, Middle, and Youth Choirs, all of which remain in a strong position. There are discussions taking place at the time of writing as to how the Cathedral might extend significantly its musical outreach programme.

Events

In a very busy year, the Cathedral was delighted to facilitate and host many varied events in 2023. The wide range of activities saw the Cathedral engage in community-led events such as the *Knife Angel*, which was with us for the entire month of February and aimed to raise awareness of all aspects of violence.

A tremendous *Three Choirs Festival*, the world's longest running classical music festival, was the highlight of the summer. The festival focused on innovation and had a very full programme, including new commissions and premiere performances. This was followed in the autumn by the powerful *Light Eternal* installation, which vibrantly showcased Gloucester's rich history and engaged with new audiences. The event garnered national press coverage and brought in nearly 20,000 people to the Cathedral, generating a net profit of £113,000. We rounded off a busy year by welcoming thousands to our *Cathedral Christmas Experience at Night* events. More than 4,600 tickets were sold across these evenings, generating £37,880. A Christ-mouse nativity trail also proved popular, with more than 2,500 families taking part.

The Cathedral also facilitated external events such as the NAFAS (*National Association of Flower Arrangement Societies*) National Show which saw us welcome 7,000 visitors across two days. Gloucester Cathedral has become a well-known filming location for professional film and TV crews over the years,

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and 2023 was no exception. Two significant shows used the Cathedral as a filming location: spy series 'Alex Rider' and the BBC's adaptation of the classic adventure story 'The Famous Five'. These contributed to the Cathedral's income, securing £30,000 in fees.

The 2023 events programme was a big team effort from both Cathedral staff and volunteers, in particular *Light Eternal*. This was Gloucester Cathedral's first collaboration with the Luxmuralis Team and a steep learning curve. A complex event to host, it required up to 25 volunteers and staff per night for 10 evenings, who were involved in marshalling, as well as aiding the flow of visitors, the numbers for which grew significantly during the course of the event.

Visitor Experience

2023 saw significant progress in the visitor income generated, compared with 2022. Total visitor numbers to the Cathedral, ranging from tourists to event attendees and congregation members at services, totalled 403,420, which was an increase of 19% from 2022. We gave a warm welcome to over 308,000 tourist visitors, an increase of 9% on the previous year. Visitor donations exceeded £464,000, 40% more than was raised in 2022. This boosted the average donation per visitor from £1.18 to £1.43. Gift Aid added by visitors rose from 11% in 2022 to 17% in 2023, an increase of 54%. Booked groups and public tours together generated nearly £100,000, significant increases of 76% and 62% respectively compared to 2022.

As part of the Cathedral's aim to attract new audiences, the Visitor Experience team also led on a variety of family trails, such as the successful summer 'picnic challenge' trail, which contributed greatly to the summer footfall, attracting over 5,000 families.

2023 saw some staffing changes in the team, including the recruitment of a new Marketing and Communications Manager, as well as the creation of two new roles: Visitor Experience Assistant and Operations Assistant. These appointments have made crucial contributions to the team, having various responsibilities in the running of the department across Visitor Experience, Marketing and Communications and Operations.

Volunteers

The total number of volunteers stayed level in 2023 at around 375, with 38 new volunteers recruited. Volunteers contributed 23,625 hours of their time over the course of the year. Partnerships with both Gloucestershire College supported learners and National Star College continue to be successful and beneficial to both sides, with NSC students helping during the busy *Light Eternal* evening openings. 20 volunteers took advantage of sight loss training sessions and gave us positive feedback.

In recognition of the fantastic support from our volunteers, Dean Andrew introduced Afternoon Tea at The Deanery specifically for volunteers, with 105 attending over several dates. The Cathedral could not function without our wonderful volunteers, and we are very grateful for their continued dedication.

Learning and Participation

2023 saw the new Learning and Participation Team, under the leadership of the Canon Chancellor, mark some notable high-profile achievements while laying the foundations for longer-term projects. We continued to focus on our four key social responsibility priorities of mental health and wellbeing, young people, environmental sustainability, and homeless and vulnerable people as well as on our aspirations in education and heritage.

Community Engagement

In January we welcomed to the Cathedral Professor Sir Chris Whitty, who gave a lecture to mark the bicentenary of the death of Edward Jenner. Professor Whitty reminded us all of the vital importance of Jenner's work and the many millions of lives that vaccination has saved and continues to save. He also travelled around schools in the Diocese giving inspirational talks to older students on careers in science and medicine and opened our Science Fair, a day of family activities.

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For the whole month of February, we hosted the *Knife Angel* on College Green, a sculpture designed to stimulate conversations around violent crime and keeping one another safe on our streets and in our homes. As a partnership project involving 45 local organisations, the engagement with this project was extraordinary, with around 140,000 people visiting the sculpture, significant media coverage, along with increased footfall to the Cathedral (a 215% increase over February 2022) and also to local businesses. At the same time as the event we hosted an art installation in the Lady Chapel called *Lights Out*, working in collaboration with organisations The Music Works and SquidSoup, who brought together young people affected by knife crime, both perpetrators and victims, to produce the installation. Six young people from the *Lights Out* project have recorded an album which was nominated for a Youth Music Award in the social action category. The album has been picked up by Idris Elba as part of his anti-zombie knife campaign. This is just one part of the Knife Angel Legacy work that continued throughout the year across the city.

Other community engagement work during the year included our ongoing projects in Walking Rugby (403 attendees in 2023) and Wellbeing Gardening (692 attendees in 2023), both of which offer supported positive activities, and the inception of a new scheme to offer AQA awards to people taking part in these and other activities to increase their confidence, life skills and employability. 296 certificates were awarded to 19 learners in September. We began to work more closely with Adult Education in Gloucestershire to offer a range of courses and activities for local people, with 191 learners in 2023. Our Breakfast Club supporting homeless and vulnerable people saw an explosion in numbers through the year, from an average of around 25 guests per session at the start of the year to an average of around 40 by its end, demonstrating the sadly accelerating need for what it provides.

We continue to work with local organisations on community art projects and exhibitions. An exhibition in the cloisters in July celebrated the 75th anniversary of the NHS with local stories and images. The annual *Threads* exhibition focussing on local textile history, in association with the organisation Voices Gloucester, went ahead in the Lady Chapel and ambulatory in September on the theme 'A Costume for Gloucester'. The costume itself was produced by local community organisations and is now in the Museum of Gloucester. The exhibition run was extended by popular demand.

Education Offer

Our school tours continued to be popular in the first third of the year. In April, however, following the departure of our Education Officer, the decision was taken to review the education function to ensure sustainability into the future. This meant a pause on guided school tours for the rest of the year while we worked on a new model and recruited a new Learning Officer, who took up post in January 2024. We continued to facilitate self-guided tours from schools.

In summer 2023 we also reviewed the family activities which we offer in the school holidays and devised a new and more inclusive way of doing them. *Monks, Medicine and Mayhem* ran for the first time in the summer holidays, offering families and people of all ages the chance to learn about the monastic history of Gloucester and its spirituality through crafts, activities and staged reenactments. This proved extremely popular and so we have run it twice since, with small changes. During the Christmas holidays we offered family activities based on the Cathedral's theme of music, with carol singing, scratch nativity plays, Victorian Christmas cards, and other crafts, with 350 children taking part. We also provided Christmas-themed activity packs to nearly 100 children living in migrant hostels in the City.

Library & Archives

The popular Cathedral Library Tours continued to be offered throughout the year (52 tours reaching 918 people), and we also hosted our second course on understanding book-bindings and how to work with and care for them with 12 professionals benefitting from a two day course of CPD. Nearly 100 people visited a display of documents for Heritage Open Days in September, and an experiment to let people come and see the library during some of our family activities proved very successful, with 387 people got to see the library and find out a little more about its history. As well as running these events, the Cathedral Archivist has been supporting the City Canon in her chairing of our Connected Lives advisory panel, which

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began in the autumn and which draws together people from different backgrounds across the City to look further into the history of the monuments in our Cathedral and our interpretation of them.

Fabric, Property and Projects

Chapter reviews and monitors fabric priorities, as set out in the Cathedral's Quinquennial Inspections, through the Fabric Standing Committee and via the Head of Fabric and Property who joined the Cathedral team in March 2023. As part of the Cathedral's Measure, our works on the fabric continue to be monitored by the Fabric Advisory Committee.

The next Quinquennial inspection of the Cathedral building is due in 2024 and therefore in 2023 the Head of Fabric and property and the Cathedral Architect have worked together to identify how best to capture, prioritise and implement the actions that arise from the inspections.

The majority of fabric works undertaken in 2023 are the continuation of the conservation project to the North Nave that begun in 2022.

The North Nave Conservation Project

Due to a generous grant from the Julia and Hans Rausing Trust, the North Nave and Cloister Restoration Project was able to make significant headway. This work was initially split into three phases, with Phase 1 largely completed in 2022/ 23, the bulk of the year was spent on the Phase 2 works which consisted of the dismantling of the most damaged areas of the North parapet, carving a significant number of replacement stones and pinnacles, cleaning the stonework and fixing the new stones into place. Unfortunately, due to delays in getting the scaffolding built and unsuitable weather conditions, we were not able to complete as much of the repointing and stone fixing as was planned for the summer period. Instead, the masons began working ahead on stones required for Phase 3 with the intention that this will free up more time to complete the outdoor works in 2024.

Apprentice Stonemasons

In August 2023, our two foundation degree stonemasonry apprentices graduated from their course - one went on to employment at Exeter Cathedral and the other to work with a successful sculptor in London. Our level 3 apprentice successfully passed and began the foundation degree course in September, joined by two newly recruited apprentices in the workshop - one also undertaking the foundation degree and the other beginning level 3.

Conservation and restoration work continues to provide valuable on-site experience and learning for our apprentice stonemasons in addition to securing the longevity of the craftsmanship that characterises Gloucester Cathedral. After the successful completion of a Cloister restoration pilot, we were able to monitor the effectiveness of repairs and we are in the process of putting together a programme of conservation work which is likely to commence in 2025.

Property

The newly formed Property Working Group met for the first time at the start of August 2023. The group comprises a Chapter representative as chair, Head of Fabric and Property, COO and three further members from outside the organisation who have considerable experience and expertise in property management and development. The group was endorsed by Chapter with the primary aim of developing an effective strategy to maintain and develop the Cathedral's property portfolio and estate.

In 2023, we identified three key areas of focus:

- Cyclical planned maintenance: establishing a programme of regular work which will prevent further deterioration of the buildings. This includes repairs to rotten window and door frames, clearing gutters and gullies and roof repairs. All gutters across the estate were cleared out (many

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for the first time in years) and repairs to window and door frames took place on 14 Pitt Street, 7 Millers Green and 1 College Green which were causing immediate problems;

- Materials and methods appropriate for heritage buildings: the pressure to undertake works within tight budget constraints over the years has resulted in some unsympathetic repairs and inappropriate choices of materials. We have begun to address this by specifying more carefully the materials and methods used in works as and when they are undertaken; for example, using lime-based plaster and breathable paints which was implemented during necessary works at 17 College Green, 4a Millers Green and The Deanery;
- Legislative record keeping: establishing new systems and processes for undertaking and recording key maintenance tasks, including such work as electrical testing, alarm testing and boiler servicing.

Net Zero

As part of the Church of England, Gloucester Cathedral has committed to become carbon net zero by 2030 and is represented on the Net Zero Working Group led by the Diocese.

To help move us towards the target a Cathedral Environmental Sustainability Working Group is being established to shape the Cathedral's own roadmap to reaching net zero carbon across our estate and our operations. A key area of work that has already begun is utilising the existing EPCs (Energy Performance Certificates) that exist for all of our tenanted properties to create a prioritised list of works which will help address those properties which are least energy efficient.

Development and Fundraising

2023 saw our Development and Fundraising Team take important steps towards the delivery of our Development Plan (launched in 2021).

The Development Plan was designed to focus our efforts and prioritise three major capital projects for delivery within the next decade: the Organ Project, the Cloister Restoration and Project Pilgrim Phase 2: Beacon of Hope. Collectively those projects will enable us to ensure that the Cathedral remains firmly at the heart of our community as a beacon of hope for the city, county and Diocese.

Due to a generous grant from the Cathedrals Sustainability Fund (CSF) awarded in recognition of our ambitious plans, we also expanded the team and appointed a Senior Fundraising Officer. The previous Development Officer's position was reshaped to fit organisational priorities and became a CSF funded Development Assistant post. Combined with the existing Head of Development, the team was fully staffed with three full-time posts.

Fundraising activities primarily focus on:

- grants from trusts and foundations towards The North Nave and Cloister Restoration Project, learning and participation, and music;
- individual giving from donors, including one-off and regular gifts;
- corporate giving – a new fundraising area launched in December 2023;
- collections at services;
- donations from visitors on entry to the Cathedral.

The team raised over £811,000 from trusts and foundations, individuals, and legacies, falling slightly short of the annual target of £886,000. This was mainly due to a high level of required planning and preparation for the launch of the In Tune campaign (see below) and the fact that the team was not fully staffed until September 2023.

The Cathedral is a member of the Chartered Institute of Fundraising and strives for best practice in all fundraising activities, adhering to the Code of Fundraising Practice. In 2023 the Cathedral also became

Gloucester Cathedral

Annual Report - continued

registered with the Fundraising Regulator. All fundraising activities are undertaken with sensitivity and respect and staff are trained to recognise vulnerable people and act accordingly.

All staff engaging in fundraising activities have clear role descriptions and receive regular training. The Cathedral believes in a culture of 'generosity' recognising the contributions individuals or organisations make, both financially and through the time they give. No fundraising complaints were received during the year.

In Tune - The Organ and Music Campaign

After a period of careful planning involving our Music Department, Cathedral Chapter and the Development Board, a fundraising campaign to raise the necessary funds for the restoration of our Organ was launched in July 2023. It was revised from the original plans outlined in the Development Plan and expanded to cover the delivery of musical education and rebranded as *In Tune*.

In the period from July-December £225,500 was raised towards the total target of £3m. A promising start to a long-term campaign ending in the summer of 2026. A programme of engagement and fundraising events, combined with a comprehensive marketing and communications strategy were implemented to achieve further donations and assist with meeting an ambitious £1m target set for the campaign in 2024.

Statement on Public benefit

As a Cathedral of the Church of England and a registered charity, the Chapter's statutory responsibility under the Cathedral's Measure 2021 is to be the seat of the Diocesan Bishop, a centre of worship and mission and a focus for the life and work of the Church of England in the Diocese. In its work in the Cathedral and in the Diocese of Gloucester for the advancement of religion, Chapter helps to promote the whole mission of the Church, pastoral, evangelistic, social and ecumenical. Public benefit provided by the work of the Cathedral includes:

- the availability of a facility for public worship in the City of Gloucester and the County of Gloucestershire, and a space for pastoral care, contemplation, and moral, spiritual and intellectual development;
- providing daily services throughout the year which are open to all;
- promoting Christian values to individuals and society as a whole;
- caring for an internationally significant fabric including three Scheduled Ancient Monuments and over 30 other listed structures;
- providing free public access to the Cathedral;
- nurturing the performance of liturgical music as part of the daily services;
- providing training opportunities for heritage craftspeople, musicians and young people through the Cathedral's apprenticeship, internship and work experience schemes;
- providing a musical education to young people through singing in one of the Cathedral's choirs;
- providing access for thousands of children to a building of major architectural importance through the programme of educational events and tours;
- operating a Breakfast Club, providing a cooked breakfast to homeless and vulnerable people every Thursday and Sunday throughout the year;
- hosting weekly walking rugby sessions for the homeless and vulnerable in partnership with Gloucester Rugby Foundation and Gloucester City Mission;
- the use of solar panels on the roof of the Nave of the Cathedral to provide approximately 25% of the building's energy requirements;
- working with Gloucester City Council and Gloucestershire County Council to rejuvenate the city's public areas as an amenity for all;
- working with partners including Gloucester Heritage Forum and Gloucester Culture Trust to put culture at the heart of Gloucester for the good of all and to deliver a compelling arts programme in Gloucester, helping to inspire local audiences and boost the city's economy by bringing internationally significant art and renowned artists to the city through exhibitions and the Three Choirs Festival;

- raising awareness about local and national charities by providing an events venue, lighting the tower in support of charitable causes and partnering in meaningful activity and learning programmes.

Risk Management

Chapter monitors the major financial, strategic and operational risks and uncertainties to which the Cathedral is exposed. Systems have been introduced for continuous assessment of these risks and a risk register and procedures for regular monitoring have been established to minimise and mitigate exposure to risk. A Risk Register is reviewed quarterly by the Senior Leadership Team and reports are made to the Finance and Audit Committee twice a year and to Chapter annually. The principal risk areas facing the Cathedral are:

- Strategic
- Financial
- Governance
- Compliance
- Projects
- Operational (including people and fabric)
- Reputational

The items with the highest risk rating are:

- The Cathedral's financial position continues to suffer due to the lasting impact of the Covid-19 pandemic and subsequent cost-of-living crisis and recession. The lack of reserves means there is a risk of having insufficient working capital to operate. In response, Chapter has approved the terms of reference for a Financial Sustainability Review working group which will shape a five-year financial recovery plan with the key objective of establishing a sustainable business model and re-growing reserves.
- Property continues to be a concern as we face the threat of decreased commercial rental income and continued increases in construction costs. The new Head of Fabric and Property has begun the process of developing a Property Strategy to respond to these issues and ensure the portfolio is sustainable in the long-term, although it is recognised this will require significant investment. A fundraising strategy will be developed to achieve this. The Property Working Group supports this work and met three times in the year.

Acknowledgement and Thanks

We are extremely fortunate to have a wide network of generous supporters and volunteers who provide funding and time to ensure the Cathedral can deliver its mission and ministry.

In 2023, we are particularly grateful to the following funders for their invaluable support:

- The Julia and Hans Rausing Trust
- The Friends of Gloucester Cathedral
- The Cathedral Sustainability Fund
- CHK Foundation
- Benefact Trust
- Garfield Weston Foundation
- Gloucester Diocesan Board of Finance

Gloucester Cathedral

Financial Review for the year ended 31 December 2023

Financial review

The Cathedral's excess of expenditure over income on the General Fund in the year was £74,000, before investment and other gains (2022: £489,000). The overall net income was £514,000 compared to net expenditure of £643,000 in 2022.

There were gains on the value of investments of £103,000 (2022 losses: £265,000) and other recognised losses totalling £115,000 (2022: gains of £227,000), resulting in an overall increase in funds for the year of £502,000 (2022 decrease: £681,000). Overall funds at the end of the year stood at £21,356,000 (2022: £20,854,000). Of the £21,356,000, £20,325,000 is contributed by two endowment funds; the Cathedral can use the income from the funds but cannot dispose of the assets of the funds.

The amount of the overall funds is welcome, but the Cathedral's overriding need is still for increased income on its unrestricted General Fund to meet the cost of its day-to-day operations. The General Fund has an accumulated surplus of just £49,000 (2022: £110,000) at the end of the year, which is significantly less than the reserves of £633,000 the Cathedral would like to hold under its reserves policies (see below), illustrating the financial pressures facing the Cathedral. Please see the going concern section of the statement of accounting policies for further information.

The Cathedral's restricted funds continue to provide a vital contribution to fabric and music costs. Chapter is also grateful to the Friends of Gloucester Cathedral, which supports musical activities and building projects which might not otherwise attract interest from donors.

The Cathedral's listed investment holdings continue to increase in value and to provide a satisfactory level of income. Investments in the shares and other assets in the CBF Church of England Funds increased in value by £445,000 in the year, partially recovering from the drop in value of £747,000 in the prior year.

The Beacon of Hope Appeal

In the summer of 2020 Chapter launched an appeal, 'The Beacon of Hope', to raise £1m. The appeal achieved its target and a total of £1,007,000 was donated or pledged by 31 December 2020. The bulk of this money was allocated to a designated fund to provide support to Cathedral operations during recovery from the pandemic in 2021 and 2022. £16,000 was available at the beginning of 2023 and was fully utilised in the year. Details of the designated fund are set out in note 12 to the financial statements.

Alongside stabilising and then strengthening the unrestricted General Fund, the focus for 2024 will be the Music Development Plan, which includes refurbishment of the organ and long-term music sustainability. A Development Board has been established to support the development team and the focus of their efforts will be to raise £3m in the next three years to deliver the Music Development Plan. Visitor and other income sources are also under ongoing review.

Gloucester Cathedral

Financial Review for the year ended 31 December 2023 - continued

Investment performance

The Cathedral takes income from its portfolios of investment property and other investments, predominantly listed shares. The Cathedral manages its investment property and CCLA manages the other investments. All but one of the investment properties are classified as endowment assets and the other investments are classified as endowment and restricted funds assets. As at 31 December 2023 these investments amounted to £5,530,000 (2022: £5,176,000) and were in the following CBF Church of England funds run by CCLA:

	2023		2022	
	£000s	%	£000s	%
Investment Fund	3,374	61	3,133	61
UK Equity Fund	110	2	89	2
Global Equity Income Fund	1,272	23	1,213	23
Property Fund	774	14	741	14
Total	5,530	100	5,176	100

Income from all the investment property is credited to the unrestricted General Fund. Income from the other investments is split, as appropriate, between the unrestricted General Fund, restricted funds and the endowment funds. Income from investment property in the period amounted to £856,000 (2022: £809,000) and income from other investments amounted to £208,000 (2022: £174,000). The average annual income yield on the investments managed by CCLA for the year ended 31 December 2023 was 2.9% (2022: 3.1%).

Investment policy

Chapter's investment policy relates to non-property investments. These are managed by CCLA in accordance with the policy set by the Ethical Investment Advisory Group (EIAG) of the Church of England.

The long term investment objective is to protect the real value of the Cathedral's endowed and other invested capital by reference to the Consumer Prices Index (CPI) and to produce real growth in net investment income arising therefrom without undue risk and whilst following the guidance of the EIAG. The short term objective is to achieve the long term objective without undue fluctuations year by year in the income arising from investments.

Real growth in net income is desirable every year, in view of the likely real growth in the Cathedral's operating costs and the difficulty of making up for any reductions in net income by raising funds from other sources. It is recognised, however, that the nature of investments is such that this may not always be possible. Therefore, whilst it is important that the actual growth in net income achieved is measured against this investment objective each year the priority is to achieve the objective of real growth over the long term.

Gloucester Cathedral

Financial Review for the year ended 31 December 2023 - continued

Pay and remuneration of staff

The pay and remuneration of all staff at the Cathedral is based on agreed and published pay scales. Increases in pay are applied annually in line with the start of the Cathedral's financial year by reference to increases in the CPI over the previous twelve months. The Cathedral has structured its pay scales so that it meets its requirement to pay a realistic living wage to all its employees.

Gloucester Cathedral Enterprises Limited

Gloucester Cathedral Enterprises Limited (GCE) is a wholly owned subsidiary of the Cathedral. The company operates the gift shop, and the refectory (The Monk's Kitchen). In 2022, to comply with HMRC guidance on charity business activities, the provision of non-religious events, such as graduation ceremonies, was moved to GCE, and the costs of such provision were recharged to the company by the Cathedral.

Reserves policies

Notes 10 to 14 in the financial statements set out the reserves within the Cathedral's endowments and restricted, designated and general funds. The General Fund represents the Cathedral's unrestricted reserves, which are needed for efficient and uninterrupted management of the Cathedral and to meet exceptional items, such as emergency repairs to properties. The Cathedral uses its restricted funds to finance certain elements of its day-to-day expenditure, such as work on the fabric of the Cathedral and musical activities, in so far as the expenditure is covered by restrictions set by the donors of the funds. Chapter considers that an appropriate level for the General Fund is three months' annual operating expenditure which, for the year ended 31 December 2023, would be approximately £633,000. The balance on the General Fund at that date is an accumulated surplus of £49,000 (2022: £110,000) and there is a balance of £nil (2022: £16,000) on the designated fund.

Property

The accounting for and valuation of the Cathedral's properties are described in the Statement of Accounting Policies. All the Cathedral's properties were valued as at 31 December 2021 by Juliet Weston, an independent surveyor and valuer; these values have been adjusted in each of 2022 and 2023 to reflect the change in value per the local Nationwide House Price index. As a result, the Cathedral's properties are now valued at £15,366,000 (2022: £15,828,000).

Covid-19

The impact of the pandemic on the Cathedral's financial position was felt mainly in the reduction of certain income streams such as congregational giving, donations on entry to the Cathedral, facility fees and commercial income through The Monk's Kitchen and the gift shop. In 2023 these income streams returned to their pre-covid levels. Income from property and other investments was only mildly affected, but there may be a future reduction in property rentals as the longer-term effects of the pandemic take effect. In particular reduced demand for commercial property may require substantial changes to the use of some properties.

Gloucester Cathedral

Financial Review for the year ended 31 December 2023 - continued

Plans for the future

Post year-end developments

The first portion of 2024 has brought with it several significant events

- A donation of £1m pledged from the Julia Rausing Trust towards the *In Tune* campaign. This means that after only one year of this three year project, half of the funds required have been raised.
- A general fund grant of £150,000 from the Friends of Gloucester Cathedral. The result of this is that the budgeted loss on the general fund in 2024 is now projected to be a small surplus of £30,000.

Transactions with members of Chapter and other connected persons

There were no transactions between the Cathedral and members of Chapter and other connected persons in the year except for the reimbursement of expenses and donations received disclosed in note 15 to the financial statements. Details of accommodation utilities costs paid for the Dean and two Residentiary Canons are also set out in note 15.

Statement of Chapter's responsibilities

Chapter (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires Chapter to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. Chapter is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chapter is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Gloucester Cathedral

Financial Review for the year ended 31 December 2023 - continued

Provision of information to auditors

In so far as each member of Chapter is aware there is no relevant audit information of which the Cathedral's auditor is unaware and members of Chapter have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

FOR AND ON BEHALF OF CHAPTER

The Dean

Date: 19 September 2024

Gloucester Cathedral

Independent auditor's report for the year ended 31 December 2023

Independent auditor's report to the Chapter of Gloucester Cathedral

Opinion

We have audited the accounts of Gloucester Cathedral (the 'parent entity') and of its subsidiary (collectively the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and parent entity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 accounts:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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.

Material uncertainty relating to going concern

As indicated by Chapter (who are the trustees of the charity) within their assessment of going concern contained within the principal accounting policies accompanying the financial statements, during the year ended 31 December 2023, the Cathedral had incurred a deficit of £77,000 (2022: £485,000) on its unrestricted general fund (after all recognised gains and losses, but before transfers between funds). After the utilisation of a £16,000 designated fund balance brought forward, the Cathedral's unrestricted general funds decreased by £61,000 to a balance of £49,000 at 31 December 2023. This falls short of the target level of reserves as desired by the Chapter and as referenced within the annual report of £633,000.

As further noted in the Chapter's assessment of going concern, following cash flow pressures in the first quarter of 2024, the Cathedral has received a significant donation Friends of Gloucester Cathedral of £150,000, sufficient to cover the budgeted loss for the year ended 31 December 2024 in full. In addition, further measures to increase income and reduce expenditure in future years are being implemented. In light of the aforementioned, and having reviewed the financial forecasts and five year business plans, Chapter has a reasonable expectation that the Cathedral has adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of this report. For these reasons, Chapter has elected to adopt the going concern basis of accounting in preparing these financial statements.

Gloucester Cathedral

Independent auditor's report for the year ended 31 December 2023 - continued

However, Chapter acknowledges and highlights the current economic conditions and economic outlook present significant financial challenges and, given the current level of free reserves, there are material uncertainties which exist that may cast doubt upon the Cathedral's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

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

Other information

Chapter (i.e. the trustees) are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept by the parent charity; or
- ◆ the parent charity accounts 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 Chapter (i.e. the trustees)

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

In preparing the accounts, Chapter is responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

Gloucester Cathedral

Independent auditor's report for the year ended 31 December 2023 - continued

going concern basis of accounting unless Chapter either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework; and
- ◆ we understood how the parent entity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes of Chapter and of Finance Committee meetings.

We assessed the susceptibility of the group's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- ◆ understanding how those charged with governance consider and address the potential for override of controls or other inappropriate influence over the financial reporting process; and
- ◆ assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ investigated the rationale behind any significant or unusual transactions identified;
- ◆ reviewed journal entries to identify unusual transactions; and

Gloucester Cathedral

Independent auditor's report for the year ended 31 December 2023 - continued

- ♦ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ agreeing accounts disclosures to underlying supporting documentation;
- ♦ reading the minutes of Chapter and of Finance Committee meetings; and
- ♦ enquiring of management and representatives from Chapter as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 September 2024

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Gloucester Cathedral

Financial Statements for the year ended 31 December 2023

Consolidated Statement of Financial Activities

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2023	Total 2022
		General Fund	Designated Fund				
		£000s	£000s	£000s	£000s	£000s	£000s
Income and endowments from:	1						
Donations and legacies		614	-	1,497	61	2,172	1,076
Grants in support of mission		42	-	234	-	276	323
Charges and fees arising in the course of mission		170	-	-	-	170	150
Trading and fundraising		779	-	-	-	779	517
Income from investments		892	-	172	-	1,064	983
Total income and endowments 2023		2,497	-	1,903	61	4,461	3,051
<i>Total income and endowments 2022</i>		<i>2,082</i>	<i>-</i>	<i>934</i>	<i>35</i>	<i>3,051</i>	
Expenditure on:							
Raising funds	2	1,524	-	409	14	1,947	1,773
Charitable activities:							
Ministry		585	-	424	-	1,009	959
Cathedral and precincts upkeep		355	-	455	-	810	769
Education and outreach		71	-	9	-	80	96
Community and congregation		2	-	64	-	66	53
Other expenditure		34	-	1	-	35	45
Total expenditure 2023		2,571	-	1,362	14	3,947	3,694
<i>Total expenditure 2022</i>		<i>2,571</i>	<i>-</i>	<i>932</i>	<i>191</i>	<i>3,694</i>	
Net (expenditure) / Income before net (losses) / gains on investments		(74)	-	541	47	514	(643)
Net (losses) / gains on investments	3	(3)	-	7	99	103	(265)
Net (expenditure) / Income		(77)	-	548	146	617	(908)
Other recognised gains/(losses)	4	-	-	-	(115)	(115)	227
Contribution from Designated Fund to General Fund		16	(16)	-	-	-	-
Net movement in funds		(61)	(16)	548	31	502	(681)
Reconciliation of funds:							
Total funds brought forward		110	16	434	20,294	20,854	21,535
Total funds carried forward		49	-	982	20,325	21,356	20,854

Gloucester Cathedral

Financial Statements for the year ended 31 December 2023

Consolidated Balance Sheet

	Notes	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
		General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Fixed assets							
Investment assets	5	92	-	-	11,210	11,302	11,642
Freehold property		-	-	108	5,422	5,530	5,176
Investments	5, 6, 7						
		92	-	108	16,632	16,832	16,818
Tangible fixed assets							
Freehold property	5	242	-	-	3,822	4,064	4,186
Equipment and plant	5	57	-	11	-	68	98
		299	-	11	3,822	4,132	4,284
Total fixed assets							
		391	-	119	20,454	20,964	21,102
Current assets							
Stocks		37	-	-	-	37	24
Debtors	8	237	-	1,066	-	1,303	365
Interfund balances	8	230	-	(255)	25	-	-
Cash at bank and in hand		43	-	52	-	95	291
		547	-	863	25	1,435	680
Liabilities due within one year							
Creditors	9	(483)	-	-	(18)	(501)	(356)
Net current assets							
		64	-	863	7	934	324
Total fixed assets plus net current assets							
		455	-	982	20,461	21,898	21,426
Liabilities due after one year							
Creditors	9	(400)	-	-	(136)	(536)	(559)
Defined benefit pension scheme liability	20	(6)	-	-	-	(6)	(13)
Total net assets							
		49	-	982	20,325	21,356	20,854
The funds of the Cathedral							
Endowment funds	10	-	-	-	5,566	5,566	5,081
General funds	11	(286)	-	-	-	(286)	(234)
Designated fund	12	-	-	-	-	-	16
Restricted funds:							
Fabric	13	-	-	538	-	538	199
Music	13	-	-	390	-	390	207
Other	13	-	-	54	-	54	29
Property revaluation reserve:							
Investment property	14	93	-	-	11,209	11,302	11,370
Non-investment property	14	242	-	-	3,550	3,792	4,187
Total funds carried forward							
		49	-	982	20,325	21,356	20,855

The financial statements set out on pages 25 to 54 were approved by the Chapter on 19 September 2024 and signed on its behalf by:

The Dean

Chapter member

Gloucester Cathedral

Financial Statements for the year ended 31 December 2023

Cathedral only Balance Sheet

	Notes	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
		General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Fixed assets							
Investment assets							
Freehold property	5	92	-	-	11,210	11,302	11,642
Investments	6, 7	-	-	108	5,422	5,530	5,176
		<u>92</u>	<u>-</u>	<u>108</u>	<u>16,632</u>	<u>16,832</u>	<u>16,818</u>
Tangible fixed assets							
Freehold property	5	242	-	-	3,822	4,064	4,186
Equipment and plant	5	57	-	11	-	68	98
		<u>299</u>	<u>-</u>	<u>11</u>	<u>3,822</u>	<u>4,132</u>	<u>4,284</u>
Total fixed assets		<u>391</u>	<u>-</u>	<u>119</u>	<u>20,454</u>	<u>20,964</u>	<u>21,102</u>
Current assets							
Debtors	8	232	-	1,066	-	1,298	414
Net interfund balances	8	230	-	(255)	25	-	-
Cash at bank and in hand		(9)	-	52	-	43	245
		<u>453</u>	<u>-</u>	<u>863</u>	<u>25</u>	<u>1,341</u>	<u>659</u>
Liabilities due within one year							
Creditors	9	(451)	-	-	(18)	(469)	(304)
Net current assets / (liabilities)		<u>2</u>	<u>-</u>	<u>863</u>	<u>7</u>	<u>872</u>	<u>355</u>
Total fixed assets plus net current assets		<u>393</u>	<u>-</u>	<u>982</u>	<u>20,461</u>	<u>21,836</u>	<u>21,457</u>
Liabilities due after one year							
Creditors	9	(400)	-	-	(136)	(536)	(559)
Defined benefit pension scheme liability	20	(6)	-	-	-	(6)	(13)
Total net assets		<u>(13)</u>	<u>-</u>	<u>982</u>	<u>20,325</u>	<u>21,294</u>	<u>20,885</u>
The funds of the Cathedral							
Endowment funds	10	-	-	-	5,566	5,566	5,081
General funds	11	(348)	-	-	-	(348)	(202)
Designated fund	12	-	-	-	-	-	16
Restricted funds:							
Fabric	13	-	-	538	-	538	199
Music	13	-	-	390	-	390	207
Other	13	-	-	54	-	54	29
Property revaluation reserve:							
Investment property	14	93	-	-	11,209	11,302	11,370
Non-investment property	14	242	-	-	3,550	3,792	4,187
Total funds carried forward		<u>(13)</u>	<u>-</u>	<u>982</u>	<u>20,325</u>	<u>21,294</u>	<u>20,887</u>

The financial statements set out on pages 25 to 54 were approved by the Chapter on 19 September 2024 and signed on its behalf by:

Andrew Kiri

The Dean

[Signature]

Chapter member

Gloucester Cathedral **Financial Statements for the year ended 31 December 2023**

Consolidated Cash Flow Statement

	2023 £000s	2022 £000s
Cash flows from operating activities		
Net cash used in operating activities	(925)	(1,384)
Cash flows from investing activities		
Rents received	856	808
Interest and dividends received	208	174
Costs of investing activities	(392)	(402)
Purchase of equipment and plant	(9)	(21)
Sales of investments	89	410
Purchase of investments	-	(190)
Net cash provided by investing activities	752	779
Cash flows from financing activities		
Mortgage and fixed interest loan repayments to Lloyds Bank plc	(23)	(13)
Change in cash and cash equivalents in the reporting period	(196)	(618)
Cash and cash equivalents at the beginning of the reporting period	291	908
Cash and cash equivalents at the end of the reporting period	95	291

Notes to the consolidated cash flow statement

	2023	2022
Reconciliation of net expenditure to net cash flow from operating activities		
Net income for the reporting period	514	(643)
Depreciation	39	44
Less: income from property and investments	(1,064)	(983)
Add: property management costs, rental collection fees and investment management costs	393	403
Less: non-actuarial effect of non-cash defined benefit pension scheme credits	-	-
Decrease/(increase) in stocks	(14)	(1)
Decrease/(increase) in debtors	(938)	(140)
Increase/(decrease) in creditors	145	(64)
Net cash used in operating activities	(925)	(1,384)

Cash and cash equivalents and net debt comprise the following balances:

	At 1 January 2023	Cashflows	At 31 December 2023
Cash at bank and in hand	291	(196)	95
Total cash and cash equivalents	291	(196)	95
Loans from Lloyds Bank plc	(177)	23	(154)
Loan from the Diocese of Gloucester	(400)	-	(400)
Total net (debt)/cash at bank and in hand	(286)	(173)	(459)

Gloucester Cathedral

Notes to the consolidated financial statements for the year ended 31 December 2022

STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Cathedral's financial statements and have remained unchanged from the previous accounting period.

Basis of preparation

The accounts have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2018, together with FRS 102 (2019) as the applicable accounting standard and the 2019 version of the Statement of Recommended Practice, Accounting and Reporting by Charities (Charities SORP (FRS 102)). The Cathedral meets the definition of a public benefit entity under FRS 102. They have been prepared under the historical cost convention, as modified to include the revaluation of investments and freehold property. The financial statements are presented in pounds sterling, which is the functional currency of the Cathedral. The figures are rounded to the nearest £1,000.

Going concern

The Cathedral incurred a deficit for the year of £77,000 on its General Fund after investment gains and losses and all other recognised gains and losses, compared with a deficit of £489,000 for the previous year ended 31 December 2022. The deficit was partially offset by drawing £16,000 (2022: £421,000) from the remainder of the balance brought forward in the unrestricted Beacon of Hope designated Fund raised in 2020 during the Covid-19 pandemic. Following this transfer, there was an accumulated surplus of £49,000 on the General Fund as at 31 December 2023 which falls short of the target level of reserves as desired by the Chapter and as referenced within the annual report of £633,000.

Chapter considers that the current economic conditions and economic outlook present significant financial challenges, including additional pressure on short term liquidity. Whilst measures to increase income and reduce expenditure have been instituted, there are significant risks to future financial results and cash flows. Given the current level of free reserves and the now complete utilisation of the Beacon of Hope fund, Chapter acknowledges and highlights that the financial position creates additional financial risk and there are material uncertainties that may cast doubt upon the Cathedral's ability to continue as a going concern.

Since the end of the 2023 year, several factors have led to a material change in the financial position of the Cathedral. Following cash flow pressures in the first quarter of 2024, the Friends of Gloucester Cathedral generously awarded a grant of £150,000 towards General Fund expenditure, which has transformed the budgeted General Fund deficit for 2024 of £120,000 into a small surplus.

Additionally, in July, the Julia Rausing Trust made an incredibly significant donation of £1m towards the *In Tune* campaign. Whilst this does not change the General Fund position anticipated for 2024, it does significantly reduce one of the largest risks faced by the Cathedral. As a result, in the coming year there will be no requirement to fund any of the payments to the organ builders from the General Fund.

After making enquiries and considering the uncertainties described above and in the Financial Review, Chapter has reviewed the financial forecasts and rolling five-year business plans and has a reasonable expectation that the Cathedral has adequate resources to continue in operational existence for a period of not less than 12 months from the date of approval of this report. For these reasons, the going concern basis of accounting in preparing these financial statements has continued to be used.

Gloucester Cathedral

Notes to the consolidated financial statements - continued

STATEMENT OF ACCOUNTING POLICIES - continued

Basis of consolidation

The financial statements consolidate the results of the Cathedral and its wholly owned subsidiary, Gloucester Cathedral Enterprises Limited (GCE), which operates the Cathedral gift shop, the Monk's Kitchen refectory and non-religious events within the Cathedral building and precincts. The Cathedral controls 100% of the voting rights of the shares in GCE. For the year ended 31 December 2023 GCE's turnover was £669,000 (2022: £518,000) and the gift aid distribution paid to the Cathedral was £Nil (2022: £Nil). At 31 December 2023 GCE had assets of £101,000 (2022: £89,000), liabilities of £133,000 (2022: £182,000) and capital and accumulated losses of £32,000 (2022: £92,000). The accounts for the period ended 31 December 2023 have been audited and there was no audit qualification.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the Chapter to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- assessing the probability of receipt of legacy income and determining the amount to be recognised as income in the accounts
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment and non-investment properties
- assessing the need for any provision against slow moving or obsolete stock; assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts
- assessing the basis for the allocation of support costs
- estimating future income and expenditure flows and the basis for preparing the financial statements.

Income and endowments

Income is recognised in the period in which the Cathedral has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, grants, charges and fees arising in the course of charitable activities, income from trading and fundraising activities and investment income.

Donations (including income from offertory and similar collections) are recognised when the Cathedral has confirmation of both the amount and the settlement date. When donations are pledged but not received, the income is accrued for when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Cathedral is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Cathedral and it is probable that those conditions will be fulfilled within the reporting period.

When a third party pays for goods or services on behalf of the Cathedral the cost is shown as both a donation and expenditure in the statement of financial activities. Similarly, donated goods and services are valued on an arm's length basis and shown as income and either capital or revenue expenditure as appropriate. No monetary value is placed on the services provided by Cathedral volunteers.

Legacies are included in the statement of financial activities when the Cathedral is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy and the fulfilment of any conditions attached to the legacy is wholly within the control of the Cathedral. Entitlement is

Gloucester Cathedral

Notes to the consolidated financial statements - continued

STATEMENT OF ACCOUNTING POLICIES - continued

taken as the date of notification from the executors. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Cathedral has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Cathedral but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy.

Grants from government and other agencies, including the Heritage Lottery Fund, have been included when receivable. Income is deferred when the Cathedral has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income from charges and fees arising in the course of charitable activities is recognised as and when the related goods or services are provided.

Income generated from the activities of the trading subsidiary comprises income from the Cathedral gift shop, the Monk's Kitchen, catering and non-religious events such as the Christmas market. It is measured at the fair value of the consideration received or receivable, including discounts and rebates but excluding value added tax.

Income from the rental of properties is recognised when the income is receivable under the lease terms, when the amount can be measured reliably and it is probable such income will be received. If the income is for a time period which straddles the year end then it is apportioned between financial years.

All other income is credited to the statement of financial activities when the Cathedral becomes entitled to it, it is probable that it will be received and it can be quantified.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Cathedral to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure category. The classification between activities is as follows:

- Expenditure on raising funds comprises the costs incurred by the trading subsidiary, investment property management costs, and the costs of attracting voluntary income. They include an apportionment for support and governance costs as shown in note 17.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Cathedral through the provision of charitable activities. This is shown on the face of the Statement of Financial Activities as expenditure on ministry, Cathedral and precincts upkeep, education and outreach, and community and congregation. These costs are analysed further in note 2. They include an apportionment for support and governance costs, as shown in note 17.
- Other expenditure comprises the costs of the legacy defined benefit pension scheme, which are not apportioned to operating expenditure, and a small amount of irrecoverable Value Added Tax (VAT)

Gloucester Cathedral

Notes to the consolidated financial statements - continued

STATEMENT OF ACCOUNTING POLICIES - continued

which cannot reliably be attributed to operating expenditure or recovered via the Listed Places of Worship (LPW) scheme.

Except as noted above, all expenditure is stated inclusive of attributable irrecoverable VAT less attributable LPW recovery.

Investments

Investments are stated at market value and any capital appreciation or depreciation each year is adjusted through the Statement of Financial Activities.

Freehold property

Investment assets - freehold property (for Cathedral use) are stated at fair value and are not depreciated.

Capital appreciation or depreciation on both categories of freehold property is adjusted each year through the Statement of Financial Activities and accumulated within the Property Revaluation Reserve.

The valuations at the balance sheet date are based on assessments made in April 2022 by Ms Juliet Weston, an independent surveyor and valuer, adjusted for inflation at each of the last two year end dates based on the Nationwide House Price Index for the relevant postcode and period. At 31 December 2023 this amounted to a decrease of 2.92% (2022: uplift of 4.32%). These valuations do not include any value for the Cathedral building or its inventory, which are considered to be heritage assets.

Freehold property improvements

Expenditure on freehold property improvements is charged to the General Fund.

Heritage assets

Heritage assets include the Cathedral and its ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 1 January 2019 because information on their historical cost is not available. Items donated since 1 January 2019 are shown as heritage assets unless there is insufficient information available for a reliable estimate of the value of the assets. There were no heritage assets donated in the year ended 31 December 2022.

Equipment and plant

Equipment and plant assets are capitalised at cost when their acquisition value is greater than £500 and are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost less the estimated residual value of each asset by equal annual instalments over its expected useful life, as follows: equipment - 25% straight line; fixtures and fittings - 10% straight line.

Stocks

Stocks are stated at the lower of cost and net estimated selling price.

Gloucester Cathedral

Notes to the consolidated financial statements - continued

STATEMENT OF ACCOUNTING POLICIES - continued

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are measured initially at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank and other loans are recognised initially at transaction price unless the arrangement constitutes a financing transaction, when the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

For concessionary loans the Cathedral has opted to recognise such loans initially at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

Contributions to Pension Funds

The pension costs charged in the financial statements represent the contributions payable by the Cathedral during the year, together with the effects of any movements on the defined benefit pension scheme liability, in accordance with FRS 102.

Funds

Endowment funds are the non-expendable permanent capital of the Cathedral. Income earned on the general endowment assets is credited to the General Fund. Income earned on Choristers' Endowment assets is used towards the Cathedral's share of choristers' scholarships at The King's School, Gloucester and accounted for as a restricted fund.

Restricted funds and the income earned on them are to be used for the purposes specified by the donors. Their assets are accounted for separately from the Cathedral's other assets.

General Funds are unrestricted and can be utilised at the discretion of the Chapter in furtherance of the Cathedral's objects.

Designated funds are unrestricted funds which have been set aside by the Chapter for specific purposes.

Details of the funds, the movements on them in the accounting period and the balances at the end of it are set out in notes 10 to 14 to the financial statements.

Gloucester Cathedral

Notes to the consolidated financial statements - continued

STATEMENT OF ACCOUNTING POLICIES - continued

The Friends of Gloucester Cathedral

The Friends of Gloucester Cathedral is an independent, fund raising, charitable incorporated organisation, registration number 209246, which makes grants to the Cathedral. The objects of the Friends are to ensure the material well-being and to extend the spiritual influence of the Cathedral. In the furtherance of these objects the Friends cooperates with Chapter in maintaining, conserving and improving the fabric, fittings, ornaments, furniture and monuments of and in the Cathedral and its precincts, supporting the religious and musical standards of the Cathedral and offering voluntary services to assist in the work of the Cathedral.

Income received in the year by the Cathedral from the Friends is shown within donations in Note 1 to the financial statements.

The financial statements of the Friends of Gloucester Cathedral are not consolidated within these financial statements but, under section 3.10.2 of the Accounting and Reporting Regulations for English Anglican Cathedrals, a summary of its financial position for the year ended 31 December 2023 and the eight preceding years (which were independently examined), is set out in the table below.

	2023 £000s	2022 £000s	2021 £000s	2020 £000s	2019 £000s	2018 £000s	2017 £000s	2016 £000s	2015 £000s
Income	151	135	97	75	92	105	124	94	341
Grants to the Cathedral	(315)	(43)	(38)	(308)	(55)	(134)	(76)	(89)	(267)
Other resources expended	(26)	(24)	(21)	(18)	(25)	(26)	(26)	(26)	(26)
Realised and unrealised gains / (losses)	33	(89)	90	(46)	98	(36)	54	59	(17)
Net movement in funds for the year	(157)	(21)	128	(297)	110	(91)	76	38	31
Gross assets	738	737	810	736	927	866	912	842	823
Net assets	578	735	756	628	925	815	906	830	792

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 1 Income and Endowments

	Unrestricted Funds				Total 2023	Total 2022
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s	£000s	£000s
Donations and legacies						
Congregational collections and giving	69	-	-	-	69	73
Donations	495	-	400	49	944	830
Tax recoverable under Gift Aid	39	-	-	12	51	30
Income from the Friends of Gloucester Cathedral	-	-	321	-	321	53
Legacies	11	-	776	-	787	90
Total 2023	614	-	1,497	61	2,172	1,076
<i>Total 2022</i>	<i>560</i>	<i>-</i>	<i>481</i>	<i>35</i>		
Grants in support of mission						
Church Commissioners	42	-	234	-	276	273
Other grants	-	-	-	-	-	50
Total 2023	42	-	234	-	276	323
<i>Total 2022</i>	<i>-</i>	<i>-</i>	<i>323</i>	<i>-</i>		
Charges and fees arising in the course of mission						
Facility and other fees	170	-	-	-	170	150
<i>Facility and other fees 2022</i>	<i>150</i>	<i>-</i>	<i>-</i>	<i>-</i>		
Trading and fundraising						
Charges to visitors	272	-	-	-	272	56
Income from the shop, refectory, and other activities	507	-	-	-	507	463
Total 2023	779	-	-	-	779	519
<i>Total 2022</i>	<i>519</i>	<i>-</i>	<i>-</i>	<i>-</i>		
Investments						
Income from investment property	856	-	-	-	856	809
Income from other investments	36	-	172	-	208	174
Total 2023	892	-	172	-	1,064	983
<i>Total 2022</i>	<i>853</i>	<i>-</i>	<i>130</i>	<i>-</i>		

Income earned on the general endowment fund is allocated to general funds. For the year ended 31 December 2023, this amounted to £36,000 (2022: £44,000).

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 2 Expenditure

	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s	Total 2023 £000s	Total 2022 £000s
Raising funds						
Costs of facilities for visitors	454	-	46	-	500	385
Costs of shop, refectory and other activities	574	-	-	-	574	526
General marketing costs	105	-	-	-	105	120
Costs of appeals and fundraising	344	-	32	-	376	340
Investment property costs	47	-	331	14	392	402
Net defined benefit pension interest charge	-	-	-	-	-	-
Total 2023	1,524	-	409	14	1,947	1,773
<i>Total 2022</i>	<i>1,625</i>	<i>-</i>	<i>131</i>	<i>17</i>		
Ministry						
Clergy stipends and working expenses	16	-	86	-	102	119
Clergy housing costs	255	-	-	-	255	253
Clergy support costs	94	-	19	-	107	85
Services and music	220	-	319	-	545	502
Total 2023	585	-	424	-	1,009	959
<i>Total 2021</i>	<i>421</i>	<i>-</i>	<i>364</i>	<i>174</i>		
Cathedral and precincts upkeep						
Major repairs and restoration	-	-	324	-	324	232
Project Pilgrim	-	-	1	-	1	110
Maintenance and interior upkeep	43	-	121	-	164	149
Cathedral insurance	54	-	-	-	54	49
Precincts, security and garden upkeep	12	-	-	-	12	21
Cathedral and precinct upkeep support costs	246	-	9	-	255	208
Total 2023	355	-	455	-	810	769
<i>Total 2022</i>	<i>348</i>	<i>-</i>	<i>421</i>	<i>-</i>		
Education and outreach						
Educational activities	43	-	6	-	49	71
Archives and library	28	-	3	-	31	26
Charitable and other giving	-	-	-	-	-	(1)
Total 2023	71	-	9	-	80	96
<i>Total 2022</i>	<i>89</i>	<i>-</i>	<i>7</i>	<i>-</i>		
Community and congregation						
Community and congregation	2	-	64	-	66	53
Total 2023	2	-	64	-	66	53
<i>Total 2022</i>	<i>45</i>	<i>-</i>	<i>8</i>	<i>-</i>		

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 2 Expenditure - continued

	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Other expenditure						
Support costs	34	-	1	-	35	44
Total 2023	34	-	1	-	35	44
Total 2022	43	-	1	-		

The Cathedral is partially exempt for VAT purposes. VAT recovery is calculated using the the banding system for cathedrals and churches. Under this system, the Cathedral has been deemed to operate within Band B: 35% of most of its input VAT cannot be recovered against output VAT. Irrecoverable VAT, less attributable reclaims under the Listed Places of Worship Scheme, has been fully allocated to the expenditure analysed above.

<i>Consolidated and Cathedral only</i>	2023 £000s	2022 £000s
Band B adjustment	55	51
Other irrecoverable VAT	9	5
Total irrecoverable VAT	64	56
Recovery through the Listed places of Worship Scheme	(21)	(24)
Net irrecoverable VAT (fully apportioned as above)	43	32

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 3 Net gains / (losses) on investments

	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Net (losses) / gains on investments						
Investment assets - freehold property	(3)	-	-	(337)	(340)	482
Investment assets - investments	-	-	7	436	443	(747)
Total 2023	(3)	-	7	99	103	(265)
<i>Total 2022</i>	<i>4</i>	<i>-</i>	<i>(13)</i>	<i>(256)</i>		

Note 4 Other recognised gains

	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Other recognised gains / (losses)						
Unrealised (losses) / gains on tangible fixed assets - freehold property	(7)	-	-	(115)	(122)	173
Actuarial (losses) / gains on defined benefit pension schemes	7	-	-	-	7	54
Total 2023	-	-	-	(115)	(115)	227
<i>Total 2022</i>	<i>64</i>	<i>-</i>	<i>-</i>	<i>163</i>		

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 5 Fixed assets: freehold property, investments, equipment and plant

	Unrestricted Funds				Total 2023 £000s	Total 2022 £000s
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s		
Investment assets: Property - Freehold						
<i>Consolidated and Cathedral only</i>						
At 1 January 2023	95	-	-	11,547	11,642	11,160
Revaluation in year	(3)	-	-	(337)	(340)	482
At 31 December 2023	92	-	-	11,210	11,302	11,642
Investment assets: Investments						
<i>Consolidated and Cathedral only</i>						
At 1 January 2023	-	-	190	4,986	5,176	6,143
Increase / (decrease) in market value	-	-	7	436	443	(747)
Purchase of investments	-	-	-	-	-	190
Sales of investments	-	-	(89)	-	(89)	(410)
At 31 December 2023	-	-	108	5,422	5,530	5,176
Investments are classified as follows and held with CCLA:						
Bonds	-	-	-	514	514	470
Equities	-	-	108	3,955	4,063	3,652
Commercial and residential property	-	-	-	781	781	898
Cash	-	-	-	172	172	156
	-	-	108	5,422	5,530	5,176

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 5 Fixed assets: freehold property, investments, equipment and plant - continued

	Unrestricted Funds				Total 2023	Total 2022
	General Fund 000s	Designated Fund 000s	Restricted Funds 000s	Endowment Funds 000s	000s	000s
Tangible fixed assets - freehold property (for Cathedral use)						
<i>Consolidated and Cathedral only</i>						
At 1 January 2023	249	-	-	3,937	4,186	4,013
Revaluation in year	(7)	-	-	(115)	(122)	173
At 31 December 2023	242	-	-	3,822	4,064	4,186
Non-investment properties are held and used as follows:						
For Cathedral clergy and staff housing	-	-	-	2,185	2,185	2,186
For the education centre	-	-	-	99	99	99
For Cathedral trading activities	242	-	-	1,538	1,780	1,901
	242	-	-	3,822	4,064	4,186
The investment and non-investment properties were revalued as at 31 December 2021 by an independent valuer on the basis of fair value. For the past two years, this valuation has been adjusted in line with the Nationwide house price percentage change for the local postcode. This amounted to a decrease of 2.92% in 2023 (2022: uplift of 4.32%). Under the historical cost basis the properties would have had a carrying value of £273,000 (2022: £273,000)						
Equipment and plant						
<i>Consolidated and Cathedral only</i>						
At 1 January 2023	301	-	27	-	328	307
Additions	9	-	-	-	9	21
At 31 December 2023	310	-	27	-	337	328
Depreciation						
At 1 January 2023	(215)	-	(15)	-	(230)	(186)
Transfers	-	-	-	-	-	-
Charge for year	(38)	-	(1)	-	(39)	(44)
At 31 December 2023	(253)	-	(16)	-	(269)	(230)
Net Book Value at 31 December 2022	86	-	12	-	98	121
Net Book Value at 31 December 2023	57	-	11	-	68	98

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 6 Endowment Fund Investments

	2023 £000s	2022 £000s
Endowment Fund investments <i>Consolidated and Cathedral only</i>		
General Endowment Fund		
Total Investments	892	806
Choristers Endowment Fund		
Total Investments	4,530	4,180
Total Endowment Fund Investments	5,422	4,986

Note 7 Restricted Fund Investments

	2023 £000s	2022 £000s
Restricted Fund Investments <i>Consolidated and Cathedral only</i>		
Music		
Grants / Donations - music investments	-	91
Herbert Reeve Fund investments	108	99
Total Restricted Fund investments (all Music)	108	190

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 8 Debtors

	Unrestricted Funds				Total 2023	Total 2022
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s	£000s	£000s
<i>Consolidated</i>						
Amounts falling due within one year:						
Trade debtors (including rents receivable)	74	-	-	-	74	50
Legacies receivable	-	-	814	-	814	120
Prepayments	152	-	2	-	154	175
Accrued income	-	-	250	-	250	-
Sundry debtors	11	-	-	-	11	20
Totals	237	-	1,066	-	1,303	365
<i>Cathedral only</i>						
Amounts falling due within one year:						
Trade debtors (including rents receivable)	62	-	-	-	62	36
Gloucester Cathedral Enterprises Ltd	6	-	-	-	6	68
Legacies receivable	-	-	814	-	814	120
Prepayments	153	-	2	-	155	170
Accrued income	-	-	250	-	250	-
Sundry debtors	11	-	-	-	11	20
Totals	232	-	1,066	-	1,298	414
Interfund Items						
<i>Consolidated and Cathedral</i>						
Interfund debtors	546	-	566	62	1,174	471
Interfund creditors	(316)	-	(821)	(37)	(1,174)	(471)
Net interfund balances	230	-	(255)	25	-	-

Interfund balances arise when, from time to time and for pragmatic reasons, assets and liabilities of endowment, restricted and designated funds are held within general fund, or another restricted fund, assets and liabilities.

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 9 Creditors

	Unrestricted Funds				Total 2023	Total 2022
	General Fund £000s	Designated Fund £000s	Restricted Funds £000s	Endowment Funds £000s	£000s	£000s
<i>Consolidated</i>						
Amounts falling due within one year:						
Trade creditors	316	-	-	-	316	174
Accruals	110	-	-	-	110	130
Sundry creditors	57	-	-	-	57	34
Loans from Lloyds Bank plc	-	-	-	18	18	18
Total 2023	483	-	-	18	501	356
<i>Cathedral only</i>						
Amounts falling due within one year:						
Trade creditors	296	-	-	-	296	161
Accruals	98	-	-	-	98	124
Sundry creditors	57	-	-	-	57	-
Loans from Lloyds Bank plc	-	-	-	18	18	18
Total 2023	451	-	-	18	469	303
Amounts falling due after one year						
<i>Consolidated and Cathedral</i>						
Loans from Lloyds Bank plc	-	-	-	136	136	159
Loan from Diocese of Gloucester	400	-	-	-	400	400
Total 2023	400	-	-	136	536	559
Amounts fall due on the loans from Lloyds Bank plc and the Diocese of Gloucester as follows:						
Within one year	-	-	-	18	18	18
Between one and two years	-	-	-	20	20	20
Between two and five years	-	-	-	116	116	139
In five years or more	400	-	-	-	400	400
Total 2023	400	-	-	154	554	577

The loans from Lloyds Bank plc relate to the renovation of Monument House, one of the Cathedral's endowment properties, and have two elements. Of the total amount outstanding at 31 December 2023, £51,000 is repayable by monthly instalments to April 2028, and carries an interest rate of 5.69%, and £104,000 is repayable by monthly instalments to April 2033 and carries an interest rate of 4.15% above base rate. The mortgage is secured on Gloucester Cathedral. The loan from the Diocese of Gloucester is unsecured and carries an interest rate of 0.5%. In June 2020 the Diocese agreed to reschedule the loan to forgo the annual repayment instalments and to make the loan repayable on 1 April 2028. On this revised basis the total amount outstanding is reported above in the category of "in five years or more".

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 10 Endowment Funds

	General £000s	Choristers' £000s	Total £000s
<i>Consolidated and Cathedral only</i>			
At 1 January 2023	901	4,180	5,081
Income			
Donation received	-	62	62
Other recognised/unrecognised net gains: other investments	86	350	436
Total income	86	412	498
Expenditure			
Interest payable on secured loans from Lloyds Bank plc	(14)	-	(14)
At 31 December 2023	973	4,593	5,566

Note 11 General Fund

	Consoli- dated £000s	Cathedral £000s
At 1 January 2023	110	146
Net expenditure	(77)	(175)
Recognised loss on defined benefit pension fund	7	7
Other recognised loss	(7)	(7)
Transfer from Designated Fund	16	16
At 31 December 2023	49	(13)
Represented by:		
General funds	(286)	(348)
Property revaluation reserve	335	335
At 31 December 2023	49	(13)

Note 12 Designated Fund

Beacon of Hope Appeal	£000s
<i>Consolidated and Cathedral only</i>	
At 1 January 2023	16
Contributions	
Contribution to General Fund	(16)
At 31 December 2023	-

The Beacon of Hope Appeal was launched in 2020 to provide funds to sustain the Cathedral's operations during the Covid-19 pandemic and for as long as possible thereafter. £1,007,000 was raised and Chapter allocated £733,000 to a designated fund. The brought forward balance on the fund of £16,000 was fully utilised in the financial year ending 31 December 2023.

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 13 Restricted Funds - Income and endowments and expenditure

Consolidated and Cathedral only

	Balance at 1 January 2023	Income	Expendi- ture	Balance at 31 Decem- ber 2023
	£000s	£000s	£000s	£000s
Fabric				
Fabric	8	466	(131)	343
Major Repairs and Restoration	60	-	-	60
Stonemasons	-	70	(70)	-
Lady Chapel	7	20	(17)	10
Font	43	-	-	43
Drains Fund	2	-	-	2
Nave / Abbots roof	4	-	(4)	-
Lower College Green and War Memorial	2	-	-	2
Bell Ropes	1	1	-	2
North Nave and Cloisters	71	156	(226)	1
Cathedral Properties Fund	-	375	(300)	75
Total	198	1,088	(748)	538
Music				
Grants and donations	11	43	(20)	34
Choristers' Scholarship Fund	-	166	(166)	-
Herbert Reeve (for organ)	100	13	(4)	109
Choristers	-	6	(6)	-
Choir tour	10	-	-	10
Edith Park (for Choristers' musical instruments)	27	-	-	27
Stott Foundation (for organist)	10	-	-	10
Youth Choir	9	2	(1)	10
Outreach	13	-	-	13
Girls' Choir Fund	-	1	(1)	-
In Tune Music Fund	-	57	(18)	39
In Tune Organ Fund	27	206	(95)	138
Total	207	494	(311)	390
Other				
Three Choirs Charity	6	-	-	6
Flower Guild	-	2	(2)	-
Archives / Library	2	3	(3)	2
Church Commissioners	9	81	(83)	7
Breakfast Club	6	10	(8)	8
Social Responsibility	6	65	(40)	31
CSF 2 Project Fund	-	67	(67)	-
Knife Angel Fund	-	14	(14)	-
Clergy stipends	-	86	(86)	-
Total	29	328	(303)	54
Total restricted funds	434	1,910	(1,362)	982

The income on restricted funds of £1,910,000 is shown on the Statement of Financial Activities as income and endowments of £1,903,000 and net gains on investments of £7,000.

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 13 Restricted Funds - continued

Consolidated and Cathedral only

Restricted Funds - Income and Endowments

Fund	Donations £000s	Income from Friends £000s	Legacies £000s	Total £000s
Fabric				
Fabric	-	65	401	466
Stonemasons	70	-	-	70
Lady Chapel	20	-	-	20
Bell Ropes	1	-	-	1
North Nave and Cloisters	156	-	-	156
Cathedral Properties Fund	-	-	375	375
Total fabric funds income	247	65	776	1,088

	Donations £000s	Income from Friends £000s	Investment income £000s	Other recognised gains / (losses) on investments £000s	Total £000s
Music					
Grants and donations	22	21	2	(2)	43
Choristers' Scholarship Fund	-	-	166	-	166
Herbert Reeve (for organ)	-	-	4	9	13
Choristers	6	-	-	-	6
Youth Choir	2	-	-	-	2
Girls' Choir Fund	1	-	-	-	1
In Tune Music Fund	22	35	-	-	57
In Tune Organ Fund	56	150	-	-	206
Total music funds income	109	206	172	7	494

	Donations £000s	Income from Friends £000s	Grants in support of mission £000s	Total £000s
Other				
Flower Guild	2	-	-	2
Archives / Library	3	-	-	3
Church Commissioners	(42)	-	123	81
Breakfast Club	10	-	-	10
Social Responsibility	65	-	-	65
CSF 2 Project Fund	-	-	67	67
Knife Angel Fund	14	-	-	14
Clergy stipends	-	-	86	86
Total other funds income	52	-	276	328

	Fabric £000s	Music £000s	Other £000s	Total £000s
Total income for restricted funds				
Donations	247	109	52	408
Income from Friends	65	206	-	271
Legacies	776	-	-	776
Grants in support of mission	-	-	276	276
Investment income	-	172	-	172
Other recognised gains / (losses) on investments	-	7	-	7
Totals	1,088	494	328	1,910

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 13 Restricted Funds - continued

Consolidated and Cathedral only
Restricted Funds -Expenditure

Fund	Mainten- ance and interior upkeep	Major repairs and restoration	Total
	£000s	£000s	£000s
Fabric			
Fabric	124	7	131
Stonemasons	-	70	70
Lady Chapel	-	17	17
Nave / Abbots roof	-	4	4
North Nave and Cloisters	-	226	226
Cathedral Properties Fund	300	-	300
Total fabric funds expenditure	424	324	748

	Services and music	Totals 2023
	£000s	£000s
Music		
Grants and donations	20	20
Choristers' Scholarship Fund	166	166
Herbert Reeve (for organ)	4	4
Choristers	6	6
Youth Choir	1	1
Girls' Choir Fund	1	1
In Tune Music Fund	18	18
In Tune Organ Fund	95	95
Total music funds expenditure	311	311

	Support costs	Cost of appeals and fundraising	Clergy stipends and working expenses	Community and congreg- ation	Total
	£000s	£000s	£000s	£000s	£000s
Other					
Flower Guild	-	-	-	2	2
Archives / Library	3	-	-	-	3
Church Commissioners	7	32	13	31	83
Breakfast Club	-	-	-	8	8
Social Responsibility	-	-	-	40	40
CSF 2 Project Fund	53	-	-	14	67
Knife Angel Fund	-	-	-	14	14
Clergy stipends	-	-	86	-	86
Total other funds expenditure	63	32	99	109	303

	Fabric £000s	Music £000s	Other £000s	Total £000s
Maintenance and interior upkeep	424	-	-	424
Support costs	-	-	63	63
Services and music	-	311	-	311
Clergy stipends and working expenses	-	-	99	99
Community and congregation	-	-	109	109
Major repairs and restoration	324	-	-	324
Total	748	311	303	1,362

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 14 Property Revaluation Reserve

Consolidated and Cathedral only

	Investment assets: Property		Tangible fixed assets - freehold property	
	2023	2022	2023	2022
	£000s	£000s	£000s	£000s
At 1 January 2023	11,370	10,888	4,187	4,013
Revaluations in the year	(68)	482	(395)	174
At 31 December 2023	11,302	11,370	3,792	4,187
Of which:				
General Fund share	93	95	242	250
General Endowment Fund share	11,209	11,275	3,550	3,937
	11,302	11,370	3,792	4,187

Note 15 Staff costs

The average number of paid employees working for the Cathedral during the period was:

	Number of employees		Full time equivalents	
	2023	2022	2023	2022
Full Time	34	42	34	42
Part Time - Contracted hours	40	33	18	13
Pool employees, no contracted hours	9	7	1	1
	83	82	53	56

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 15 Staff costs - continued

Total emoluments including pension contributions for the above amounted to:

	Gross £000s	Employer's NI £000s	Employer's pension £000s	Total 2023 £000s	Total 2022 £000s
Clergy stipends and working expenses					
The Dean	28	3	6	37	13
The Interim Dean	3	-	1	4	40
Canon Thomson	-	-	-	-	8
Canon Mitchell	2	-	1	3	42
Canon Lloyd	31	3	7	41	7
Clergy support costs	40	3	3	46	40
General marketing	65	6	3	74	79
Costs of appeals and fundraising	298	21	13	332	304
Services and music	198	10	9	217	225
Project Pilgrim	-	-	-	-	39
Cathedral and precincts upkeep support costs	340	27	20	387	347
Education salaries	12	1	1	14	42
Other expenditure support costs:					
Redundancies and ex gratia	18	-	-	18	-
Chapter Steward (as employee)	68	8	5	81	81
Other	289	18	17	324	344
Community and congregation	26	2	2	30	28
Archives and library	24	2	1	27	25
Gift shop and Monk's Kitchen refectory	201	12	10	223	188
Totals	1,643	116	99	1,858	1,852

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 15 Staff costs - continued

One employee, the Chapter Steward, received emoluments during the year in the band £60,000 - £70,000. Pension benefits for the Chapter Steward were accrued under a defined contribution pension scheme and £5,000 was paid to the scheme during the period.

The Senior Leadership Team, made up of heads of department and three residentiary clergy, was formally established in January 2023. The combined emoluments of the relevant members of staff (or their equivalents in previous years) totalled £301,000 (2022: £333,000). The team members, and their roles, are listed in the reference section of this

The only members of Chapter remunerated by the Cathedral for their services are the Dean and two of the Residentiary Canons. Lay members of Chapter are not remunerated. The remuneration of and pension provision for a Dean and two Residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board. The only members of Chapter remunerated by the Cathedral for their services were the Dean and one Residentiary Canon. The remuneration for the residentiary clergy was paid from a S.23 grant from the Church Commissioners, i.e. the net cost to the Cathedral is £Nil (2022: £Nil)

The Cathedral paid utilities expenditure of £23,000 (2022: £19,000) for the Dean and one Residentiary Canon, covering energy costs, water rates and Council Tax. The figure was reduced in this financial year due to vacancies.

The aggregate amount reimbursed to six (2022: seven) members of the Chapter was £3,000 (2022: £12,000) in respect of travel, entertaining, training and general administration expenses.

Donations from members of Chapter to the Cathedral totalled £2,000 (2022: £2,000)

Note 16 Auditors' remuneration

	2023 £000s	2022 £000s
Remuneration charged in the accounts for the Cathedral's auditors was:		
Audit services	40	18

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 17 Support Costs

Support and governance costs included in expenditure in the financial statements have been apportioned as follows:

	Direct costs 2023	Support costs 2023	Total 2023	Direct costs 2022	Support costs 2022	Total 2022
	£000s	£000s	£000s	£000s	£000s	£000s
Raising funds	465	432	897	364	449	813
Ministry	16	153	169	9	103	112
Cathedral and precincts upkeep	108	255	363	149	206	355
Education and outreach	-	16	16	-	17	17
Other expenditure on mission	-	34	34	-	43	43
Total	589	890	1,479	522	818	1,340

Note 18 Contingent Liabilities

Chapter has entered into an agreement with The King's School (the School), Gloucester to provide a contribution of 20% of school fees for up to 16 boy choristers and 16 girl choristers whilst they sing in the Cathedral choir and attend the school. Chapter has also agreed that it will continue to pay a contribution of:

40% of school fees for boy choristers who were in the Cathedral choir before the new agreement came into effect on 1 September 2021 until they leave the choir and 25% of school fees when they leave the choir until they leave the school; and

25% of school fees for those boy choristers who had left the choir before 1 September 2021 until they leave the school.

Chapter has forecast the Cathedral's contribution to fees for ex-choristers for the five years January 2024 to July 2028 based on the number of boys who qualify for the commitment and on the assumptions that the Cathedral's contribution to fees for ex-choristers at the School will be 25% and average annual increases on School fees will be 5.0%. The forecast also reflects up-to-date information on the number of boy choristers who continued at the School after 1 September 2021. Based on this data the Cathedral's contribution to fees for ex-choristers at the School in the fifth year, September 2027 to July 2028, is estimated at £7,000 (2022: fourth year 2026 £26,000) and its aggregate contribution for the five years is estimated at £236,000 (2022: £192,000 for four years).

There were no other known contingent liabilities at the balance sheet date (2022: £Nil).

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 19 Capital Commitments

In 2022 the Cathedral contracted for major organ restoration works with Nicholson and Co, Ltd.

The value of the contract was for £1,174,000, of which £59,000 was paid as a deposit in 2022. The remainder is being paid in instalments based on stages of completion. The work should be completed and fully accepted by June 2026.

The contract allows for annual inflation adjustments from January 2023 in line with indices published by the Institute of British Organ Builders. Based on current estimates of inflationary uplifts across the length of the contract, the total amount paid is expected to be £1,480,000.

Note 20 Pension Costs

The Dean and two Residentiary Canons are members of the Church of England Funded Pension Scheme, which is a defined benefit scheme. The Cathedral is unable to identify its share of the underlying assets and liabilities of the scheme. Contributions to the scheme are paid by the Church Commissioners, along with the other remuneration costs for the three clergy, and are shown below. There is an offsetting credit in restricted funds for the Church Commissioners' contribution to the scheme.

	2023 £000s	2022 £000s
Contributions to the scheme by the Church Commissioners	15	24

The Cathedral also contributes to a defined contribution pension scheme in respect of its other employees. The assets of the scheme are held separately from those of the Cathedral in an independently administered fund.

	2023 £000s	2022 £000s
Contributions to the scheme	84	82

The Cathedral also operates a defined benefit pension scheme called The Chapter of Gloucester Life Assurance and Death Benefit Scheme (the Scheme) in respect of certain of its former employees and, where appropriate, their dependents. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for deferred tax, defined contribution schemes operated by the Cathedral, or discretionary benefits. The Scheme is subject to the Statutory Funding Objective (SFO) under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the SFO is met. As part of the process the Cathedral must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the SFO. The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31st March 2023. The next valuation of the Scheme is due as at 31st March 2026. In the event that the valuation reveals a larger deficit than expected the Cathedral may be required to increase contributions above those set out in the existing Schedule of Contributions; conversely, if the position is better than expected it is possible that contributions may be reduced.

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 20 Pension Costs - continued

The actuarial valuation as at 31st March 2023 indicated the Scheme's funding level at that date was 94%, corresponding to a deficit of £6,000 on a technical provisions basis. Recovery plans illustrated in the actuarial valuation were, from 1st April 2023: 1 year at £6,000 per annum, or 5 years at £1,250 per annum to be paid to the Scheme.

Explanation of amounts in the financial statements

	2023 £000s	2022 £000s
Amounts recognised in the balance sheet		
Fair value of assets	81	68
Present value of funded obligations	(87)	(81)
Deficit	(6)	(13)

Amounts recognised in the Statement of Financial Activities over the year

Administration costs	19	18
Interest on liabilities	4	2
Interest on net assets	(4)	(1)
Total	19	19

Re-measurements over the year

Loss on Scheme assets in excess of interest	3	1
Experience gains on liabilities	2	11
Gains from changes to demographic assumptions	(2)	-
(Gains) from changes to financial assumptions	2	(54)
Total re-measurements	5	(42)

Reconciliation of assets and Defined Benefit Obligation

The change in assets over the period was:

Fair value of assets at the beginning of the period	68	55
Actuarial reworking of 2020 asset values	-	-
Interest on assets	4	1
Cathedral contributions	31	31
Benefits paid	-	-
Administration costs	(19)	(18)
Return on Scheme assets less interest	(3)	(1)
Fair value of assets at the end of the period	81	68

Gloucester Cathedral

Notes to the Consolidated Financial Statements - continued

Note 20 Pension Costs - continued

	2023 £000s	2022 £000s
The change in the Defined Benefit Obligation over the period was:		
Defined Benefit Obligation at the beginning of the period	81	122
Interest cost	4	2
Benefits paid	-	-
Experience gains / losses on Defined Benefit Obligation	2	11
Changes to demographic assumptions	(2)	-
Changes to financial assumptions	2	(54)
Defined Benefit Obligation at the end of the period	87	81

Assets

The assets are wholly invested in a deposit administration fund with One Family and a pooled bank account with Barnett Waddingham, the Scheme's actuary. The actual return on the Scheme's assets (net of expenses) over the period to the review date was around £Nil. The assets do not include any investment in the Cathedral.

Actuarial assumptions	2023	2022
Discount rate	4.60%	4.80%
Inflation (RPI)	3.30%	3.40%
Inflation (CPI)	2.30%	2.40%
Pension increases (RPI max. 5% p.a.)	3.10%	3.30%

Post retirement mortality for 31 December 2023 – 95% of S2PA tables with CMI 2022 (2022: CMI 2019) projections using a long term rate of improvement of 1.5% p.a. (2022: 1.5%). The 2020 and 2021 weight parameters are nil and the 2022 weight parameter is 25%. No allowance has been made for members to take tax free cash.

Note 21 Related Party Transactions

Transactions between the Cathedral and its wholly owned subsidiary, Gloucester Cathedral Enterprises Limited (GCE) during the period were:

	2023 £000s	2022 £000s
Cathedral wages recharged to GCE	252	212
Gift aid received from GCE	-	-
Amounts due by GCE to Cathedral at the end of the year	101	162

Donations to the Cathedral's general fund from members of Chapter totalled £1,000, and to restricted funds £1,000 (2022: £1,000 and £1,000).

The Cathedral pays scholarships for choristers attending The King's School, Gloucester (see note 18). In 2023 the total fee contribution was £186,000 (2022: £180,000). The School pays annual rent of £201,000 (2022: £159,000) to the Cathedral. At 31 December 2023, £25,000 (2022: £4,000 from the School to the Cathedral) was owing from the Cathedral to the School.

Gloucester Cathedral

Year ended 31 December 2023

The last ten years (unaudited)

	2015	2016	2017	year ended 31.03.18	9 mths ended 31.12.18	2019	2020	2021	2022	2023
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Income and endowments from:										
Donations and legacies	1,623	1,061	738	957	710	1,390	1,990	745	1,076	2,172
Grants in support of mission	443	773	1,473	3,610	512	592	803	648	323	276
Charges and fees for mission	88	86	155	146	182	210	108	99	150	170
Trading and fundraising	566	495	543	521	519	645	229	298	519	779
Income from investments	739	688	769	914	686	911	918	939	983	1,064
Total	3,459	3,103	3,678	6,148	2,609	3,748	4,048	2,729	3,051	4,461
Expenditure on:										
Raising funds	894	773	803	789	636	832	820	941	1,773	1,947
Ministry	671	800	713	756	655	688	686	888	959	1,009
Cathedral and precincts upkeep	854	1,209	1,931	4,570	1,028	1,043	760	810	769	810
Education and outreach	71	71	79	69	55	83	70	63	96	80
Community and congregation	38	22	16	18	28	48	107	216	53	66
Other expenditure	390	420	423	527	407	631	692	687	44	35
Total	2,918	3,295	3,965	6,729	2,809	3,325	3,135	3,605	3,694	3,947
Net income / (expenditure) before net gains / (losses) on investments	541	(192)	(287)	(581)	(200)	423	913	(876)	(643)	514
Net gains / (losses) on investments	874	668	916	341	69	875	1,063	1,292	(92)	103
Net (expenditure) / income	1,415	476	629	(240)	(131)	1,298	1,976	416	(735)	617
Other recognised gains	144	639	126	105	62	60	238	204	54	(115)
Net movement in funds	1,559	1,115	755	(135)	(69)	1,358	2,214	620	(681)	502
Reconciliation of funds:										
Total funds brought forward	14,118	15,677	16,792	17,547	17,412	17,343	18,701	20,915	21,535	20,854
Total funds carried forward	15,677	16,792	17,547	17,412	17,343	18,701	20,915	21,535	20,854	21,356
The funds of the Cathedral										
Endowment funds	3,726	3,620	4,088	4,160	4,237	4,865	5,218	5,972	5,081	5,566
General funds	273	94	(3)	(330)	(403)	(44)	110	(220)	(249)	(286)
Designated fund	-	-	-	-	-	-	733	437	16	-
Restricted funds:	1,172	1,149	889	678	535	621	647	445	434	982
Property revaluation reserve:	10,506	11,929	12,573	12,934	12,974	13,259	14,207	14,901	15,557	15,094
Total funds carried forward	15,677	16,792	17,547	17,442	17,343	18,701	20,915	21,535	20,839	21,356