

CHESTER CATHEDRAL

**THE CATHEDRAL CHURCH OF
CHRIST AND THE BLESSED VIRGIN MARY IN CHESTER**

**ANNUAL REPORT OF THE CHAPTER
AND ACCOUNTS**

YEAR ENDED 31 DECEMBER 2023

Charity Number: 1203715

CHESTER CATHEDRAL
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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CHESTER CATHEDRAL

ANNUAL REPORT AND ACCOUNTS

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The members of Chapter, (who are the Trustees of the charity of the purposes of the Charities Act) present their annual report together with the financial statements of The Cathedral Church of Christ and the Blessed Virgin Mary in the Diocese of Chester (known as Chester Cathedral) for the year ended 31 December 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 22 of the attached financial statements and comply with the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102).

Annual Chairman's Report 2023

Exceeding Expectations

Setting a realistic and sustainable budget at the beginning of 2023 was by no means an easy feat. Even with a challenging target to stretch and grow income generation whilst maintaining tight cost controls, the early forecasts suggested a significant deficit. This was based on similar customer sentiment to 2022 and on increased costs due to both inflation and the Cathedral's commitment to maintaining the real living wage as a minimum for all employees. The story at the end of the year is missionally and financially very much better than the best start-of-year scenarios. The numbers of people accessing the building for worship, events, exhibitions, and as general visitors grew larger than anticipated and their financial contribution was better.

The Cathedral's intention to be a free-to-enter space for those who are intrigued by the sacred space, heritage and architecture remains strong. There is long history of this being valued at Chester Cathedral stretching back to former Dean Frank Bennett (1920-1937) who was a pioneer in arguing for Cathedrals to be open without fee or fence. It is led by the Chapter's purpose statement establishing the Cathedral as a place for DISCOVERY, ENCOUNTER and FAITH. Whilst making an entry charge constrains the number of people who access the site, operating without a fee gives a greater number of visitors insight into the Cathedral's significance and relevance, promotes more donations, and increases shop / refectory spending as well as other commercial income. Total footfall over the course of the year was almost 800,000 about half of whom were general visitors. This sets Chester Cathedral very much in the top set of places to visit, encouraging many people to step into a living Christian Church and explore what it is about.

The good financial outcomes for the year are the result of very good performances from the commercial teams and good management across all departments. Property values and rental incomes continued to steadily increase year-on-year which encourages the Chapter to maintain its investment in the quality and condition of the estate.

The large array of solar panels installed at the end of 2022 was dedicated by Bishop and Dean at the start of the year which led to much fun on social media with pictures of two fully robed clerics on the nave roof. Over the course of 2023 the panels generated 34MWh of electricity, significantly cutting bills and improving the Cathedral's environmental performance. The Cathedral also hope this will act as an exemplar installation encouraging others to do the same no matter how challenging the building. Few settings are more challenging than this. Expansion of the solar panel array in the coming years remains one of the most technically and financially viable options for the Cathedral to make further progress towards being net carbon zero by 2030.

Cathedrals Measure 2021

The Church Commissioners gave their certification early in the year to the Cathedral's revised Constitution and Statutes and, in compliance with the Cathedrals Measure 2021, these came into force on 1st February 2023. The Cathedral became a registered charity under the co-regulation of Charity Commissioners and Church Commissioners on 30 June 2023, registered charity number 1203715. Through its newly formed Nominations Committee, the Chapter began the process of repopulating its membership and its committees at the start of the year. This was partially completed by December. Along with changes in personnel among the clergy, who are ex-officio executive members of the Chapter, this led to changes in three of the four executive members

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Cathedrals Measure 2021 (continued)

and three of the four non-executive members in the first twelve months of the new constitution. There have been no other changes in the Cathedral Leadership Team, however, whose non-clergy members form the executive non-voting voices at Chapter meetings. At the start of 2024, Martin Smith, who has been the new Chapter's first SNEM (Senior Non-Executive Member), will also step down having previously served nine years on the predecessor body. Chapter has consequently given a great deal of time to induction of new personnel. The full repopulation of Chapter and its committee should be complete by mid-2024. This will enable the new Chapter, including its new SNEM, to play a full part in preparation of the Cathedral's next five-year strategic plan due to be published next autumn.

Whilst the College of Canons is no longer a part of the corporation as a consequence of the new Cathedrals Measure, it remains an important constituent part of the Cathedral's embodiment as "Mother Church of the Diocese". The composition of the College has been significantly revised during the re-writing of the new Constitution and Statutes. Most importantly the number of ordained Honorary Canons has been reduced and the number of Lay Canons has been increased so that they both stand at fourteen. Repopulation of the College will be complete in mid-2024. At a time when the Church of England is showing the strain of disagreement, it is proving very helpful for the Cathedral to include a non-decision-making body, of leading figures from across the diocese, who can demonstrate fellowship together without having to make compromises by having responsibility to agree particular resolutions.

Culture and Safeguarding

In line with learning from across the Church of England, the Cathedral Leadership Team has been working to develop good safeguarding practice to a higher level by further promoting a good safeguarding culture. There is a growing degree of security across all departments in dealing with issues as they arrive. Mostly this involves providing the right sort of response to vulnerable people when they present with a variety of day-to-day concerns to front-facing colleagues in the Cathedral such as Retail, Food & Beverage, Admissions, Guides, Vergers. Serious cases that reach the threshold of formal safeguarding practice guidance are less common, and although they are handled by the CSO (Cathedral Safeguarding Officer) in the first instance, they are always referred to the Diocesan Safeguarding Team and public authorities.

The Cathedral Safeguarding Advisory Group has continued to work well under its independent chair over the course of the year. Its Quality Assurance subgroup has provided invaluable assistance to the CSO and has also led the way in independently reviewing over 100 Cathedral cases that were not part of the PCR2 (Past Cases Review number two) audit. All these cases have now been discussed and the vast majority closed. The CSO continues to work closely with the Diocesan safeguarding team also to bring the PCR2 cases to a closure and to capture all recommendations and themes. It is expected that this work will be completed during 2024.

Over the period of the last five-year strategic planning period the Leadership Team and Chapter have struggled to find a way of articulating culture more generally in the Cathedral. There have been several attempts, but none gained the traction they needed to be adopted across the Cathedral community. In the course of 2023 three words have emerged from the safeguarding work that are proving to be quite powerful in coalescing assent across the wider institution to describe the culture in a way that reflects the Cathedral's values: GRACE, LOVE, and WELCOME. A cultural influencers group has been established to help promote these values and they will form the starting point for the next iteration of the Strategic Plan along with DISCOVERY, ENCOUNTER, and FAITH as the basis of the Cathedral's purpose.

Project Discovery

Final agreement with Barclays Bank and Cheshire West & Chester Council to return the use of 30 St. Werburgh Street to the Cathedral was signed in May. By the time of publication, the Cathedral will have begun to occupy the building and re-animate it. This is primarily intended to help the Cathedral be more visible and present on the high street having been hidden behind a building branded and used as a retail bank for the past sixty years. It will occupy a large amount of leadership capacity in the coming years. Whilst the instant impact of the deal will

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Project Discovery (continued)

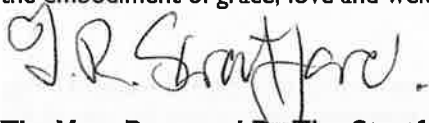
create an uplift in the Cathedral's balance sheet of several £millions, the total project is likely to cost many more £millions. It will only reach its fullest potential benefit to the city if it achieves the support of some large grant making bodies such as NLHF (National Lottery Heritage Fund). The project's primary benefits are currently understood in the way it will improve visitor readability of the City Centre, make better use of the beautiful 19th century former King's School buildings, improve interpretation and orientation inside and outside of the Cathedral, provide better cultural amenity and gallery space, the possibility of a secure Treasury, community use and conferencing spaces, volunteering hub, education rooms, and not least toilets. This project will pose the challenge in the course of 2024 to achieve sufficient funding to develop a high quality, attractive and well researched proposal. This will rely on the Cathedral's existing supporters who more readily understand its value to raise a relatively small sum with the prospect that it will, in turn, lever much more funding.

The Public Square

Chester Cathedral's most important work is not done in its daily business meetings but in its contribution to society, the diocese and city. Sometimes this is through hosting worship, civic events, graduations, concerts, and dinners. It is also done through the intentional and prophetic spaces that the Cathedral curates to speak into the public square. Over the course of the last year Chester Cathedral has, for example:

- provided opportunities for the people of Chester to lament the murders and harm of babies in the city's hospital by an individual working there as a nurse;
- made provision for people to gather and celebrate the coronation of a new king;
- hosted the Gaia installation giving a chance for visitors to sit under a globe and reflect on the wonder and fragility of the creation we inhabit;
- supported the Chester Mystery Plays Company to stage the largest community theatre event in Europe and a most vivid sell-out presentation of the Christian Gospel in the nave and quire;
- offered a full programme of worship marking key moments in the civic calendar;
- produced the worship and liturgy for BBC TV and radio Easter Day broadcasts;
- continued to host "Making Tracks" as both a commercial activity and installation that widens access and celebrates local engineering prowess;
- inaugurated ASSEMBLE as a forum for public debate including large scale discussions about UK imperial legacies and Just Stop Oil tactics.

All of this is supported by a growing and able team of staff and volunteer colleagues who make this cathedral the inspirational and vibrant place it is. Every member, whether supporting the Cathedral strategically in governance meetings or operationally in the entrances and corridors, plays an important part in a community that aspires to the embodiment of grace, love and welcome. My thanks to each and every one.



The Very Reverend Dr Tim Stratford
Dean and Chair of Chapter.

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Financial overview

Financial performance during 2023 improved considerably as the year progressed and, despite anticipating an overall deficit, we achieved a small operating surplus before revaluations.

This financial improvement was generated by increasing income from our commercial activities, particularly from very successful Summer and Christmas exhibitions, the very popular Gaia installation, greater numbers of visitors from overseas, and an increase in the number of events and concerts. In 2024, we have planned an exciting programme of exhibitions and events which we hope will generate income as well as being thought-provoking for our visitors and continue to diversify the Cathedral's audience. The Cathedral is now operating at full capacity, with the diary fully booked for more than twelve months in advance. We currently receive many more enquiries than we can accommodate due to lack of available spaces though we expect the new building we have re-acquired to provide further income growth in the longer-term.

One area requiring further consideration is stewardship giving. This has significantly reduced from pre-pandemic levels. One reason is our congregations no longer carry the same levels of cash they did previously. To counter this, we have added extra electronic giving points, introduced QR codes and provided additional information for donors to transfer funds electronically. This has increased giving slightly but we recognise that there is still some way to go before we reach previous years' levels.

We are pleased that reports from the Church of England Pensions Board continue to show that our Defined Benefit Pension Scheme remains in surplus and so no charges are noted for 2023.

Our investment properties are revalued annually by our Managing Agent, DN Surveyors Ltd, and the capital value of our investments held with CCLA at the end of 2023 has improved from the 2022 figure.

Reserves

It is our policy to hold sufficient cash reserves to cover salaries, utilities and borrowing costs for between six and twelve months, plus a sum of between £330,000 and £550,000 for regular and emergency maintenance work. We will also hold cash reserves for the purpose of funding planned development work that is undertaken over more than one calendar year. At the year-end an amount of £949,700 was held in unrestricted cash reserves.

Fundraising, Partnerships and Support

With the support of partners including the Cathedrals Workshop Fellowship, Historic England and Cheshire West and Chester Council, we have further developed our training programmes for heritage skills. This has enabled us to make excellent progress with our maintenance backlog despite our very small budget allocations, while at the same time providing very high-quality training for those wanting to develop a career in heritage skills.

We have also been supported by the Cathedrals Music Trust, which has enabled us to appoint a Head of Music outreach. While this role is not expected to generate large profits, funds generated should cover the cost of this important aspect of our charitable mission.

The Cathedral employs two part-time fundraising staff who are supported by volunteers.

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Risks

Inflation remains one of our primary risks. While recent decreases in the rate go some way to alleviate our concerns, we have seen huge increases in our core costs over the last few years which will put immense pressure on our finances for a long time to come. We are committed to adapting and innovating our offer, to minimise costs and increase income streams, but this will be an ongoing process of development over several years.

We benefit from a highly committed and passionate workforce but due to our limited financial resources, we often find it difficult to offer the most competitive salaries. This can make it difficult for us to attract and retain the skills and experience we need.

The range of compliance costs we incur each year is growing and changes to legislation can have far-reaching impacts on our work. We monitor these changes closely and participate in consultation processes as fully as we can to ensure we can adapt quickly when required.

Looking forward

2024 and beyond offers many opportunities for us. Despite our ongoing deficit budget forecast, we are assessing a range of income generation initiatives and are monitoring new developments in software and systems which may save time and funds in the longer-term.

We start 2024 in a strong position and can see ways that our deficit budget can be improved over the course of the next five years. These plans include Project Discovery, which will require financial support to establish but which should generate substantial new income streams over time, and further development of our wider endowed estate.

Charitable Purpose

The Chapter are the trustees of the charity and have due regard as trustees to the guidance issued by the Charity Commission on public benefit. At the year-end date, under the new constitution and statutes, the charitable purposes of the organisation are:

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

The Cathedral delivers a wide range of activities in pursuit of this purpose which during the year have included:

- A regular pattern of public worship across all 365 days of the year.
- A programme of education and life-long learning activities covering Christianity, religion, history, ethics, science and practical skills.
- A range of exhibitions and events, aimed at drawing attention to the church or wider spirituality.
- Continued development of training programmes to build the heritage skills and experience required to adequately maintain our historic buildings.
- A programme of regular maintenance and development work to the historic buildings.

The Cathedral has reported in accordance with the Charity Commission for England and Wales guidance on public benefit and the Charities Act 2011 for the year ended 31 December 2023.

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Structure, Governance and Management

Following the introduction of the Cathedrals Measure 2021, the Cathedral was able to apply for formal charity registration and received its registered charity number, 1203715, in June 2023. The new Chapter members were appointed, and their sub-committees are gradually being populated, supported in this process by our newly created Nominations and Development Committee.

The Cathedral can now be found on the charity commission website, and our constitution and statutes can also be found on our own website (www.chestercathedral.com).

Chapter

It is the duty of Chapter to direct and oversee the administration of the affairs of the cathedral¹

Chapter meet at least six times each year and meetings are attended by the Senior Leadership Team and any other member of staff, office holder or volunteer, as necessary. Sub-committees of Chapter report to Chapter meetings. New Chapter members receive an internal induction and are offered formal external training from the Association of English Cathedrals.

Chapter members are recruited in line with the Church of England's Safer Recruitment Policies.

Key Management Personnel

The key management personnel of the Cathedral in charge of directing and controlling, running and operating the Cathedral on a day-to-day basis comprise the Cathedral Leadership Team. This group includes the residentiary Canons, Executive Director, Commercial Director, Communications Director and Safeguarding Officer and Director of Culture.

The salaries of the two senior lay members of the Cathedral Leadership Team are agreed between the Dean and Senior Non-Executive Member of Chapter. The stipends for Commissioners Canons are set nationally.

¹ Cathedrals Measure 2021 section 11

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Members of the Cathedral Chapter:

The Dean	The Very Reverend Dr Tim Stratford
The Vice Dean and Canon Missioner	The Reverend Canon Dr Jane Brooke
The Canon for Worship and Spirituality	The Reverend Canon Rosemary Woodall (from 20th of May 2023)
The Precentor	The Reverend Canon Jeremy Dussek (to 9th February 2023)
The Senior Non-Executive Member	Dr Martin Smith
Non-Executive Members	Dr Mary Horbury (from 30th June 2023) Dr Anna Sung (from 30th June 2023) Mr Ian Watmore (from 30th June 2023) Mr Simon Parrington (to 1st February 2023) Ms Bedelia Brett Rooks (to 1st February 2023) The Venerable Dr Michael Gilbertson (to 1st February 2023)

The College of Canons

The Dean, suffragan bishops, archdeacons and non-residentiary canons meet as the College of Canons. Their function is to further and support the spiritual pastoral, educational, evangelistic, social and ecumenical work of the Cathedral, reviewing and advising upon the direction and oversight of that work by the Chapter.

Community Rolls

The main body of the wider Cathedral community are known as members of the Community Rolls. Membership of the Worshipping Community Roll is open to individuals who are baptised, aged 16 or over, and are members of the church of England or of a Church in communion with it and has habitually attended public worship at the Cathedral during the preceding six months. Membership of the Non-worshipping Community Roll is open to anyone who is a member of the Cathedral Community but not eligible to join the worshipping roll.

The Finance and Investment Committee

In accordance with the revised constitution and statutes, the Finance and Investment Committee advises Chapter in connection with its responsibilities in the field of financial and investment management and the management of property and assets belonging to the Cathedral.

The year-end membership is made up of:

Dr Martin Smith (Chair)

Mr Mark Mitchell

Mr Thomas David Briggs, CVO, MBE, KStJ

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The Audit and Risk Committee

The Audit and Risk Committee is chaired by Mr Annesley Wright with Mr Simon Parrington in attendance. The Nominations and Development Committee is overseeing the recruitment of additional members during 2024.

Nominations and Development Committee

Mrs Jo Sykes chairs the committee, with the additional members:

Mr Norman Goodwin CBE

Canon Dr Frances Hulbert

Mr John de Newtown

Ministry Committee

The Ministry Committee has been re-formed and appointments overseen by the Nominations and Development Committee. The committee will meet for the first time in early 2024 following the recent appointment of:

Dr Mary Horbury

Jacqueline Craig

Felicity Roochove

The Fabric Advisory Committee

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee is responsible to the Cathedral's Fabric Commission for England and considers applications from Chapter regarding proposed development of, and changes to, the Cathedrals fabric. The committee meets quarterly with Canon Dr Frances Hulbert at the Chair.

Chester Cathedral Enterprises Limited

The commercial activities carried out within the Cathedral are governed by Chester Cathedral Enterprises Limited. The Board of Directors meets regularly throughout the year.

The Chester Cathedral Development Trust

The Development Trust was established to raise funds for the maintenance and development of the fabric of the Cathedral with Mr David Briggs, CVO, MBE, LStJ as the Chair.

The Chester Cathedral Education Trust

The Education Trust was established to raise funds to support the educational work of the Cathedral. The trustees meet at least twice each year.

The Chester Cathedral Music Trust

The Music Trust was established to support the musical activity of the Cathedral. The trustees meet at least once each year with The Dean as the Chair.

Statutory Post Holders and Senior Staff

Executive Director

Commercial Director

Communications Director

Safeguarding Officer & Director of Culture

Organist and Master of the Choristers

Estate Management

Architect

Archaeologist

Auditor

Bankers

Carolyn Bruce

Jon Turley

Kevin Baxter

Sharon Scarlett

Philip Rushforth

Neil Tunks, DN Surveyors Limited

Tony Barton, Donald Insall Associates

Simon Ward

Haysmacintyre LLP

NatWest Bank, Chester

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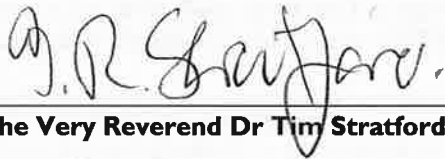
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Conflicts of Interest

The Dean would like to declare that his spouse is the Education Officer, and that he has agreed to being removed from any decision related to this post.

Approved by the Chapter on *25 May* 2024 and signed as authorised on their behalf by:



The Very Reverend Dr Tim Stratford – Dean of Chester

CHESTER CATHEDRAL

STATEMENT OF CHAPTER'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

The members of Chapter are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Under the provisions of the Cathedrals Measure 2021 and Constitution of Chester Cathedral, Chapter is required to prepare accounts for each financial year, which give a true and fair view of the state of the Cathedrals affairs and of its financial activities during the year. In preparing those accounts members of Chapter are required to:

- select suitable accounting policies and then applying them consistently;
- comply with applicable accounting standards, namely the Charities SORP (FRS102) and in accordance with the Accounting and Reporting regulations for English Anglican Cathedrals specified by the Church Commissioner under section 30 of the Cathedrals Measure 2021, subject to any departures disclosed and explained in the accounts.
- prepare and publish an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the cathedral and its connected entities;
- state that they have complied in all material respects with these regulations or describing which regulations have not been complied with and giving reasons for the non-compliance;
- make judgements and estimates that are reasonable and prudent;
- keep proper accounting records from which, the financial position of the cathedral can be ascertained with reasonable accuracy at any time; and
- safeguard the assets of the cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Chapter on 25 May 2024 and signed as authorised on their behalf by:



The Very Reverend Dr Tim Stratford – Dean of Chester

CHESTER CATHEDRAL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF CHESTER

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Chester Cathedral for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Cathedral Balance Sheet, the Consolidated Cash Flow statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Cathedral and the group's affairs as at 31 December 2023 and their net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the regulations specified by the Church Commissioners under the powers given to them by section 30 of the Cathedrals Measure 2021.
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF CHESTER

FOR THE YEAR ENDED 31 DECEMBER 2023

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of the members of Chapter

As explained more fully in the Chapter Responsibilities statement set out on page 10, the Chapter is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF CHESTER

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Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and its circumstances, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the Charities Act 2011 and Cathedrals Measure 2021 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and to manual accounting journals. Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimate

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF CHESTER

FOR THE YEAR ENDED 31 DECEMBER 2023

Use of our report

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



Haysmacintyre LLP
Statutory Auditor

31 July 2024

10 Queen Street Place
London
EC4R 1AG

CHESTER CATHEDRAL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

						As restated
	Note	Unrestricted 2023 £	Restricted 2023 £	Endowed 2023 £	TOTAL 2023 £	TOTAL 2022 £
Income and endowments from:						
Donations, grants and legacies	2	746,581	430,159	-	1,176,740	1,757,272
Other trading activities	3	1,849,634	7,782	-	1,857,416	1,385,609
Investments	4	-	1,806	946,553	948,359	936,303
Other income	5	28,421	-	-	28,421	459
Total:		2,624,636	439,747	946,553	4,010,936	4,079,643
Expenditure on:						
Raising funds	7	1,548,601	10,362	470,215	2,029,178	2,171,807
Ministry	8	374,518	204,693	-	579,211	698,205
Music	9	367,634	14,830	-	382,464	370,564
Cathedral and precincts upkeep	10	794,835	149,761	-	944,596	1,134,410
Education and outreach	11	34,253	26,944	-	61,197	53,431
Other expenditure	12	-	899	-	899	716
Total:		3,119,841	407,489	470,215	3,997,545	4,429,133
Net income before gains/(losses)		(495,205)	32,258	476,338	13,391	(349,490)
Net gains (losses) on listed investments	16	-	35,457	81,110	116,567	(146,853)
Unrealised Pension Gain	21	-	-	-	-	150,609
Net gains on investment property	15	-	-	714,285	714,285	1,222,631
Net income		(495,205)	67,715	1,271,733	844,243	876,896
Transfers between funds		373,182	103,156	(476,338)	-	-
Net Movement in funds		(122,023)	170,871	795,395	844,243	876,896
Funds brought forward as previously stated		1,150,121	462,611	19,419,675	21,032,047	19,555,510
Prior year adjustment	25	-	-	(600,000)	(600,000)	-
Funds brought forward as restated		1,150,121	462,611	18,819,675	20,432,407	19,555,510
Funds carried forward		1,028,098	633,482	19,615,070	21,276,650	21,032,047

The accompanying notes form part of the financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2023

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CHESTER CATHEDRAL

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	As restated 2022
	Notes	£	£
Fixed assets			
Tangible assets	14	1,464,251	1,481,372
Investment properties	15	18,787,237	18,072,952
Other investments	16	942,247	861,137
Total fixed assets		<u>21,193,735</u>	<u>20,415,461</u>
Current assets			
Stocks		-	-
Debtors	17	530,440	456,942
Bank and cash		696,498	709,623
Total current assets		<u>1,226,938</u>	<u>1,166,565</u>
Creditors: amounts falling due within one year	18	(726,046)	(1,298,258)
Net current assets/liabilities		500,892	(131,693)
Total assets less current liabilities		21,694,927	20,283,768
Creditors: amounts falling due after one year	19	(899,245)	(285,850)
Total net assets		<u>20,795,382</u>	<u>19,997,918</u>
The funds of the cathedral			
Endowment funds	23	19,615,070	18,819,675
Restricted funds	22	152,215	29,096
Unrestricted funds		1,028,097	1,149,147
Total net assets		<u>20,795,382</u>	<u>19,997,918</u>

Approved by Chapter on 25 May 2024 and signed on their behalf by:

Dean

J.R. Safford

Member of Chapter

[Signature]

CHESTER CATHEDRAL

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	As restated 2022
	Total	Total
	£	£
Cash flows from operating activities (note A)		
Net cash (used in) operating activities	(891,104)	(1,196,854)
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,891)	-
Purchase of investments	-	-
Proceeds from disposal of investments	-	705,000
Investment income	948,359	936,303
Net cash provided by investing activities	<u>50,364</u>	<u>444,449</u>
Movement of bank loans	(116,785)	(102,819)
Net cash (used in) financing activities	<u>(116,785)</u>	<u>(102,819)</u>
Change in cash and cash equivalents in the year	(66,421)	341,630
Cash and cash equivalents at the beginning of the year	1,016,121	674,491
Cash and cash equivalents at the end of the year	<u>949,700</u>	<u>1,016,121</u>

Note A

Reconciliation of net income to net cash outflow from operating activities

	2023	2022
	Total	Total
	£	£
Net income as per the Statement of Financial Activities	844,243	876,896
Gains on investment property	(714,285)	(1,222,632)
Investment income	(948,359)	(936,303)
Gain on investments	(116,567)	146,854
Depreciation charges	31,391	35,051
Disposal of fixed assets	1,047	-
(Increase)/decrease stock	(701)	4,169
(Increase)/decrease in debtors	(159,513)	174,987
Increase/(decrease) in creditors	171,640	(275,876)
Net cash (outflow) from operations	<u>(891,104)</u>	<u>(1,196,854)</u>

CHESTER CATHEDRAL**CONSOLIDATED CASHFLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2023****Analysis of changes in net debt**

	1 January 2023	Cash flows	Other non Cash changes	As at 31 December 2023
	£	£	£	£
Cash	709,623	(13,125)	-	696,498
Loans due in less than one year	(902,446)	902,446	(177,327)	(177,327)
Loans due in more than one year	(285,850)	(790,722)	177,327	(899,245)
	<u>(1,188,296)</u>	<u>111,724</u>	<u>-</u>	<u>(1,076,572)</u>
Total	<u>(478,673)</u>	<u>98,599</u>	<u>-</u>	<u>(380,074)</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

The principal accounting policies adopted in the preparation of the accounts are set out below.

I Accounting policies

I.1 Accounting convention

The financial statements have been prepared in under the historical cost convention, with items recognised at cost or transaction value except for the revaluation of investment properties and other investments. They have been prepared in accordance with:

- The accounting and reporting Regulations for English Anglican Cathedrals dated December 2018 as specified by the Church Commissioners under Section 30 of the Cathedrals Measure 2021; and
- The Charities SORP (FRS102) and the Charities Act 2011.

The Cathedral constitutes a public benefit entity as defined by FRS102.

Total Returns Adoption

In July 2019, the Chapter of Chester Cathedral agreed to adopt a Total Return policy on investments. The Chapter used 1952 as the base house price. Applying the lower of CPI/RPI to this figure confirms the current base value as £5,850,000. Chapter agreed that funds equivalent to £11.4m should be moved from endowment property and £0.8m from endowment investments to unapplied total return and will decide annually how much of this fund, if any, can be transferred to the income and expenditure account. However, since the assets within the fund are principally held as property, the expectation is that any transfers will only be for major changes in the Cathedral's strategy or operations.

The value of the Permanent Endowment Fund will increase at the lower of the change in the CPI or RPI rate each year.

I.2 Going concern

The financial statements have been prepared on a going concern basis as the Chapter believe that no material uncertainties exist in connection with the Cathedral's ability to operate for the foreseeable future. The Chapter has considered the level of funds held and the expected level of income for twelve months from authorising these financial statements.

I.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Members of Chapter in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Permanent Endowment funds are subject to specific conditions by donors that the capital must be maintained by the chapter.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.4 Income

Income from collections and other donations is recognised when received by or on behalf of the Cathedral. Income from grants and legacies is recognised when notified in writing, any conditions related to the entitlement have been met and the amount can be measured reliably. Grant income includes a grant from the Church Commissioners to fund the stipend costs of The Dean and canons, the costs of which are shown in staff costs.

Income from investments is recognised when receivable. Investment income from common investment funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared. Net gains and losses on investments are recognised when investments are sold and on revaluation.

1.5 Donated assets and services

Offers of gifts or books to the Cathedral Library are considered by the Canon Missioner and Vice Dean and the Cathedral Librarian. Books on the Cathedral itself or the Diocese and their respective histories, or books written by authors, past and present, associated either with the Cathedral or Diocese are especially welcomed. Offers of other kinds of gifts are considered by Chapter and where appropriate by the Cathedral's Fabric Advisory Committee (FAC).

The disposal of donated assets which are deemed to have outlived their usefulness is carefully considered by the FAC and where appropriate, proposals are submitted to the Cathedral's Fabric Commission for England (CFCE). No items are disposed of without the agreement of the FAC and decisions of the CFCE are always complied with.

In the case of such items once donated by individuals or families, surviving relatives are always informed when a decision is made in favour of disposal.

Where services are provided to the Chapter as a donation that would normally be purchased, the contribution is included in the financial statements at an estimate based on the value of the contribution to the Chapter.

1.6 Expenditure

Expenditure (including depreciation and pension costs and the costs of repairs, restoration and maintenance of the Cathedral) is accounted for on the accruals basis and is allocated under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Support costs have been allocated on the assumption that they arise in proportion to direct expenditure of the charitable activity.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Fixtures and fittings	10% or 25% straight line
IT equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.7 Tangible fixed assets (continued)

No depreciation is provided on freehold property because Members of Chapter are of the opinion that the properties are maintained to such a high standard that any depreciation charged would be negligible.

1.8 Investment properties

Investment property is held at fair value. The valuation is considered annually and any gain or loss arising from revaluation is reflected in the Statement of Financial Activities.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Chapter. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Stocks

All stock is recognised at the lower of cost and net realisable value.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities

Provisions are recognised when the Cathedral has an obligation at the reporting dates as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.14 Financial instruments

The Cathedral only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Cathedral and their measurement bases are as follows:

- Financial assets – trader and other debtors are basic financial instruments and are debt instruments measured at amortised costs. Prepayments are not financial instruments.
- Cash at bank is classified as a basic financial instrument and is measured at face value.
- Financial liabilities – trade creditors, accruals and other creditors are financial instruments and are measured at amortised costs. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.15 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when Chapter is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight-line basis over the term of the relevant lease.

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
2 Donations and legacies					
Donations & Gifts	550,586	21,264	-	571,850	595,928
Legacies	4,500	-	-	4,500	-
Grants					
Church Commissioners	(37,597)	251,505	-	213,908	241,614
Other grants					
- Education	3,974	600	-	4,574	3,735
- Worship	1,727	63,413	-	65,140	206,385
- Music	2,000	25,500	-	27,500	750
- Capital grants	221,391	67,877	-	289,268	708,860
Total	746,581	430,159	-	1,176,740	1,757,272

Capital Grants includes projects such as the new Pilgrim Porch, Abbey Gateway renovation and other funded maintenance work. The Church Commissioner Grants include grants towards Canon stipends

"Donations and Gifts" includes worship service offerings, congregational income, and visitor donations.

Church commissioners' income covers grants relating to stipends along with other items such as grants for energy costs.

3 Other trading activities

Fundraising events	1,849,634	7,782	-	1,857,416	1,385,609
Total	1,849,634	7,782	-	1,857,416	1,385,609

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
4 Investment income					
Income from investment property	-	-	918,997	918,997	907,103
Income from other investments	-	1,806	27,556	29,362	29,200
Total	<u>-</u>	<u>1,806</u>	<u>946,553</u>	<u>948,359</u>	<u>936,303</u>
5 Other income					
Insurance claims	28,421	-	-	28,421	459
Total	<u>28,421</u>	<u>-</u>	<u>-</u>	<u>28,421</u>	<u>459</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Staff costs and employee information

	2023	2022
	£	£
Salaries and stipends and related costs		
Wages, salaries	1,341,468	1,379,553
Social security	109,546	110,925
Pension	140,031	87,349
	<u>1,591,045</u>	<u>1,577,827</u>

The average monthly number of staff during the year was:

	2023	2022
	Number	Number
Clergy - costs borne by the Church		
Commissioners	3	3
Full time employees	32	35
Part time employees	48	34
	<u>83</u>	<u>72</u>

The average full time equivalent staff was 58 (2022: 57)

The above costs include the remuneration of the Dean and Residentiary Canons which is disclosed in the table below.

These costs are borne by the Church Commissions and an equal amount of income is recognised in the financial statements.

No employees were paid more than £60,000 in 2023.

	Stipend/ salary	Apprentice -ship levy	Social security	Pension contributions	Total
	2023	2023	2023	2023	2023
	£	£	£	£	£
Dean (The Very Reverend Dr Tim Stratford)	39,477	197	4,177	8,463	52,314
Vice Dean and Canon Missioner (The Reverend Jane Brooke)	29,950	150	2,878	4,389	37,367
Canon Precentor (The Reverend Jeremy Dussek)	3,123	14	184	4,001	7,322
The Canon for Worship and Spirituality (The Reverend Canon Rosemary Woodall)	18,745	84	1,487	4,397	24,713
	<u>91,295</u>	<u>445</u>	<u>8,726</u>	<u>21,250</u>	<u>121,716</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Staff costs and employee information (continued)

	Stipend/ salary 2022 £	Apprentice- ship levy 2022 £	Social security 2022 £	Pension contributions 2022 £	Total 2022 £
Dean (The Very Reverend Dr Tim Stratford)	37,955	171	3,700	11,677	53,503
Vice Dean and Canon Missioner (The Reverend Jane Brooke)	28,308	142	2,801	9,342	40,593
Canon Precentor (The Reverend Jeremy Dussek)	28,308	129	2,420	9,342	40,199
	<u>94,571</u>	<u>442</u>	<u>8,921</u>	<u>30,361</u>	<u>134,295</u>

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £	2022 Total Funds £
7. Raising funds					
Fundraising and publicity - staff	476,174	999	-	477,173	360,359
Trading costs - other trading activities	1,072,318	7,854	-	1,080,172	854,201
Investment management ¹	-	1,509	387,230	388,739	913,191
Financing costs	-	-	82,985	82,985	43,884
Support Costs	109	-	-	109	172
Total	<u>1,548,601</u>	<u>10,362</u>	<u>470,215</u>	<u>2,029,178</u>	<u>2,171,807</u>

Investment management includes grant funded refurbishment of investment properties.

¹ This figure contains maintenance costs of the endowed estate including externally funded capital works.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

8. Ministry

	Unrestricted	Restricted	Endowment	2023	2022
	Funds	Funds	Funds	Total	Total
	£	£	£	£	£
Staff costs	118,858	65,824	-	184,682	150,555
Clergy stipends and working expenses	-	121,674	-	121,674	134,295
Clergy housing costs	56,880	190	-	57,070	22,286
Clergy support costs	4,574	-	-	4,574	6,184
Rates, utilities and water	15,373	-	-	15,373	20,064
General expenses	23,834	9,013	-	32,847	197,651
Support Costs	154,999	7,992	-	162,991	167,170
Total	374,518	204,693	-	579,211	698,205

9. Music

Staff costs	182,280	-	-	182,280	164,115
Direct Music expenses	53,851	939	-	54,790	55,625
Recitalist fees	7,699	-	-	7,699	8,606
Maintenance	20,260	-	-	20,260	12,042
General expenses	187	8,563	-	8,750	18,704
Support costs	103,357	5,328	-	108,685	111,472
Total	367,634	14,830	-	382,464	370,564

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total Funds £	2022 Total Funds £
10. Cathedral and precincts upkeep					
Staff costs	191,962	28,550	-	220,512	248,373
Refuse & recycling	13,909	-	-	13,909	14,313
Insurance	88,812	-	-	88,812	72,590
Rates, utilities and water	19,798	103,844	-	123,642	95,667
Maintenance and interior upkeep	257,715	5,019	-	262,734	422,013
Irrecoverable VAT	42,661	-	-	42,661	65,108
General expenses	43,071	5,290	-	48,361	68,689
Support costs	136,907	7,058	-	143,965	147,657
Total	794,835	149,761	-	944,596	1,134,410
11. Education and outreach					
Staff costs	18,150	21,875	-	40,025	31,713
Maintenance	-	-	-	-	-
General expenses	907	4,286	-	5,193	5,329
Support costs	15,196	783	-	15,979	16,389
Total	34,253	26,944	-	61,197	53,431
12. Other expenditure					
Pension deficit (decrease) /increase	-	-	-	-	-
Other	-	899	-	899	716
Total	-	899	-	899	716

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

13.	Analysis of support costs including governance	2023 £	2022 £
	Support Costs		
	Staff costs	274,408	256,141
	Depreciation	15,885	16,085
	Telephone	5,430	-
	Postage and stationery	6,035	10,726
	Office equipment	4,958	4,121
	Legal and professional	11,374	10,359
	Bank charges	13,496	7,896
	IT & IT projects	55,008	89,913
	General expenses	12,096	24,954
	Governance costs		
	Audit fees	12,300	8,743
	Chapter Expenses	20,631	13,750
		<u>431,621</u>	<u>442,688</u>
	Allocated as follows:	£	£
	Ministry	162,992	167,170
	Music	108,685	111,472
	Cathedral and precincts upkeep	143,965	147,657
	Education and Outreach	15,979	16,389
		<u>431,621</u>	<u>442,688</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Tangible Fixed Assets Group

	As restated Freehold land & Buildings	Plant and equipment	Fixtures & Fittings	IT Equipment	Total
Cost of Valuation					
At 1 January 2023	1,415,143	226,640	338,473	2,961	1,983,217
Additions	-	6,891	-	-	6,891
Revaluation	-	(16,807)	-	-	(16,807)
At 31 December 2023	1,415,143	216,724	338,473	2,961	1,973,301
Depreciation					
At 1 January 2023	-	156,599	272,244	2,961	431,804
Charge	-	14,270	17,121	-	31,391
Disposal	-	(15,760)	-	-	(15,760)
At 31 December 2023	-	155,109	289,365	2,961	447,435
Net Book Value at 31 December 2023	1,415,143	61,616	49,108	-	1,525,867
Net Book Value at 31 December 2022	1,415,143	70,041	66,229	-	1,551,414

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

14. Tangible Fixed Assets Cathedral Only

	As restated Freehold land & Buildings	Fixtures & Fittings	IT Equipment	Total
Cost of Valuation				
At 1 January 2023	1,415,143	338,473	2,961	1,756,577
Additions	-	-	-	-
Revaluation	-	-	-	-
At 31 December 2023	<u>1,415,143</u>	<u>338,473</u>	<u>2,961</u>	<u>1,756,577</u>
Depreciation				
At 1 January 2023	-	272,244	2,961	275,205
Charge	-	17,121	-	17,121
At 31 December 2023	<u>-</u>	<u>289,365</u>	<u>2,961</u>	<u>292,326</u>
Net Book Value at 31 December 2023	1,415,143	49,108	-	1,464,251
Net Book Value at 31 December 2022	1,415,143	66,229	-	1,481,372

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

15. Investment Property Group and Cathedral

	As restated
Fair value	£
At 1 January 2023	18,072,952
Disposals	-
Revaluation	714,285
At 31 December 2023	18,787,237

Investment properties are held at fair value which is assessed annually by the Chapter. A revaluation exercise was undertaken as at 31st December 2023, following a full property revaluation, by our Managing Agent, Neil Tunks of DN Surveyors Ltd, on the basis of open market and an increase in the valuation has been reflected in the financial statements as shown above. The historic cost of the properties is not known.

16.

Group

	Listed Investments	Other investments	Total
	£	£	£
Cost or valuation At 1 January 2023	1,158,391	-	1,158,391
Additions	-	-	-
Disposals	-	-	-
Revaluation	116,567	-	116,567
At 31 December 2023	1,274,958	-	1,274,958

Cathedral only

	Listed investments	Other investments	Total
	£	£	£
Cost or valuation At 1 January 2022	861,037	100	861,137
Additions	-	-	-
Disposals	-	-	-
Revaluation	81,110	-	81,110
At 31 December 2023	942,147	100	942,247

CHESTER CATHEDRAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2023**

17.	Debtors: amount falling due within one year	2023 £	2022 £
	Group		
	Trade debtors	361,113	197,473
	Chester Cathedral Enterprises Ltd	-	-
	Prepayments and accrued income	23,088	27,140
	Other debtor (VAT)	-	75
		<u>384,201</u>	<u>224,688</u>
	Cathedral only		
	Trade debtors	265,869	204,358
	Chester Cathedral Enterprises Ltd	242,371	226,082
	Prepayments and accrued income	22,200	26,427
	Other debtor (VAT)	-	75
		<u>530,440</u>	<u>456,942</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

18	Creditors: amounts falling due within one year	2023	2022
	Group	£	£
	Banks loans	177,327	907,507
	Trade creditors	67,970	80,417
	Other taxation and social security	113,613	51,163
	Accruals and deferred income	332,391	265,375
	Pension deficit	-	-
	Other creditors	116,746	62,125
		<u>808,047</u>	<u>1,366,587</u>
	Deferred income		
	Opening position	137,290	99,643
	Resources deferred during the year	229,131	137,290
	Amounts released from prior periods	(137,290)	(99,643)
		<u>229,131</u>	<u>137,290</u>

Deferred income relates to monies received in rental income received in advance for the following financial year.

18.	Creditors: amounts falling due within one year	2023	2022
	Cathedral only	£	£
	Banks loans	176,815	902,446
	Trade creditors	42,911	50,418
	Other taxation and social security	80,825	28,654
	Accruals and deferred income	331,461	265,375
	Pension deficit	-	-
	Other creditors	94,034	51,365
		<u>726,046</u>	<u>1,298,258</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year (continued) Cathedral only

Deferred income		
Opening position	137,290	99,643
Resources deferred during the year	229,131	137,290
Amounts released from prior periods	(137,290)	(99,643)
	<u>229,131</u>	<u>137,290</u>

Deferred income relates to monies received in rental income received in advance for the following financial year.

19	Creditors: amounts falling due after one year Group and Cathedral only	2023 £	2022 £
	Bank loans	899,245	285,850
	Pension deficit	-	-
		<u>899,245</u>	<u>285,850</u>

20	Bank loans and overdraft Group	2023 £	2022 £
	Payable within one year	177,327	907,507
	Payable after one year	899,245	285,850
		<u>1,076,572</u>	<u>1,193,357</u>
	Cathedral only		
	Payable within one year	176,815	902,446
	Payable after one year	899,245	285,850
		<u>1,076,060</u>	<u>1,188,296</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Bank loans and overdraft (continued)

Included in loans figures are five loans

- Loan of £513,000 provided at 2% over base rate, over 15 years and is repayable at £49,505 per annum, maturity date February 2027.
- Loan of £481,000 provided at 2.65% over base rate, over 13 years and is repayable at £54,535 per annum, maturity date October 2036.
- Loan of £75,000 provided at 2.65% over base rate, over 5 years, refinancing in 2024 and is repayable at £8,195 per annum, maturity date is September 2033.
- CBIL loan of £150,000 provided at 3% over base rate, over 5 years and is repayable at £30,000 per annum, maturity date is August 2026.
- Bank Loan of £305,000 provided at 2.65% over base rate, over 15 years and is repayable at £34,580 per annum, maturity is December 2038.

21 Pension commitments

Chester Cathedral (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. Payments made to the scheme in year were £Nil (2022: £41,392) which includes contributions in respect of deficits arising in earlier years and administrative costs. The SoFA credit or charge arising from past deficits is shown in the table below.

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Pension commitments (Continued)

A valuation of the DBS scheme is carried out once every three years. The most recent valuation as at December 2023 showed the scheme was in an overall surplus and thus no payments into the scheme will be made going forwards while this remains the case.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2023 £	2022 £
Balance sheet liability at 1 January	-	192,000
Unrealised gain on pension assets	-	(150,609)
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Interest costs	-	-
Deficit contribution paid	-	(41,391)
	<hr/>	<hr/>
Balance sheet liability at 31 December	<hr/> <hr/>	<hr/> <hr/>

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

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

22. Restricted funds

Cathedral only and group

	B/f	Income	Expenditure	Transfers	C/f
West doors	-	3,935	(3,935)	-	-
CAB Debt	2,138	3,138	(3,138)	-	2,138
Chorister Friends Grant	-	9,225	(12,300)	-	(3,075)
Bellringers Fund	22,565	560	(59)	(5,541)	17,525
G McPhate Fund	4,618	-	(313)	-	4,305
Grand Organ Fund	44,997	1,891	(381)	25	46,532
Canon Chancellor Award Fund	3,340	-	(370)	-	2,970
Needlework Fund	4,255	-	(109)	-	4,146
Education from Mission	6,695	1,232	(111)	-	7,816
Music Soloists Fund	12,093	-	(8,183)	-	3,910
Vice Dean Fund	683	3,785	(1,757)	(333)	2,378
Hardship Fund 2020	1,100	-	(1,000)	-	100
Anon. gift 2019	1	-	(1)	-	-
Church Commissioners Grants	(136,690)	242,280	(225,560)	134,295	14,325
Stonemasons	21,326	26,329	(26,329)	(21,326)	-
Transforming Lives together	-	37,225	(37,374)	-	(149)
All Churches	2,600	2,600	(2,600)	-	2,600
JB Diversity	993	-	(993)	-	-
Cathedral Music Grant	-	25,000	-	-	25,000
Oldfield Choir	-	500	(500)	-	-
Education Lunches project	2,019	600	(1,829)	-	790
Scientists in Congregation	7,793	-	(1,961)	-	5,832
Dean's Breakfast	-	2,820	-	992	3,812
All Churches	-	30,375	(22,605)	-	7,770
AHF PVG Grant	4,373	-	(4,373)	-	-
Solar Panels	12,160	-	-	(12,160)	-
Nave Furniture	12,000	-	-	(12,000)	-
Other	36	-	-	(36)	-
Nave Choir Fund	-	1,220	-	164	1,384
Gaia 2023	-	-	(16,076)	16,076	-
CC Dig Assistant S23	-	26,188	(28,558)	-	(2,370)
Icon Fund	-	-	(1,000)	3,000	2,000
Deaf Support Fund	-	900	(320)	-	580
Saving Planet	-	2,741	(2,684)	-	57
Works Recharge City Walls	-	-	(214)	-	(214)
Trena Cox	-	2,000	(10)	-	1,990
CCCSG	-	500	(439)	-	61
Total: Cathedral Only	29,095	425,044	(405,082)	103,156	152,213
Subsidiary charities	433,516	14,703	(2,367)	35,457	481,309
Total group	462,611	439,747	(407,489)	138,613	633,482

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

22. Restricted funds

Prior year comparative - Cathedral only and group

	B/f	Income	Expenditure	Transfers	C/f
CAB Debt	2,138	-	-	-	2,138
Bellringers Fund	18,763	3,802	-	-	22,565
G McPhate Fund	4,757	-	(139)	-	4,618
Grand Organ Fund	22,041	26,501	(3,545)	-	44,997
Canon Chancellor Award Fund	4,002	-	(662)	-	3,340
Needlework Fund	4,255	-	-	-	4,255
Education from Mission	6,174	1,057	(536)	-	6,695
Music Soloists Fund	16,374	-	(4,281)	-	12,093
Vice Dean Fund	683	-	-	-	683
Hardship Fund 2020	1,100	-	-	-	1,100
Anon. gift 2019	1	-	-	-	1
Church Commissioners Grants	-	71,350	(208,040)	-	(136,690)
Stonemasons	21,326	-	-	-	21,326
All Churches	2,600	-	-	-	2,600
JB Diversity	414	1,461	(882)	-	993
Education Lunches project	898	3,735	(2,614)	-	2,019
Scientists in Congregation	8,215	-	(422)	-	7,793
AHF PVG Grant	3,943	19,860	(19,430)	-	4,373
Solar Panels	12,160	-	-	-	12,160
Nave Furniture	12,000	-	-	-	12,000
Other	36	-	-	-	36
Total: Cathedral Only	141,880	127,766	(240,551)	-	29,095
Subsidiary charities	357,857	108,347	(32,688)	-	433,516
Total group	499,737	236,113	(273,239)	-	462,611

Transfers in the year follow a detailed review of restrictions.

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Endowment fund

	Clergy-Use property	Trust for investment	Unapplied total return	Total endowment
At 1 January 2023				
Gift component	1,415,143	2,678,756	-	4,093,899
Unapplied total return	-	-	14,725,776	14,725,776
	<u>1,415,143</u>	<u>2,678,756</u>	<u>14,725,776</u>	<u>18,819,675</u>
Movement in reporting period				
Investment return - net income	-	-	946,553	946,553
Investment return - net gains	-	-	765,395	765,395
Less investment management costs	-	-	(387,230)	(387,230)
Less: financing costs	-	-	(82,985)	(82,985)
CPI increase	-	105,297	(105,297)	-
	<u>-</u>	<u>105,297</u>	<u>1,166,436</u>	<u>1,271,733</u>
Unapplied total return allocated to income	-	-	(476,638)	(476,638)
Net movement in the period	<u>-</u>	<u>105,297</u>	<u>690,098</u>	<u>795,395</u>
At 31 December 2023				
Gift component	1,415,143	2,784,053	-	4,199,196
Unapplied total return	-	-	15,415,874	15,415,874
	<u>1,415,143</u>	<u>2,784,053</u>	<u>15,415,874</u>	<u>19,615,070</u>
Endowment represented by				
Tangible fixed assets				1,415,143
Investments				942,247
Investment property				18,787,237
Net current assets				(630,312)
Loans				(889,245)
				<u>19,615,070</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

24. Analysis of net asset between funds - Group

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Tangible fixed assets	110,723	-	1,415,143	1,525,866
Investment property	-	-	18,787,237	18,787,237
Investments	-	332,711	942,247	1,274,958
Net current assets	917,375	300,771	(630,312)	587,834
Long term liabilities	-	-	(899,245)	(899,245)
	<u>1,028,098</u>	<u>633,482</u>	<u>19,615,070</u>	<u>21,276,650</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Tangible fixed assets	136,271	-	1,415,143	1,551,414
Investment property	-	-	18,072,952	18,072,952
Investments	-	297,254	861,137	1,158,391
Net current assets	1,013,850	165,357	(1,243,707)	(64,500)
Long term liabilities	-	-	(285,850)	(285,850)
	<u>1,150,121</u>	<u>462,611</u>	<u>18,819,675</u>	<u>20,432,407</u>

CHESTER CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

24. Analysis of net asset between funds – Cathedral Only

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Tangible fixed assets	49,108	-	1,415,143	1,464,251
Investment property	-	-	18,787,237	18,787,237
Investments	-	-	942,247	942,247
Net current assets	978,989	152,215	(500,892)	293,361
Long term liabilities	-	-	(899,245)	(899,245)
	<u>1,028,097</u>	<u>152,215</u>	<u>20,795,382</u>	<u>20,587,851</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Tangible fixed assets	66,229	-	1,415,143	1,481,372
Investment property	-	-	18,072,952	18,072,952
Investments	-	-	861,137	861,137
Net current assets	1,082,919	29,096	(1,243,707)	(183,538)
Long term liabilities	-	-	(285,850)	(285,850)
	<u>1,149,148</u>	<u>29,096</u>	<u>18,819,675</u>	<u>19,997,919</u>

25. Subsidiary company

The Cathedral owns 100% of the share capital of Chester Cathedral Enterprises Limited, a company registered in England (registered company number 01382905).

The Cathedral controls three charitable trusts which are wholly for the benefit of the Cathedral: The Chester Cathedral Education Trust (registered charity number 1147915), The Chester Cathedral Development Trust (registered charity number 257123) and the Chester Cathedral Music Trust (registered charity number 115457).

26. Related party transactions

Four members of Chapter receive stipends within the Church of England structure. Details are provided in note 6.

The Dean's spouse is employed as an Educational Officer within the Cathedral.

CHESTER CATHEDRAL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2023**

27. Prior period adjustment

Following a review of the properties, it was found that due to a re-categorisation error, one property had been included in functional and investment properties in the financial statements for the year ended 31 December 2022. A full review has been undertaken of the properties following the findings and the error has been reversed, by way of prior period adjustment. There is no impact on the periods prior to 2022 therefore the adjustment is solely to unrealised gains in 2022. There is no impact on the figures reported in the 2023-year end.

Summary of the prior year accounting impact

	Previously Reported 2022	Transfers	Prior period Adjustment 2022	Restated 2022
	£	£	£	£
Tangible fixed assets	2,045,143	(630,000)	-	1,415,143
Investment property	18,042,592	630,000	(600,000)	18,072,592
Gains on investments	(1,822,631)	-	600,000	(1,222,631)

1900-1901

1900-1901

1900-1901

1900-1901

1900-1901

1900-1901	1900-1901	1900-1901	1900-1901	1900-1901
1900-1901	1900-1901	1900-1901	1900-1901	1900-1901
1900-1901	1900-1901	1900-1901	1900-1901	1900-1901
1900-1901	1900-1901	1900-1901	1900-1901	1900-1901
1900-1901	1900-1901	1900-1901	1900-1901	1900-1901