
**CATHEDRAL CHURCH OF ST
NICHOLAS IN NEWCASTLE**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Board of Trustees Report for the year ended 31 December 2024

REFERENCE AND ADMINISTRATION DETAILS

Title: The Cathedral Church of St Nicholas in Newcastle

Registered Office: Cathedral House
42-44 Mosley Street
NEWCASTLE
NE1 1DF

Charity Number: 1203907

Working Name: Newcastle Cathedral

Chapter members

For the purposes of the Charities Act 2011, Chapter members are trustees of the registered charity *The Cathedral Church of St Nicholas in Newcastle* by virtue of the Cathedrals Measure 2021.

The Dean: The Very Reverend Lee Batson

Residentiary Canons: The Reverend Canon Peter Dobson – Canon for Outreach and Discipleship (resigned 13/09/2024)
The Reverend Canon Clare MacLaren – Canon for Music and Liturgy (resigned 13/04/2024)
The Reverend Canon Ruth Carole Hulse – Canon for Worship and Congregational Life (appointed 13/07/2024)
The Reverend Canon Zoe Norah Heming – Canon for Mission (appointed 14/09/2024)
The Venerable Rachel Wood – Archdeacon of Northumberland

Lay Members: Canon David Bilton (Senior Non-Executive Member)
Mr Eric Jubb
Ms Edna Beveridge
Mr David Lawrence
Mr John Inglis-Jones
Mr Gavin Black
Ms Helen Paterson (appointed 06/11/2024)

Advisors to Chapter

Finance and Investment Committee: Mr John Inglis-Jones (Chair)
The Reverend Canon Peter Dobson (resigned 13/09/2024)
Mr Gavin Black
Mr Andrew Wathey
Ms Catharine Winfield

Audit and Risk Committee: Mr Alan James (Chair)
Ms Catharine Winfield
Mr Eric Jubb
Canon Philip Davies

Board of Trustees Report for the year ended 31 December 2024

Nominations Committee:	Mr John Goddard (Chair) (resigned 04/09/2024) Ms Isabella McDonald-Booth (Chair) (appointed 16/12/2024) Mr Eric Jubb Mr Paul Taylor Mr James Scott Smith
Chief Operating Officer/ Chief Finance Officer & Chapter Clerk:	Ms Katie Sussams
Director of Music :	Mr Ian Roberts
Fabric Advisory Committee:	Ms Lindsay Allason-Jones (Chair) Mr Ian Ayris Mr Martin Hulse Ms Jenny Gillatt Mr Christopher Wardale The Very Reverend Michael Sadgrove
Cathedral Architect:	Mr Scott Lindsay (Simpson and Brown, Edinburgh)
Cathedral Archaeologist:	Mr David Heslop (New Visions)
Auditors:	Robson Laidler Robson Laidler Accountants Ltd Fernwood House Fernwood Road Newcastle upon Tyne NE2 1TJ
Bankers:	Lloyds Bank 102 Grey Street Newcastle upon Tyne NE1 6AG
Investment Managers:	Cazenove Capital 12 Moorgate London EC2Y 5AU
Solicitors:	Sintons The Cube Barrack Road Newcastle upon Tyne NE4 6DB
Property Management Agents:	Naylor's Gavin Black Hadrian House Higham Place Newcastle upon Tyne NE1 8AF

Board of Trustees Report for the year ended 31 December 2024

The Dean and Chapter present their report and audited accounts for the year ended 31 December 2024.

OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the Chapter are (a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England; (b) to care for and conserve the fabric and structure of the cathedral church building; (c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b). The Chapter must act for the public benefit within the meaning of section 4(3) of the Charities Act 2011 as amended by the Charities Act 2022.

PUBLIC BENEFIT STATEMENT

As a Cathedral of the Church of England, the Chapter's statutory responsibility under the Cathedrals Measure 2021 is to be the seat of the Diocesan Bishop, to be a centre of worship and mission and to provide a focus for the life and work of the Church of England in the Diocese. The Chapter report outlines some of the details how this public benefit is delivered to provide worship, pastoral and outreach/learning opportunities for the people of Newcastle and beyond as well as the provision of hospitality, welcome, music and events for all the Cathedral's visitors throughout the year.

The trustees are satisfied that the work of Newcastle Cathedral continues to deliver public benefit. The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

ACHIEVEMENTS AND PERFORMANCE

At the heart of the life of the Cathedral are the three core values of Radical Welcome, Empowering Worth and Inspiring Worship. These values underpin all activity and development in the cathedral.

In 2023, Chapter adopted three key strategic aims in order to shape and define the core purpose and values. Whilst a new Strategic Plan is being developed in 2025, the key strategic aims adopted by Chapter in 2023 are still current.

1. To develop relationships across the Diocese, City and wider region

The relationship with the Diocese has been strengthened by a series of regular meetings with operational staff from both Cathedral and Diocese. This includes a commitment of both organisations to be a visible vehicle for the Bishop's wider ministry through events such as Diocesan synod which is now programmed in to the Cathedral calendar ensuring strategic planning and communication can happen. The Dean has continued his work with the College of Canons to identify specific ways in which they can contribute to the wider Diocesan strategy through their individual and group membership of the College. The Dean also meets weekly with the two Bishops, and plays a full part in meetings of the Bishop's Leadership Team.

The Dean and new canons have been actively developing new partnerships and connections with the Diocese, City and wider region. The Dean is a member of the Board of NE1 Ltd (the Newcastle BID) as well as the Newcastle Carers charity. Together with the Dean of Durham, he has been engaging with the new Mayoral Authority team and was invited to comment on the draft Strategic Plan for the new Authority. The Dean and new Residentiary Canons have been offering more support to parishes across the Diocese, helping build capacity for worship but also for key occasions such as licensing. In 2024, new relationships were consolidated with the business community, particularly the North East of England Chamber of Commerce (NEECC), the Police and the Lord Mayors Office (eg with their Christmas events now a priority for our calendar).

Board of Trustees Report for the year ended 31 December 2024

2. *To develop plans for our staff, volunteers, worshipping community and visitors*

The Cathedral team is small but extremely committed, experienced and focused on driving forward change and creating/maintaining a positive culture. In 2024, the team worked harder than ever to ensure a stable and secure operational life of the cathedral was continuing, showing enormous levels of professionalism, capacity-building and collaborative working.

Volunteers remain at the heart of our organisation and 2024 saw new monthly training being rolled out and a focus on ensuring volunteers were actively valued, through social events and a large service of thanksgiving during National Volunteers Week. Our Volunteer Co-ordinator and Front of House Manager have been supported by Jen Flint, the new Front of House Assistant, who has been marvellous in encouraging our Welcomers and retail volunteers.

Our Radical Welcome value continued to be hugely important and we were pleased to welcome Laurie Crow as Cathedral Lantern Lead to drive forward the amazing and transformative work undertaken by Revd John Canessa. Revd Zoe Heming was appointed as Canon for Mission, overseeing the Cathedral Lantern Project and bringing additional focus to our social justice work and how we enable a more accessible engagement for all our community.

Our musical life continues to be a vital ingredient in our daily life of worship and prayer. The year saw the continuation of the inspiring Schools Singing Programme, enabling many children, from all areas of the city, to experience a high-quality musical education through singing in the classroom. Some of those children then get involved with singing in the cathedral, which can be educationally, culturally and spiritually transformational. As the Director of Music, Ian Roberts says in his report to the congregation, “this really is mission in action!”. A new initiative as part of a Cathedral Music Trust pilot, has been *Small Sounds*, an inspiring singing initiative for babies, toddlers and their parents. The hope is that in time this will feed into *Mini ChoriStarters* and *ChoriStarters*, truly enabling a transformative journey for young people in the musical life of the cathedral. Among other musical things of note, Alexander Armstrong’s Choral Adventure came to the cathedral in February, and the choir sang Bach’s St John Passion in Holy Week, a major undertaking particularly for the younger members of the choir, it being a wonderful experience for them to sing a major work with a group of professional instrumentalists. Our thanks go to the Cathedral Choir Association for their continued support in this. Throughout 2024, the Organ Appeal for Phase 1 of the organ rebuild gathered momentum, with a significant number of generous people sponsoring pipes as well as grants being awarded from external charities.

Revd Ruth Hulse was appointed as Canon for Worship and Congregational Life, to oversee music and liturgy, and the verger team, and also to work closely with those who worship with us regularly. Developments have begun in the areas of discipleship, congregational meetings, Junior Church and building excellent relationships with our diverse community of worshippers. Ruth also provides a link with local churches in Newcastle City Deanery through Chapter meetings and joint youth events.

3. *To develop a clear financial/business plan to achieve financial sustainability*

As ever, long-term sustainability continues to be at the forefront of everyday life at the Cathedral and like many organisations, the Cathedral has been challenged by the cost-of-living crisis, significantly increased utilities costs, increasing costs of maintenance and commitment to staff remuneration. The budget-setting process for 2025 was careful and considered, starting in the summer of 2024 with over £100,000 difference between 2024 and 2025 budgeted deficit levels. This represented a very clear need to reduce operating costs, which will continue. Chapter approved the Endowment Strategy produced by the Head of Fundraising and Development at the end of the year and it is envisaged that 2025 will bring specific results of the work which follows the establishment of an Endowment Fundraising Group.

The Finance and Investment Committee continue to support Chapter with quarterly review of management accounts, properties and investments. A key challenge for 2024 has been the tenancy of spaces in Cathedral House

Board of Trustees Report for the year ended 31 December 2024

and it is clear that further investment will be needed in the property in order to attract tenants and reduce the service charge.

Our events programme continues to be both a delight and financially beneficial. Our Front of House Manager has continued to develop relationships with external clients with a view to securing repeat bookings and growth of the event hire business. Event hire income continues to be the main sole income stream for the cathedral and we remain committed to having high quality, engaging events with partners who are aligned with the Cathedral's values.

ORGANISATION FINANCIAL REVIEW

Operating Position

Total income in the year to 31st December 2024 was £1,391,396 which is a decrease of £91,515 on income received in the prior year to 31st December 2023 (£1,482,911).

Total expenditure for the year amounted to £1,569,674 which is a decrease of £6,861 on expenditure for the prior year to 31st December 2023 (£1,576,535).

The Cathedral had to drawdown £200,634 from the unrestricted fund to cover the budgeted cash deficit. The total market value of our investments at the end of the year was £1,671,514 of which £1,136,597 is in the Endowment Fund.

An internal report of the Church Commissioners in 2024 showed that many of the UKs Anglican Cathedrals continue to be challenged financially, with over 60% running at a deficit and a number of these facing stark cashflow challenges. In this vein, Newcastle Cathedral was fortunate to be included in a pilot study commissioned by the Church Commissioners in 2024 to look at the state of cathedral finances; staff were involved in a 'deep dive' assessment of the financial position and opportunities. We were pleased to hear from the business planning consultants that they considered us a very well-run cathedral and, whilst having significant capacity challenges and a very low staffing compared to a number of other cathedrals, they felt that we were certainly punching above our weight and not missing any opportunities in both income generation and keeping a tight rein on our costs. This work is ongoing into 2025 and we anticipate that our help in this pilot study will enable a UK-wide review of cathedrals' finances.

Challenges

Infrastructure costs including utilities, fabric repairs/maintenance, insurance and compliance (such as H&S) remain our most significant challenges. We remain deeply committed to looking after our beautiful cathedral and ensuring that it is a safe space for all who work and visit here, so whether we have one person through the doors each day or hundreds (and we certainly work towards the latter), there is a very real cost of keeping our cathedral open, safe and welcoming.

Our staff are extremely important and despite the challenges of rising National Insurance contributions, Chapter are committed to annual reviews of pay and also to the Newcastle Living Wage.

Repairs to the tower are urgent and we are working closely with Newcastle City Council on a plan of action; 2024 saw a significant joint spend on investigations in to masonry issues.

We are also committed to the upkeep of our housing stock and committed unforeseen expenditure to repairs at 2A Holly Avenue. The good news is that this property is now rented out and bringing in a good income stream.

Cathedral House has also had a focused expenditure and we are committed to upgrading the interior to attract new tenants. Although rental income from our commercial tenants has not met the 2024 budget, there has been a focused period of grant finding, resulting in over £70K grant-funded through private donors and a local Trust for improvements to this property (2024 saw works including the installation of a new fire alarm system and new heating system). Further works will include window repairs and redecoration.

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Opportunities

One of our key opportunities for achieving sustainability will be the establishment of an Endowment Fund, where our supporters can make donations which will be invested into our reserves to produce regular income. Work by the Church Commissioners-appointed business planning consultancy has suggested that a source of independent significant income will be the long-term way to bridge the structural deficit between income and costs. This will take time to come to significant fruition but a good foundation has been laid through the Endowment Strategy approved by Chapter

Our Head of Fundraising and Development has been hard at work on securing grants for our mission and core work. She has been successful in securing money for staff posts (including the Chorister Supervisor and the upcoming Community Engagement Officer/Learning Officer roles), an Artist in Residence programme and of course funds for large-scale organ maintenance.

Our events programme continues to be extremely successful. The report from our Front of House Manager highlights some of the incredible success in income generation, with a 34% increase in hire against budget. The music team's Christmas Carol concerts were also really well attended and we are pleased to be able to announce further such concerts for 2025.

The Inaugural St Nicholas Gala Dinner, masterminded by the Cathedral Trust (with significant support from the Front of House Manager, Marketing Manager and head of Fundraising and Development), saw over 200 local businesspeople and friends of the cathedral coming together to raise over £30,000 for our work. The next dinner will be in May 2025.

The team have worked incredibly hard this year, coming together in a collaborative spirit to overcome some significant challenges and are really focused on passionate delivery of all we do. Of course, we could not have done it without the support (financial of course, but also in a myriad ways of supporting all the team) of the congregation, the Friends of St Nicholas Cathedral and the Newcastle Cathedral Trust.

Reserves Policy

The policy of Chapter is to build up sufficient unrestricted reserves so that essential costs such as staff, suppliers, VAT and employment taxes can be met without the need to liquidate assets in the investment portfolio. These reserves also help us meet costs which must sometimes be settled in advance of receiving grant funding and form a financial cushion in the event of fluctuations in income or costs.

Newcastle Cathedral held consolidated funds of £5,514,777 as at 31st December 2024 (2023: £5,622,408).

Of this, £3,442,691 was held in Endowment funds which the trustees are legally required to invest or to keep and use for the charity's purposes

£717,414 in Restricted funds, which are subject to various restrictions, normally specified by the donor, and as such may not be spent on the Cathedral's general purpose.

The Unrestricted Reserves amounts to £1,354,672 of which £388,789 is free reserves. The Cathedral believes that the amount of assets held within the Unrestricted Investment Fund is not truly free as the disposal of these assets would adversely impact on a charity's ability to deliver its aims. £342,231 is held in the Unrestricted Investment Fund.

As part of the Cathedral's investment policy the unrestricted reserves are utilised by investing them in appropriate financial instruments to generate income to contribute towards the Cathedral's ongoing running costs. The minimum balance for these investment funds has been deemed to be around £300,000. This means that the Cathedral has £88,789 of truly free reserves.

The Cathedral's target is to hold an amount of freely available reserves equal to three months of unrestricted expenditure. This is typically around £225,000. Chapter acknowledge the aim to build the Cathedral's free

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reserves by working actively to increase net income from trading, visitors and events. Chapter will review this policy regularly, or when there are major changes in our income or costs.

The level of our actual cash reserves fluctuates during the year, so we produce regular cash flow forecasts which are reviewed by the Finance Committee and Chapter on a regular basis.

Investment Policy

We hold certain funds in line with our reserves policy and certain funds as permanent endowment. We therefore have funds available for investment. Aside from our cash balances, our funds are held as investment properties and within an investment portfolio. Our investment powers are set out in the Cathedrals Measure 2021. We have adopted a moderate risk profile and achieve diversification through a balanced fund.

Chapter's investment objective is to create sufficient income and capital growth to enable the Chapter to carry out its purposes consistently year by year with due and proper consideration to future needs and to maintain and enhance (where possible) the invested funds.

Investments held by the Chapter were managed by Cazenove Capital and follow ethical investment guidelines set out by the Church of England.

Fundraising standards information

We raise funds from the public. We therefore report under s62 of the Charities Act 2011 as follows:

The charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follows all guidelines set out by the Charity Commission and UK law in every respect. We raise money from charitable trusts and foundations, grant making organisations and businesses.

We are registered with the Fundraising Regulator and have committed to follow the Fundraising Code of Practice. We use the code when training and supporting volunteer fundraisers.

We respect the privacy and contact preferences of all public donors. Chapter review the Cathedral's Fundraising Policy annually. Chapter monitors our fundraising activities and no areas of non-compliance were found in 2024.

Remuneration of key personnel

Stipend rates for Deans and Residentiary Canons are set by the Church of England. Chapter determines the remuneration of the Chief Operating Officer, whose performance is reviewed by the Dean. The remuneration of senior staff is determined by Chapter on the advice of the Senior Management Team. Pay is set with regard to the pay of equivalent roles in English cathedrals of similar standing.

PLANS FOR THE FUTURE PERIOD

Strategic Planning

With the appointment of Canon Zoe Heming and Canon Ruth Hulse, the Senior Management Team is now running at full capacity and able to focus on strategic planning and development for the coming years. The Dean has led on a programme of strategic planning which has included reviewing the 'brand narrative' to ensure our messages are clear, succinct and engaging. There has been consultation across the staffing and congregation for the key areas in the Strategic Plan, which will be delivered to Chapter for further development in the summer of 2025.

Staffing and Development

Once again the Cathedral Sustainability Fund (Church Commissioners) has been a key source of income. Additional bids are planned for 2025 including Commercial Enterprise Manager and Finance Assistant. The growth of trading activity since 2021 has meant we are actively looking at the establishment of a Trading Company and working with other cathedrals to understand how this is to be set up and efficiently run. We continue to be grateful for the support from colleagues at Hexham Abbey and they have been of invaluable help in this. We also anticipate appointing a Community Learning and Engagement Officer in 2025 (funded through the Cathedral Sustainability Fund) to continue developing our partnerships with other 3rd sector organisations working

Board of Trustees Report for the year ended 31 December 2024

to help under-represented or marginalised groups. We will also be appointing a Cathedral Lantern Project Officer to support the Lantern Lead in delivering crucial frontline support for our street life community.

'Radical Welcome' and Lantern review

Canon Zoe Heming is overseeing a review of the work the cathedral does with a variety of groups and marginalised individuals, particularly migrating it into our core business, ensuring front line staff are supported, that key stakeholders (including the congregation) are carried on the journey of developing this work, and that the cathedral continues to be a safe place for all. The wider team will be building on meaningful exhibitions and engagement activities which reflect our passion for focusing on this area, developing links with like-minded charities and groups for expression through installations and activities in the cathedral space.

We will be developing targeted support services, creating stronger mechanisms for external advisory support and ensuring positive reporting back to funders. Our volunteers are deeply invested in the work we do and we will continue our training programme to ensure they feel engaged and affirmed in their role as ambassadors of our values.

Fabric

We continue to work closely with Newcastle City Council on the anticipated works to the Lantern Tower and have jointly carried out investigation into structural issues and historic repairs to understand the best way forward.

The Friends of St Nicholas raise funds to support the Cathedral in many ways. In 2024 Friends of St Nicholas paid for two residency robes and the total sum amounted to £5,820. Moving forward, they are committed and open to supporting costs related to maintenance and we are grateful to them for acknowledging that maintaining the fabric of the building is one of our key priorities.

Financial Sustainability

Our financial sustainability remains our most significant challenge. Early results from the Church Commissioners' funded work on the 'Project Narthex' pilot financial review of 6 cathedrals (of which we are one) suggests that there is a consistent challenge to creating opportunities for income growth to fund rising core costs such as utilities, infrastructure costs and rising staffing costs (eg NI). Whilst we are actively looking at a reduction in core costs (eg gas and electricity consumption/tariffs), there is nevertheless a need to ensure we carry out planned maintenance across all our property portfolio, fulfil our compliance obligations and invest in our staff.

Fundraising remains a key element of our financial sustainability. We are actively developing plans for a growth in our endowment and approval by Chapter in early 2025 of the Head of Fundraising and Development's Endowment Strategy will enable this to be actively developed. There are opportunities to develop closer relationships with local businesses and enable support (including financial) for the impactful work we are undertaking.

Safeguarding

Chapter continues to place safeguarding as a high priority. Newcastle Cathedral adopts the Church of England's House of Bishop's Policy (Promoting a Safer Church) as its own policy, augmented as appropriate to take into account particular contextual elements specific to the cathedral. Safeguarding continues to be a standing item on the agenda at Chapter meetings, Senior Management Team meetings and regular staff meetings.

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In 2024 there has been a focus on strengthening safeguarding systems and processes, including responding to the INEQE audit in May 2024 (full audit report available on the cathedral's website www.newcastlecathedral.org.uk/about/safeguarding/). This has included:

- The recruitment of a dedicated qualified Cathedral Safeguarding Officer role (CSO) Jayne Forsdike started in the role October 2024.
- The production of a Safeguarding Action Plan which is regularly reviewed by Chapter
- Continued focus on case work, including responding to allegations of abuse, undertaking risk assessments and reviews of safety plans.
- Reviewing the procedure for incident reporting and developing a banning procedure for individuals who are found to be a risk to others.
- Review of the Safeguarding Committee Terms of Reference with external independent oversight and support from the DCS in Northumberland. This has included strengthening membership to ensure there are more independent members.
- Undertaken a risk assessment of the work of the Cathedral Lantern considering how it interacts and overlaps with children and young people in the Cathedral
- Providing additional support and challenge from the CSO to ensure safe recruitment of all volunteers, employees and clergy.
- Service held for survivors of church-based abuse

2024 has also been a time for reflection in safeguarding for the Church of England, with the publication of the Makin Review. As a Cathedral we feel positive that we have already made significant steps to ensure safeguarding is a priority and we have not shied away from facing the hard reality of church-based abuse and its impact on victims and survivors, and will continue to strive to provide a culture and environment where victims and survivors can report or disclose abuse safely and where they will find support and best practices that contribute to the prevention of abuse.

As ever, the Dean and Chapter give thanks to all staff, volunteers and clergy for their commitment to safeguarding during 2024.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution of the Cathedral

The Parish Church of St Nicholas was likely founded in the C12th and became the Cathedral Church of St Nicholas in July 1882. The Cathedral is a registered charity (achieved in July 2023; RCN 1203907) and is an ecclesiastical corporation with perpetual succession. The governing document is our constitution which was adopted in its revised form on 5th December 2022 in accordance with the Cathedrals Measure 2021.

Roles and Responsibilities

The Chapter, Committees and Officers

Chapter is the sole governing body (the 'body corporate') of the Cathedral under the Cathedrals Measure 2021. The Dean is Chair of the Chapter. It is the duty of the Chapter to direct the overall strategy and governance of the Cathedral. The Chapter met on nine occasions during the year.

The Senior Management Team (SMT) meets monthly and is Chaired by the Dean and is attended by the two Residentiary Canons and the Chief Operating Officer. The role of the SMT is to manage daily operations and deliver against Chapter's strategic aims. SMT minutes are shared with Chapter.

The Canon for Worship and Congregational Life has oversight and management of the Music team and the vergers team; the Canon for Mission has oversight of the Lantern Initiative Lead, the Learning and Activities team and manages the Volunteer Co-ordinator as well as being the Chapter Safeguarding Lead. The Chief Operating Officer oversees all other lay staff (finance, marketing, administrative and events/front-of-house), oversees H&S functions as the Competent Person and fulfils the role of Chief Finance Officer.

Board of Trustees Report for the year ended 31 December 2024

Chapter members are appointed in accordance with the Constitution and Statutes. Non-Executive Members/Trustees are appointed for terms of three years and can serve a total of three terms.

Newly appointed Chapter Members are provided with copies of the Cathedral's constitution, our most recent annual report and financial statements, minutes of recent Chapter meetings and other essential documents. New members are provided with opportunities to meet fellow members of Chapter, prior to their first meeting and meet with members of the Senior Management Team as part of their induction. New members receive external training through the Association of English Cathedrals (AEC) and the Charity Commission in addition to the internal induction training programme provided by the Cathedral. The role of Senior Non-Executive Member is currently held by Mr David Bilton.

Formal Committees of Chapter

There are four committees which report to Chapter and which have their own Terms of Reference.

- The Safeguarding Committee deals with all matters relating to Safeguarding.
- The Finance and Investment Committee deals with all financial matters including quarterly management accounts, investments, properties and reserves.
- The Nominations Committee advises Chapter on the recruitment and appointment of non-executive members and the recruitment and appointment of Chapter committee members. It also reviews the skills, knowledge, experience and diversity of members of Chapter, each committee and any sub-committees.
- Audit and Risk Committee provides independent oversight of the Cathedral's systems of internal control, risk management, whistleblowing, financial reporting, and of the quality, independence and effectiveness of both the internal and external auditors.

The College of Canons

The College of Canons is independent of the Chapter and does not form part of the body corporate of the Cathedral. The College of Canons has the functions conferred by the Appointment of Bishops Act 1533 on the body referred to in that Act as the Dean and Chapter of the Cathedral.

The College consists of the Dean (Chair), the Suffragan Bishop, the Canons Residentiary, Non-Residentiary and Honorary, we well as the two Archdeacons. The Clerk to the College is the Chief Operating Officer. The College of Canons met twice during the year.

The Bishop of Newcastle holds the principal seat in the Cathedral as per the Constitution and continues to be Visitor of the Cathedral. The Bishop of Newcastle is the Right Reverend Dr Helen-Ann Hartley.

PRINCIPAL RISKS AND UNCERTAINTIES

The overall responsibility for managing and monitoring risk rests with Chapter.

Following adoption of the Cathedrals Measure 2021, the newly formed Audit and Risk Committee undertook a significant review of the cathedral's governance in order to advise and assist Chapter whilst they develop a more fit-for-purpose Risk Management Framework (including Risk Management Policy). The Audit and Risk Committee have undertaken regular reports to Chapter (who receive minutes of their meetings) to inform Chapter of their findings to date.

The Cathedral regularly reviews the main risks and the degree to which controls to monitor and manage those risks are capable of reducing the likely residual impact of those risks to an acceptable level. The Chief Operating Officer is responsible for overseeing the management of risk and periodically reporting this to the Audit & Risk Committee and to Chapter. Our approach to scoring and recording risks is based on guidance published by the Charity Commission.

We briefly summarise here the key risks the Cathedral faces and the approaches taken to mitigating those risks. Risks relating to (a) our continuing as a going concern and (b) our financial investments are set out separately in note 1 to the financial statements.

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1. Failure to appropriately maintain our buildings due to high cost and challenges with capacity

- The COO and Head Verger lead on maintenance and management of the Cathedral's physical infrastructure. 2024 has seen continuing significant challenges with the high level of utilities bills, however, the electricity contract was renewed at the end of 2024 on a more favourable rate, and the gas contract will be renewed in the middle of 2025 which will lower costs further. Local M&E consultants have been advising on utility use.
- The Lantern Tower's instability is a key concern which has led to the temporary cessation of bell-ringing; the Cathedral is working closely with Newcastle City Council (who have an historic maintenance liability for the Lantern Tower) to undertake a significant period of investigation and repairs. In 2024, the Cathedral and City Council shared the financial burden of a significant programme of investigation which included laser scanning and a drone survey. It is hoped that the results of this investigation will lead a focused repair programme in 2025/2026.
- As well as focusing on the cathedral building, it will be important to undertake a regular programme of repairs to clergy housing/other investment properties. As required under the Cathedrals Measure 2021, quinquennial inspections have been undertaken for the cathedral, the clergy properties and the investment property which sits within the Churchlands Trust. Significant repair and upgrades were undertaken to 2A Holly Avenue, the former clergy property which has now been rented out on an Assured Shorthold Tenancy from early 2025. Formal valuation of no23 Dean Street and no14 St Nicholas Churchyard (the two properties which sit within the Churchlands Trust) will take place in 2025.

2. Lack of adequate support for staff

- The small team at Newcastle Cathedral continues to work well above its capacity, with experienced and hard-working staff deeply committed to the organisation. The new Strategic Plan (to be approved by Chapter in the autumn of 2025) will focus on some key mitigations including :
- Developing a structure within our operational life to enable staff to contribute to the wider decision-making of the Cathedral.
 - Developing CPD/training opportunities for all staff and volunteers.
 - Actively look for alternative sources of funding for key posts.
 - Undertaking regular staff and volunteer surveys to ensure Chapter and SMT have a better understanding of the team's perception of the working culture, communication, and their ability to play a full part in organisational success.
 - Benchmarking salaries for posts against those offered in other Cathedrals and similar organisations.
 - Committing to tracking and achieving the Newcastle Living Wage.
 - Increasing the number of volunteers who contribute to the life of the Cathedral, and ensuring there is sufficient capacity to manage and support those who do volunteer with us.
 - Ensuring there are sufficient support structures in place for staff and volunteers to thrive.

3. Inadequate safeguarding policy or practice fails to prevent or address harm

- Chapter appointed a part-time Safeguarding Officer in 2024 on a permanent contract.
- The INEQE Safeguarding Audit was carried out in May 2024 and the resulting report and action plan are on the Cathedral website.
- The Safeguarding Officer is tasked with overseeing the safeguarding action plan, which includes staff training and reviews of policies and procedures.
- One of the outcomes of the INEQE audit was the review of the Safeguarding Committee which is being undertaken by the Safeguarding Officer in conjunction with the Cathedral Safeguarding Lead and a new committee will be established in 2025.

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4. Health and Safety Compliance

Chapter acknowledges that with a growing organisation and reliance on events in particular, the area of Health and Safety continues to be a key priority.

Training plan for all staff created.

- A H&S consultant was engaged late 2024 and their recommendations will be rolled out in 2025/6; these include additional event safety management training.
- Review of the event delivery process, including responsibility for on-the-ground H&S compliance related to event set-up.
- Review of all procedures connected with 'Martyn's Law' (which came into effect in April 2025) including focused training delivered by an external specialist training agency.

5. Budgetary and financial control

- A review of all procedures relating to payroll and pensions processes, reporting and management oversight will be carried out in 2025.
- Consideration to be given to out-sourcing both the payroll and management accounts.
- The Chief Operating Officer and Finance Manager to work with the Audit and Risk/Finance and Investment Committees to review the management accounts format and accounting software provision.
- Appointment of a Finance Assistant in 2025 (externally funded) will help with capacity of the Finance Manager.

6. Unable sustainably to generate sufficient operational income in the short-to-medium term to fund the day-to-day ministry of the Cathedral

- This remains a critical risk. The Finance and Investment Committee's role is to monitor and review the overall financial strategies and financial policies of Chapter, review and monitor the annual budget and monitor/review investment portfolio and investment strategies, making recommendations to Chapter where needed.
- The Finance and Investment Committee review on a quarterly basis the performance of the commercial property portfolio.
- The Head of Fundraising and Development has produced a Fundraising Strategy for Chapter as well as an Endowment Strategy paper, both approved by Chapter. Her role in 2025 will be form an endowment working group with a view to planning the establishment of an endowment campaign.

Board of Trustees Report for the year ended 31 December 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

Chapter is responsible for preparing the annual report and the financial statements 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 financial statements for each financial year which give a true and fair view of the states of affairs of the Cathedral and its connected entities and of the incoming resources and application of resources of the Cathedral for that period.

In preparing these financial statements, Chapter is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Cathedral will continue in operation;

Chapter is responsible for keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and enable Chapter to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Cathedral constitution.

Chapter is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection fraud and other irregularities.

APPROVED BY THE CHAPTER ON 20/10/25 AND SIGNED ON ITS BEHALF BY :



THE VERY REVEREND LEE PAUL BATSON
DEAN OF NEWCASTLE

.....

Independent auditors report to the Trustees of Cathedral Church of St Nicholas in Newcastle

Opinion

We have audited the financial statements of Cathedral Church of St Nicholas in Newcastle (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, Group and Charitable Company Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Charity's affairs as at 31 December 2024 and of its incoming resources and application of resources 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the Dean and Chapter of the Cathedral Church of St Nicholas in accordance with the ethical requirements that are relevant to our audit of the group 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 statement, we have concluded that the trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditors report to the trustees of Cathedral Church of St Nicholas in Newcastle

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:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
 - sufficient accounting records have not been kept; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - we have not received all the information and explanations we require for our audit.
-

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

Independent auditors report to the trustees of Cathedral Church of St Nicholas in Newcastle

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
NE2 1TJ

Robson Laidler Accountants Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the year ended 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>						
Donations and legacies						
Donations	2(i)	134,862	7,942	-	142,804	166,836
Grants	2(ii)	-	791,780	-	791,780	955,523
Other trading activities	2(iii)	204,636	73,628	-	278,264	218,061
Investments	2(iv)	152,398	2,830	-	155,228	123,426
Other income	2(v)	23,320	-	-	23,320	19,065
Total income		515,216	876,180	-	1,391,396	1,482,911
<u>Expenditure on:</u>						
Raising funds	3	211,572	44,829	-	256,401	243,171
Charitable activities:						
Ministry	4(i)	578,761	199,814	-	778,575	629,973
Cathedral and precincts upkeep	4(ii)	292,077	205,962	-	498,039	679,299
Education and outreach	4(iii)	6,166	5,333	-	11,499	6,686
Community parish & congregation	4(iv)	25,160	-	-	25,160	17,406
Total expenditure		1,113,736	455,938	-	1,569,674	1,576,535
Net incoming / (outgoing) resources before investment gains	7	(598,520)	420,242	-	(178,278)	(93,624)
Net gains / (losses) on investments		26,336	-	44,311	70,647	55,482
Net income / (expenditure)		(572,184)	420,242	44,311	(107,631)	(38,142)
Transfers between funds	16,18	507,685	(573,362)	65,677	-	-
Net movement in funds		(64,499)	(153,120)	109,988	(107,631)	(38,142)
<u>Reconciliation of funds</u>						
Fund balances at 1 January 2024	16	1,419,171	870,534	3,332,703	5,622,408	5,660,550
Fund balances at 31 December 2024	16	1,354,672	717,414	3,442,691	5,514,777	5,622,408

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Consolidated Statement of Financial Activities**Prior year**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
<u>Income and endowments from:</u>					
Donations and legacies					
Donations	2(i)	166,346	490	-	166,836
Grants	2(ii)	3,967	951,556	-	955,523
Other trading activities	2(iii)	161,734	56,327	-	218,061
Investments	2(iv)	78,871	44,555	-	123,426
Other income	2(v)	19,065	-	-	19,065
Total income		429,983	1,052,928	-	1,482,911
<u>Expenditure on:</u>					
Raising funds	3	213,104	30,067	-	243,171
Charitable activities:					
Ministry	4(i)	92,857	537,116	-	629,973
Cathedral and precincts upkeep	4(ii)	67,146	612,153	-	679,299
Education and outreach	4(iii)	2,706	3,980	-	6,686
Community parish & congregation	4(iv)	2,615	14,791	-	17,406
Total expenditure		378,428	1,198,107	-	1,576,535
Net incoming / (outgoing) resources before investment gains	7	51,555	(145,179)	-	(93,624)
Net gains / (losses) on investments		14,101	-	41,381	55,482
Net income / (expenditure)		65,656	(145,179)	41,381	(38,142)
Transfers between funds	16,18	13,656	(13,656)	-	-
Net movement in funds		79,312	(158,835)	41,381	(38,142)
<u>Reconciliation of funds</u>					
Fund balances at 1 January 2023	16	1,339,859	1,029,369	3,291,322	5,660,550
Fund balances at 31 December 2023	16	1,419,171	870,534	3,332,703	5,622,408

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

Consolidated Balance Sheet for the year ended 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investment assets					
Property	10		545,000		545,000
Investments	12		1,671,514		1,806,977
			<u>2,216,514</u>		<u>2,351,977</u>
Tangible fixed assets					
Property	10		2,561,094		2,561,094
Equipment and plant	11		165,883		183,211
			<u>2,726,977</u>		<u>2,744,305</u>
Total fixed assets			<u>4,943,491</u>		<u>5,096,282</u>
Current assets					
Stock	13	6,765		8,534	
Debtors	14	568,232		542,284	
Cash at bank and in hand		<u>141,172</u>		<u>169,102</u>	
		716,169		719,920	
Creditors: amounts falling due within 1 year	15	<u>144,883</u>		<u>193,794</u>	
Net current assets			571,286		526,126
Net assets			<u>5,514,777</u>		<u>5,622,408</u>
Reserves					
Endowment funds	16		3,442,691		3,332,703
Restricted funds	16		717,414		870,534
Unrestricted funds	16		<u>1,354,672</u>		<u>1,419,171</u>
Total reserves			<u>5,514,777</u>		<u>5,622,408</u>

These financial statements were approved by the Board of Trustees on 20/10/25 and were signed on its behalf by:



The Very Reverend Lee Paul Batson

Parent Charity Balance Sheet for the year ended 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investment assets					
Investments	12		1,126,969		1,464,968
Tangible fixed assets					
Property	10		2,561,094		2,561,094
Equipment and plant	11		<u>165,883</u>		<u>183,211</u>
			2,726,977		2,744,305
Total fixed assets			<u>3,853,946</u>		<u>4,209,273</u>
Current assets					
Stock	13	6,765		8,534	
Debtors	14	568,232		542,284	
Cash at bank and in hand		<u>92,487</u>		<u>156,342</u>	
		667,484		707,160	
Creditors: amounts falling due within 1 year	15	<u>142,756</u>		<u>193,794</u>	
Net current assets			524,728		513,366
Net assets			<u>4,378,674</u>		<u>4,722,639</u>
Reserves					
Endowment funds	16		2,353,147		2,444,156
Restricted funds	16		717,414		859,312
Unrestricted funds	16		<u>1,308,113</u>		<u>1,419,171</u>
Total reserves			<u>4,378,674</u>		<u>4,722,639</u>

These financial statements were approved by the Board of Trustees on 20/10/25 and were signed on its behalf by:



The Very Reverend Lee Paul Batson

Consolidated cash flow statement at 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	(278,715)	(65,041)
Cash flows from investing activities			
Rents received net of costs		8,051	(9,220)
Investment income received net of costs		70,667	47,221
Purchase of tangible fixed assets		(34,042)	(3,465)
Purchase of investments		-	(145,009)
Proceeds from sale of assets		206,109	16,736
Net cash provided by (used in) investing activities		250,785	(93,737)
Change in cash and cash equivalents		(27,930)	(158,778)
Cash and cash equivalents at the beginning of the year		169,102	327,880
Cash and cash equivalents at the end of the year	23	<u>141,172</u>	<u>169,102</u>

Notes to the financial statements for the year ended 31 December 2024

1. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with the provision of the December 2018 Regulations on Accounting and Reporting by English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedral Measure 1999. The December 2018 regulations take into consideration the requirements of the Statement of Recommended Practices for Charities (SORP 2019) and applicable accounting standards (FRS102).

The Cathedral meets the definition of a public benefit entity under FRS102.

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and certain properties.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees have assessed the charity's financial position, including reviewing budgets, cash flow forecasts, reserves levels, and expected income for a period of at least 12 months from the date of approval of these financial statements.

While the charity is facing increasing cost pressures and funding uncertainty, the trustees have put in place measures to manage expenditure, monitor cash flow closely, and secure future income.

After reviewing the latest forecasts and considering mitigating actions available, the trustees are satisfied that the charity has adequate resources to continue for the foreseeable future.

Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

If circumstances change significantly (e.g. due to funding changes, major events, or economic pressures), the trustees will take appropriate action and review the going concern status accordingly.

Basis of consolidation

The financial statements consolidate the accounts of the Cathedral Refectory and incorporate the assets and liabilities of the Cathedral's connected entities which are controlled by Chapter, via the Church Lands of St Nicholas, the Old Parish Room and School Trust and the Ancient Charities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Charity in furtherance of the general objectives of the Cathedral and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the Cathedral for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial accounts.

Incoming resources

All income is recognised once the Cathedral has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Further detail is given below:

Voluntary income

Collections, including Free Will Offerings, are recognised when received.

Income tax recoverable on Gift aid donations is recognised when the donation is made.

Notes to the financial statements for the year ended 31 December 2024

Grants and legacies to the Cathedral are accounted for as soon as the Chapter is notified of its legal entitlement and the amount is quantifiable and its receipt by Chapter is reasonably certain.

Income from investments

Interest and dividends are recognised when they are receivable.

Expenditure recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the organisation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Further detail is given below:

Grants

Grants and donations are accounted for when paid over, or when awarded if that award creates a binding obligation on the Chapter.

Community, parish and congregation

The Cathedral contributes to the costs of the Diocese by participating in the Parish Share scheme. The Cathedral's share is accounted for when due. Any amount unpaid at 31 December is provided for in the financial statements and is shown as a creditor in the balance sheets.

Support costs

Support costs are those costs that in themselves do not contribute to mission or generate funds but are necessary for those activities to take place and include the costs of office staff, office equipment, information technology and other office expenses. Office staff salary costs have been allocated to those activities which they directly support in proportion to the time spent by the individual members of staff for those activities. Other costs have been allocated by reference to their estimated usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets, other than properties, calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer and other equipment - 5 years / 10 years

Property

Investment properties have been included in the balance sheets at market value.

Properties occupied by Cathedral clergy and staff have been included at existing use value. In the case of properties occupied by Cathedral clergy "existing use value" is calculated after making due allowance for the occupant's right of occupation.

No depreciation is provided on properties occupied by Cathedral clergy and staff. They are maintained to a high standard: it is considered that the lives of the properties are so long and their residual value so great that depreciation is not necessary. Cathedral House is not depreciated as it is maintained to a high standard and its useful economic life is so long that depreciation would be insignificant.

Notes to the financial statements for the year ended 31 December 2024

Investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening market value. Unrealised gains are calculated as the difference between the fair value at the year end and their carrying amount.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete items.

Inventory

The Inventory of the Cathedral is not included within the accounts as it is historic and inalienable and is held for the continuing use of the Cathedral and the Diocese.

Pensions

Newcastle Cathedral (DBS) participates in the Defined Benefits Pension Scheme section of CWPF for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the employer and the other participating employers. The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

Cathedral Church of St Nicholas Newcastle Upon Tyne participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and 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.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2024: £Nil, 2023: £Nil).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review-effective 1 January 2024, the Board

Notes to the financial statements for the year ended 31 December 2024

chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time. For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time. The next valuation is due as at 31 December 2024. Calculations for this are currently under way. The legal structure of the scheme is such that if another employer fails, Cathedral Church of St Nicholas Newcastle Upon Tyne could become responsible for paying a share of the failed employer's pension liabilities.

2. Incoming resources

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
(i) Donations and legacies					
Collections (incl. Free Will Offering)	71,087	-	-	71,087	64,947
Donations	21,039	7,942	-	28,981	56,895
Almsboxes and candles	26,427	-	-	26,427	27,114
Gift aid	15,766	-	-	15,766	13,880
Legacies	543	-	-	543	4,000
	<u>134,862</u>	<u>7,942</u>	<u>-</u>	<u>142,804</u>	<u>166,836</u>
(ii) Grants receivable					
Benefact Trust	-	18,813	-	18,813	21,875
Newcastle Cathedral Trust	-	93,193	-	93,193	308,428
The Ousley Trust	-	1,334	-	1,334	4,829
Church Commissioners	-	237,725	-	237,725	310,950
Church Commissioners – Clergy Stipends	-	137,947	-	137,947	136,000
Diocese	-	20,000	-	20,000	-
Access to Work DWP	-	-	-	-	2,862
Listed Places of Worship	-	7,510	-	7,510	4,103
Newcastle City Council	-	3,825	-	3,825	1,105
Pilling Trust	-	50,000	-	50,000	-
Newcastle Cathedral Choir Association	-	3,355	-	3,355	6,536
Church Commissioners: Sustainability	-	137,460	-	137,460	122,107
Bramall Foundation	-	35,000	-	35,000	-
St Hilda's grant	-	2,831	-	2,831	2,168
Friends of Cathedral Music	-	19,828	-	19,828	7,166
Ofgem RHI	-	-	-	-	394
National schools singing program	-	20,000	-	20,000	25,000
Diocese of Education	-	1,000	-	1,000	2,000
Heritage Compass	-	959	-	959	-
Soul Food Spaces	-	1,000	-	1,000	-
	<u>-</u>	<u>791,780</u>	<u>-</u>	<u>791,780</u>	<u>955,523</u>

Notes to the financial statements for the year ended 31 December 2024

(iii) Charges and fees arising in activities generating funds

Fees and hire	182,036	-	-	182,036	148,566
Music Projects	-	73,628	-	73,628	53,952
Retail	22,600	-	-	22,600	15,543
	<u>204,636</u>	<u>73,628</u>	<u>-</u>	<u>278,264</u>	<u>218,061</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
(iv) Investments					
Income from investment property	76,201	-	-	76,201	66,579
Income from other investments	72,893	2,830	-	75,723	53,259
Old Parish Room and School Fund	3,293	-	-	3,293	3,588
Bank interest	11	-	-	11	-
	<u>152,398</u>	<u>2,830</u>	<u>-</u>	<u>155,228</u>	<u>123,426</u>

(v) Other incoming resources

Miscellaneous income	1,027	-	-	1,027	2,517
PRS Fees	22,293	-	-	22,293	16,548
	<u>23,320</u>	<u>-</u>	<u>-</u>	<u>23,320</u>	<u>19,065</u>

3. Raising funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
Retail costs	14,063	-	-	14,063	18,870
Costs of facilities for visitors	1,557	-	-	1,557	2,695
Marketing	48,367	-	-	48,367	44,875
Investment management					
Property management costs	42,156	29,288	-	71,444	79,387
Investment management costs	5,067	-	-	5,067	6,038
Support costs	44,499	-	-	44,499	26,436
Special event costs	1,247	-	-	1,247	-
Consultancy	3,749	15,541	-	19,290	16,581
Depreciation	50,867	-	-	50,867	48,289
	<u>211,572</u>	<u>44,829</u>	<u>-</u>	<u>256,401</u>	<u>243,171</u>

Notes to the financial statements for the year ended 31 December 2024

4. Charitable activities

	Unrestricted	Restricted	Endowment	Total	Total
	funds	funds	funds	2024	2023
	£	£	£	£	£
(i) Ministry					
Clergy stipends and working expenses	63,526	172,395	-	235,921	184,235
Clergy housing costs	40,156	-	-	40,156	35,362
Clergy support costs	141,203	-	-	141,203	97,496
Services and music					
Lay clerks and choristers	66,787	-	-	66,787	56,742
Director of music and organist	114,671	-	-	114,671	105,254
Vergers payroll costs	14,132	29,907	-	44,039	32,898
Other costs	55,341	(2,488)	-	52,853	59,909
Support costs	82,945	-	-	82,945	58,077
	<u>578,761</u>	<u>199,814</u>	<u>-</u>	<u>778,575</u>	<u>629,973</u>
(ii) Cathedral and precincts upkeep					
Major repairs and restoration	6,123	122,810	-	128,933	380,025
Maintenance and interior upkeep	196,180	25,838	-	222,018	177,615
Vergers payroll costs	-	57,314	-	57,314	42,744
Cathedral insurance	44,105	-	-	44,105	42,816
Support costs	45,669	-	-	45,669	36,099
	<u>292,077</u>	<u>205,962</u>	<u>-</u>	<u>498,039</u>	<u>679,299</u>
(iii) Education and outreach					
Other costs	3,080	-	-	3,080	-
Vergers payroll costs	-	5,333	-	5,333	3,980
Support costs	3,086	-	-	3,086	2,706
	<u>6,166</u>	<u>5,333</u>	<u>-</u>	<u>11,499</u>	<u>6,686</u>
(iv) Community parish and congregation					
Parish share	-	-	-	-	-
Support costs	25,160	-	-	25,160	17,406
	<u>25,160</u>	<u>-</u>	<u>-</u>	<u>25,160</u>	<u>17,406</u>

Notes to the financial statements for the year ended 31 December 2024

5. Direct costs and support costs

An analysis of costs between direct costs and support costs for 2024 is as follows:

	Direct costs	Support costs	Total 2024 £
Costs of generating funds	211,902	44,499	256,401
Ministry (including grants paid out)	695,630	82,945	778,575
Cathedral and precincts upkeep	452,370	45,669	498,039
Education and outreach	8,413	3,086	11,499
Community, parish and congregation	-	25,160	25,160
	<u>1,368,315</u>	<u>201,359</u>	<u>1,569,674</u>

An analysis of costs between direct costs and support costs for 2023 is as follows:

	Direct costs	Support costs	Total 2023 £
Costs of generating funds	216,735	26,436	243,171
Ministry (including grants paid out)	558,491	58,077	616,568
Cathedral and precincts upkeep	643,200	36,099	679,299
Education and outreach	3,980	2,706	6,686
Community, parish and congregation	-	17,406	17,406
	<u>1,422,406</u>	<u>140,724</u>	<u>1,563,130</u>

Notes to the financial statements for the year ended 31 December 2024

6. Investment income gains and losses

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Income from investment property	76,201	-	-	76,201
Dividend receivable	72,893	2,830	-	75,723
Old parish room fund	3,293	-	-	3,293
Bank interest	11	-	-	11
	152,398	2,830	-	155,228
Realised gains	5,477	-	-	5,477
Unrealised gains	20,859	-	44,311	65,170
	26,336	-	44,311	70,647
	178,734	2,830	44,311	225,875
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Income from investment property	46,663	19,916	-	66,579
Dividend receivable	28,620	24,639	-	53,259
Old parish room fund	3,588	-	-	3,588
	78,871	44,555	-	123,426
Realised gains	(8,747)	-	10,944	2,197
Unrealised gains	22,848	-	30,437	53,285
	14,101	-	41,381	55,482
	92,972	44,555	41,381	178,908

7. Net (outgoing)/incoming resources

	2024 £	2023 £
This is stated after charging:		
Audit fees	13,867	7,709
Depreciation	51,370	48,792

Notes to the financial statements for the year ended 31 December 2024

8. Staff costs (including clergy stipends)

	2024 £	2023 £
Salaries	748,328	635,447
Social security costs	89,002	51,482
Pension costs	36,217	29,560
	<u>873,547</u>	<u>716,489</u>

Clergy stipends included above are paid by the Church Commissioners.

The average number of paid employees during the year was as follows:

	2024 £	2023 £
Full time	17	10
Part time	39	36
	<u>56</u>	<u>46</u>

The average number of full time equivalent paid employees in 2024 is 20 FTE,

No person's remuneration exceeded £60,000.

Key management remuneration paid in the year (excluding the stipends listed below) totaled £380,422 (2023 : £370,745)

Included within staff costs are payments to members of the Chapter under Cathedrals Measure 2021 and Cathedral constitution. The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council and the Church of England Pensions Board. No supplement to these scales are paid. These payments are set out as follows:

	Stipend £	Pension contribution £	2024 £
The Reverend Canon P Dobson	23,985	4,753	28,738
The Reverend Canon C Maclaren	9,847	2,026	11,873
The Very Reverend L P Batson	45,837	8,344	54,181
The Reverend Z Heming	11,673	1,984	13,657
The Reverend R Hulse	15,564	3,131	18,695
	<u>106,906</u>	<u>20,238</u>	<u>127,144</u>

Notes to the financial statements for the year ended 31 December 2024

	Stipend £	Pension contribution £	2023 £
The Reverend Canon P Dobson	34,076	7,127	41,203
The Reverend Canon C Maclaren	33,865	7,127	40,992
The Very Reverend L P Batson	9,423	-	9,423
	<u>77,364</u>	<u>14,254</u>	<u>91,618</u>

None of the other members of Chapter received remuneration for their voluntary work.

9. Related party transactions

The Cathedral received £93,193 (2023: £308,428) in grants from the Newcastle Cathedral Trust. The Cathedral Trust shares some common trustees with the Charity.

10. Properties

	Investment properties		Non – investment properties	
	Cathedral £	Group £	Cathedral £	Group £
As valued at 1 January 2024	-	545,000	2,561,094	2,561,094
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
As valued at 31 December 2024	<u>-</u>	<u>545,000</u>	<u>2,561,094</u>	<u>2,561,094</u>

All properties are freehold and are held as endowment properties except the Cathedral House.

Notes to the financial statements for the year ended 31 December 2024

11 . Other tangible fixed assets

	Plant and equipment £
Cathedral and group	
Cost:	
At 31 January 2024	440,762
Additions	34,042
Disposals	-
At 31 December 2024	<u>474,804</u>
Depreciation:	
At 1 January 2024	257,551
Provided during the year	51,370
Eliminated on disposal	-
At 31 December 2024	<u>308,921</u>
Net book value 31 December 2024	<u>165,883</u>
Net book value 31 December 2023	<u>183,211</u>

12. Investments

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Market value at 1 January 2024	1,806,977	1,623,222	1,464,968	1,300,187
Additions	-	145,009	-	145,009
Disposals	(200,634)	(14,539)	(200,634)	(14,539)
Unrealised (losses)/gains on revaluation	65,171	53,285	(137,365)	34,311
Market Value at 31 December 2024	<u>1,671,514</u>	<u>1,806,977</u>	<u>1,126,969</u>	<u>1,464,968</u>

13. Stock

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Retail	<u>6,765</u>	<u>8,534</u>	<u>6,765</u>	<u>8,534</u>

Notes to the financial statements for the year ended 31 December 2024

14. Debtors

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	80,818	83,802	80,818	83,802
Prepayment and accrued income	487,414	458,482	487,414	458,482
	<u>568,232</u>	<u>542,284</u>	<u>568,232</u>	<u>542,284</u>

15. Creditors – due within one year

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	21,904	38,334	21,904	38,334
Taxation and social security	26,414	26,814	26,414	26,814
Accruals and deferred income	85,696	122,982	85,696	122,982
Other creditors	10,869	5,664	8,742	5,664
	<u>144,883</u>	<u>193,794</u>	<u>142,756</u>	<u>193,794</u>

Notes to the financial statements for the year ended 31 December 2024

16. Statement of movement on funds

	As at 1st Jan'24 £	Income £	Expenditure £	Gains / (Losses)		Pension Movement £	Transfers £	As at 31st Dec'24 £
				Realised £	Unrealised £			
Endowment funds								
Cathedral								
General	749,156	-	-	-	(158,224)	-	1,121	592,053
Property	1,695,000	-	-	-	-	-	66,094	1,761,094
Charity funds	2,444,156	-	-	-	(158,224)	-	67,215	2,353,147
Other connected entities								
Church Lands of St Nicholas	790,706	-	-	-	105,925	-	(93,623)	803,008
Old Parish Room and School	97,841	-	-	-	82,744	-	(97,841)	82,744
Ancient Charities	-	-	-	-	13,866	-	-	13,866
The Stanley Walton Brown Memorial Fund	-	-	-	-	-	-	189,926	189,926
	888,547	-	-	-	202,535	-	(1,538)	1,089,544
Total endowment funds	3,332,703	-	-	-	44,311	-	65,677	3,442,691

Notes to the financial statements for the year ended 31 December 2024

16. Statement of movement on funds (continued)

	As at 1st Jan'24	Income	Expenditure	Gains / (Losses)		Pension Movement	Transfers	As at 31st Dec'24
	£	£	£	Realised £	Unrealised £	£	£	£
Restricted funds								
Cathedral								
Church Commissioners								
Sustainability	234,472	386,946	(215,363)	-	-	-	-	406,055
CGISS – stage 2 delivery	4,299	-	-	-	-	-	(4,299)	-
Stipends	-	127,144	(127,144)	-	-	-	-	-
Charitable Giving								
Cathedral charities	2,311	-	-	-	-	-	(2,311)	-
Butcherly Legacy	21,462	-	-	-	-	-	(21,462)	-
Fabric	-	41,379	(41,379)	-	-	-	-	-
Mission and Ministry								
Mission and Ministry	-	47,334	(41,335)	-	-	-	-	5,999
Flowers								
Ditchburn Flower Fund	1,705	-	-	-	-	-	(1,705)	-
Walton Brown Memorial Fund	16,715	-	-	-	-	-	(16,715)	-
Music								
Music	121,796	92,216	2,488	-	-	-	(216,500)	-
Organ Appeal	-	88,860	-	-	-	-	216,500	305,360
Other specified purpose								
Youth Work and Education	1,084	2,832	(3,916)	-	-	-	-	-
Cathedral House	455,468	89,469	(29,289)	-	-	-	(515,648)	-
Charity restricted funds	859,312	876,180	(455,938)	-	-	-	(562,140)	717,414

Notes to the financial statements for the year ended 31 December 2024

16. Statement of movement on funds (continued)

	As at 1st Jan'24	Income	Expenditure	Gains / (Losses)		Pension Movement	Transfers	As at 31st Dec'24
	£	£	£	Realised £	Unrealised £	£	£	£
Restricted funds continued								
Other connected entities								
Church Lands of St Nicholas	11,222	-	-	-	-	-	(11,222)	-
	11,222	-	-	-	-	-	(11,222)	-
Total restricted funds	870,534	876,180	(455,938)	-	-	-	(573,362)	717,414
Unrestricted funds								
General funds	1,103,439	463,808	(1,106,127)	5,477	20,859	-	810,657	1,298,113
Cathedral House designated fund	120,575	-	-	-	-	-	(120,575)	-
Cathedral property fund	195,157	-	-	-	-	-	(195,157)	-
	1,419,171	463,808	(1,106,127)	5,477	20,859	-	494,925	1,298,113
Church Lands of St Nicholas		44,586	(4,529)	-	-	-	12,760	52,817
Ecclesiastical charity of William Moulton	-	6,822	(3,080)	-	-	-	-	3,742
Total unrestricted funds	1,419,171	515,216	(1,113,736)	5,477	20,859	-	507,685	1,354,672
Total Funds								
Cathedral	4,722,639	1,339,988	(1,562,065)	5,477	(137,365)	-	-	4,368,674
Other connected entities	899,769	51,408	(7,609)	-	202,535	-	-	1,146,103
	5,622,408	1,391,396	(1,569,674)	5,477	65,170	-	-	5,514,777

Notes to the financial statements for the year ended 31 December 2024

17. Funds

Unrestricted or general funds are funds that are not subject to any restriction regarding their use and are available for application to the general purposes of the Chapter. Restricted funds are funds that are subject to specific trusts as to how the capital and income may be used, but still within the objects of the Cathedral and Chapter. Endowment funds are restricted funds which represent monies or other assets that have been given with the specific instruction that only the income from them may be spent and that the capital must be retained intact permanently. Details of the various funds are shown below –

Unrestricted funds

Cathedral House Designated Fund

This represents a fund created to collect the surpluses on the letting of Cathedral House, 42/44 Mosley Street.

Cathedral Property Fund

This represents funds from the sale of a property bequeathed to the Cathedral which has been designated for the purpose of maintaining Cathedral properties.

Unrestricted – other connected entities

Church Lands of St Nicholas

These represent the income net of expenditure received by Church Lands of St Nicholas.

Ecclesiastical Charity of William Moulton

These represent the income net of expenditure received by the charity for the purpose of charitable giving to those in need.

Restricted funds

Church Commissioners Clergy Stipends, Section 23 and Sustainability

These represent funds provided by the Church Commissioners for clergy stipends and the upkeep of the Cathedral.

CGISS Fund

The CGISS fund represents income and expenditure in relation to Stage 2 of the Common Ground and Sacred Space project within the Cathedral.

Cathedral Charities

This represents income donated for the specific purpose of onward giving for charitable purpose.

Butcherly Legacy

This represents a legacy received for charitable giving.

Fabric Fund

This fund represents funding received for Cathedral repairs.

Mission and Ministry

This fund represents funding received for furtherance of the mission and ministry of the Cathedral.

Ditchburn Flower Fund

This represents funding received for the provision of flowers for the Cathedral.

Notes to the financial statements for the year ended 31 December 2024

17. Funds (*continued*)

Walton Brown Memorial Fund

This was originally bequeathed with the instruction that the income should be used for the provision of flowers for the Cathedral. The Cathedral Chapter has obtained an amendment to the Scheme whereby income not required for the provision of flowers is to be used to further the religious and other charitable work of the Church of England within the Cathedral.

Music Fund

This fund represents donations and grants received for Cathedral music.

Organ Appeal

This fund represents donations and grants received for refurbishment of the organ.

Music – Youth and Education

This fund represents donations and grants received for the youth section for music in the Cathedral.

Cathedral House - 42 Mosley Street Fund

This represents grants to enable the purchase of 42 Mosley Street.

Endowment funds

General Endowment Fund

The interest and dividends on the investments of the General Endowment Fund are to be used for the general purposes of the Cathedral and are credited to the General Fund as unrestricted income.

Properties Endowment Fund

The properties endowment fund is established to maintain the value of the Cathedral's properties

Endowment funds – other connected entities

Church Lands of St Nicholas

This represents permanent capital, and the charity scheme of 1972 requires the income to be used to maintain buildings, with the balance of any income to be used for maintenance, repairs and insurance and specified salaries and wages of the Cathedral.

Old Parish Room and School

This represents permanent capital, the income of which is to be used for the spiritual and physical development of the parish.

The Stanley Walton Brown Memorial Fund

This represents permanent capital, the income of which is to be used for the spiritual and physical development of the parish.

18. Transfers between funds

Transfers between various endowment funds have been included in the current year to reflect the value held by both the Cathedral and Connected Entities more clearly.

Following a review of restricted funds balances Chapter agreed to transfer some funds to unrestricted funds as restrictions were no longer applicable.

Chapter agreed that the two designated funds, Cathedral House Fund and Cathedral Property Fund were no longer required and balances were therefore transferred to general unrestricted funds.

Notes to the financial statements for the year ended 31 December 2024

19. Connected entities

Members of Chapter by virtue of their position as such control a number of trusts in their capacity as trustees. Details of these are set out below;

The Church Lands of St Nicholas

This trust at one time owned a number of properties down the West side of Dean Street. Most of these were sold and only two remain – no 23 Dean Street and no 14 St Nicholas Churchyard, the house occupied by the Head Verger, which is above no 23 Dean Street. The trustees also hold investments and bank balances at 31 December 2024 with a market value of £310,825. The balance of this fund of £545,000 is held in property. Under the terms of the trust the trustees are to apply the income of the trust to meet the maintenance and other costs of the trust and to apply the remaining income towards the maintenance, repairs and fire insurance costs of the Cathedral and, subject thereto, towards the maintenance of the services of the Cathedral.

The Old Parish Room and School Trust

This trust was constituted in 1936 to hold the proceeds of the sale of the Parish Room and Church of England School in Hanover Square. The trustees held investments and bank balances with a market value of £82,744 at 31 December 2024 of which £82,744 was permanent capital and £nil was accumulated income. The trustees are to apply the income of the trust for such purposes in connection with the religious, educational or other charitable work of the Church of England in the ecclesiastical parish of St Nicholas as the trustees may select.

The Ancient Charities

This is a convenient collective name for a number of ancient charities, where the original documentation is no longer available. They hold investments with a market value at 31 December 2024 of £13,866. The income is distributed annually to charities.

The Stanley Walton Brown Memorial Fund

This charity is controlled by members of Chapter. The trustees hold the investments with a market value of £189,926 at 31 December 2024. The trustees are to apply the income for the Cathedral flowers or if not required for the flowers, then for generous purpose of the Cathedral.

Ecclesiastical Charity of William Moulton

This charity is controlled by members of Chapter. They hold bank balances at 31 December 2024 of £3,742. The funds are to be used for the purpose of charitable giving to those in need.

20. Split of net assets between funds

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Investments	342,231	192,686	1,136,597	1,671,514
Other fixed assets/properties	965,883	-	2,306,094	3,271,977
Net current assets	46,558	524,728	-	571,286
	<u>1,354,672</u>	<u>717,414</u>	<u>3,442,691</u>	<u>5,514,777</u>

Cathedral	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £
Investments	342,230	192,686	592,053	1,126,969
Other fixed assets/properties	965,883	-	1,761,094	2,726,977
Net current assets	-	524,728	-	524,728
	<u>1,308,113</u>	<u>717,414</u>	<u>2,353,147</u>	<u>4,378,674</u>

Notes to the financial statements for the year ended 31 December 2024

21. Financial performance of the connected entities

The following were connected entities of the charity:

Name of connected entity	Nature of business	Class of shares	% Held Direct
The Church Lands of St Nicholas	Trust holding investments to maintain church buildings	N/A	100
The Ancient Charities	Trust holding monies for a number of ancient charities	N/A	100
The Old Parish Room and School Trust	Trust holding sales proceeds of sale of Parish Room and School	N/A	100
Ecclesiastical charity of William Moulton	Trust holds funds restricted for charitable giving	N/A	100

The financial results of the connected entities were as follows:

	2024 £	2023 £
The Church Lands of St Nicholas		
Income	44,586	12,097
Expenditure	(96,614)	(28,474)
Gains/losses on investments	105,925	18,974
Profit / (loss) for the year	(53,897)	2,597
Net assets	845,825	801,928
The Ancient Charities		
Net assets	13,866	7,552
The Old Parish Room and School Trust		
Net assets	82,744	90,289
The Walton Brown Memorial Fund		
Net assets	189,926	-
Ecclesiastical Charity of William Moulton		
Income	6,822	-
Expenditure	(3,080)	-
Profit / (loss) for the year	3,742	-
Net assets	3,742	-

Notes to the financial statements for the year ended 31 December 2024

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2024	2023
	£	£
Net income / (expenditure) for the year	(178,276)	(93,624)
Adjustments for:		
Depreciation	51,370	48,792
Income from property and investments	(155,229)	(123,436)
Property managers costs	71,443	79,387
Investment managers costs	5,067	6,038
(Increase) / decrease in stocks	1,771	6,805
(Increase) / decrease in debtors	(25,949)	(18,812)
Increase / decrease in creditors	(48,911)	29,799
Net cash provided by operating activities	(278,715)	(65,041)

23. Analysis of changes in net debt

	At 1 January		Other non-	At 31
	2024	Cash flows	cash changes	December
	£	£	£	2024
				£
Cash at bank and in hand	168,437	(28,595)	-	139,842
Cash held with investment managers for reinvestment	665	665	-	1,330
Loans due within 1 year	-	-	-	-
Loans due more than 1 year	-	-	-	-
	169,102	(27,930)	-	141,172

