

LICHFIELD CATHEDRAL
CHAPTER'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

LICHFIELD CATHEDRAL

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LICHFIELD CATHEDRAL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CATHEDRAL, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees/Chapter	The Rt Revd Jan McFarlane, Canon Custos and Interim Dean of Lichfield until 20 September 2024, Dean of Lichfield from 21 September 2024 The Revd Canon Andrew Stead, Canon Precentor The Revd Canon Dr Gregory Platten, Canon Chancellor The Revd Canon Dr David Primrose, Canon Treasurer (retired 24 April 2024) Ann Fisher, Senior Non-Executive Member The Revd Canon Peter Holliday Mark Hope-Urwin (retired 2 March 2025) John Leavesley (resigned 6 December 2024) Peter Sharpe Paul Spicer (retired 2 March 2025) Maureen Trudel Lloyd Cooke (appointed 2 March 2025) Eric Lunt (appointed 2 March 2025) The following staff members attended Chapter meetings throughout the year: Simon Warburton, Chief Operating Officer Stephen Packham, Chief Finance Officer Dr Marie Janson, Director of Development – resigned 3 January 2025
Nominations Committee	The Revd Canon Peter Holliday, Chair Ann Fisher Mark Hope-Urwin retired on 2 March 2025 The Rt Revd Jan McFarlane Peter Sharpe
Finance Committee and Audit & Risk Committee	The Revd Canon Peter Holliday, Chair of Finance Committee Dr Philip Kaye resigned from Finance Committee 14 January 2025 & remains in the Chair of Audit & Risk Paul Causer resigned from both Committees 29 May 2024 David Cliffe David Hawthorn Peter Sharpe Martin Smith died 24 March 2024 David Waller Elizabeth Bridle appointed to both Committees 19 December 2024
Fabric Advisory Committee	Prof Hilary Grainger, Chair Prof Jennifer Alexander Andrew Arrol Louise Bainbridge Tim Bridges Michael Diamond Dr Louise Hampson Alan Taylor
Full legal name	The Cathedral Church of Saint Mary and Saint Chad in Lichfield
Charity registered number	1207343
Principal office	19a The Close Lichfield WS13 7LD

LICHFIELD CATHEDRAL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CATHEDRAL, ITS TRUSTEES AND ADVISERS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Chief Operating Officer	Simon Warburton
Chief Finance Officer	Stephen Packham
Director of Music	Ben Lamb
Surveyor to the Fabric and Architect	Robert Kilgour (until 31 October 2024) Jonathan Deeming of Purcell (from 1 November 2024)
Cathedral Archaeologist	Kevin Blockley

Independent auditors Price Bailey LLP
Chartered Accountants
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers National Westminster Bank PLC
47 Market Street
Lichfield
Staffordshire
WS13 6LE

Solicitors FBC Manby Bowdler LLP
Routh House
Hall Court
Hall Park Way
Telford
TF3 4NJ

Keelys LLP
28 Dam Street
Lichfield
WS13 6AA

Investment managers Evelyn Partners
103 Colmore Row
Birmingham
B3 3AG

CCLA Investment Management
One Angel Lane
London
EC4R 3AB

LICHFIELD CATHEDRAL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Objectives and activities

The Chapter of Lichfield Cathedral presents the Annual Report and Accounts for Lichfield Cathedral ("the Cathedral"), together with the Auditor's Report, for the year ended 31 December 2024.

Objectives and activities

The Cathedral Constitution (2023) sets out the Cathedral's ecclesiastical purpose as follows:

- (a) To be the seat of the Bishop and a centre of worship and mission, and
- (b) To provide a focus for the life and work of the Church of England in the Diocese.

The Cathedral became a registered charity on the 6th March 2024. Registration number 1207343.

The Cathedral's charitable purpose is defined as follows:

- (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).

Governance

Key Leadership Changes:

The Right Reverend Jan McFarlane was installed as the new Dean of Lichfield in September 2024, following 18 months as Interim Dean.

The Revd Canon David Primrose, Canon Treasurer (Self-Supporting Minister) retired in April 2024.

Johnny Leavesley stood down from Chapter (December 2024)

Robert Kilgour retired as Cathedral Architect (October 2024) after 22 years of service.

Jonathan Deeming of Purcell was appointed as the new Cathedral Architect (November 2024)

Governance Structure:

The newly adopted Constitution and Statutes have re-focussed Chapter's governance, aligning it with all Church of England cathedrals. The core committees of Chapter include:

Core Committees:

- Audit and Risk Committee
- Executive Management Team
- Finance Committee
- Nominations Committee

Additional Sub-committees:

- Choral Foundation
- Collections
- Development
- Environment
- Estate
- Exhibitions
- Health and Safety
- Safeguarding

The Charity's trading company:

- Lichfield Cathedral Enterprises Limited

Additional meetings and Chapter Residential Meeting:

Once the new Dean had been installed, Chapter held a residential meeting at Blackburn Cathedral in October where a draft 5-year Mission Strategy was outlined. As well as the six core meetings a further two additional Chapter meetings took place on specific areas requiring guidance for the Executive, this included the environment, recruitment, and procurement.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The Fabric Advisory Committee

The Fabric Advisory Committee continued to meet during the year. The Committee advises Chapter on matters relating to the care, conservation, and development of the Cathedral. It determines applications for approval of works specified in the Care of Cathedrals Measure and compiles and maintains an inventory of items of significance held by the Chapter.

Committee Appointments

Membership of Chapter, including Executive and Non-Executive Members, is defined in the Constitution and Statutes. The Dean is a Crown Appointment and therefore becomes a joint appointment process between the Archbishops' Advisers for Appointments and Vocations and the Prime Minister's Appointment Secretary who liaise closely with the Bishop. The Residentiary Canons are appointed by the Bishop in consultation with the Dean. The Bishop must appoint one of the Non-Executive Members as the Senior Non-Executive Member (SNEM), all other Non-Executive Members are appointed by the Chapter, following advice from the Nominations Committee and prior approval from the Bishop. Chapter is advised by the Nominations Committee for all other appointments to Core Committees of Chapter. The Nominations Committee can also advise regarding additional sub-committees, however this is not always necessary when the committee is attended by staff only.

Remuneration

The Directors meet once a year following the staff appraisal process to review the staff team and to ensure the proposal for the staff pay award is in line with the budget. The Nominations Committee reviews and makes recommendations regarding the Director's salaries.

Strategy

As the Cathedral was awaiting the appointment of the new Dean, Chapter retained the Strategic Vision and priorities, which highlighted the following priority areas:

1. A Cathedral for worship
2. A Cathedral for the future
3. A Cathedral for pilgrims
4. A Cathedral for community and diocese

As time passes, the priorities, first adopted in 2013 and refreshed in 2021, become less relevant to the day-to-day work of the Cathedral. This was especially true as the charity was awaiting the appointment of a new Dean, and was in a period of consolidation, though continuing to respond to emerging opportunities and challenges. So, rather than using these priorities to structure the Trustee report, and as the adoption of the new Mission Strategy takes place in early 2025, the Cathedral's charitable objectives have been used to structure the report.

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.

Worship and Music

Post-COVID, services have largely returned to normal, with congregational participation fully restored. For some services, numbers are exceeding pre-Covid levels. The choir comprises 17 Boy Choristers (plus 1 training), 14 Girl Choristers (plus 4 training), 9 6th Form Choral Scholars, and 6 Lay Vicars Choral. An Assistant Cathedral Musician was appointed but resigned shortly after the 24/25 academic year began, due to competing commitments. The Cathedral actively maintains livestreaming of several daily and weekly services, attempting to find the balance between accessibility and attendance. At Morning Prayer, around 30 people join us online each day, and they have formed their own congregation, talking to and praying for each other through the 'live chat'. Livestreaming has been made possible with the generous support of a highly dedicated volunteer team and new volunteers are being recruited.

The year started with a successful "Be a Chorister for a Day" event which led to new choir recruits. Lent was observed without commercial concerts to maintain its spiritual focus. Holy Week and Easter services were well-attended. The Easter Vigil, now held at 8pm on Holy Saturday instead of early on Easter morning, has seen increased attendance over the last few years.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The choir conducted a successful tour to Ireland, performing in multiple venues including cathedrals. Other significant events include the choir singing at the new Dean's Service of Institution and Installation, and their annual trip to Wedgwood. The choir also performed to a sell out audience for its annual fundraising Christmas concert.

The MusicShare program continues as a major outreach initiative, with the Cathedral partnering with Lichfield Cathedral School and Staffordshire County Council. Six MusicShare concerts were held throughout the year. Various choir groups are also active, including the Chamber Choir, Young Voices, Youth Voices, Ladies who Lark, and the International Choir.

With the retirement of the Canon Treasurer, and with the Canon Custos moving to the role of Interim Dean, the Residentiary Clergy felt keenly the reduction of the team from 5 to 3 but, with the invaluable help of retired clergy and a team of voluntary chaplains, were able to maintain the full round of 23 services each week. Baptisms, weddings and funerals were conducted throughout the year, including the funeral of a former Canon Precentor, the Very Revd Charles Taylor. Candidates were prepared for Confirmation. The voluntary chaplains, both lay and ordained, continued to provide a much appreciated ministry to visitors and pilgrims.

Education and Engagement

Major Educational Programs included: School tours connected with the central spire restoration project. These were particularly successful for KS3/KS4 students. The year also saw high demand for primary school pilgrimages, which led to a restructuring of the education tours. The 'Inspire' program with Diocesan Board of Education reached 1,800 children over three weeks. A St Chad's Day event welcomed 120 children, with activities including role-play sessions, and these were well received.

New initiatives and events for the year included a Pancake Party on Shrove Tuesday, 'Eco Bingo' visitor activity spanning Lent to Easter, a new Nature Trail and Sunflower Story challenge, a child-friendly service booklet for the Dean's installation, and a collaboration with South Staffordshire College to create social stories to help inform visitors who are neurodivergent.

All holiday activities were structured to encourage repeat visits and extend engagement. During the summer the education team implemented a series of beach-themed activities focused on a "Stories" concept. The Summer School, which offers Pupil Premium children the chance for structured learning and hot meals during the summer, was successful but revealed unexpected levels of additional needs among the participants. Other activities for visitors included mini-challenges, community collages, and activity back packs.

During the Autumn, the Education and Engagement Manager curated an Angels exhibition called "Where Angels Tread" which featured giant fabric voiles with angel images. This included 8 ticketed events with special lighting and music. The event received positive visitor feedback although commercially it was less successful than previous installations. Further visitor activities were implemented during October half term, which saw strong attendance, particularly in morning sessions.

During Advent, the popular storytelling sessions at the crib were fully booked and more sessions could have been accommodated if it were not for the general busyness of the Cathedral diary at this time of year.

The Cathedral continued its ministry to speak into the public square by hosting a General Election Hustings for the Lichfield Constituency, chaired by the Interim Dean; and with a Lent series of talks called "Faithfully Political".

The Canon Precentor continued to support the Lichfield Cathedral School Chaplaincy, and the Dean and Canon Chancellor were more involved and visible in Cathedral School services and assemblies. The Canon Chancellor continued his ministry as an Army Chaplain with the Mercian Regiment.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Fundraising

Chapter wishes to thank all those who continue to support the Cathedral financially. During the course of the year the following grants were awarded/received:

- Cathedral Sustainability Fund: Awarded £140,939 for two new income generating positions.
- Knowledge Transfer Partnership: Awarded £145,906 for net zero projects (joint award with Staffordshire University).
- Holiday Activities and Food programme: £10,720 for summer school
- The Pilgrim Trust: £10,000 for the Old Coach House investigatory work
- Architectural Heritage Fund: £5,000 for the Old Coach House
- Benefact Trust: £18,813 for the Fabric Fund
- Various smaller grants from other trusts for specific projects

Chapter were grateful for the following legacy gifts:

- £50,531 (for music endowment)
- £47,000 (unrestricted)
- Other legacies ranging from £10,000 to £33,517

In addition seven new legacy pledges were gratefully received.

A crucial part of the Cathedral's annual fundraising income comes from our Patrons and Guardians. Annual memberships for Patrons and Guardians include social functions, exclusive tickets, and special uses of the Cathedral. During the year a new Corporate Patron's Scheme was launched with six businesses joining, and this is an area of growth for the future. Two individual Patrons and one new Guardian joined during the year, meaning that we now have 76 Patrons and 11 Guardians.

Chapter is also grateful to the congregation who increased their monthly giving by £660 (projected £8,000 additional annual income), with total monthly standing order income now reaching £10,000, which has been a long standing target.

The year also saw a series of fundraising events and appeals including the Easter Lilies appeal which exceeded previous years; various concerts and events, including performances by the City of Lichfield Concert Band and the Mercian Regimental Band.

The Friends of Lichfield Cathedral (FoLC) is a separate charity, but one whose charitable objectives are to support the Cathedral. Chapter is grateful to the FoLC, and in particular the Executive, for its support in the following projects: A commitment of up to £250,000 for the refurbishment of College Hall, £16,950 for the Urban Beach installation, £17,737 for lighting system modules, £10,000 for a permanent exhibition showing casing the prints of J.L. Petit, and £2,000 for new event uplighters.

At Home in Lichfield (AHIL):

'At Home in Lichfield' is the name of a volunteer working group which helps to support a resettled Syrian family in Lichfield. Initially the congregation raised sufficient funds to sponsor the family, and the volunteer team has taken on the role of week by week support, providing assistance with healthcare, helping plan for their child's transition from primary to secondary school, supporting driving lessons, assisted with the purchase of a car (thanks to a legacy gift) and providing a social network. Chapter thanks all those who have been involved with this programme, which will come to an end in the early part of 2025.

Dementia Friendly Cathedral Programme:

A series of successful services for those living with dementia and their carers, was held throughout the year, including in January a service with participation from Lichfield Cathedral School pupils (Years 5&6) and a further special service with Tony Christie, which was recorded for BBC Songs of Praise, and was aired during Dementia Action Week. Special prayer resources were created and the team also collaborated with Music for Dementia to create resource packs for other churches.

During the summer, activities included attendance at the Music for Reflection concert series, attendance at the Urban Beach and community craft sessions.

Work continued with monthly services through autumn and winter with special visits arranged to the Christmas Tree Festival.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

To care for and conserve the fabric and structure of the Cathedral Church building;

Visitors and events:

Over the course of the year the Cathedral welcomed 142k visitors (120k adults, which is 3% below the 125k target, and 22k children). The Cathedral continues to operate on a donation based entry model and donation income was £227k (the budget being £250k) with the average donation being £1.86 per person. The donation income is 19% up on 2023. This is good for the visitor sector, but below our budget of £2 per person. Gift Aid conversion increased to 23%. Chapter was delighted to report that the Cathedral won the Tourist Attraction of the Year at the District Council's Beacon Awards and the Tower Tour was shortlisted for Visitor Experience of the Year by Enjoy Staffordshire.

Notable events and attractions in the year include, Threads through Creation, an Urban Beach installation, the March of the Elephants trail (supporting the local hospice, St Giles), and a new paid Highlights Tour. Tower Tours were re-opened during the year, generating £19.3k (summer/autumn only). There was also a full programme of external events with 70 charitable and commercial hires of the Cathedral. These included, a City Nations Place conference, the March of the Elephant auction (raising £100k+ for St Giles), and the annual Christmas Light Show.

Estate

The Cathedral met its target to minimise rental vacancies during the year. Lease negotiations were held with the Erasmus Darwin Foundation, which secured their tenancy. Rent increases were secured for 18 of the residential properties. Various refurbishments were also undertaken, often instigated by a tenant moving out. Where the budget would allow, preventative and decorative maintenance was also carried out.

Major renovation works began on the Deanery to be completed by March 2025. The roof to College Hall was repaired, though further remedial work will be required as part of a major planned investment in 2025.

Cathedral Fabric & Projects

The Quinquennial Inspection was adopted at Principal Chapter (March 2024), recording the required works to the fabric of the Cathedral. (This work will be required to be updated in the first 2 years of appointment of the new architect). The report identified immediate priorities including major investment in the North Nave Aisle flying buttresses, stone repairs to the southwest and northwest Spires, St Chad's Head Chapel roof, and Lady Chapel mortuary chapel repairs (including the crypt vault).

During early Autumn, both Cathedral boilers were condemned as part of their normal servicing. Thankfully, an experienced technician brought both boilers back online with minimum cost. However, this does present a consideration going forward, as the assumption is that they are coming to the end of their life.

Central Spire restoration – building works

The Central Spire project was completed in July 2024. This saw the central spire fully repaired and cared for, for the next generation. There were some issues in completing the works, which saw the Cathedral having to invest further in the project, but thankfully this was accommodated within the wider project budget. The Cathedral would like to thank all those who supported the project including the National Lottery Heritage Fund, Garfield Weston Foundation, Wolfson Foundation, HS2 Community and Environment Fund, Headley Trust, and several other trusts and foundations.

Central Spire restoration – community outcomes

Oral History

Whilst administration and data compliance were more complex than originally anticipated, the project resulted in an impressive mix of oral histories exploring the significance of the Cathedral and its iconic spires in the lives of those who have lived, worked, and volunteered with the Cathedral. A dedicated area on the Cathedral's website allows access to the recordings. Recordings were also used as part of the interpretation in the Tower room and will be deposited with the Staffordshire County Council Record Office.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Tower Room

After a considered procurement exercise, 'Core Creative' were appointed to renew the Tower Chamber's exhibition space. They used the concept of 'rupture and renewal' – exploring why the Cathedral has three spires, their turbulent histories, and their ongoing renewal. The installation included a short film, projected into the arches of the walls and using the Hacket stained glass window, depicting Bishop Hacket leading the restoration of the central spire following the Civil War, as inspiration, together with immersive lighting and soundscapes. In the centre of the room they created a refreshed exhibition table with tactile objects for visitors to explore.

Lower Spire Exhibition (Chapter House)

Story of a Spire, an exhibition at ground level, recreated elements of the exhibition in the Tower Room to ensure the project was inclusive and accessible. An in-house team curated the exhibit which included manuscript material, printed documents, and stonework from the Cathedral collections. Audio-visual elements added to the experience: the animation of the Hacket stained-glass window was played on a screen alongside a process video documenting the making of both exhibitions. Visitors could access clips from the oral history project by iPad.

Community Theatre

The 'Echoes' Community Theatre Project was a great success, selling out as soon as the tickets were made available. 'Echoes' was made up of a cast from the local community, with participants aged 13 to 70 who presented a promenade piece through the cathedral that told the story of the spire, its construction, destruction and restoration, through theatre, dance and music.

Other notable works

Automation of the Northwest Doors (main visitor entrance)

The main entry/ exit doors are now automated with a push button and visitor detection activation. This was a response to an accident following high winds and the pressure placed on the old entry doors.

Cathedral Workshop Fellowship:

The Cathedral entered into its second full year with a team of two stonemasons, both of whom are continuing with their studies. Current projects include the restoration of the south west churchyard wall, replacement to a dislodged coping stone on the boundary wall at the Old Stables, cleaning of the nave altar platform, replacement of damaged York stone paving on the west front and a 'bay by bay' approach to improving the flooring in the south Nave aisle.

Environment

The Cathedral changed its electricity supplier, with a new green tariff, although this did come at extra cost. The new touch screen in the Cathedral is displaying images of the Cathedral's environmental activity. The existing wildflower meadow has been enhanced by further planting, and a review of the Cathedral's progress towards an A Rocha 'Gold Eco Church' award has helped identify steps yet to be taken. The Cathedral completed the Gold application in December and it is hoped an award will be made in 2025.

Knowledge Transfer Partnership

The Cathedral was awarded funding (alongside the University of Staffordshire) by Innov8 UK and the Church Commissioners to provide a post graduate appointment to commence research and development into alternative eco-sustainable heating and power options to the Cathedral, precinct and estate properties. The person appointed will commence work in early 2025.

Collections:

Work is ongoing to review stored items within the Cathedral's collections to enable us to better understand what needs to be kept and cared for, and what might be disposed of (subject to permissions). Thanks to the generosity of the 'Big Give', books which urgently require conservation and (where appropriate) restoration have been sent to an appropriate conservator.

The Cathedrals' Fabric Commission for England (CFCE) gave permission for the Lichfield Angel to the British Museum, where it was the centrepiece of the 'Silk Road' Exhibition. The Angel was welcomed back in February 2025. Also on loan are the Hedda Chalice and Paten, to the Silversmiths Company.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The Armorial glass, currently stored in York, has been costed, to be conserved, returned to Lichfield, and displayed. 5 stained glass figures are in store in Norgrove Studios, Redditch (and have been for over 20 years). Arrangements are in hand to have them crated and returned to Lichfield.

New wifi-enabled data loggers were acquired, allowing for ease of data collection and therefore monitoring. New temporary heating has been installed in the Library to try and reduce and stabilise the relative humidity levels.

The ongoing and complex question of what to do with the Sikh Standards, following the decision of a partner museum not to take on their care and conservation, is under consideration. A solution that cares for these precious Standards, whilst making them available to all the communities for whom they are a valuable part of their heritage, including both the Sikh community and the British Army, is needed and will form part of the ongoing work of the Collections Committee.

Volunteering:

Two Volunteer Fairs were held in 2024. The first, in January, was attended by 46 voluntary organisations and 150 members of the public attended. The second was in the summer, with an equally warm reception from stall holders and 138 attendees. Also in January the Cathedral held a Volunteer Evensong and Reception to thank all the volunteers for their invaluable support in 2023.

The Cathedral often helps young people through their Duke of Edinburgh award or with work experience. Three Yr10 Duke of Edinburgh (DofE) students from a local school began volunteering on Wednesday afternoons as part of their Bronze DofE (assisting vergers/welcoming/helping the Education team to prepare for crafts). Work experience students were offered placements throughout the summer term.

The Cathedral introduced corporate volunteering with the Co-Op Group, OpenReach, and SeaSalt all taking part. As part of the tower tour relaunch, existing tower guides were welcomed back and a new set of 'tail end' guides offered support for the tours.

The Cathedral Gardeners achieved 'Thriving status' in 2024's Neighbourhood Garden Awards.

The year ended with the Christmas Light Show which always applies pressure on volunteering resources at a challenging time of year. All volunteer slots were filled with volunteers, staff volunteers, Sea Scouts and Police Cadets (the Police Cadets asking to return each year).

(c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b).

Marketing and Communications:

Digital Performance:

Website traffic increased over the course of the year by 22% following new, yet modest, investment. The Marketing team implemented new tools which improved efficiency including Hootsuite for social media management, Canva for design templates, Userway for website accessibility, and Hovercode for QR code tracking. This has led to the Cathedral's social media engagement consistently exceeded industry benchmarks and allows us to better monitor performance.

Media Coverage:

The Cathedral team tries to maintain a regular local media presence throughout the year. Coverage included featuring twice on BBC Midlands Today and on Songs of Praise for the Dementia Friendly Service. ITV Weather visited the Cathedral to undertake a live broadcast once the central spire had reopened to visitors. Coverage of At Home in Lichfield was promoted via the national Cathedral network during Refugee Week.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Finance and Investment Review

In summary, the Cathedral reports an operating deficit of £0.15m (2023: £1.3m) and an increase in the value of financial investments of £0.24m (2023: £0.34m) leading to a reported surplus of £0.09m (2023: £1.6m).

In round numbers:

- endowment funds reported a surplus of £0.3m (with investment movement and a £50,000 legacy for the Music endowment fund)
- restricted funds fell by £0.2m driven by completion of works to the central spire (£0.3m fall as most of the project's income had been received in earlier years) offset by a £0.1m donation for works to the West Front approach
- designated and unrestricted funds remained broadly constant.

	2024	2023	Change	%
Donations	757	595	161	+27
Legacies	155	1,237	-1,082	-87
Grants	573	867	-294	-34
Trading & fundraising	864	676	189	+28
Investment income	929	864	65	+7
Total income	3,278	4,239	-961	-23

Total income fell by £0.9m from £4.2m to £3.3m with the reduction due to legacies (falling £1.1m to a more normal figure of £0.2m) and grants (down £0.3m as 2024 was a year when the proceeds from previous fundraising were spent on completing repair of the central spire). Donated income increased by £0.2m, over half of which was from a restricted donation to improve the West Front approach to the cathedral. The £0.2m increase in income from trading and fundraising was split £0.1m each for hire of the cathedral for concerts and events, and the income in the trading subsidiary. Investment income (including from rental properties) increased by £0.1m.

	2024	2023	Change	%
Raising funds	1,125	912	213	+23
Ministry	959	748	211	+28
Cathedral & precincts	1,041	1,164	-123	-11
Education	293	203	90	+44
Community & congregation	15	9	6	+67
Interest & similar charges	-	-105	105	-
Total expenditure	3,433	2,931	502	+17

Turning to costs, expenditure increased by £0.5m (17%). Raising funds (which includes maintaining the rental property estate and the costs of the trading subsidiary) increased by £0.2m as did Ministry, the latter due entirely to refurbishing the Deanery to enable it to be better used for hospitality and formal entertaining (£0.2m). A similar amount is committed to be spent on this in 2025. Expenditure on the Cathedral and precincts fell by £0.1m, driven by £0.2m less being spent on the Central Spire in 2024. Expenditure on Education and Outreach increased by £0.1m (45%), with the increase being spent on engagement activities connected with the Spire repairs. The one-off negative cost of -£0.1m in 2023, arising from the reversal of a pension deficit, did not recur. The above results include income of £0.28m (2023: £0.20m) and costs of £0.18m (2023: £0.13m) reported by Lichfield Cathedral Enterprises Limited. The resulting profit of £0.10m (2023: £0.07m) is due to the Cathedral under a Gift Aid agreement. The company commenced operating bars at concerts in the cathedral, the shop traded well and the café continued as a tenanted operation.

Closing cash balances remained constant at £3.4m for the third consecutive year with £1.9m held in endowment funds, £0.4m restricted funds, £0.1m designated funds and £1.0m unrestricted, a make-up similar to earlier years. Chapter, acting on the advice of the Finance Committee, is content to hold historically high amounts in cash while interest rates remain high and consideration is given to potential investments.

The Consolidated Statement of Cash Flows shows a significant cash outflow from operating activities, which is transformed to a net cash inflow once dividends, interest and rent are included. This is expected as rent receivable and investment income are a key part of the Cathedral's revenue.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Investments

The majority of the Cathedral's investments shown in the accounts are the buildings of The Close with an unchanged closing balance sheet value of £25.2m. These are either used by Chapter to further the Cathedral's purposes (including housing for residentiary clergy and lay staff members) in which case they are reported as tangible fixed assets (£7.1m) or let to achieve a commercial return and shown as investment properties (£18m). No value is ascribed to the Cathedral itself.

Chapter commissioned a revaluation of its property portfolio as at 31 December 2018. In subsequent years the values have been considered by the Estate and Finance Committees and adjusted if necessary to reflect changes in condition or use of the buildings. For the 2024 closing balance sheet value, Chapter and its committees considered relevant published indices for movement in property values and, for certain properties occupied by Lichfield Cathedral School, covenants restricting their use. This resulted in a net increase to fixed asset properties values of £0.8m and a net decrease to the value of investment properties of £0.8m.

The value of financial investments increased by £0.24m in the year.

Under the Cathedrals' Measure 2021, Chapter may invest the Cathedral's funds in:

- the acquisition of land (subject to the consent of the Church Commissioners)
- an investment fund or deposit fund constituted under the Church Funds Investment Measure 1958
- any investments in which trustees may invest under the general power of investment in section 3 of the Trustee Act 2000 (as restricted by sections 4 and 5 of that Act)
- the improvement or development of property vested in the Chapter (subject to the various conditions set out in Section 24 of the Measure)

Chapter may not exercise the power under regulation 4 of the Charities (Total Return) Regulations 2013 (which enables borrowing of up to 10% of permanent endowment) unless it has obtained the consent of the Church Commissioners.

The Cathedral's investment objectives are the maintenance of long-term real values of the capital, and the maintenance of income derived from the capital in real terms. The Cathedral's portfolio is operated in accordance with the Church of England's Responsible and Ethical Investment Policy published in April 2024.

Reserves

Unrestricted funds

Chapter's policy on general reserves is to retain reserves equivalent to a minimum of three months' ongoing operating costs and a maximum of one year's such costs for the next financial year. The fund requirements based on the 2025 budget are therefore a minimum to be held of £553,425 and maximum of £2,213,700. This aims to provide a reasonable level of protection against large, unexpected expenditure or temporary shortfall in income and has been of great benefit during recent uncertain times.

At 31 December 2024 general funds carried forward are £869,620 meaning the metric was is 4.7 months. This is unchanged from the previous year and is within the target range.

In addition to the above general reserves, Chapter maintains three designated funds:

- the fixed asset fund holds the value of unrestricted fixed assets, thereby keeping these illiquid assets clearly separate from other unrestricted reserves. The closing balance was £0.9m (2023: £0.9m).
- the rental properties fund was established at the start of 2024 to hold income from and expenditure on rental properties, enabling the profit or loss on this operation to be visible at a glance. At its final meeting in 2024, Chapter agreed to account for 95% of the income and expenditure through the general fund. The remaining surplus of £18,558 was retained in the fund.
- The ReSource fund which holds the remaining balance of the Cathedral's Covid 19 recovery appeal. £0.1m (2023: £0.1m) remains in the fund and is expected to be spent on pump-priming future projects, to bring them to the point where full funding can be sought.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Endowment funds

The Cathedral's long-term capital base is secured by endowment funds. Nine funds totalling £34.4m (2023: £34.1m) hold assets in investment properties valued at £18.0m (2023: £18.8m), properties classified as tangible fixed assets valued at £7.1m (2023: £6.3m) and financial investments valued at £6.8m (£2023: £6.5m).

Income generated by the assets held by endowment funds is recognised in the general unrestricted fund or by restricted funds depending on the nature of the endowment generating the income. Other than changes in value, non-trivial income and expenditure recognised within the endowment funds comprised £0.1m of legacy income for the Music endowment and £5,457 of investment management fees, charged to the General endowment. In 2023, legacy income was credited to the Music endowment (£0.7m) and the Lichfield Cathedral Trust General endowment (£0.3m). Investment management and valuation fees totalling £14,064 were charged to the General endowment in 2023. Chapter agreed to invest the 2023 £0.3m LCT General endowment receipt in bringing 10-12 Newtons College back into use as an investment property during 2025 but this had not been contracted by the year-end.

Restricted funds

During 2024 the Cathedral operated 19 restricted funds. These arose either from restrictions placed by the provider of the funds or the terms of specific appeals.

Fund movements (£'000)	Opening	Income	Expense	Revalue	Transfer	Closing
Choral	0	12	-12	0	0	0
Library	9	8	-7	0	0	10
Choir projects	50	28	-47	0	0	31
Organ	102	7	-13	4	154	253
Dean Savage	70	6	-6	-60	0	9
Matlosane partnership	0	3	-3	0	0	0
Music	272	230	-274	0	-154	75
Friends Cathedral Music	0	3	-3	0	0	0
Fabric	12	228	-164	0	-9	68
Furnishings	8	0	0	0	0	8
Columbarium	5	0	0	0	0	6
York interpretation	61	0	-12	0	0	49
Lumley	0	1	-1	0	0	0
Spire repairs	287	191	-464	0	-6	9
At Home in Lichfield	25	1	-9	0	0	17
Sound system	0	0	0	0	0	0
Chamber choir	1	5	-1	0	0	5
West Front approach	0	100	0	0	0	100
General	1	315	-311	0	0	5
Total	903	1,138	-1,327	-56	-15	645

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The purposes of most of these funds will be evident from their titles but for those that are not:

- Dean Savage owns the Old Coach House in the Cathedral Close, which has had several uses over the years but is currently in poor condition, hence the rection in value. Grants have been received to investigate restoration for alternative uses and Chapter is hopeful a viable way forward can be found.
- The Matlosane partnership fund exists to provide practical help to our partnership diocese of Matlosane in South Africa.
- Friends of Cathedral Music receives the income from a similarly titled endowment fund, established by the Friends of Cathedral Music to provide the costs of a Lay Vicar Choral.
- The Fabric fund finances work to the cathedral building, using income from the fabric endowment, grants, fundraising schemes and donations.
- York interpretation. Approximately ten years ago this fund collected donations, mainly from the Friends of Lichfield Cathedral, to finance a project delivered by the University of York to provide digital interpretation of the cathedral. The value of this work was capitalised as an intangible asset and is being amortised over ten years. The balance in this fund represents the part of the remaining intangible asset that was funded from the appeal.
- The Lumley fund receives the income from a similarly titled endowment fund to contribute to the cost of maintaining the Cathedral burial grounds.
- The At Home in Lichfield fund supports a refugee family living in the city.
- The West Front approach fund holds a donation that is to be used to improve the approach to the cathedral.
- The General restricted fund holds small donations for specific purposes until they are spent as intended eg memorial benches. It also holds grants from the Church Commissioners (which must be held in a restricted fund until spent), both the annual grant towards the cost of the Chapter office and grants claimed in arrears from the Cathedral Sustainability Fund.

Charitable giving

Chapter adopted its current charitable giving policy during 2018. This has four strands:

- Promoting our partnership with the Diocese of Matlosane. To this end, £2,976 was received during the year and £2,926 sent to Matlosane in December.
- Exercising flexibility over charges for use of cathedral buildings according to ability to pay and fit with the Cathedral's mission. In 2024 the Cathedral offered reduced rate hires amounting to £57,710. £16,710 of this benefited Lichfield Cathedral School (charity reg number 1137481) with the remaining £41,000 split between the Diocese and other Christian and secular organisations.
- From time to time promoting appeals by other charities – for example, Lichfield Foodbank.
- Encouraging members of the Cathedral family to support various charities as they feel led.

Looking to the future

Following the appointment and installation of the new Dean, work could begin on a new vision for the next chapter in the Cathedral's story. The Chapter, with the assistance of the Executive Management Team began work in a new on developing a Vision and Mission Strategy (2025– 2030, beginning with the question, 'What does it mean to be a cathedral in this place and at this time?' Chapter agreed the Strategy in February 2025, and it was formally launched on St Chad's Day 2 March 2025.

At the heart of the strategy is the desire to build on all that has been good in the past so that the Cathedral becomes increasingly confident, outward looking and inclusive as it embodies and shares the Christian faith, and cares for and conserves the cathedral building for the next generation.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

The Strategy has three strands and six pillars of activity:

- My Cathedral
 - Music and Worship
 - Discipleship and Learning
- Your Cathedral
 - Evangelism and Engagement
 - Tourism and Visitor Attraction
- Our Cathedral
 - Serving our Wider Diocese
 - Heritage and Stewardship

Each one of the pillars has explicit activities and projects, which have been defined and will be monitored carefully.

Following the adoption of the Mission Strategy, a new round of fundraising will begin with a focus on a major clean of the organ and investment in a new sound system. The Quinquennial Inspection, which was presented to Chapter at its Principal meeting of March 2024, will need to be reviewed by the new Architect. However, it is likely that the priorities will be the north Nave buttresses and western spires.

The award-winning music outreach programme, MusicShare, a collaboration between the Cathedral, Lichfield Cathedral School, and Entrust (Staffordshire County Council), will be entering its silver jubilee year. This phenomenal achievement will need to be celebrated. Also in the coming year, the Lichfield for Singing (choral course), will look to continue to build momentum with sessions booked in January and September, helping to promote interest in choral music with older children.

It is likely 2025 will finally see the adoption of a new piece of national legislation, the Protect Duty. A new venue standard ensuring counter terrorism is embedded in how a venue operates. Whilst it appears that churches (including Cathedrals) will be in the Standard tier (i.e. lower tier), Chapter has already indicated they would wish to aspire to 'Enhanced' (top tier).

The Cathedral Estate is in constant need of care and attention and works will continue into 2025. The Deanery is planned to be finished at the end of quarter one. The contractors will then move on to resolve long standing subsidence issues at 10-12 Newtons College. With the kind support of the Friends of Lichfield Cathedral, College Hall, a much-used space on the southern side of The Close, will receive a needed refurbishment.

The Mission Strategy highlights the Cathedral's special relationship with the Lichfield Cathedral School and there is a desire by both charities to develop and strengthen this relationship. A programme of services and events have been established between the School and Cathedral to engage with the staff, pupils and parents.

During the early part of the year, the Lichfield Angel will be returned from the British Museum where it has been on display in the Silk Roads exhibition. Once it is returned, the Cathedral will be installing a new exhibition called The Book of Books, which will use the Library's impressive Bible collection, to tell the story of its translation from Latin to middle English. Later in the year, the Cathedral will welcome a touring exhibition from the Natural History Museum, 'Wildlife Photographer of the Year', which is hoped to generate significant footfall and income opportunities.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

New starters and leavers

Leavers:

Jane Hardy, Office Manager.
Kayley Harrison, Clerk of Works.
Stephen Harrison, - Lay Vicar Choral.
William Jeys, Cathedral Assistant Musician.
Phil Jury, Verger and Liturgy Support.
Sara McLellan, Governance Officer and PA to the Dean and Canons.
Jonathan Townsend, Clerk of Works.
Vicki Wardell, Finance Manager.

New Appointments:

Jenny Brophy – Cleaner (8 hrs)
Carrie Borg – Receptionist (14 hours)
Oliver Chatham – Verger (42 hrs)
Laura Cope - Hospitality Coordinator (35 hrs)
Philippa Hubbard – Public Programme Coordinator (28 hrs)
Sophie Hubbert –Governance Officer and PA to the Dean and Canons (35 hrs)
William Jeys – Cathedral Assistant Musician (15 hrs)
Nereasha Johnson – Estate Manager (35 hrs)
Clare Lunn – Development Assistant (17.5 hrs)
Kate Peplow – Cleaner (8 hrs)
Katherine Sargent – Facilities Manager (35 hrs)
Gemma Smith – Receptionist (21 hours)
Melanie Turner - Cleaner (9 hrs)
Vicki Wardell, Finance Manager (28 hours)

Safeguarding

As part of the SCIE Audit, and as part of the national past case review, it has been recognised that a national case management system was required. This has been adopted with the Cathedral working closely with the Diocese.

A new safeguarding audit date has been proposed for the start of 2028. This next audit will be combined with the Diocese.

The provision of safeguarding services through the Diocese has been renewed for 2024/25. Chapter wishes to record their thanks to the Diocesan safeguarding team who continue to support the Cathedral.

Annual reviews of safeguarding agreements took place towards the end of the year. Unfortunately, only one of the two responded and this continues to be followed up by the safeguarding team and clergy.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Data Protection

Data continues to be managed in line with the Cathedral's Privacy Policy.

The Data Controller is Lichfield Cathedral, and this includes all of the companies and charities that make up the Cathedral Community.

The Data Protection Officer is Simon Warburton, Chief Operating Officer.

There were no Subject Access Requests during the course of the year and no complaints were raised with the way in which the Cathedral managed data.

Complaints

22 complaints were received over the course of 2024. The number and type of complaints are reviewed by the Audit and Risk Committee and through the submission of the Operations Report to Chapter. All complaints were reviewed and responded too during the course of the year, and none are considered outstanding. No complaints about fundraising activity were received in the year.

Accident Reporting

30 Accidents were recorded in the year. 14 were slips, trips, or falls; 7 were due to illness; and 9 were due to an accident. None were reported as RIDDOR. 1 fall has been reported to the insurers and is being investigated.

Risk Management

The Cathedral has in place internal controls intended to manage risk to a reasonable level rather than to eliminate all risk. The system of internal control is one where risks are identified, prioritised, managed and monitored. The Cathedral uses a residual risk scoring matrix. In order to do this the Cathedral maintains an Organisation Risk Register which is periodically updated by the Executive Management Team at their meeting closest to the next Audit and Risk Committee. The Register is then reviewed by the Audit and Risk Committee and subsequently submitted to Chapter.

Each risk is assessed against its likelihood and potential impact to arrive at an overall risk rating. The principal areas of risk are categorised as follows:

- Finance
- Operational
- Governance
- External
- HR
- Estate
- Cathedral Fabric
- Music
- IT
- Safeguarding

The main identified risks:

Finance:

- The ongoing viability of the Cathedral is a primary concern. A broad range of risks is considered ranging from financial management including policies, to relationships with key stakeholders, and national policy. Mitigation is led by the Chief Finance Officer, who undertakes periodic reviews of policies and procedures to ensure they are fit for purpose and compliant, and produces regular forecasts.

Operational:

- Day to day running of the Cathedral is complex presenting several risks. Chapter is aware the sound system is nearing the end of its operational life and the acoustics of the building mean non-amplified sound is challenging. Emergency plans are in place in case of catastrophic failure and work is underway to fundraise to replace the system.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Governance:

- During 2023 and the majority of 2024, the Cathedral was undergoing a leadership change. This provided challenges around maintaining the day to day work, without knowing whether there might be a change in strategic direction. The risk was skilfully mitigated by the Interim Dean, who is now the Dean and setting about, with the support of Chapter, agreeing a new Mission Strategy.

External:

- Chapter has been keeping a watchful eye on changing national policy, especially with a General Election in the year, and changes to several national policies could have a detrimental impact on the Cathedral. The Dean is working closely with the new Member of Parliament to understand the changes and to encourage reviews where possible.

HR:

- The success of the Cathedral is largely due to its people, whether clergy, staff or volunteers. Whilst everybody can be replaced, Chapter is aware of the impact of the loss of certain people and roles, and the impact this would have if they were to be absent. Consideration is given to minimise absenteeism and to ensure succession through understudies.

Estate:

- The Cathedral's estate is Chapter's second most precious asset comprising 70 properties with over 95% listed, including a historic Vicars Close that is second only to Wells Cathedral. With 40 of the 70 properties being residential lets, one of the most significant risks is compliance and Chapter have ensured knowledgeable professionals are in place to advise accordingly.

Cathedral Fabric:

- The problem with a sandstone Cathedral is that it is always deteriorating. Over the last 10 years a significant amount of work has been undertaken to meet the needs of the Quinquennial inspection, and this continues to be monitored with required works being costed and prioritised. It is worth noting that operational funding rarely offers the opportunity to complete the works and therefore major investment in the fabric is almost entirely reliant on fundraising.

Music:

- The Cathedral music which services the liturgy is based on a traditional Cathedral School model with the Cathedral providing funding for bursaries. National policy in relation to private schools could put the viability of the Cathedral School at risk and in turn place the existing model of choristerships at risk however, Chapter is liaising closely with the School's board of Governors working to strengthen the relationship between the two organisations.

IT:

- The main risk has been an ageing server which was no longer in warranty and failing to meet the base requirements of important security updates. This risk was mitigated in the year with a full replacement of the server.

Safeguarding:

- Chapter, the clergy, staff and volunteers, have all embraced safeguarding in order to keep all those who come to us safe. This does present a capacity issue, however a Service Level Agreement has been put in place with the Diocese, not only providing qualified safeguarding support, but also improving the partnership working with the Diocese.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of Trustees' responsibilities

The Chapter of Lichfield Cathedral is responsible for preparing the Chapters' 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 & Wales requires the Chapter of Lichfield Cathedral to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, for that period. In preparing these financial statements, the Chapter of Lichfield Cathedral is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Chapter of Lichfield Cathedral is responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Chapter of Lichfield Cathedral at the time when this Chapter's Report is approved has confirmed that:

- so far as that Chapter is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Chapter has taken all the steps that ought to have been taken as a Chapter in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Price Bailey LLP were appointed during the year and have indicated their willingness to continue in office. The Chapter of Lichfield Cathedral will propose a motion reappointing the auditors.

Approved by order of the members of the board of Chapter of Lichfield Cathedral on 7 April 2025 and signed on their behalf by:

.....
The Rt Revd Jan McFarlane

.....
The Revd Canon Peter Holliday

LICHFIELD CATHEDRAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LICHFIELD CATHEDRAL

Opinion

We have audited the financial statements of Lichfield Cathedral (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Cathedral's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

LICHFIELD CATHEDRAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LICHFIELD CATHEDRAL (CONTINUED)

Other information

The other information comprises the information included in the Chapter's Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Chapter's 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Chapter's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept;
- the 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 Chapter

As explained more fully in Chapter's Responsibilities Statement, Chapter is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as 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, Chapter is responsible for assessing the Group's and the parent 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 Chapter either intend to liquidate the Group or the parent Cathedral or to cease operations, or has no realistic alternative but to do so.

LICHFIELD CATHEDRAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LICHFIELD CATHEDRAL (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 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 Auditors' 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:

- Reviewing minutes of Chapter meetings, reviewing any correspondence with the regulatory bodies, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management of the Cathedral.
- Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including treatment of legacies and the valuation of investments, and a retrospective review of estimates from prior periods.
- We reviewed the risk management processes and procedures in place.

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 Auditors' Report.

LICHFIELD CATHEDRAL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LICHFIELD CATHEDRAL (CONTINUED)

Use of our report

This report is made solely to the Chapter members, 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 Chapter members those matters we are required to state to them in an Auditors' 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 Chapter members, as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

Date:

Price Bailey LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

LICHFIELD CATHEDRAL

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations, legacies and grants	4					
Donations		549,822	206,782	-	756,604	595,297
Legacies		62,500	42,152	50,531	155,183	1,236,701
Grants		44,831	527,848	-	572,679	867,192
Charitable activities	5	24,528	17,997	-	42,525	48,869
Other trading activities	6	795,722	25,618	375	821,715	626,764
Investments	7	611,724	317,558	-	929,282	864,486
Total income and endowments		2,089,127	1,137,955	50,906	3,277,988	4,239,309
Expenditure on:						
Raising funds	8	1,037,822	81,358	5,923	1,125,103	911,993
Charitable activities:						
Ministry	10	448,629	509,605	466	958,700	747,574
Cathedral and precincts upkeep	11	478,844	561,577	466	1,040,887	1,164,224
Education and outreach	12	119,552	173,709	156	293,417	202,945
Community and Congregation		14,510	-	-	14,510	8,827
Other expenditure	13	-	-	-	-	(104,762)
Total expenditure		2,099,357	1,326,249	7,011	3,432,617	2,930,801
Net (expenditure)/ income before net gains on investments		(10,230)	(188,294)	43,895	(154,629)	1,308,508
Net gains/(losses) on investments	14	-	3,683	(561,289)	(557,606)	340,443
Net (expenditure)/ income		(10,230)	(184,611)	(517,394)	(712,235)	1,648,951
Transfers between funds	25	14,653	(14,653)	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		4,423	(199,264)	(517,394)	(712,235)	1,648,951

LICHFIELD CATHEDRAL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	Total funds 2023 £
Net movement in funds before other recognised gains/(losses) brought forward		4,423	(199,264)	(517,394)	(712,235)	1,648,951
Other recognised gains/(losses):						
(Losses)/gains on revaluation of fixed assets	19	-	(60,000)	862,000	802,000	-
Net movement in funds		<u>4,423</u>	<u>(259,264)</u>	<u>344,606</u>	<u>89,765</u>	<u>1,648,951</u>
Reconciliation of funds:						
Total funds brought forward		1,819,644	902,529	34,099,009	36,821,182	35,172,231
Total funds carried forward		<u>1,824,067</u>	<u>643,265</u>	<u>34,443,615</u>	<u>36,910,947</u>	<u>36,821,182</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 61 form part of these financial statements.

LICHFIELD CATHEDRAL

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	18	67,150	82,950
Tangible assets	19	7,984,446	7,211,095
Investments	21	6,848,172	6,607,585
Investment property	20	18,026,800	18,825,500
		<u>32,926,568</u>	<u>32,727,130</u>
Current assets			
Stocks	22	27,317	12,914
Debtors	23	1,008,238	1,261,085
Cash at bank and in hand	28	3,406,657	3,356,199
		<u>4,442,212</u>	<u>4,630,198</u>
Creditors: amounts falling due within one year	24	(457,833)	(536,146)
Net current assets		<u>3,984,379</u>	<u>4,094,052</u>
Total net assets		<u><u>36,910,947</u></u>	<u><u>36,821,182</u></u>
Charity funds			
Endowment funds	25	34,443,615	34,099,009
Restricted funds	25	643,265	902,529
Unrestricted funds	25	1,824,067	1,819,644
Total funds		<u><u>36,910,947</u></u>	<u><u>36,821,182</u></u>

The financial statements were approved and authorised for issue by the Trustees on 07 April 2025 and signed on their behalf by:

.....
The Rt Revd Jan McFarlane

.....
The Revd Canon Peter Holliday

The notes on pages 28 to 61 form part of these financial statements.

LICHFIELD CATHEDRAL

CATHEDRAL BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	18	67,150	82,950
Tangible assets	19	7,984,446	7,211,095
Investments	21	6,848,174	6,607,587
Investment property	20	18,026,800	18,825,500
		<u>32,926,570</u>	<u>32,727,132</u>
Current assets			
Debtors	23	1,042,736	1,271,655
Cash at bank and in hand		3,383,813	3,342,905
		<u>4,426,549</u>	<u>4,614,560</u>
Creditors: amounts falling due within one year	24	(442,172)	(520,510)
Net current assets		<u>3,984,377</u>	<u>4,094,050</u>
Total net assets		<u><u>36,910,947</u></u>	<u><u>36,821,182</u></u>
Charity funds			
Endowment funds	25	34,443,615	34,099,009
Restricted funds	25	643,265	902,529
Unrestricted funds	25	1,824,067	1,819,644
Total funds		<u><u>36,910,947</u></u>	<u><u>36,821,182</u></u>

The Cathedral's net movement in funds for the year was £89,765 (2023 - £1,648,952).

The financial statements were approved and authorised for issue by the Trustees on 07 April 2025 and signed on their behalf by:

.....
The Rt Revd Jan McFarlane

.....
The Revd Canon Peter Holliday

The notes on pages 28 to 61 form part of these financial statements.

LICHFIELD CATHEDRAL

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	27	(856,457)	(510,804)
Cash flows from investing activities			
Dividends, interest and rent from investments		929,282	864,486
Purchase of tangible fixed assets		(22,874)	(213,085)
Proceeds from sale of investments		539,486	458,762
Purchase of investments		(538,979)	(582,097)
Net cash provided by investing activities		906,915	528,066
Cash flows from financing activities			
Repayments of borrowing		-	(50,000)
Net cash provided by/(used in) financing activities		-	(50,000)
Change in cash and cash equivalents in the year		50,458	(32,738)
Cash and cash equivalents at the beginning of the year		3,356,199	3,388,937
Cash and cash equivalents at the end of the year	28	3,406,657	3,356,199

The notes on pages 28 to 61 form part of these financial statements

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The Cathedral Church of St Mary and St Chad in Lichfield, commonly known as Lichfield Cathedral, is an ecclesiastical corporation governed in accordance with the Cathedrals Measure 2021 and the Charities Act 2011. Its principal office address is given in the Reference and administrative details of the Cathedral, along with its Chapter and advisers. The aims and achievements of the Group and Cathedral are set out in the Chapter's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The accounts have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Lichfield Cathedral meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are presented in sterling, which is the functional currency of the group and rounded to the nearest £1.

2.2 Consolidation

The consolidated financial statements comprise those of the Cathedral and of its wholly-owned subsidiary company Lichfield Cathedral Enterprises Limited. The turnover and expenditure of Lichfield Cathedral Enterprises Limited are included in the Consolidated Statement of Financial Activities and its assets and liabilities are included on a line-by-line basis in the Consolidated Balance Sheet. Any intra-group transactions are eliminated in the Consolidated Statement of Financial Activities and the Consolidated Balance Sheet.

2.3 Going concern

The Chapter has considered whether the use of the going concern basis of accounting is appropriate. To do this, it has considered whether there are any material uncertainties as to the Cathedral's ability to continue as a going concern. It has carried out this assessment for a period of at least one year from the date of approval of these accounts. It has concluded that there are no material uncertainties about the Cathedral's ability to continue as a going concern.

2.4 Third party and non-cash receipts and payments and donated assets and services

Where amounts are payable on behalf of the Cathedral by third parties, for example the Church Commissioners, these are disclosed under both income and expenditure in the Consolidated Statement of Financial Activities. Where assets and services are donated to the Cathedral the value is included in the appropriate classification of income and expenditure.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.5 Income

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.

Legacies are accounted for when they become due and are accrued as debtors when the Cathedral is:

- Certain of its entitlement;
- any pre-conditions have been met;
- it is reasonably certain that the legacy will be received within a reasonable time span; and
- the amount to which the Cathedral is entitled and which will be received can be reliably measured.

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donations are accounted for on a receipts basis.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

All other incoming resources are included in the Statement of Financial Activities when the Cathedral is legally entitled to the income and the amount quantified with reasonable accuracy and there is a certainty of receipt.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

2.6 Expenditure

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

Support costs are those costs which in themselves do not contribute to mission or generate funds directly, but are necessary for those activities to take place. Support costs also include the Cathedral's governance costs, comprising costs associated with external audit and governance meetings. The support costs are apportioned as follows:-

- 30% - Cost of raising funds
- 30% - Ministry
- 30% - Cathedral and precincts
- 10% - Education and outreach

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.6 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Support costs are those functions that assist the work of the Group but do not directly undertake either charitable or fundraising activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2.7 Cathedral and its inventory

No value is attributed to the Cathedral in the financial statements and it is not included in the Consolidated Balance Sheet. The Cathedral, which is an inalienable asset, is currently insured for a total sum of £77.5 million. No value is attributed to items purchased or donated prior to 1 January 2019 that are included in the Cathedral inventory under Section 13(1) of the Care of Cathedrals Measure 1990 and Section 18 of the Charities SORP 2019 as they are considered to be of architectural, archaeological, artistic or historic interest and the cost of obtaining valuations would be onerous compared with the benefit derived by users of the financial statements.

2.8 Taxation

The Cathedral is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Cathedral is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Income is shown net of value added tax. Input value added tax is reclaimable on a percentage basis subject to partial exemption rules. All irrecoverable value added tax is included under the appropriate classification of expenditure.

All recoverable income tax is included under the appropriate classification of income

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.11 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by Chapter for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs 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 statements.

Endowment funds are funds where there is no power to convert capital into income. They are held permanently and cannot be utilised for other purposes, although the constituent assets may change over time. The income earned from endowment funds is received by the unrestricted or restricted fund according to the nature of each endowment.

2.12 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

York interpretation project	- 10 % straight line
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2.13 Freehold and investment properties

Freehold properties and investment properties are measured at fair value at each reporting date with changes in fair value recognised in either 'gains / (losses) on revaluation of fixed assets' or 'net gains / (losses) on investments'.

2.14 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the Cathedral assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.14 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 - 25%
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No depreciation is charged in the year of purchase.

2.15 Heritage assets

Heritage assets include the cathedral buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011 and Section 18 of the Charities SORP 2019. No value has been attributed to these assets acquired before 31 December 2018 in line with the requirements of accounting practices at the time.

Items constructed, purchased or donated to the inventory since 1 January 2019 are valued in the year of acquisition and shown as a heritage asset unless there is insufficient information available to reliably estimate the value of the asset.

2.16 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.17 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.

2.18 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.19 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.20 Pensions

The Church of England Defined Benefit Scheme, which is controlled by the Church of England Pensions Board, is operated to provide benefits related to final earnings and service. A Defined Contribution Scheme is used for all current contributions. Contributions are charged as expenditure in the year in which they are paid. The Defined Benefit Scheme was closed with effect from 31 December 2012.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Cathedral makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property valuations

The carrying value of freehold property and investment property as at 31 December 2024 is based on a combination of advice of an independent valuer and third party market indices data. The condition of individual properties is also considered when applying the year end valuations. Due to fluctuations in local property prices, and the specialised nature of some of the properties due to their condition, location and restrictions on use or sale there is an inherent risk over the valuation attributed to each property. Chapter has therefore based its year end valuation on all known information available to it when preparing the valuations including a consideration of other local available properties and rental yields achieved from the portfolio.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. Income from donations, legacies and grants

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Donations				
Congregational collections and giving	201,955	3,636	-	205,591
Income from the Cathedral Friends and local trusts	67,510	78,090	-	145,600
Other donations	280,357	125,056	-	405,413
Legacies				
Legacies	62,500	42,152	50,531	155,183
Grants				
Church Commissioners grants	-	288,411	-	288,411
The National Lottery Heritage Fund	-	104,804	-	104,804
Benefact Trust	-	18,813	-	18,813
Other grants	44,831	115,820	-	160,651
	<u>657,153</u>	<u>776,782</u>	<u>50,531</u>	<u>1,484,466</u>

Total gift aid receivable included above was £64,734.

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Donations				
Congregational collections and giving	189,180	3,650	-	192,830
Income from the Cathedral Friends and local trusts	53,320	55,059	-	108,379
Other donations	247,561	46,527	-	294,088
Legacies				
Legacies	31,645	209,000	996,056	1,236,701
Grants				
Church Commissioners grants	-	319,043	-	319,043
The National Lottery Heritage Fund	-	144,158	-	144,158
Benefact Trust	-	21,875	-	21,875
Other grants	64,427	317,689	-	382,116
	<u>586,133</u>	<u>1,117,001</u>	<u>996,056</u>	<u>2,699,190</u>

Total gift aid receivable included above was £54,073.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Charges and fees	24,528	17,997	42,525

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Charges and fees	48,286	583	48,869

6. Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Visitor tours	35,280	-	-	35,280
Fundraising activities	185,565	25,618	375	211,558
Hire of premises	290,139	-	-	290,139
Income from commercial trading activities	284,738	-	-	284,738
	795,722	25,618	375	821,715

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Visitor tours	14,102	-	14,102
Fundraising activities	191,003	49,432	240,435
Hire of premises	172,875	-	172,875
Income from commercial trading activities	199,352	-	199,352
	577,332	49,432	626,764

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

7. Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Rental income	540,126	-	540,126
Investment and deposit income	71,598	317,558	389,156
	<u>611,724</u>	<u>317,558</u>	<u>929,282</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Rental income	503,763	-	503,763
Investment and deposit income	25,755	334,968	360,723
	<u>529,518</u>	<u>334,968</u>	<u>864,486</u>

8. Expenditure on raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Marketing costs	73,688	-	-	73,688
Fundraising costs	407,584	24,163	-	431,747
Investment property costs	223,694	-	-	223,694
Investment management costs	-	-	5,457	5,457
Administration and support	152,510	36,937	466	189,913
Expenditure on commercial trading activities	180,346	20,258	-	200,604
	<u>1,037,822</u>	<u>81,358</u>	<u>5,923</u>	<u>1,125,103</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

8. Expenditure on raising funds (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Marketing costs	66,195	456	-	66,651
Associated fundraising costs	257,532	44,864	-	302,396
Investment property costs	187,075	-	6,650	193,725
Investment management costs	-	-	4,876	4,876
Administration and support	141,478	43,159	-	184,637
Expenditure on commercial trading activities	133,080	26,628	-	159,708
	<u>785,360</u>	<u>115,107</u>	<u>11,526</u>	<u>911,993</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support Costs 2024 £	Total funds 2024 £
Ministry	768,788	189,912	958,700
Cathedral and precincts upkeep	850,975	189,913	1,040,888
Education and outreach	230,112	63,304	293,416
Community and Congregation	14,510	-	14,510
	<u>1,864,385</u>	<u>443,129</u>	<u>2,307,514</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Ministry	562,938	184,637	747,575
Cathedral and precincts upkeep	979,587	184,637	1,164,224
Education and outreach	141,399	61,545	202,944
Community and Congregation	8,827	-	8,827
	<u>1,692,751</u>	<u>430,819</u>	<u>2,123,570</u>

Analysis of support costs

	2024 £	2023 £
Support staff	321,463	360,164
Training, travel & other indirect costs	32,971	34,619
Office running costs	100,641	81,787
Buildings	108,909	83,161
Finance non-staff costs	63,413	50,949
Governance	5,645	4,776
	<u>633,042</u>	<u>615,456</u>

The total support costs have been split between Fundraising costs per note 7 of £189,913 (2023: £184,637) and expenditure per note 8 of £443,129 (2023: £430,819).

10. Expenditure on ministry

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Clergy stipends and expenses	9,651	132,338	-	141,989
Clergy housing costs	188,459	-	-	188,459
Clergy support costs	32,188	-	-	32,188
Services and music costs	65,821	340,330	-	406,151
Administration and support	152,510	36,937	466	189,913
	<u>448,629</u>	<u>509,605</u>	<u>466</u>	<u>958,700</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Clergy stipends and expenses	12,653	138,284	-	150,937
Clergy housing costs	57,334	-	2,538	59,872
Clergy support costs	37,209	180	-	37,389
Services and music costs	44,122	270,617	-	314,739
Administration and support	141,478	43,159	-	184,637
	<u>292,796</u>	<u>452,240</u>	<u>2,538</u>	<u>747,574</u>

11. Expenditure on cathedral and precincts upkeep

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Major repairs and restoration	-	350,933	-	350,933
Maintenance and upkeep	146,147	159,541	-	305,688
Cathedral insurance	75,696	679	-	76,375
Precincts, security and grounds upkeep	104,491	13,488	-	117,979
Administration and support	152,510	36,936	466	189,912
	<u>478,844</u>	<u>561,577</u>	<u>466</u>	<u>1,040,887</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Major repairs and restoration	-	518,147	518,147
Maintenance and upkeep	142,884	156,995	299,879
Cathedral insurance	63,407	1,223	64,630
Precincts, security and grounds upkeep	95,794	1,137	96,931
Administration and support	141,478	43,159	184,637
	<u>443,563</u>	<u>720,661</u>	<u>1,164,224</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12. Expenditure on education and outreach

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Educational activities	56,610	141,257	-	197,867
Archives and library	10,605	7,334	-	17,939
Charitable and other giving	1,500	12,806	-	14,306
Administration and support	50,837	12,312	156	63,305
	<u>119,552</u>	<u>173,709</u>	<u>156</u>	<u>293,417</u>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Educational activities	58,536	46,519	105,055
Archives and library	11,879	6,938	18,817
Charitable and other giving	2,945	14,583	17,528
Administration and support	47,159	14,386	61,545
	<u>120,519</u>	<u>82,426</u>	<u>202,945</u>

13. Other expenditure

	Unrestricted funds 2023 £	Total funds 2023 £
Interest and similar charges	2,243	2,243
Movement on Church Workers Pension Fund	(107,005)	(107,005)
	<u>(104,762)</u>	<u>(104,762)</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

14. Net income/(expenditure)

	2024 £	2023 £
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	51,523	29,036
Amortisation and impairment of intangible fixed assets	15,800	15,800
Auditor's remuneration - audit	22,500	14,940
(Loss) on revaluation of investment properties	(802,000)	-
Surplus on revaluation of freehold property	802,000	-
Unrealised gains on revaluation of fixed asset investments	243,341	362,823
Realised investment gains/(losses)	1,054	(22,380)
	<u> </u>	<u> </u>

The net loss arising from investment movements in relation to investment properties and fixed asset investments is £557,606 (2023: Gain £340,443). This is allocated to funds as follows:

Unrestricted £Nil (2023: £Nil), Restricted surplus £3,683 (2023: £5,442), Endowment loss £561,289 (2023: surplus £335,001).

15. Staff

	2024 £	2023 £
Wages and salaries (including stipends)	1,119,743	990,379
Employers National Insurance	97,189	79,165
Employers pension contributions	85,213	92,904
	<u> </u>	<u> </u>
	<u>1,302,145</u>	<u>1,162,448</u>

The average number of persons employed by the Cathedral during the year was as follows:

	Group 2024 No.	Group 2023 No.
Full-time	18	16
Part-time	37	28
	<u> </u>	<u> </u>
	<u>55</u>	<u>44</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

15. Staff (continued)

The average headcount expressed as full-time equivalents was:

	Group 2024 No.	Group 2023 No.
Full-time	18	16
Part-time	14	11
	<u>32</u>	<u>27</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2024 No.	Group 2023 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1

Pension contributions of £14,372 (2023 - £10,572) were paid during the year by the Group in respect of the higher paid staff.

The Executive Management Team (EMT) comprises the Dean, Canons Precentor, Chancellor, Treasurer & Custos, Chief Officers and Directors of Development and Music. The Senior Marketing manager is in attendance but not a member. The total amount of employee benefits received by key personnel is £441,896 (2023: £424,295).

16. Clergy stipends

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 2021 and the 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. These amounts as paid by the Church Commissioners are set out below:

	Stipend 2024 £	ER NI & Apprentice- ship levy 2024 £	Pension 2024 £	Total funds 2024 £
The Rt Revd J McFarlane	41,751	4,715	1,065	47,531
Revd Canon Dr G Platten	32,361	3,751	6,810	42,922
The Revd Canon A Stead	32,361	2,713	6,810	41,884
	<u>106,473</u>	<u>11,179</u>	<u>14,685</u>	<u>132,337</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Stipend 2023 £	ER NI & Apprentice- ship levy 2023 £	Pension 2023 £	Total funds 2023 £
The Rt Revd J McFarlane	29,965	3,343	506	33,814
The Revd Canon A Stead	30,818	2,569	7,127	40,514
Revd Canon Dr G Platten	30,818	2,485	7,127	40,430
The Very Revd A Dorber	9,513	605	2,211	12,329
	<u>101,114</u>	<u>9,002</u>	<u>16,971</u>	<u>127,087</u>

17. Trustees' remuneration and expenses

Other than residential clergy, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totalling £1,381 were reimbursed or paid directly to 1 Trustee (2023 - £2,433 to 1 Trustee). Clergy houses are provided to certain residential clergy.

18. Intangible assets

Group and Cathedral

	Development expenditure £
Cost	
At 1 January 2024	173,880
Disposals	(15,880)
At 31 December 2024	<u>158,000</u>
Amortisation	
At 1 January 2024	90,930
Charge for the year	15,800
Disposals	(15,880)
At 31 December 2024	<u>90,850</u>
Net book value	
At 31 December 2024	<u>67,150</u>
At 31 December 2023	<u>82,950</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

19. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Heritage assets £	Total £
Cost or valuation				
At 1 January 2024	6,322,500	592,915	471,479	7,386,894
Additions	-	22,830	44	22,874
Disposals	-	(28,362)	-	(28,362)
Revaluations	802,000	-	-	802,000
At 31 December 2024	7,124,500	587,383	471,523	8,183,406
Depreciation				
At 1 January 2024	-	175,799	-	175,799
Charge for the year	-	51,523	-	51,523
On disposals	-	(28,362)	-	(28,362)
At 31 December 2024	-	198,960	-	198,960
Net book value				
At 31 December 2024	7,124,500	388,423	471,523	7,984,446
At 31 December 2023	6,322,500	417,116	471,479	7,211,095

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

19. Tangible fixed assets (continued)

Cathedral

	Freehold property £	Fixtures and fittings £	Heritage assets £	Total £
Cost or valuation				
At 1 January 2024	6,322,500	555,791	471,479	7,349,770
Additions	-	22,830	44	22,874
Disposals	-	(8,704)	-	(8,704)
Revaluations	802,000	-	-	802,000
At 31 December 2024	7,124,500	569,917	471,523	8,165,940
Depreciation				
At 1 January 2024	-	138,675	-	138,675
Charge for the year	-	51,523	-	51,523
On disposals	-	(8,704)	-	(8,704)
At 31 December 2024	-	181,494	-	181,494
Net book value				
At 31 December 2024	7,124,500	388,423	471,523	7,984,446
At 31 December 2023	6,322,500	417,116	471,479	7,211,095

The last full property valuation was undertaken by the Cathedral's property advisors Jayman Estate Agents & Chartered Surveyors in 2019.

For the 2024 closing balance sheet value, Chapter and its committees considered relevant published indices for the movement in property values, including any relevant restrictions on sale or use and the individual condition of properties. For the year ended 31 December 2024, these changes have resulted in a net increase to fixed asset property values of £0.8m.

Chapter continue to keep the market value of the properties under regular review and confirm the value of the freehold properties included in these financial statements is considered to accurately reflect the fair value.

Classes of properties

Non-investment freehold properties are held and used as follows:

For cathedral use	£6,634,500	(2023: £5,697,500)
For trading activities	£490,000	(2023: £625,000)

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

20. Investment property

Group and Cathedral

	Freehold investment property £
Valuation	
At 1 January 2024	18,825,500
Additions	3,300
(Loss) on revaluation	(802,000)
At 31 December 2024	18,026,800

The last full property valuation was undertaken by the Cathedral's property advisors Jayman Estate Agents & Chartered Surveyors and DNSurveyors Limited in 2019. There were further formal valuations undertaken for 20a The Close (following buyout of a leasehold interest in 2020), 2 The Close (following refurbishment completed in 2021) and a reduction in the value of 10-12 Newtons College due to settlement which required extensive repairs in previous years.

For the 2024 closing balance sheet value, Chapter and its committees considered relevant published indices for the movement in property values including any relevant restrictions on sale or use and the individual condition of properties. For the year ended 31 December 2024, these changes have resulted in a net decrease to investment property values of £0.8m.

Chapter continue to keep the market value of the properties under regular review and confirm the value of the investment properties included in these financial statements is considered to accurately reflect the fair value.

21. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2024	6,607,585
Additions	535,679
Disposals	(538,433)
Revaluations	243,341
At 31 December 2024	6,848,172
Net book value	
At 31 December 2024	6,848,172
At 31 December 2023	6,607,585

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

21. Fixed asset investments (continued)

Cathedral	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2024	2	6,607,585	6,607,587
Additions	-	535,679	535,679
Disposals	-	(538,433)	(538,433)
Revaluations	-	243,341	243,341
At 31 December 2024	2	6,848,172	6,848,174
Net book value			
At 31 December 2024	2	6,848,172	6,848,174
At 31 December 2023	2	6,607,585	6,607,587

Cathedral Investments at market value comprise:

	2024 £	2023 £
UK fixed interest	573,105	509,319
Overseas fixed interest	-	69,375
UK equities	521,164	571,158
Overseas equities	1,333,819	1,177,961
Property	149,490	168,699
Alternatives	170,552	99,300
Multi-Asset	182,485	177,081
CBF Church of England funds	3,917,557	3,834,692
	6,848,172	6,607,585

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

21. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Cathedral:

Name	Company number	Registered office or principal place of business	Principal activity
Lichfield Cathedral Enterprises Ltd	01908432	19a The Close, Lichfield, Staffordshire, WS13 7LD	Operation of the Cathedral's shop and hospitality offer

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Net assets £
Lichfield Cathedral Enterprises Ltd	284,738	(284,738)	2

The profit for the year of £100,834 (2023: £66,723) is accrued under a deed of covenant and payable to the parent charity within 9 months of the year end.

22. Stocks

	Group 2024 £	Group 2023 £
Goods for resale	27,317	12,914

23. Debtors

	Group 2024 £	Group 2023 £	Cathedral 2024 £	Cathedral 2023 £
Trade debtors	65,758	57,660	60,748	49,661
Amounts owed by group undertakings	-	-	43,102	22,098
Other debtors	30,808	36,571	30,808	36,571
Prepayments and accrued income	911,672	1,166,854	908,078	1,163,325
	<u>1,008,238</u>	<u>1,261,085</u>	<u>1,042,736</u>	<u>1,271,655</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

24. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	Cathedral 2024 £	Cathedral 2023 £
Trade creditors	146,893	208,346	142,636	202,005
Other taxation and social security	40,662	34,635	40,662	34,635
Other creditors	44,521	44,864	44,521	44,864
Accruals and deferred income	225,757	248,301	214,353	239,006
	<u>457,833</u>	<u>536,146</u>	<u>442,172</u>	<u>520,510</u>
	Group 2024 £	Group 2023 £	Cathedral 2024 £	Cathedral 2023 £
Deferred income at 1 January 2024	63,628	48,833	61,722	47,230
Resources deferred during the year	83,139	63,628	81,233	61,722
Amounts released from previous periods	(63,628)	(48,833)	(61,722)	(47,230)
	<u>83,139</u>	<u>63,628</u>	<u>81,233</u>	<u>61,722</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

25. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds						
General	857,682	2,059,446	(2,039,284)	(8,223)	-	869,621
Fixed assets	910,292	-	(55,656)	22,876	-	877,512
ReSource designated	51,670	2,669	4,037	-	-	58,376
Rental properties	-	27,012	(8,454)	-	-	18,558
	<u>1,819,644</u>	<u>2,089,127</u>	<u>(2,099,357)</u>	<u>14,653</u>	<u>-</u>	<u>1,824,067</u>
Endowment funds						
General	23,867,625	-	(5,457)	-	6,558	23,868,726
Choral	417,005	-	-	-	15,375	432,380
Fabric	209,677	-	-	-	7,730	217,407
Library	114,624	-	-	-	4,225	118,849
LCT - Music	6,536,979	50,906	(1,554)	-	160,248	6,746,579
LCT - FCM	108,669	-	-	-	4,007	112,676
LCT - Fabric	933,752	-	-	-	34,427	968,179
LCT - General	1,893,461	-	-	-	67,505	1,960,966
Lumley Trust	17,217	-	-	-	636	17,853
	<u>34,099,009</u>	<u>50,906</u>	<u>(7,011)</u>	<u>-</u>	<u>300,711</u>	<u>34,443,615</u>
Restricted funds						
General	1,173	314,550	(311,036)	-	-	4,687
Choral	-	12,343	(12,343)	-	-	-
Library	9,232	7,725	(7,334)	-	-	9,623
Choir projects	49,643	28,213	(47,216)	-	-	30,640
Organ	101,544	6,518	(12,898)	153,892	3,683	252,739
Dean Savage	70,000	5,748	(6,339)	-	(60,000)	9,409
Matlosane	169	2,976	(2,911)	-	-	234
Music	272,479	230,498	(273,606)	(153,892)	-	75,479
FCM	-	3,217	(3,217)	-	-	-

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

25. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
LCT - Fabric	11,582	227,909	(163,701)	(8,968)	-	66,822
Furnishings	7,602	388	-	-	-	7,990
Columbarium	5,401	277	-	-	-	5,678
York interpretation	61,254	-	(11,667)	-	-	49,587
Lumley Trust	-	508	(508)	-	-	-
Spire repairs	286,897	191,366	(463,680)	(5,685)	-	8,898
At home in Lichfield	24,713	980	(9,123)	-	-	16,570
Sound System	257	-	-	-	-	257
Chamber Choir	583	4,739	(670)	-	-	4,652
West Front	-	100,000	-	-	-	100,000
	<u>902,529</u>	<u>1,137,955</u>	<u>(1,326,249)</u>	<u>(14,653)</u>	<u>(56,317)</u>	<u>643,265</u>
Total of funds	<u><u>36,821,182</u></u>	<u><u>3,277,988</u></u>	<u><u>(3,432,617)</u></u>	<u><u>-</u></u>	<u><u>244,394</u></u>	<u><u>36,910,947</u></u>

LICHFIELD CATHEDRAL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General	705,332	1,730,357	(1,512,243)	(65,764)	-	857,682
Fixed assets	494,951	-	(33,169)	448,510	-	910,292
ReSource designated	64,226	10,912	(891)	(22,577)	-	51,670
	<u>1,264,509</u>	<u>1,741,269</u>	<u>(1,546,303)</u>	<u>360,169</u>	<u>-</u>	<u>1,819,644</u>
Endowment funds						
General	23,868,480	-	(14,064)	-	13,209	23,867,625
Choral	395,412	-	-	-	21,593	417,005
Fabric	198,818	-	-	-	10,859	209,677
Library	108,687	-	-	-	5,937	114,624
LCT - Music	5,657,404	655,056	-	-	224,519	6,536,979
LCT - FCM	103,041	-	-	-	5,628	108,669
LCT - Fabric	885,398	-	-	-	48,354	933,752
LCT - General	1,548,451	341,000	-	-	4,010	1,893,461
Lumley Trust	16,325	-	-	-	892	17,217
	<u>32,782,016</u>	<u>996,056</u>	<u>(14,064)</u>	<u>-</u>	<u>335,001</u>	<u>34,099,009</u>
Restricted funds						
General	5,739	339,056	(336,483)	(7,139)	-	1,173
Choral	-	11,940	(11,940)	-	-	-
Library	-	12,542	(3,310)	-	-	9,232
Choir projects	36,010	25,681	(12,048)	-	-	49,643
Organ	100,336	4,089	(8,323)	-	5,442	101,544
Dean Savage	183,367	4,353	-	(117,720)	-	70,000
Matlosane	196	4,701	(4,728)	-	-	169
Music	68,908	461,111	(257,540)	-	-	272,479
FCM	-	3,086	(3,086)	-	-	-
LCT - Fabric	32,904	128,085	(149,407)	-	-	11,582

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

25. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Furnishings	12,756	589	(5,743)	-	-	7,602
Columbarium	5,097	304	-	-	-	5,401
York interpretation	72,921	-	(11,667)	-	-	61,254
Lumley Trust	-	488	(488)	-	-	-
St Chad Shrine	256,649	1,031	2,842	(260,522)	-	-
Spire repairs	341,076	469,932	(549,323)	25,212	-	286,897
At home in Lichfield	9,747	24,415	(9,449)	-	-	24,713
Sound System	-	10,000	(9,743)	-	-	257
Chamber Choir	-	583	-	-	-	583
	<u>1,125,706</u>	<u>1,501,986</u>	<u>(1,370,436)</u>	<u>(360,169)</u>	<u>5,442</u>	<u>902,529</u>
Total of funds	<u><u>35,172,231</u></u>	<u><u>4,239,311</u></u>	<u><u>(2,930,803)</u></u>	<u><u>-</u></u>	<u><u>340,443</u></u>	<u><u>36,821,182</u></u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

25. Statement of funds (continued)

Designated funds

Fixed assets: a designated fund to hold the balance of unrestricted tangible and intangible fixed assets, thus enabling the unrestricted general fund to show unrestricted reserves clearly. The cost of assets acquired during the year has been transferred from the fund financing the acquisition.

ReSource: a designated fund established to hold proceeds from the Cathedral's pandemic recovery appeal which have not been allocated to more specific projects. During the prior year, £29,421 was transferred to the Spire project.

Rental properties: a designated fund established during the year to increase the transparency of the income from and cost of running the Cathedral's portfolio of rental properties. At the end of the year, Chapter agreed that 95% of these incomes and costs should be accounted for through the general unrestricted fund. 5% remains in this fund.

Endowment funds

General – Historical endowment fund that generates income towards the work and ministry of the Cathedral and holds most of the Cathedral's property portfolio.

Choral – Historical endowment fund that supports the maintenance of the Cathedral's choral music tradition.

Fabric – Historical endowment fund that generates income towards the support and upkeep of the fabric of the Cathedral.

Library – Historical endowment fund that generates income towards the upkeep of the Cathedral Library.

Music (formally Lichfield Cathedral Trust (Music)) – Endowment fund that generates income towards the cost of music within the Cathedral.

FCM (formally Lichfield Cathedral Trust (Friends of Cathedral Music)) – Endowment donations to generate income towards the cost of the Lay Vicars Choral within the Cathedral.

Lichfield Cathedral Trust (Fabric) – Endowment fund that generates income towards the upkeep and maintenance of the fabric of the Cathedral.

Lichfield Cathedral Trust (General) – Endowment fund that generates income towards supporting general maintenance and administrative costs within the Cathedral and holds certain investment properties.

Lumley Trust - An endowment donation to generate income towards the upkeep and maintenance of the burial ground surrounding the Cathedral.

Restricted Funds

General – The fund represents restricted income received by Chapter that can be used as revenue throughout the year. Examples of this are the grants received from the Church Commissioners towards the cost of the stipendiary clergy plus a grant towards the cost of administering the Chapter. From October 2020, this fund has included grant receipts from the Cathedrals' Sustainability Fund. Fixed assets financed by this fund have been transferred to the fixed asset designated fund.

Choral – The fund represents income received to be used to maintain the Cathedral's choral tradition.

Library – The fund represents income towards the upkeep of the Cathedral Library.

Choir Projects – The fund represents income towards the cost of choir tours and other choir activities.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

25. Statement of funds (continued)

Organ - The fund represents income generated specifically towards the costs of the organs in Lichfield Cathedral. During the year Chapter transferred a legacy previously recognised in the Music restricted fund to this fund.

Dean Savage – The fund represents income and expenditure on the upkeep of the Dean Savage Library, formerly used to help ordinands in their training. Chapter resolved to use the remaining liquid funds for educational purposes, specifically to refurbish the Old Stables and the resulting fixed asset was transferred to the fixed asset designated fund in the prior year. The fund remains responsible for the Old Coach House and funds its upkeep.

Matlosane - Donations from the congregation of the Cathedral in support of the partner diocese of Matsolane in South Africa.

Music (formally Lichfield Cathedral Trust Music) - The fund represents income generated from the two Music Endowments and donations to be used for music at the Cathedral.

FCM (formally Lichfield Cathedral Trust (Friends of Cathedral Music)) - The fund represents income from the LCT (Friends of Cathedral Music) Endowment to generate income towards the costs of Lay Vicars Choral.

LCT Fabric - The fund represents income generated from the Fabric Endowments and donations to be used to finance the upkeep of the fabric of the Cathedral. Fixed assets financed by this fund have been transferred to the fixed asset designated fund.

Furnishings – Restricted funds received to finance replacement of the chairs in the cathedral nave.

Colambarium - restricted funds received to enable the cathedral to create a columbarium.

York interpretation – the fund represents donations, mainly from the Friends of Lichfield Cathedral, to develop the Cathedral's interpretation offer in conjunction with the University of York.

St Chad Shrine: a fund established to finance the reinstallation of the shrine of St Chad, lost in the reformation, to house a relic of St Chad, the Cathedral's co-patron, which was translated from St Chads Cathedral in the Roman Catholic Archdiocese of Birmingham. On completion of the project the cost of the shrine was transferred to the fixed asset designated fund.

Lumley Trust - Linked with the endowment fund, this is the income earned from the investment which helps to finance the upkeep and maintenance of the burial ground surrounding the Cathedral.

Spire repairs: a fund to restore the central spire of the cathedral and carry out engagement activities as agreed with the funders. Fixed assets financed by this fund have been transferred to the fixed asset designated fund.

At Home in Lichfield: a fund established to receive donations to support a refugee family who live in Lichfield.

Sound system: a fund established to hold income for upgrading the cathedral sound system.

Chamber Choir: as part of becoming a registered charity, Chapter wishes to exercise greater stewardship over funds previously held separately by groups within the Cathedral – the Chamber Choir is the first such group to transition to the new arrangements.

West front – a fund established to hold donations to finance the regeneration of the West Front approach to the cathedral.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

26. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	859,946	10,000	7,114,500	7,984,446
Intangible fixed assets	17,564	49,586	-	67,150
Fixed asset investments	-	97,610	6,750,562	6,848,172
Investment property	-	-	18,026,800	18,026,800
Current assets	1,295,192	549,140	2,597,880	4,442,212
Creditors due within one year	(348,635)	(63,071)	(46,127)	(457,833)
Total	1,824,067	643,265	34,443,615	36,910,947

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	888,595	70,000	6,252,500	7,211,095
Intangible fixed assets	21,697	61,253	-	82,950
Fixed asset investments	-	101,801	6,505,784	6,607,585
Investment property	-	-	18,825,500	18,825,500
Current assets	1,273,916	838,055	2,518,227	4,630,198
Creditors due within one year	(364,564)	(168,580)	(3,002)	(536,146)
Total	1,819,644	902,529	34,099,009	36,821,182

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Group 2024 £	Group 2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(712,235)	1,648,951
Adjustments for:		
Depreciation charges	51,523	29,036
Amortisation charges	15,800	15,800
Gains/(losses) on investments	557,606	(340,443)
Dividends, interests and rents from investments	(929,282)	(864,486)
Decrease/(increase) in stocks	(14,403)	15,331
Decrease/(increase) in debtors	252,847	(1,068,569)
Increase/(decrease) in creditors	(78,313)	53,538
Net cash used in operating activities	(856,457)	(510,842)

28. Analysis of cash and cash equivalents

	Group 2024 £	Group 2023 £
Cash in hand	350	3,323
Cash at bank	257,936	158,955
Deposit accounts	3,148,371	3,193,921
Total cash and cash equivalents	3,406,657	3,356,199

29. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	3,356,199	50,458	3,406,657
	<u>3,356,199</u>	<u>50,458</u>	<u>3,406,657</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

30. Capital commitments

	Group 2024 £	Group 2023 £
Contracted for but not provided in these financial statements		
Planned maintenance	211,678	138,556

31. Pension commitments

Lichfield Dean & Chapter (DBS) participates in the Defined Benefits Scheme section of CWPF for lay staff, which is now closed to future accrual. 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;

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. This does 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. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2024: £nil, 2023: £nil) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £nil for 2024 (2023: £107,005).

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 having taken advice from the Actuary.

A valuation of DBS is carried out once every three years. At the most recent valuation at 31 December 2022 there was a surplus of £73.6m.

The next actuarial valuation is due at 31 December 2025.

Since 31 December 2023, the Board has entered into a full buy-in agreement with Aviva to insure all accrued benefits within the DBS of the CWPF.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

31. Pension commitments (continued)

The Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2023 or 31 December 2024.

The movement in the provision is set out below:

	2024	2023
Balance sheet liability at 1 January	-	109,000
Deficit contribution paid	-	(1,995)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	(107,005)
Balance sheet liability at 31 December	-	-

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

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

	December 2024	December 2023	December 2022
Discount rate	N/A	N/A	0.00%

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.

The Cathedral 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.

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: £85,213, 2023: £92,904).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

31. Pension commitments (continued)

valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board 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 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

32. Connected entity

The Friends of Lichfield Cathedral is a registered charity that exists wholly for the benefit of the Cathedral. Individual members of the Chapter are involved with, and serve on all or some of the boards of The Friends of Lichfield Cathedral. However, the Cathedral does not have day-to-day control over the charity.

The Friends of Lichfield Cathedral

The Charity's objects are to:

- draw into fellowship the people of the Diocese of Lichfield and the wider community in service and devotion to God and loyalty to the Cathedral;
- assist in funding the work of repairing and preserving the fabric of the cathedral and its precincts, its furnishings and vestments and to beautify it with special gifts; and
- to support the worship and music of the cathedral church.

The most recently published summarised results of The Friends of Lichfield Cathedral are as follows:-

	2023	2022
	£	£
Gross income	102,429	825,150
Net incoming resources for the year	62,931	800,844
Net movement in funds	68,162	793,527
Amounts paid or payable to the Cathedral	27,918	13,468
Gross assets	979,991	913,772
Net assets	<u>975,368</u>	<u>907,206</u>

The financial statements for The Friends of Lichfield Cathedral for the year ended 31 December 2024 were not published prior to issue of this document.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

33. Related party transactions

The Cathedral paid membership fees of £1,200 (2023: £1,200) and £45 (2023: £Nil) for a training course to The Guild of Health and St Raphael, whose Chief Executive Officer is Reverend Dr. G Straine (wife of Canon Gregory Platten).

There were no other related party transactions (2023: £Nil).