

LICHFIELD CATHEDRAL
CHAPTER'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025

Lichfield Cathedral Annual Report

Chapter	The Dean: The Right Revd Jan McFarlane
Canons Residentiary	The Revd Canon Andrew Stead (Precentor) Resigned 10 December 2025 The Revd Canon Dr Gregory Platten (Chancellor)
Senior Non-Executive Member	Mrs Ann Fisher
Non-Executive Members	Mr Lloyd Cooke (appointed 2 March 2025) The Revd Preb Dr Jeanette Hartwell (appointed March 2026) The Revd Canon Peter Holliday Mr Mark Hope-Urwin (term of office ended February 2025) Mr Eric Lunt (appointed March 2025) Mr Peter Sharpe RIP (deceased 19 October 2025) Mr Paul Spicer (term of office ended February 2025) Ms Mo Trudel
In attendance	Ms Sophie Hubbert (Governance Officer & Assistant to the Dean and Canons) Mr Stephen Packham (Chief Finance Officer) Mr Simon Warburton (Chief Operating Officer)
Finance Committee	The Revd Canon Peter Holliday (chair) Mrs Elizabeth Bridle Mr David Cliffe Mrs Claire Crackett (appointed 8 April 2025) Mr Peter Sharpe RIP (Deceased 19 October 2025) Mr Dave Hawthorn Mr David Waller
In attendance	Ms Sophie Hubbert (Governance Officer & Assistant to the Deans and Canons) The Right Revd Jan McFarlane (Dean) Mr Stephen Packham (Chief Finance Officer) Mr Simon Warburton (Chief Operating Officer)

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FOR THE YEAR ENDED 31 DECEMBER 2025

Audit and Risk Committee	Dr Philip Kaye (Chair) Mrs Elizabeth Bridle Mr David Cliffe Mrs Claire Crackett (appointed April 2025) The Revd Canon Peter Holliday Mr Peter Sharpe RIP (Deceased October 2025) Mr Dave Hawthorn Mr Andrew Millward (appointed 2 March 2026) Mr David Waller
In attendance	Ms Sophie Hubbert (Governance Officer & Assistant to the Deans and Canons) The Right Revd Jan McFarlane (Dean) Mr Stephen Packham (Chief Finance Officer) Mr Simon Warburton (Chief Operating Officer)
Nominations Committee	The Revd Canon Peter Holliday (Chair) Mr Lloyd Cooke (appointed 23 September 2025) Mrs Ann Fisher The Right Revd Jan McFarlane (Dean) Mr Peter Sharpe RIP (Deceased 19 October 2025)
In attendance	Ms Sophie Hubbert (Governance Officer & Assistant to the Deans and Canons) Mr Simon Warburton (Chief Operating Officer)
Fabric Advisory Committee	Professor Hilary Grainger (Chair) Professor Jenny Alexander Mr Andrew Arrol Mrs Louise Bainbridge Mr Tim Bridges Mr Michael Diamond Dr Louise Hampson Mr Alan Taylor
In attendance	The Right Revd Jan McFarlane (Dean) Mr Kevin Blockley (Cathedral Archaeologist – resigned December 2025) Mr James Brown (Clerk of Works – appointed July 2025) Dr Jonathan Clark (Cathedral Archaeologist – Appointed December 2025) Mr Jonathan Deeming (Cathedral Architect) Ms Sophie Hubbert (Governance Officer & Assistant to the Deans and Canons) Mr Neil Tunks (Head of Property) Mr Simon Warburton (Chief Operating Officer)

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FOR THE YEAR ENDED 31 DECEMBER 2025

Charities Full Name	The Cathedral Church of Saint Mary and Saint Chad in Lichfield	
Charities registered and principal office	The Chapter Office, 9A The Close Lichfield Staffordshire WS13 7LD	
Lay Managers	Mr Simon Warburton Mr Stephen Packham Mrs Marie Janson Mr Ben Lamb	Chief Operating Officer Chief Finance Officer Director of Development (resigned 4 January 2025) Director of Music
Professional Advisors	Bankers Solicitors (HR) Auditors (Cathedral) Auditors (Enterprise) Investment Managers Cathedral Architect Cathedral Archaeologist Head of Property	NatWest Bank Keelys LLP Price Bailey LLP Tomkinson Teal CCLA and Evelyn Partners Mr Jonathan Deeming, Purcell, Dr Jonathan Clark Mr Neil Tunks

LICHFIELD CATHEDRAL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Our vision, values and strategic objectives

Mission

The mission of Lichfield Cathedral is to make the good news of Jesus Christ known to those around us, through our lives, our words and our actions, and to be a holy place of prayer, worship and reflection. Having discovered how much we are loved by God, we seek to share that love with others through spiritual support and pastoral care, through social action and abundant generosity. We are a people on a pilgrimage through life, and all are welcome to join us on the journey.

Values

Holiness

The Cathedral is a holy place – a sacred space. Celtic Christians used the term, 'a thin place' where the boundary between heaven and earth seems more permeable. That is most certainly the experience of many who come here to visit or to worship. Music, prayer and worship are our foundation stones.

Healing

Lichfield Cathedral has been, since earliest times, a place where people have sought healing and wholeness. Visitors, pilgrims and worshippers come to the Cathedral in search of healing and wholeness of body, mind and spirit in a place which speaks of stability and hope, and where the walls are soaked in the prayer of generations past and present.

Hospitality

We wish to offer a warm and friendly welcome to all who come through our doors. We seek to be a place of acceptance, refuge, refreshment, encouragement, joy and hope. All are welcome to join our Cathedral family.

Hope

In a world which so often seems fractious and unstable, the Cathedral points to a God who offers stability and hope. In the Nave hangs an icon of Jesus Christ on the cross, dying for us to bridge the gap between us and God. On the eastward side of the cross is the risen Christ, whose death and resurrection means that we need never again be separated from God's love. This knowledge gives us the courage and confidence to go out carrying that same love and hope to all who wish to encounter it.

Strategic Objectives

At Saint Chad's Day in March 2025, Chapter adopted a new 5 year Mission Strategy for the Cathedral – 'The Journey to 2030'. Recognising the Cathedral's two core charitable purposes, to advance the Christian faith and to care for and conserve the Cathedral building, the strategy develops these principles across 6 objectives:

LICHFIELD CATHEDRAL
TRUSTEES' REPORT
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Your Cathedral

- Evangelism & Engagement – The Cathedral will develop its invitation to attend; supported using drama, music, and the arts helping visitors to explore the Christian faith.
- Tourism & Visitor Attraction – By offering a warm welcome and a diverse event and exhibition programme, the Cathedral will be seen as the premier historic church visitor attraction in the region.

My Cathedral

- Music & Worship – The Cathedral will be committed to excellence in its music and worship, with the daily round of Morning Prayer, Evensong, and Eucharist.
- Discipleship & Learning – The Cathedral will offer courses for new and existing members of the community helping to continue their lifelong journey in the Christian faith.

Our Cathedral

- Serving the Diocese & Beyond – As the Mother Church, the Cathedral will serve the Diocese by preaching and presiding in parish churches and offering resources to clergy, lay leaders and congregations.
- Heritage & Stewardship – Reflecting the most recent Quinquennial Inspection, the Cathedral will be well maintained, with major works planned to the buttresses, organ, and sound system.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Chair of Chapter, The Right Revd Jan McFarlane Dean of Lichfield introduction to the Trustee Report

2025 represents my first full year as Dean, and unlike the interim period, during which we aimed for a period of stability and consolidation, we have grasped the opportunity to stand back and consider what it means to be Lichfield Cathedral in *this* context, with *these* people, at *this* time in our history, and to adapt our ministry and daily work accordingly.

After a period of discernment and consultation, a new Mission Strategy was adopted by Chapter on Saint Chad's Day (02 March 2025). Building on the existing concept of 'Your Cathedral', the strapline for the 2025-2030 Mission Strategy is, 'Your Cathedral, My Cathedral, Our Cathedral', a strategy which joyfully celebrates the very best our Christian faith has to offer, whilst also making it clear we are here to serve the local community and the wider Diocese of Lichfield, which embraces Staffordshire, Shropshire and the Black Country. Those three concepts of Your, My, and Our have two pillars each, and under those pillars are a series of specific actions which Chapter believes to be the right focus for the next five years.

In preparing the strategy Chapter felt it was important to find the balance between celebrating and continuing the hard work already underway, and evolving the Cathedral's work to meet the needs of the present moment. Chapter also recognised the aspirational nature of the strategy, meaning not everything will be achieved, and the inevitable need to be dynamic. The need to continually assess our priorities is already becoming a reality, as the café building came back into Cathedral control earlier than expected, and the mechanical Nave Altar Platform unexpectedly broke down, requiring a major investment to bring it back into operational use.

As the world becomes increasingly uncertain and tense, the Church, and its flagship cathedrals, have a role to play in grounding our communities. Our faith offers us hope and the Cathedral gives stability. Attendance is growing, income is increasing, and with it are opportunities to engage with a broader group of visitors and pilgrims, in all their forms, to promote the Gospel and to secure the future of our much loved and iconic Cathedral.

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TRUSTEES' REPORT
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Your Cathedral

Evangelism and Engagement

During 2025 we continued to grow the congregation, which is increasingly more diverse in every aspect. We continued to encourage the congregation to invite others to join them for services and to welcome whoever comes through our doors.

One focus of 2025 was to re-establish the Cathedral's relationship with Lichfield Cathedral School, which exclusively provides the choristers for the Cathedral's choir. This has included termly meetings between the Dean and Chief Operating Officer, and the Head and Acing Chair of Governors and the Dean and both Residentiary Canons working as a team with the Schools Chaplaincy Lead in helping to lead assemblies and eucharistic services and being increasingly seen and known by the students.

The Deanery refurbishment was completed by May, and since then, the Dean has been proactively using the ground floor invitationally for hospitality. This has been for a range of users including the Lichfield Festival, the Friends of Lichfield Cathedral, Patron and Guardian events, as well as congregational, volunteer and staff social events, and Committee meetings.

Tourism & Visitor Attraction

Visitor numbers have continued to increase year on year following COVID, with 2025 seeing an 8% increase. This was below the budget of a 15%, however the income target was still met through the excellent work of the Visitor Services team who increased the average donation from each visitor by 40p.

2025 also saw delivery of a compelling exhibition programme which included the display of some of the Cathedral's library collection and a partnership with the Natural History Museum (NHM) which included the tour of the NHM's Wildlife Photographer of the Year exhibit during the summer. To help support the summer exhibit, the urban beach in 2025 was shaped as Noah's Ark, helping to align the Cathedral's core purpose and role as a visitor attraction.

In May, the Cathedral took receipt of the Fenland Black Table, a 13m table made from 5000-year-old 'bog oak' (i.e. oak that has been preserved in peat). The table is on a Cathedral tour, spending one year at each location and having previously been displayed in Ely, Rochester, and Lincoln Cathedrals. The table has proved to be a great success and will have helped drive the increase in visitor numbers. It was also one of the primary reasons His Majesty the King visited the Cathedral in October – an occasion of great joy for the cathedral and the wider community.

Events continue to perform well for the Cathedral, and Chapter remain grateful to the production companies who choose to perform here. With the kind support of the Cathedral Sustainability Fund, the Cathedral team is now also providing hospitality for events, and income has exceeded forecast.

My Cathedral

Music & Worship

At the heart of the Cathedral is the rhythm of daily worship and this continued uninterrupted during 2025. Key periods in the year are observed with Easter, Advent, Christmas, and holy days all recognised. The clergy team works closely with marketing to ensure the services are promoted and time is taken to explain and explore the purpose behind some of these key moments in the liturgical year.

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There were some changes within the clergy team with the introduction of a Canon Missioner, Revd Prebendary Ben Whitmore and a new Cathedral Ordinand, Clare Whitney. The Canon Precentor moved to a new post just before Advent and this has increased the pressure on the residentiary clergy, with the Canon Chancellor taking on the role as acting Precentor Until the newly appointed Canon Precentor joins us in June 2026.

The music department has also seen personnel change with two Lay Vicars Choral leaving, with one Lay Vicar, Les Robertson, having given 43 years' service and Chapter would wish to recognise this remarkable contribution to the life of the Cathedral. Two new Lay Vicars joined as the new academic year started, both with excellent voices and an energy which has inspired the choristers to sing with a new and welcome confidence.

Outside of the usual service schedule, the choir was out in the Diocese and beyond, with concerts in Sutton Coldfield and Stoke on Trent and they also sang at the Friends of Clergy Service at St Pauls Cathedral. This was not a major choir tour year and with thanks to the Music Department (including several volunteers) a 'Chad's Footsteps' weekend tour was undertaken with the choir singing at Durham Cathedral, St Mary's Lindisfarne and Lavington.

Discipleship & Learning

The 2025 Lent Lectures celebrated the 1,700th anniversary of the Nicene Creed, marking the Council of Nicaea at which it was first formulated. It was a fitting occasion to bring together Diocesan Area and Suffragan Bishops, the Diocesan Bishop, and the Cathedral's Ecumenical Canon and friend, the Right Reverend Timothy Menezes, Auxiliary Bishop of the Roman Catholic Archdiocese of Birmingham. With an audience drawn from across the Diocese and beyond, the lively post-lecture discussions reflected a real engagement with the theme. The event served as a reminder of how central the Creed remains in preserving the unity of the Church amidst the complexities and divisions of modern society.

Enlighten: *Where Thinking Comes Alive*, was a new weekend conference that brought together thought leaders, distinguished writers, and provocative voices to explore the central issues of our common life. From politics and the disputes around sexuality in the church, to the power of language and tales of conflict, the event fostered a space for inquiry and discussion. The spirit of the weekend was defined by creative, robust discussion, fearless of healthy disagreement, all held within the hospitable Christian framework of the cathedral.

The chair of the Safeguarding Committee resigned in February and Chapter wishes to thank Mark Hope-Urwin for many years of support. The Canon Chancellor stepped in to cover the role as Chapter sought a new independent chair and this search continues into 2026. The Committee is well attended, with representatives from the Cathedral School and the Diocese. The Cathedral team remains vigilant to safeguarding issues, recording incidents as they occur, and ensuring all new starters (staff and volunteers) undertake the appropriate training, as well as seeking continually to create a positive safeguarding culture.

Our Cathedral

Serving the Diocese & Beyond

The Cathedral continues to support the Dementia Friendly Church with regular and increasingly popular services and events throughout the year. This work, largely by a volunteer team, is supported by the Lichfield Cathedral School who sing for and with the congregation.

As proud partners of the MusicShare initiative, the Cathedral was delighted that the programme won Classic FMs 'Best Education Initiative' (2025) and thanks goes to MusicShare Director Cathy Lamb. MusicShare offers singing opportunities to schools throughout Staffordshire, which lead to a performance in the Cathedral. Demand has increased and the partnership is exploring ways to extend the offer to more schools.

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The Cathedral was pleased to offer support to other churches in the diocese, specifically in relation to proposals for them to diversify their event programme.

The Canon Chancellor represents the Cathedral on the Racial Justice Inclusion Task Group and Feeding Faith strategy group (focussed on discipleship and learning), and the Dean continues to attend the Bishop's Staff Team and the Diocesan Synod.

Heritage & Stewardship

At the end of 2024, the Cathedral appointed a new Cathedral and Close Architect, Jonathan Deeming (Regional Partner, Purcell), and Jonathan has been spending this first year getting to know the Cathedral, the details of the existing Quinquennial Inspection (which will be reviewed in 2026), responding to fabric issues as they arise and considering the priorities of future investment. Of particular note are works required for the organ and sound system, the Nave Altar Platform, investment in the west front, and early RIBA stage work for a proposed Heritage Skills Centre.

The Cathedrals' Workshop Fellowship (CWF) extended their support to the Cathedral by investing in a new Stonemason (two FT stonemasons now supported) and part funding the Cathedral's Clerk of Works (joined July 2025). Chapter would wish to extend their thanks for this support. Chapter would also wish to thank the Friends of Lichfield Cathedral who have financially supported the early design stage of a Heritage Skills Centre, which would bring back to use the Old Coach House.

2025 has largely been a successful year for Cathedral property with the Deanery refurbishment and major investment in three residential properties (10 – 12 Newtons College) coming to completion. The Newtons project brought back two properties into habitable use and addressed long standing subsidence issues affecting all three properties. Pleasingly, the forecast rental return has been exceeded, demonstrating an ongoing buoyant residential letting market. At the start of the year there was a fire in 12A The Close. Thankfully, the occupiers were physically unharmed, and damage to the building was limited. Chapter (as Landlord) had undertaken the appropriate due diligence in relation to the property. The property is still vacant as the restoration works are processed via the Architect, insurers, and statutory authorities.

Public benefit

The Cathedral Church of Saint Mary and Saint Chad in Lichfield (aka Lichfield Cathedral) became a registered charity 6 March 2024. Lichfield Cathedral has reported in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011 for the year ending 31 December 2025.

During this period Lichfield Cathedral has maintained its daily worship and ensured the Cathedral, and Close properties, remain in a good state of repair. The Cathedral's Mission Strategy is explicitly aligned to the charity's core purposes.

Finance and Investment Review

In summary, the Cathedral broke even at an operating level and increases in the value of investments and fixed assets resulted in a reported surplus of £1.1m.

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Unrestricted and restricted fund broke even and endowment funds, where almost all the revaluation surplus is reported, reported a surplus of £1.1m.

	2025	2024	Change	%
Donations	830	757	73	10%
Legacies	31	155	-124	-80%
Grants	468	573	-105	-18%
Trading & fundraising	1056	864	192	22%
Investment income	936	929	7	1%
Other income	72	0	72	
Total income	3,393	3,278	115	4%

Total income rose in line with inflation but the underlying picture was more positive. Donated income increased by 10% with much of the increase coming from the improved visitor donation per head referred to earlier. The congregation and grants from the Friends of Lichfield Cathedral (classified as donations in cathedral accounts) showed small increases. Legacy income was the lowest seen for several years but Chapter is confident that the work to encourage legacies will continue to bear fruit in future years. Grant income fell, as would be expected in a year when our two capital projects, completing refurbishment of the Deanery and bringing 10-12 Newtons College back into use as rental properties, were funded from Cathedral resources.

Trading & fundraising shows the result of operating bars at concerts in-house for the full year. Investment income shows less interest income from reduced cash balances and falling rates but core investment and rental income remained strong. Other income comprises full recovery of a £49,000 balance provided for many years ago and £23,000 of insurance receipts following the fire at 12a The Close – there will be more of this in 2026.

	2025	2024	Change	%
Raising funds	1,300	1,125	175	16%
Ministry	1010	959	51	5%
Cathedral & precincts	818	1,041	-223	-21%
Education	189	293	-104	-35%
Community & congregation	4	15	-11	-73%
Total expenditure	3,321	3,433	-112	-3%

Turning to costs, expenditure reduced by 3%. Cash outflow increased though as all the Newtons College project and part of the Deanery refurbishment were capitalised rather than shown as expenditure (see later). Raising funds (which includes maintaining the rental property estate and the costs of the trading subsidiary) increased by £0.2m with over half the increase being the cost of the hospitality operation for a full year. Ministry continues to show the cost of refurbishing the Deanery, which spanned the previous year-end. Expenditure on the Cathedral and precincts fell as the Central

LICHFIELD CATHEDRAL
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FOR THE YEAR ENDED 31 DECEMBER 2025

Spire project was completed in 2024. Expenditure on Education and Outreach reduced to its normal level, following £0.1m spent on engagement activities connected with the Spire repairs in 2024. The fall in Community & congregation was due to the installation of Dean Jan in 2024 not being repeated.

The above results include income of £0.42m (2024: £0.28m) and costs of £0.27m (2023: £0.18m) reported by Lichfield Cathedral Enterprises Ltd. The resulting profit of £0.15m (2023: £0.10m) is due to the Cathedral under a Gift Aid agreement. The company reported a successful first full year operating bars at concerts in the cathedral and the shop traded well. The tenancy for the café came to an early end in September and the company is preparing to reopen the café under its own management in May 2026. This is a return to how the café operated until the covid pandemic forced its closure.

Following three consecutive years at £3.4m, cash balances fell to £3.1m by December 2025 with £1.5m held in endowment funds, £0.3m restricted funds and £1.3m unrestricted. The reduction was driven by funding the property improvements referred to earlier. Chapter, acting on the advice of the Finance Committee, is content to hold historically high amounts in cash while interest rates remain above inflation 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.

Investments

The majority of the Cathedral's investments shown in the accounts are the buildings of The Close with closing balance sheet value of £26.6m. These are either used by Chapter to further the Cathedral's purposes (including housing for residentiary clergy and certain lay staff members) in which case they are reported as tangible fixed assets (£7.3m) or let to achieve a commercial return and shown as investment properties (£19.3m). In accordance with accounting regulations, no value is ascribed to the cathedral itself.

Chapter commissioned a full external 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. External valuations of individual properties have been obtained from time to time, normally around refurbishment. For the 2025 closing balance sheet value, Chapter and its committees considered relevant published indices for movement in property values since the last valuation, external valuations for five properties and, for certain properties occupied by Lichfield Cathedral School, covenants restricting their use.

The value of financial investments increased by £0.17m 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.

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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 funded from the general fund, and a maximum of one year's such costs. This aims to provide a reasonable level of protection against large, unexpected expenditure or temporary shortfall in income.

At 31 December 2025 the metric was 5.0 months. This is an increase of 0.3months 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 (2024: £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 2025, Chapter agreed to account for 95% of the income and expenditure through the general fund. The remaining surplus of £0.04m from 2024 and 2025 is held in the fund.
- The ReSource fund which holds the remaining balance of the Cathedral's Covid 19 recovery appeal. Legacies of £0.03m and recovery of a debt long provided for of £0.05m were received during 2025. £0.14m (2024: £0.06m) 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.

Endowment funds

The Cathedral's long-term capital base is secured by endowment funds. Nine funds totalling £35.4m (2024: £34.4m) hold non-current assets in investment properties valued at £19.3m (2024: £18.0m), properties classified as tangible fixed assets valued at £7.3m (2024: £7.1m) and financial investments valued at £6.7m (£2024: £6.8m).

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. There was no endowment income in 2025 and £10,000 of investment management charges. In 2023, non-trivial income and expenditure comprised £0.1m of legacy income for the Music endowment and £5,000 of investment management fees, charged to the General endowment.

In 2024, 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 and this occurred during 2025.

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Restricted funds

During 2024 the Cathedral operated 21 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	10	4	-8	0	0	6
Choir projects	31	29	-17	0	0	43
Organ	253	11	-12	3		255
Dean Savage	9	20	-18		0	11
Matlosane partnership	0	3	0	0	0	3
Music	75	213	-233	0		55
Friends Cathedral Music	0	3	-3	0	0	0
Fabric	67	199	-199	0	-21	46
Furnishings	8	0	0	0	0	8
Columbarium	6	0	0	0	0	6
York interpretation	49	0	-11	0	0	38
Bells & bellringers		5	0			5
Lumley	0	1	-1	0	0	0
Spire repairs	9	0	-1	0	0	8
At Home in Lichfield	17	0	-7	0	0	10
Sound system	0	24	-16	0	0	8
Chamber choir	5	3	-2	0	0	6
West Front approach	100	30	-8	0	0	122
Church Commissioners		331	-328			3
General	5	58	-48	0	-14	1
						0
Total	644	946	-924	3	-35	634

Owing to rounding the rows and columns of the table may not sum exactly

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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. Grants have been received (mostly from the Friends) to investigate restoration and conversion to a Heritage Skills Centre.
- 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, grant, 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 donations that are to be used to improve the approach to the cathedral.
- The Church Commissioners fund holds grants from the Church Commissioners (which must be held in a restricted fund until spent), such as the annual grant towards the cost of the Chapter office and grants claimed in arrears from the Cathedral Sustainability Fund. This fund was split from the General restricted fund at the start of 2025.
- The General restricted fund holds donations for specific purposes until they are spent as intended eg memorial benches.

Current challenges and looking forward

Chapter will review progress against the Mission Strategy at its Principal Chapter meeting in March 2026; however, it is already becoming clear that the changing global and national position could have profound effects on the Cathedral's forward planning. Will there be further conflict in Europe? Will the United Kingdom have troops on the ground? Will the far right have an increasing foothold in the day to day discourse of the country's politics? How does the Cathedral become a safe space to air difference without this being adversarial? Will the role of the Cathedral need to change from noisy concert venue to offering support to grieving families and military funerals?

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Realistically, Chapter has very little influence over these global issues, and so the focus remains on offering high quality and inclusive worship, offering a warm and friendly welcome, and ensuring the major projects are delivered. All whilst being ready to change direction quickly and decisively should the need arise.

A primary concern for 2026 will be to strengthen the clergy team following the resignation of the Canon Precentor. Recruitment was completed in early 2026 and a new Precentor will be in post by the summer of 2026. Even when the residentiary clergy team are at full strength, there will be need for further clergy support particularly in providing pastoral support to the congregation. Other governance recruitment will also need to take place with one position on Chapter being vacant, and the Fabric Advisory Committee reaching the end of its appointment quinquennium.

It is also hoped that during 2026 the new sound system will be delivered which will also lay the foundation for the implementation of organ project in 2028. Investigatory works will also take place with the Nave Altar Platform, which broke unexpectedly during 2025, and this will be another project that must be completed before undertaking the works to the organ.

The Visitor Services team had an excellent 2025, however visitor income could be much improved if the volume of visitors could be increased. The Cathedral will need to work closely with local and regional partners to amplify the visitor messaging specifically around the event and exhibition programme which has been themed around human hands and their power to create, pray, unite, but also cause harm and destroy.

Finally, there was a critical point looming in 2026 when the café's lease would come to an end and there would be an opportunity to consider whether the operation of the food and drink offer should be delivered inhouse. Unfortunately, the previous operator requested early termination of their lease, which brought forward the decision, and both Chapter and the Enterprise Board, enthusiastically supported reinstating a Cathedral run café. It is planned to be reopened by May 2026.

Structure, governance & management

Structure

Cathedral Measure

The Cathedral Measure (2021) is the governing legislation that outlines how Cathedrals are managed, cared for, and conserved.

Charity Commission

The Cathedral Church of Saint Mary and Saint Chad of Lichfield is a registered charity and the Charitable Commission acts as a second regulatory body (as well as the Church Commissioners).

Lichfield Cathedral Constitution and Statutes

The Constitution and Statutes were adopted by Chapter and agreed by the Church Commissioners in 2023. They are the primary governing and management document.

LICHFIELD CATHEDRAL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Chapter

Chapter is the board of trustees that governs the Cathedral. Its members include both executive and nonexecutive members. Whilst the Bishop of Lichfield must be consulted on every appointment made by Chapter, the Bishop is responsible for appointing one member in the Senior Non-Executive Member (SNEM). Recruitment is open and competitive with the Nominations Committee taking the lead in the process, which included submission of CVs, covering letter, and interview.

Related Parties

All key management personnel complete an annual related parties declaration which includes possible conflicts of interest/loyalty. A register is also maintained throughout the year, and each meeting is started with the opportunity to declare a conflict of interest.

Chapter work alongside several organisations that either offer a benefit to the Cathedral in some form, or where Chapter has the right to appoint on their governing body. Those charities are:

- Diocesan Digest Sound Magazine
- Dr Milley's Hospital
- The Friends of Lichfield Cathedral
- Lichfield Cathedral School
- Lichfield Cathedral Chorus
- Lichfield Cathedral Enterprises Ltd
- Lichfield Theological General Purposes Fund
- St John's Hospital, Lichfield
- Lichfield Cathedral Festival

Volunteers

The Cathedral benefits from the generous support of 350 volunteers whose tasks range from governance to flower arranging, from gardening to guiding.

Over the year the Guilds have agreed to relinquish their bank accounts so that they are managed by the Cathedral's Finance team. Further work needs to take place in 2026 to ensure everything is fully transferred, but Chapter is grateful for the spirit in which the Guilds have accepted the need.

Two volunteer fairs were held in the year. As well as representation from the Cathedral, 40 other organisations promoted their volunteering opportunities.

Governance

Chapter

There have been several changes to the membership of Chapter during the course of the year. Mark Hope-Urwin and Paul Spicer, both came to the end of their terms of office. Chapter, and the Cathedral community, would like to thank them both for the professionalism, expertise, and commitment they offered the Cathedral over many years.

Noting Mark and Paul's departure was looming, the Nominations Committee set about a recruitment exercise at the start of the year, which saw the appointment of two new Non-Executive Chapter members, Eric Lunt and Lloyd Cooke. Eric is a long-standing member of the Cathedral congregation, music volunteer, and one of Chapter's nominees for Lichfield Cathedral School's Board of Governors. Lloyd is the Chief Executive Officer of Saltbox, a Christian charity based in Stoke on Trent and previously Lloyd was the Chair of the Cathedral Council (abolished under the Cathedral's new Constitution and Statutes).

LICHFIELD CATHEDRAL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

It is with sadness that Chapter also lost the support of Peter Sharpe RIP who died during the course of the year following a short illness. Not only did Peter bring with him years of professional experience, but he also brought financial expertise particularly in advising the Cathedral regarding its investment portfolio.

Towards the end of the year, Canon Andrew Stead (Canon Precentor) resigned from his role to take up a new part-time post. Andrew had been with the Cathedral for 14 years, starting as a Chaplain to the school and Canon Treasurer, and then becoming Canon Precentor. Chapter wishes to extend its thanks to Andrew for his support and they wish him well in his new role. As the Cathedral community bided farewell to Andrew as Precentor, the Bishop installed him as Prebendary of Bishop's Itchington.

On the 8 March 2026, it was announced that the Bishop of Lichfield has appointed the Revd Jonathan Bish as the next Canon Precentor. Jonathan is currently Vicar of the United Benefice of Batley in the Diocese of Leeds and will begin his new role on 7 June 2026.

Chapter met six times over the course of the year, with one of those meetings being Principal Chapter and one meeting including an invitation to the Diocesan Bishop. At each meeting there were several set agenda items including an operations report compiled by the Chief Operating Officer, regular finance updates looking at the charity's accounts, reforecast and cash flow, the organisation risk register, and a report on health and safety, accidents, and complaints.

College of Canons

The Bishop appointed eight priests as prebendaries during Evensong on the 26 January 2025. Also during this service, the Cathedral welcomed the Revd Prebendary Ben Whitmore as Canon Missioner, and Canon Brian McGinley (the new Dean of St Chad's Roman Catholic Church Cathedral in Birmingham) as an Ecumenical Canon. The Revd Andrew Stead was appointed as a Prebendary in November 2025.

Due to the timing of Saint Chad's Day, the annual meeting of the College of Canons was brought forward to the end of February. The College received a copy of the 2023 audited accounts and an update on the likely outturn from the proposed 2024 accounts. The Dean also presented to the College the proposed Mission Strategy which was warmly received.

Management

Key Management Personnel

The Cathedral is led by the Dean, The Right Revd Jan McFarlane, who is supported by two Residentiary Canons. The Canon Precentor, the Revd Andrew Stead (resigned November 2025) and the Canon Chancellor, the Revd Dr Gregory Platten. All three residential clergy are Executive Members of Chapter, with the Dean being Chair. The Chief Officers attend Chapter but are not members.

The Cathedral has two Chief Officers, Simon Warburton, Chief Operating Officer (COO), and Stephen Packham, Chief Finance Officer (CFO). There is also one further Director, Ben Lamb, Director of Music. The Director of Development, Marie Janson, resigned in January 2025. Simon, Stephen, and Ben join the three residential clergy as members of the Executive Management Team. The COO chairs the Executive.

The two Chief Officers and the Director of Music meet annually to review the staff salaries making a recommendation as part of the budget preparation. In 2025 staff roles were banded with an assessment made in relation to the responsibilities of each role. This identified several roles that needed reordering to meet their proposed band.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

In addition, a review of the annual appraisals identified several members of staff who warranted a special pay award based on performance. A gender review was also undertaken with one role identified to be matched with a comparable role.

The Chief Officers and Directors salaries were benchmarked across the Cathedral network and more widely in the charity sector. The results are subsequently reviewed by the Nominations Committee.

The Church Commissioners pay the stipends of the three residentiary clergy. The stipends for the clergy are set by the Church Commissioners. Lichfield Cathedral offers a voluntary increase to the Clergy stipend. This has remained fixed for the two Canons, whilst the proposal for the Dean was agreed by the Senior Non-Executive Member of Chapter and the Chair of the Finance Committee.

Finance Committee and Audit and Risk Committee

Both Committees are required by the Cathedral Measure (2021) and their responsibilities are defined in the Lichfield Cathedral Constitution and Statutes (2023). The Finance Committee is chaired by a Non-Executive member of Chapter, whilst the Audit and Risk Committee is chaired by an experienced volunteer. The remaining members of the two Committees were the same, although the chair of the Audit and Risk Committee does not attend the Finance Committee. A new appointment was made to the Audit and Risk Committee only in March 2026, with the aim of beginning to separate the two Committees.

The Finance Committee has responsibility for monitoring and reviewing the overall financial strategy, including investments, and making recommendations to Chapter. There were four Committee meetings during the course of the year.

The Audit and Risk Committee has responsibility for recommending the Cathedral's auditor, receiving and making a recommendation to Chapter regarding the audit, review of the organisation risk register, and review of the accidents and complaints. There were two Committee meetings during the course of the year.

Key Risks and Uncertainties

Chapter, with the guidance of the Audit and Risk Committee, review the organisation's risk register throughout the year. The register is based on a residual risk scoring matrix, scoring a risk prior to mitigation and once again following mitigation. Risks are scored using an assessment of probability and likelihood with 1 being the lowest and 5 being the highest. Risk score is achieved by multiplying likelihood by impact. The colour coding represents a RAG status (red, amber, and green), with red risks representing a risk matrix score of 12 – 25 and considered outside of acceptable risk tolerance. The Cathedral's risk register has no post mitigation red risks.

Top scoring amber risks include:

- Insufficient unrestricted cash or reserves to continue operation. The risk is managed through monitoring of the Cathedral's cash flow and working alongside the expertise of the Finance Committee and the Audit and Risk Committee. Residual risk score 10.
- The Cathedral fails to meet the 2030 carbon neutral target. The centrally agreed target was always aspirational and therefore failure to meet the target is not a surprise. With the support of the Church Commissioners and Innovate UK, the Cathedral has entered a partnership with the University of Staffordshire to appoint a Knowledge Transfer Partnership Associate who is currently helping to model different carbon saving solutions. Managing the reputational risk is part of the risk management strategy. Residual risk score 10.

LICHFIELD CATHEDRAL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

- Failure by volunteers (incl. governance volunteers) to understand and behave in line with policy documents. The Cathedral team is working alongside the Guilds to review acceptable behaviour, reinforce values, and apply a code of conduct. Residual risk score 9.
- Loss or damage to items in the inventory (incl. the library). Inventory now uploaded to a digital archive system for better monitoring. The library collection is not responding well to environmental conditions and work has taken place to supplement the heating system to better control the conditions. Residual risk score 9.
- Cathedral boilers fail leaving the Cathedral with no heating. Both boilers receive an annual inspection, and both have passed at the start of winter 2025. Should the boilers fail a contingency plan has been prepared which would ensure the Cathedral maintain its heating, but this would not be a suitable long-term plan. Longer term plan forming part of the Knowledge Transfer Partnership project. Residual risk score 9.

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.

LICHFIELD CATHEDRAL
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Auditors

The auditors, Price Bailey LLP were reappointed 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 23 March 2026 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 2025 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 2025 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 Trustees 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 Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 Report is inconsistent in any material respect with the financial statements; or
- the parent charitable Cathedral has not kept sufficient accounting records; or
- the parent charitable Cathedral financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of 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 determines 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 have 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: 27 March 2026

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 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations, legacies and grants	4					
Donations		648,725	181,126	-	829,851	756,604
Legacies		29,105	2,000	-	31,105	155,183
Grants		42,908	424,935	-	467,843	572,679
Charitable activities	5	36,909	16,288	-	53,197	42,525
Other trading activities	6	981,106	21,658	-	1,002,764	821,715
Investments	7	636,598	299,546	-	936,144	929,282
Other income		72,209	-	-	72,209	-
Total income and endowments		2,447,560	945,553	-	3,393,113	3,277,988
Expenditure on:						
Raising funds	8	1,178,176	110,476	10,810	1,299,462	1,125,103
Charitable activities:						
Ministry	10	568,333	441,346	103	1,009,782	958,700
Cathedral and precincts upkeep	11	522,665	295,571	103	818,339	1,040,887
Education and outreach	12	112,510	76,736	34	189,280	293,417
Community and Congregation		4,002	406	-	4,408	14,510
Total expenditure		2,385,686	924,535	11,050	3,321,271	3,432,617
Net (expenditure)/ income before net gains on investments		61,874	21,018	(11,050)	71,842	(154,629)
Net gains/(losses) on investments		-	2,626	527,584	530,210	(557,606)
Net (expenditure)/ income		61,874	23,644	516,534	602,052	(712,235)
Transfers between funds	24	35,791	(35,791)	-	-	-
Net movement in funds before other recognised (losses)/gains carried forward		97,665	(12,147)	516,534	602,052	(712,235)

LICHFIELD CATHEDRAL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	Total funds 2024 £
Net movement in funds before other recognised gains/(losses) brought forward	97,665	(12,147)	516,534	602,052	(712,235)
Other recognised gains/(losses):					
Gains on revaluation of fixed assets	-	-	476,772	476,772	802,000
Net movement in funds	<u>97,665</u>	<u>(12,147)</u>	<u>993,306</u>	<u>1,078,824</u>	<u>89,765</u>
Reconciliation of funds:					
Total funds brought forward	1,824,067	643,265	34,443,615	36,910,947	36,821,182
Total funds carried forward	<u>1,921,732</u>	<u>631,118</u>	<u>35,436,921</u>	<u>37,989,771</u>	<u>36,910,947</u>

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

The notes on pages 30 to 62 form part of these financial statements.

LICHFIELD CATHEDRAL

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	17	51,350	67,150
Tangible assets	18	8,174,130	7,984,446
Investment property	19	19,301,502	18,026,800
Investments	20	6,976,019	6,848,172
		<u>34,503,001</u>	<u>32,926,568</u>
Current assets			
Stocks	21	21,735	27,317
Debtors	22	961,848	1,008,238
Cash at bank and in hand	27	3,093,010	3,406,657
		<u>4,076,593</u>	<u>4,442,212</u>
Current liabilities			
Creditors: amounts falling due within one year	23	(589,823)	(457,833)
		<u>3,486,770</u>	<u>3,984,379</u>
Net current assets			
		<u>37,989,771</u>	<u>36,910,947</u>
Total net assets		<u><u>37,989,771</u></u>	<u><u>36,910,947</u></u>
Charity funds			
Endowment funds	24	35,436,921	34,443,615
Restricted funds	24	631,118	643,265
Unrestricted funds	24	1,921,732	1,824,067
		<u>37,989,771</u>	<u>36,910,947</u>
Total funds		<u><u>37,989,771</u></u>	<u><u>36,910,947</u></u>

The financial statements were approved and authorised for issue by the Trustees on 23 March 2026 and signed on their behalf by:

.....
The Rt Revd Jan McFarlane

.....
The Revd Canon Peter Holliday

The notes on pages 30 to 62 form part of these financial statements.

LICHFIELD CATHEDRAL

CATHEDRAL BALANCE SHEET AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	17	51,350	67,150
Tangible assets	18	8,174,130	7,984,446
Investment property	19	19,301,502	18,026,800
Investments	20	6,976,021	6,848,174
		<u>34,503,003</u>	<u>32,926,570</u>
Current assets			
Debtors	22	971,981	1,042,736
Cash at bank and in hand		3,081,956	3,383,813
		<u>4,053,937</u>	<u>4,426,549</u>
Current liabilities			
Creditors: amounts falling due within one year	23	(567,171)	(442,172)
		<u>3,486,766</u>	<u>3,984,377</u>
Net current assets			
		<u>37,989,769</u>	<u>36,910,947</u>
Total net assets		<u><u>37,989,769</u></u>	<u><u>36,910,947</u></u>
Charity funds			
Endowment funds	24	35,580,149	34,443,615
Restricted funds	24	634,571	643,265
Unrestricted funds	24	1,775,049	1,824,067
		<u>37,989,769</u>	<u>36,910,947</u>
Total funds		<u><u>37,989,769</u></u>	<u><u>36,910,947</u></u>

The Cathedral's net movement in funds for the year was £1,078,822 (2024 - £89,765).

The financial statements were approved and authorised for issue by the Trustees on 23 March 2026 and signed on their behalf by:

.....
The Rt Revd Jan McFarlane

.....
The Revd Canon Peter Holliday

The notes on pages 30 to 62 form part of these financial statements.

LICHFIELD CATHEDRAL

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	26	(595,980)	(856,457)
Cash flows from investing activities			
Dividends, interest and rent from investments		936,144	929,282
Purchase of tangible fixed assets		(183,133)	(22,874)
Proceeds from sale of investments		306,695	539,486
Purchase of financial investments		(274,426)	(538,979)
Renovation of investment property		(502,947)	-
Net cash provided by investing activities		282,333	906,915
Change in cash and cash equivalents in the year		(313,647)	50,458
Cash and cash equivalents at the beginning of the year		3,406,657	3,356,199
Cash and cash equivalents at the end of the year	27	3,093,010	3,406,657

The notes on pages 30 to 62 form part of these financial statements

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

The Cathedral Church of Saint Mary and Saint 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 financial statements 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 Ltd. The turnover and expenditure of Lichfield Cathedral Enterprises Ltd 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 2025

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 reasonable 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 and 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 2025

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.

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 £81.9 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 VAT. Input VAT is reclaimable on a percentage basis subject to partial exemption rules. All irrecoverable VAT 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 2025

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 are 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 2025

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.

Where heritage assets have been purchased since 1 January 2019, they are initially recognised at cost. After recognition, under the cost model, heritage assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2.16 Debtors

Trade and other debtors are recognised at the settlement amount.
Prepayments are valued at the amount prepaid.

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 2025

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 2025 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 2025

4. Income from donations, legacies and grants

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Donations				
Congregational collections and giving	207,954	4,694	-	212,648
Income from the Cathedral Friends and local trusts	38,997	110,544	-	149,541
Other donations	401,774	65,890	-	467,664
Legacies				
Legacies	29,105	2,000	-	31,105
Grants				
Church Commissioners grants	-	331,139	-	331,139
Benefact Trust	-	15,803	-	15,803
Other grants	42,908	77,991	-	120,899
	<u>720,738</u>	<u>608,061</u>	<u>-</u>	<u>1,328,799</u>

Total gift aid receivable included above was £81,668.

	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.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Charges and fees	36,909	16,288	53,197

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

6. Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Visitor tours	30,276	-	30,276
Fundraising activities	236,258	21,658	257,916
Hire of premises	297,106	-	297,106
Income from commercial trading activities	417,464	-	417,464
	981,104	21,658	1,002,762

	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

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7. Income from investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Rental income	582,893	-	582,893
Investment and deposit income	53,705	299,546	353,251
	<u>636,598</u>	<u>299,546</u>	<u>936,144</u>
	<u><u>636,598</u></u>	<u><u>299,546</u></u>	<u><u>936,144</u></u>
	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>
	<u><u>611,724</u></u>	<u><u>317,558</u></u>	<u><u>929,282</u></u>

8. Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Marketing costs	106,822	1,000	-	107,822
Fundraising costs	403,273	41,109	765	445,147
Investment property costs	235,550	-	-	235,550
Investment management costs	-	-	9,942	9,942
Administration and support	166,115	41,482	103	207,700
Expenditure on commercial trading activities	266,416	26,885	-	293,301
	<u>1,178,176</u>	<u>110,476</u>	<u>10,810</u>	<u>1,299,462</u>
	<u><u>1,178,176</u></u>	<u><u>110,476</u></u>	<u><u>10,810</u></u>	<u><u>1,299,462</u></u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

8. Expenditure on raising funds (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Marketing costs	73,688	-	-	73,688
Associated 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>

9. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support Costs 2025 £	Total funds 2025 £
Ministry	802,083	207,699	1,009,782
Cathedral and precincts upkeep	610,640	207,699	818,339
Education and outreach	120,045	69,233	189,278
Community and Congregation	4,408	-	4,408
	<u>1,537,176</u>	<u>484,631</u>	<u>2,021,807</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	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>

Analysis of support costs

	2025 £	2024 £
Support staff	361,538	321,463
Training, travel & other indirect costs	23,215	32,971
Office running costs	76,113	100,641
Buildings	165,049	108,909
Finance non-staff costs	62,585	63,413
Governance	3,831	5,645
	<u>692,331</u>	<u>633,042</u>

The total support costs have been split between Fundraising costs per note 8 of £207,700 (2024: £189,913) and expenditure per note 9 of £484,631 (2024: £443,129).

10. Expenditure on ministry

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Clergy stipends and expenses	10,692	136,107	-	146,799
Clergy housing costs	219,089	-	-	219,089
Clergy support costs	40,307	-	-	40,307
Services and music costs	132,130	263,757	-	395,887
Administration and support	166,115	41,482	103	207,700
	<u>568,333</u>	<u>441,346</u>	<u>103</u>	<u>1,009,782</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	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>

11. Expenditure on cathedral and precincts upkeep

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Maintenance and upkeep	168,163	219,948	-	388,111
Cathedral insurance	77,339	-	-	77,339
Precincts, security and grounds upkeep	111,048	34,141	-	145,189
Administration and support	166,115	41,482	103	207,700
	<u>522,665</u>	<u>295,571</u>	<u>103</u>	<u>818,339</u>

	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>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

12. Expenditure on education and outreach

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Educational activities	44,679	46,224	-	90,903
Archives and library	12,360	8,218	-	20,578
Charitable and other giving	100	8,467	-	8,567
Administration and support	55,371	13,827	34	69,232
	<u>112,510</u>	<u>76,736</u>	<u>34</u>	<u>189,280</u>
	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>

13. Net income/(expenditure)

	2025 £	2024 £
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	54,221	51,523
Amortisation and impairment of intangible fixed assets	15,800	15,800
Auditor's remuneration - Group audit and accounts	26,669	22,500
Auditor's remuneration - Lichfield Cathedral Enterprises Ltd audit, accounts and corporation tax	5,785	-
Gain/(Loss) on revaluation of investment properties	355,755	(802,000)
Surplus on revaluation of freehold property	476,772	802,000
Unrealised gains on revaluation of fixed asset investments	160,116	243,341
Realised investment gains/(losses)	<u>15,103</u>	<u>1,054</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14. Staff

	2025 £	2024 £
Wages and salaries (including stipends)	1,289,012	1,119,743
Employers National Insurance	126,271	97,189
Employers pension contributions	87,782	85,213
	<u>1,503,065</u>	<u>1,302,145</u>

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

	Group 2025 No.	Group 2024 No.
Full-time	20	18
Part-time	51	37
	<u>71</u>	<u>55</u>

The average headcount expressed as full-time equivalents was:

	Group 2025 No.	Group 2024 No.
Full-time	20	18
Part-time	16	14
	<u>36</u>	<u>32</u>

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

	Group 2025 No.	Group 2024 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	-

Pension contributions of £11,321 (2024 - £14,372) 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 and Chancellor, Chief Officers and Director of Music. The Senior Marketing Manager and Governance Officer are in attendance but not members. The total amount of employee benefits received by EMT members is £376,786 (2024: £441,896).

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

15. 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 2025 £	ER NI & Apprentice- ship levy 2025 £	Pension 2025 £	Total funds 2025 £
The Rt Revd J McFarlane	43,303	5,691	1,112	50,106
The Revd Canon A Stead	31,926	4,080	6,045	42,051
Revd Canon Dr G Platten	33,858	3,687	6,405	43,950
	<u>109,087</u>	<u>13,458</u>	<u>13,562</u>	<u>136,107</u>

	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
The Revd Canon A Stead	32,361	3,751	6,810	42,922
Revd Canon Dr G Platten	32,361	2,713	6,810	41,884
	<u>106,473</u>	<u>11,179</u>	<u>14,685</u>	<u>132,337</u>

16. Trustees' remuneration and expenses

Other than residential clergy, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 December 2025, expenses totalling £479 were reimbursed or paid directly to 1 Trustee (2024 - £1,381 to 1 Trustee). Clergy houses are provided to certain residential clergy.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. Intangible assets

Group and Cathedral

	Development expenditure £
Cost	
At 1 January 2025	158,000
At 31 December 2025	<u>158,000</u>
Amortisation	
At 1 January 2025	90,850
Charge for the year	15,800
At 31 December 2025	<u>106,650</u>
Net book value	
At 31 December 2025	<u>51,350</u>
At 31 December 2024	<u>67,150</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

18. Tangible fixed assets

Group

	Freehold property £	Fixtures and fittings £	Heritage assets £	Total £
Cost or valuation				
At 1 January 2025	7,124,500	587,384	471,523	8,183,407
Additions	117,228	65,905	-	183,133
Transfers between classes	(416,000)	-	-	(416,000)
Revaluations	476,772	-	-	476,772
At 31 December 2025	7,302,500	653,289	471,523	8,427,312
Depreciation				
At 1 January 2025	-	198,961	-	198,961
Charge for the year	-	54,221	-	54,221
At 31 December 2025	-	253,182	-	253,182
Net book value				
At 31 December 2025	7,302,500	400,107	471,523	8,174,130
At 31 December 2024	7,124,500	388,423	471,523	7,984,446

The transfer to investment properties relates to the repurposing of a clergy house which is now tenanted by an external 3rd party.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

18. Tangible fixed assets (continued)

Cathedral

	Freehold property £	Fixtures and fittings £	Heritage assets £	Total £
Cost or valuation				
At 1 January 2025	7,124,500	569,917	471,523	8,165,940
Additions	117,228	65,905	-	183,133
Transfers between classes	(416,000)	-	-	(416,000)
Revaluations	476,772	-	-	476,772
	<u>7,302,500</u>	<u>635,822</u>	<u>471,523</u>	<u>8,409,845</u>
At 31 December 2025	7,302,500	635,822	471,523	8,409,845
Depreciation				
At 1 January 2025	-	181,494	-	181,494
Charge for the year	-	54,221	-	54,221
	<u>-</u>	<u>235,715</u>	<u>-</u>	<u>235,715</u>
At 31 December 2025	-	235,715	-	235,715
Net book value				
At 31 December 2025	<u>7,302,500</u>	<u>400,107</u>	<u>471,523</u>	<u>8,174,130</u>
At 31 December 2024	<u>7,124,500</u>	<u>388,423</u>	<u>471,523</u>	<u>7,984,446</u>

The last full property valuation was undertaken by the Cathedral's property advisors Jayman Estate Agents & Chartered Surveyors and DNSurveyors Limited in 2019. Further valuations have been undertaken in the years following on an individual property basis to reflect any refurbishments or change in condition. In 2025, the Cathedral has had 1 property revalued by Jayman.

For the 2025 closing balance sheet value, Chapter and its committees considered the results of the formal revaluation on identified properties along with considering 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 2025, these changes have resulted in a net increase to fixed asset property values of £0.48m (2024: £0.8m)

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

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

18. Tangible fixed assets (continued)

Classes of properties

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

For cathedral use	£6,797,500	(2024: £6,634,500)
For trading activities	£505,000	(2024: £490,000)

19. Investment property

Group and Cathedral

	Freehold investment property £
Valuation	
At 1 January 2025	18,026,800
Additions	502,947
Gain on revaluation	355,755
Transfers between classes	416,000
At 31 December 2025	<u>19,301,502</u>

The last full property valuation was undertaken by the Cathedral's property advisors Jayman Estate Agents & Chartered Surveyors and DNSurveyors Limited in 2019. Further valuations have been undertaken in the years following on an individual property basis to reflect any refurbishments or change in condition. In 2025, the Cathedral has had 4 properties revalued by Jayman, 3 of which have been refurbished.

For the 2025 closing balance sheet value, Chapter and its committees considered the results of the formal revaluation on identified properties along with considering 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 2025, these changes have resulted in a net increase to fixed asset property values of £0.36m (2024 net decrease: £0.8m)

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

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

20. Fixed asset investments

Group	Listed investments £		
Cost or valuation			
At 1 January 2025			6,848,172
Additions			274,426
Disposals			(306,695)
Revaluations			160,116
			<u>6,976,019</u>
At 31 December 2025			<u>6,976,019</u>
Net book value			
At 31 December 2025			<u>6,976,019</u>
At 31 December 2024			<u>6,848,172</u>
			<u>6,848,172</u>
Cathedral	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2025	2	6,848,172	6,848,174
Additions	-	274,426	274,426
Disposals	-	(306,695)	(306,695)
Revaluations	-	160,116	160,116
	<u>2</u>	<u>6,976,019</u>	<u>6,976,021</u>
At 31 December 2025	<u>2</u>	<u>6,976,019</u>	<u>6,976,021</u>
Net book value			
At 31 December 2025	<u>2</u>	<u>6,976,019</u>	<u>6,976,021</u>
At 31 December 2024	<u>2</u>	<u>6,848,172</u>	<u>6,848,174</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Cathedral Investments at market value comprise:

	2025 £	2024 £
UK fixed interest	585,124	573,105
UK equities	523,377	521,164
Overseas equities	1,485,894	1,333,819
Property	93,813	149,490
Alternatives	321,991	170,552
Multi-Asset	191,891	182,485
CBF Church of England funds	3,773,929	3,917,557
	<u>6,976,019</u>	<u>6,848,172</u>

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	420,733	(420,733)	2

The profit for the year of £152,296 (2024: £100,834) is accrued under a deed of covenant and payable to the parent charity within 9 months of the year end.

21. Stocks

	Group 2025 £	Group 2024 £
Goods for resale	<u>21,735</u>	<u>27,317</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

22. Debtors

	Group 2025 £	Group 2024 £	Cathedral 2025 £	Cathedral 2024 £
Trade debtors	32,936	65,758	27,653	60,748
Amounts owed by group undertakings	-	-	15,902	43,102
Other debtors	40,606	30,808	40,606	30,808
Prepayments and accrued income	888,306	911,672	887,820	908,078
	<u>961,848</u>	<u>1,008,238</u>	<u>971,981</u>	<u>1,042,736</u>

23. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Cathedral 2025 £	Cathedral 2024 £
Trade creditors	185,300	146,893	175,560	142,636
Other taxation and social security	53,895	40,662	53,895	40,662
Other creditors	56,897	44,521	56,897	44,521
Accruals and deferred income	293,731	225,757	280,819	214,353
	<u>589,823</u>	<u>457,833</u>	<u>567,171</u>	<u>442,172</u>

	Group 2025 £	Group 2024 £	Cathedral 2025 £	Cathedral 2024 £
Deferred income at 1 January 2025	83,139	63,628	81,233	61,722
Resources deferred during the year	162,035	83,139	162,035	81,233
Amounts released from previous periods	(83,139)	(63,628)	(81,233)	(61,722)
	<u>162,035</u>	<u>83,139</u>	<u>162,035</u>	<u>81,233</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2025 £
Unrestricted funds						
General	869,621	2,338,303	(2,315,612)	(30,114)	-	862,198
Fixed assets	877,512	-	(58,357)	65,905	-	885,060
ReSource designated	58,376	80,141	-	-	-	138,517
Rental properties	18,558	29,116	(11,717)	-	-	35,957
	<u>1,824,067</u>	<u>2,447,560</u>	<u>(2,385,686)</u>	<u>35,791</u>	<u>-</u>	<u>1,921,732</u>
Endowment funds						
General	23,868,726	-	(10,285)	-	784,478	24,642,919
Choral	432,380	-	-	-	11,342	443,722
Fabric	217,407	-	-	-	5,702	223,109
Library	118,849	-	-	-	3,118	121,967
LCT - Music	6,746,579	-	(765)	-	117,924	6,863,738
LCT - FCM	112,676	-	-	-	2,956	115,632
LCT - Fabric	968,179	-	-	-	25,396	993,575
LCT - General	1,960,966	-	-	-	52,972	2,013,938
Lumley Trust	17,853	-	-	-	468	18,321
	<u>34,443,615</u>	<u>-</u>	<u>(11,050)</u>	<u>-</u>	<u>1,004,356</u>	<u>35,436,921</u>
Restricted funds						
Church Commissioners	-	331,139	(328,318)	-	-	2,821
General	4,687	57,842	(47,211)	(14,377)	-	941
Choral	-	12,210	(12,210)	-	-	-
Library	9,623	3,709	(7,551)	-	-	5,781
Choir projects	30,640	29,205	(16,710)	-	-	43,135
Organ	252,739	11,634	(12,305)	-	2,626	254,694
Dean Savage	9,409	20,260	(18,718)	-	-	10,951
Matlosane	234	3,151	(406)	-	-	2,979
Music	75,479	213,004	(233,108)	-	-	55,375

LICHFIELD CATHEDRAL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

24. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2025 £
FCM	-	3,182	(3,182)	-	-	-
LCT - Fabric	66,822	196,378	(198,723)	(21,414)	-	43,063
Furnishings	7,990	330	-	-	-	8,320
Columbarium	5,678	235	-	-	-	5,913
York interpretation	49,587	-	(11,667)	-	-	37,920
Bells & bellringers	-	4,820	(209)	-	-	4,611
Lumley Trust	-	504	(504)	-	-	-
Spire repairs	8,898	38	(1,290)	-	-	7,646
At Home in Lichfield	16,570	532	(7,289)	-	-	9,813
Sound System	257	24,405	(15,800)	-	-	8,862
Chamber Choir	4,652	2,895	(1,443)	-	-	6,104
West Front	100,000	30,080	(7,891)	-	-	122,189
	<u>643,265</u>	<u>945,553</u>	<u>(924,535)</u>	<u>(35,791)</u>	<u>2,626</u>	<u>631,118</u>
Total of funds	<u>36,910,947</u>	<u>3,393,113</u>	<u>(3,321,271)</u>	<u>-</u>	<u>1,006,982</u>	<u>37,989,771</u>

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds (continued)

Statement of funds - prior 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 2025

24. Statement of funds (continued)

Statement of funds - prior 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
Bells & bellringers	-	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 2025

24. 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.

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 holds restricted income (often from The Friends of Lichfield Cathedral) until it is spent on the purposes for which it was given but for which it is not necessary to establish a specific fund. Until 31 December 2024 the fund was also used to administer grants from the Church Commissioners.

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.

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.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

24. Statement of funds (continued)

Dean Savage – The fund formerly administered the Dean Savage Library, which ceased to operate several years ago. It remains responsible for the Old Coach House, for which funds have been obtained (largely from the Friends of Lichfield Cathedral) to investigate conversion to a Heritage Skills Centre.

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.

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.

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

Church Commissioners: The fund holds restricted income from the Church Commissioners until it is spent on the purposes for which it was given. Until 31 December 2024 such income was administered through the General Restricted fund.

Since becoming a registered charity, Chapter wishes to exercise greater stewardship over funds previously held separately by groups within the Cathedral. During 2025 the following funds were operated in this way:

- Chamber Choir
- Bells and bellringers.

Further groups are expected to transfer to these arrangements during 2026.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	871,630	10,000	7,292,500	8,174,130
Intangible fixed assets	13,431	37,919	-	51,350
Fixed asset investments	-	253,491	6,722,528	6,976,019
Investment property	-	-	19,301,502	19,301,502
Current assets	1,324,590	432,630	2,319,373	4,076,593
Creditors due within one year	(287,919)	(102,922)	(198,982)	(589,823)
Total	1,921,732	631,118	35,436,921	37,989,771

Analysis of net assets between funds - prior year

	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

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

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

	Group 2025 £	Group 2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	602,052	(712,235)
Adjustments for:		
Depreciation charges	54,221	51,523
Amortisation charges	15,800	15,800
(Gains)/losses on investments	(515,871)	557,606
Dividends, interest and rent from investments	(936,144)	(929,282)
Decrease/(increase) in stocks	5,582	(14,403)
Decrease in debtors	46,390	252,847
Increase/(decrease) in creditors	131,990	(78,313)
Net cash used in operating activities	(595,980)	(856,457)

27. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	360	350
Cash at bank	103,912	257,936
Deposit accounts/CCLA deposit fund	2,988,738	3,148,371
Total cash and cash equivalents	3,093,010	3,406,657

28. Analysis of changes in net debt

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	3,406,657	(313,647)	3,093,010
	3,406,657	(313,647)	3,093,010

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

29. Capital commitments

	Group 2025 £	Group 2023 £
Contracted for but not provided in these financial statements		
Planned maintenance	-	211,678

30. Pension commitments

The Cathedral 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;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

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

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

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. 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 General Reserve.

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 (2025: £nil, 2024: £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 2025 (2024: £nil).

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.

In 2024, the Board entered into a full buy-in agreement with Aviva to insure all accrued benefits within the

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

30. Pension commitments (continued)

DBS of the CWPf. It was also agreed that some employers could use assets in the DBS in lieu of contributions to Pension Builder Classic and/or Pension Builder 2014.

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.

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.

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 (2025: £84,989, 2024: £85,213).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 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.

LICHFIELD CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

31. 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:-

	2024	2023
	£	£
Gross income	82,818	102,429
Net incoming resources for the year	26,306	62,931
Net movement in funds	27,687	68,162
Amounts paid or payable to the Cathedral	43,767	27,918
Gross assets	1,008,788	979,991
Net assets	<u>1,003,055</u>	<u>975,368</u>

The financial statements for The Friends of Lichfield Cathedral for the year ended 31 December 2025 were not published prior to issue of this document.

32. Related party transactions

The Cathedral paid membership fees of £1,200 (2024: £1,200) and £Nil (2024: £45) 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).

Ben Lamb, who is a member of the key management personnel of Lichfield Cathedral, and his spouse, Cathy Lamb, provided goods/services (outside of Ben's contract of employment) to the Cathedral during the year totalling £1,291 (2024: £360). These transactions were conducted on normal commercial terms. £411 was outstanding at the year end. (2024: £Nil).