

SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2023

YEAR ENDED 31 DECEMBER 2023

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**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT
FOR THE YEAR ENDED 31st DECEMBER 2023**

1. LEGAL AND ADMINISTRATIVE INFORMATION

Full Name:

The Cathedral and Parish Church of the Blessed Virgin Mary

Office Address:

Southwell Cathedral Chapter
Minster Office
Church Street
Southwell
Notts NG25 0HD

01636 812649

office@southwellminster.org.uk

Members of the Cathedral Chapter

The Very Revd Nicola Sullivan (Dean)
The Revd Canon Dr Richard Frith (Canon Precentor)
The Revd Canon Paul Rattigan (Canon Missioner)
The Revd Canon Steve Silvester (appointed by the Bishop)
Mr Arwel Griffiths (appointed by the Bishop)
Mr Andrew Corner (elected by the APCM)
Mrs Jan Richardson (elected by the APCM)
Mr Nick Alexander (appointed by Bishop's Council)
Mrs Sarah Benedek (appointed by Bishop's Council)
Canon Philip Blinston (appointed by the Bishop)
Mrs Vicky Thorpe (Safeguarding Coordinator appointed by Chapter)(to November 2023)

Chief Officer

The senior member of staff to whom day-to-day management of the Cathedral is delegated by Chapter is Canon Nigel Spraggins.

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Professional Advisors

Auditor:	BHP LLP One, Waterside Place Basin Square Birmingham Road Chesterfield S41 7FH
Bankers:	National Westminster Bank plc Newark (A) Branch 1 Market Place Newark Notts NG24 1DY
Investment Managers:	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET Rathbones Investment Management 8 Finsbury Circus London EC2M 7AZ
Solicitors:	Chattertons 9 Broad Street Stamford Lincs PE9 1PY
Surveyor of the Fabric:	Thomas Ford & Partners Ltd 177 Kirkdale Sydenham London SE26 4QH
Archaeologist:	Dr Philip Dixon 24 Crown Street Newark Notts NG24 4UY

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Statutes: The administration and the affairs of the Cathedral are overseen by the Chapter in accordance with the Constitution and Statutes, which came into effect on 19th March 2000 and were revised January 2012.

The Role of the Cathedral within the Diocese

The Cathedral is the mother church of the Diocese of Southwell and Nottingham. It is the seat of the Bishop and a centre of worship and mission. The Cathedral supports the Bishop of the Diocese by daily prayer and by endorsing the Diocesan vision 'Growing disciples; wider, younger, deeper'. The Cathedral is used for major Diocesan Services and synods, such as ordinations and installations as well as confirmations. It is also a venue for civic events, concerts, assemblies for the Minster School, an awards ceremony for Nottingham Trent University at Brackenhurst and for a programme of lectures and art exhibitions.

The Diocese was founded in 1884. It covers 847 square miles including the whole of Nottinghamshire and a few parishes in South Yorkshire. The Diocese includes the city of Nottingham and many former coalfield communities. There are 307 Anglican Church buildings in the 250 parishes, served by 123 stipendiary and 31 self-supporting clergy.

The primary work of the Cathedral in 2023 is the same as it has been through the ages, the worship of God, the mission of the gospel and the ministry of hospitality and welcome. It is a prayerful place and a spiritual resource to the Diocese of Southwell and Nottingham. Daily worship is at the centre of our life. Southwell Minster as Cathedral and parish church offers all who come an opportunity for celebration, learning and discovery.

The Cathedral seeks to develop its mission and ministry in the town, county and further afield. We have a partnership with the Diocese of Natal in South Africa and with the Diocese and Cathedral of Jerusalem.

Links with other denominations locally are fostered through membership of Churches Together in Southwell.

Organisation and Structure

The Bishop of Southwell and Nottingham has his seat in the Cathedral and may officiate in the Cathedral and use it for Diocesan occasions, e.g. ordinations and synods. He is the Visitor and in this role ensures the observance of the Constitution and Statutes. He is assisted by the Suffragan Bishop, the Bishop of Sherwood. The Chapter, College of Canons and Cathedral Council currently form the organisational governance structure.

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Pay Policy for Key Management Personnel

Cathedral Clergy are paid in accordance with the stipends set by the Church Commissioners and are appointed under Common Tenure, Clergy Terms of Service 2010. Other staff are paid in accordance with remuneration which is decided by members of the Cathedral Chapter using the stipend increase rate and current market rate increase as benchmarks.

The Chapter

- Orders the worship and promotes the mission of the Cathedral.
- Formulates (after consultation with the Bishop) proposals in connection with the general direction and mission of the Cathedral and submits them to the Council for advice.
- Prepares an annual budget and financial plans for the Cathedral.
- Manages all property vested in the Cathedral.
- Is responsible for governance, policy and vision.

Statement of Chapter's Responsibilities

The Chapter is responsible under requirements laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999 for:

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities.
- Stating that they have complied in all material respects with the guidelines on the subject prepared by the Association of English Cathedrals or describing which recommendations have not been complied with and giving reasons for non-compliance.
- Selecting suitable accounting policies and then applying them consistently.
- Making judgements and estimates that are reasonable and prudent.
- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time.
- Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.
- Preparing the accounts on a going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

The Chapter has the power to acquire and dispose of property on behalf of the Cathedral Foundation.

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The Governance of the Cathedral

The Dean is the Chair of Chapter which also includes two Residentiary Canons, a person appointed by the Bishop of Southwell and Nottingham, other members appointed by the Bishop's Council of the Diocese and two members elected by the Annual Parochial Church Meeting. The Chapter meets a minimum of nine times each year.

The Finance and Investment Committee has ten members and is chaired by the Chapter member appointed by the Bishop currently Arwel Griffiths. The members include the Dean, Canon Missioner, others with relevant experience. The Chief Officer and Head of Finance are in attendance. Its function is to advise on financial accounting, to prepare an annual budget and present it to Chapter, to monitor the budget, to discuss income generation, to prepare a five year plan and to prepare the annual accounts for auditors.

Under the Cathedrals Measure 1999, the Chapter may invest the Cathedral's funds in:

- Land.
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000.
- The improvement on development of property belonging to the Cathedral, except that the capital from endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

The Audit and Risk Committee is made up of not less than four members of whom the majority shall be independent, lay persons. The current chair is Michael Bolton, Chairman of TSC Simulation Ltd.

A programme for the induction of new members of Chapter has been developed by the Association of English Cathedrals and has been used by new members of Chapter. A Role Description for members of Chapter was adopted by Chapter during 2019.

As the Cathedral is also a Parish Church, the Chapter has the responsibility of exercising the function of the Parochial Church Council transferred to the administrative body under Section 27 of the Cathedrals Measure, 1999.

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The Cathedral Council

The Cathedral Council furthers and supports the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical. It reviews and advises on the direction of that work carried out by Chapter.

In particular it:

- Considers proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and gives advice on them.
- Receives and considers the annual budget, report and audited accounts.

The Chair of the Council is a layperson appointed by the Bishop, and the Dean is a member of the Council. The Bishop is entitled to be present and speak at meetings but not to vote. Three members of the Council are chosen by the Chapter. Two members of the Council are chosen by the College of Canons. Three lay people (not being members of the Chapter) who represent the interests of the Cathedral Community – two people elected by the Annual Parochial Church Meeting and one person elected by the employees of the Cathedral are also members. Finally, ten other people who have relevant experience are appointed by the Bishop.

The College of Canons

The College of Canons comprises the Dean, the Residentiary Canons, the Suffragan Bishop and the Archdeacons, together with the Honorary Canons of the Cathedral.

Its role is to:

- Help maintain regular worship in the Cathedral.
- Receive and consider the annual report and audited accounts.
- Discuss matters concerning the Cathedral.

Fabric Advisory Committee

The Fabric Advisory Committee is a statutory body with members appointed by the Cathedrals Fabric Commission for England and also members appointed by the Cathedral. The group comprises of a number of representatives from professional bodies that provide advice and recommendations to Chapter.

No work may be carried out on the Cathedral that would materially affect its architectural, archaeological, artistic or historic character, nor may any object of architectural, archaeological or artistic interest be sold, lent or disposed of without the approval of either the Cathedrals Fabric Commission or the Fabric Advisory Committee.

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3. OBJECTIVES & ACTIVITIES

Although the Cathedral is not regulated by the Charity Commission in the current year, Chapter confirms that it has had regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral not only serves the community daily in its religious and charitable work, but is an active resource of national importance in the promotion of religion, music, education, history and architecture. The Cathedral's Annual Review, along with this Annual Report, describes the activities that deliver these core public benefits.

Vision Statement:

"Southwell Cathedral is a living well of spiritual refreshment :Extending Welcome ; Exciting Faith : Embracing Community":

Extending Welcome: ensure every visitor and worshipper receives a personal welcome and a meaningful experience as a modern-day pilgrim,

Exciting Faith: Treasure prayer as the touchstone of the Cathedral's beating heart; aim for excellence in daily worship; deepen learning and discipleship,

Embracing Community: generate new partnerships and breathe new life into existing ones; generously share in the life of the diocese resourcing parishes.

Key priorities planned for 2023 included:

- The ongoing engagement with the Cathedrals Working Group regarding the new Cathedrals Measure.
- Undertake a strategic review of all the property assets of the Cathedral be that investment or functional.
- The review of key operating policies and procedures to improve overall efficiency, effectiveness, and good governance.
- Financial sustainability and understanding of the need to close the operating deficit and generate additional income.
- Continuing to take necessary actions following the SCIE Audit which took place in September 2021.
- To increase income from commercial events.
- To increase overall visitor (tourist/pilgrim) numbers.
- To increase the average visitor donation.
- To increase communication and marketing of events.
- Formulate spending plans that are affordable.

A detailed review of the Cathedral's activities during 2023 is contained in the Annual Review, available from the Minster Centre.

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MINISTRY

Worship

Each day the offices of Morning and Evening Prayer are said or sung in the Cathedral and Holy Communion is celebrated. A normal Sunday pattern is 7.40am Litany, 8am Holy Communion, 10.00am Cathedral Eucharist and 3.30pm Evensong. On the second Sunday of the month, in addition a 11.15am Traditional (BCP) Sung Eucharist balances a shorter non choral 10am Cathedral Eucharist. Livestreaming via YouTube and the website the Cathedral Eucharist and Evensong is valued by the housebound and those unable to get to church.

Diocesan Events

The usual pattern of services includes the Chrism Eucharist, ordinations, licensing of lay readers and confirmations.

A monthly Diocesan prayer vigil culminates in participants joining Evensong and then moving to the State Chamber for contemporary worship.

A joint Cathedral and Diocesan staff Carol Service was held.

CATHEDRAL EVENTS

There were 3 outdoor theatre performances and 2 outdoor concerts. The Bramley Apple Festival and Winter Craft Fair were both well attended again, and an additional spring Craft Fair was added in 2023. A spring Plant Hunters Fair was added to the already popular late summer Plant Hunters Fair which are both located in the beautiful Palace Gardens.

There were 30 concerts during the year including the Southwell Music Festival over the August Bank Holiday weekend, 13 new Candlelight tribute concert evenings and the return of the Cathedral's own Christmas concert, The Magic of Christmas, following its success in 2022.

Luke Jerram's Gaia was on exhibition in the Nave from the 26th of July to the 13th of August and was seen by over 11,000 visitors.

A light show exhibition, Space Voyage by Luxmurrallis, was held in September and saw 3,745 attendees.

CATHEDRAL AND PRECINCTS UPKEEP

- Maintenance and repairs were undertaken on most of the Vicars Court properties, including essential roof repairs to number 5.
- The grounds are continually being developed to enhance the overall visitor experience. The Head Gardener has a helpful team of dedicated volunteers.
- Essential works were carried out to maintain the fire system in the Bishops Manor and Archbishops' Palace.
- Significant repair costs have been expended on Bishops Manor, including the flats, to help bring this property up to a suitable standard.

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EDUCATION AND OUTREACH

2023 was defined by a 'getting back to normal' after over ten years working with the Heritage Lottery Fund on our two projects – the Palace and the Leaves.

Two successful Family fun days were a highlight of the year. We were part of the county-wide Festival of Science and Curiosity for the February event, and hosted workshops, experiments and a marvellous display of mini-beasts photographed through a microscope. In July, Gaia provided a spectacular backdrop to some Planet Earth themed games, crafts and activities.

School visits were popular, with 1,500 attending Time Travelling in March and June from 34 schools, and 700 visiting for the Romans in Southwell, our partnership project with Southwell Community Archaeology Group. Some lovely Christmas days brought 2023 to a close with 300 children from Reception to Year 4.

In September, the Discovery Day made a welcome return (having been cancelled last year due to the Queen's death), for the first time since Covid, with 74 delegates who enjoyed a choice of 13 workshops, tours and talks provided by staff and volunteers.

We now have quite a bank of themed family trails and there is always one available from the stewards for visiting children – the latest addition was a Coronation themed trail, created in May.

In March, it was exciting to have had the opportunity to speak at the national conference of the Council for Learning Outside the Classroom and share something of the scope of education work which goes on in Cathedrals across the UK.

We are supported by wonderful team of volunteers who give a huge amount of time to welcome children. Their enthusiasm and kindness are inspiring, and I'd like to thank them all.

ACHIEVEMENTS AND PERFORMANCE

A strategic review is ongoing of all the property assets following a review by Savills of the Cathedral be that investment or functional to increase returns and reduce ongoing maintenance expenditure.

With regards to New Cathedrals Measure, the process for registration as a charity, included a review of key operating policies and procedures to improve overall efficiency, effectiveness, and good governance. The Cathedral's certificate date one was the 20th of November 2023 and certificate date two was the 20th of February 2024 and therefore, at the time of signing this report, Southwell Cathedral Chapter is now a registered charity, 1207138.

The visitor experience has been enhanced during the year with increased donation per visitor and an increase in the number of paid for tours, following the employment of a Visitor & Volunteer Services Officer paid for in part by the Church Commissioners Cathedral Sustainability Fund.

The number of and net income from commercial events has increased significantly during the year.

Introduction of the What's On guides, a published booklet which contains all of the events occurring in a three month period. In addition, we do separate Easter and Christmas publications. These booklets are distributed throughout the city and county.

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4. RELATIONSHIPS WITH OTHER ORGANISATIONS

To pursue its objectives, the Cathedral has formed relationships and works closely with the following organisations, which are listed in alphabetical order:

Churches Together in Southwell	The Chimes Trust
Lowes Wong Primary School	The Diocese of Southwell and Nottingham
The Friends of Southwell Cathedral	The Lieutenancy of Nottinghamshire
Simmons Charity Minster Repair Fund	The Minster School
Southwell Minster Choir Association	Southwell Music Festival
Southwell Town Council	

5. FINANCIAL REVIEW

Financial performance

The following figures have been extracted from the internal management accounts:

	2023	2022
	£	£
Operating Costs:		
Clergy costs	234,964	214,656
Services and Music	214,945	173,560
Vergers and interior upkeep	266,042	190,079
Administration costs	372,387	369,825
Outward giving	10,241	11,001
Insurances and other expenses (net)	82,257	52,270
Total annual operating costs	1,180,836	1,011,391
These costs were funded as follows:		
Collections and giving	193,894	193,293
Church Commissioners	302,419	296,619
Investments and property (net)	65,994	89,345
Fees, visitors, shop and events (net)	220,938	166,854
Total income	896,530	746,111
Operating (deficit)	(284,306)	(265,280)
Legacies	4,000	-
General Fund Operating (Deficit)	(280,306)	(265,280)

The General Fund net operating deficit for the year was £280,306 compared with a deficit of £265,280 in 2022. The deficit of £280,306 compares with a budgeted deficit of £136,852.

Event income exceeded expectation in 2023 however other income areas such as the shop and visitor donations did not achieve their targets, although visitor income was in line with the phased budget towards the end of the year. The liability from maintaining the Cathedrals property portfolio continues to be an issue and is part of the reason for undertaking the currently ongoing property review. Utility costs were higher than budgeted due to the timing of some of the contract renewals during the energy crisis.

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The Chapter's main financial objective is to achieve annual surpluses of £100,000 (ignoring legacies) after funding the resources and facilities necessary to sustain the Mission of the Cathedral at the heart of the Diocese and as a Parish Church and to build prudent reserves and fund the development of services in support of Mission.

The Chapter's main effort, whilst continuing to review the costs and effectiveness of its administration, is focused on plans to improve income further which includes growth from visitors, events, business operations and seeking longer term improvements in the use of those properties from which additional income can be achieved.

The outlook for 2024 is that there will be a deficit of £45,114. In light of this, Chapter is focusing on a Financial Recovery Plan.

The Chapter is very grateful to the Stewards and many other volunteers who are supporting it in developing its income and remains confident that its financial strategy is working, albeit in a period of considerable uncertainty.

Reserves & Reserves Policy

The reserves held in unrestricted funds amounted to £168,176 as at 31st December 2023. This is split between general reserves of £6,021 and designated reserves of £162,155. Total unrestricted funds have been split on the Consolidated Statement of Financial Activities (SOFA), on page 19 of the financial statements, disclosing the general and designated funds in individual columns.

In Chapter's view, the general free reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. Chapter propose to maintain the charity's free reserves at a level which is at least equivalent to six months operational expenditure.

In calculating the free reserves figure it is necessary to start with unrestricted funds of £168,176 and then to exclude designated funds of £162,155 and equipment and plant with a value of £34,730. This gives a negative figure of £28,709. This still includes investment property with a value of £481,918, which is not readily realisable into cash. Therefore, the true value of free reserves, which excludes investment property, is a negative £510,627.

Chapter acknowledges that it operates in a position of negative free reserves until such time as unrestricted reserves are re-established. Chapters strategy for sustainability will build protected liquid reserves. See accounting policy for going concern which gives a clearer picture.

The reserves held in restricted funds amounted to £1,728,723 as at 31st December 2023. Information regarding the restricted funds is provided in note 15b on pages 31 and 32.

The reserves held in the endowment funds amounted to £8,376,436 as at 31st December 2023. Information regarding the endowment funds is provided in note 15a on page 31.

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Grants

All Cathedrals are supported financially by the Church Commissioners in the provision of the stipend of a Dean and stipends for two Residentiary Canons this amounted to £133,684 in 2023 (2022 - £134,781). Most Cathedrals also receive a grant towards clergy support and administrative costs, and a total of £168,735 was received in 2023 (2022 - £161,838).

Grants were received from The Church Commissioners Cathedral Sustainability Fund to support the cost of a fundraiser, £31,747 (2022 - £21,291), to support the costs of a Visitor & Volunteer Engagement Officer, £22,417 (2022 - £nil) and to support the costs of administration for the implementation of the Cathedrals Measure, £17,500 (2022 - £nil). This Fund also supported the Cathedral with £3,152 solicitors' costs relating to charity registration.

The Benefact Trust support Cathedrals on an annual basis and this year's grant of £21,875 was used towards children and family ministry. This Trust also gave £4,750 towards the organ refurbishment work taking place during 2024.

The Cathedral Music Trust awarded a grant of £18,500 to support the costs of the Lay Clerks.

Fundraising

The continuation of the 'Great Southwell Organathon' saw income of £21,340, including support from The Gray Trust, McCorquodale Charitable Trust and The Benefact Trust as well as individual donations and income from those who attended the closing concert 'A Night of the Opera'.

A total of £39,927 was gratefully received towards the Milo Chorister Fund. This included support from The Friends of Southwell Cathedral, The Chizel educational Trust, Rainbow Dickinson Trust, Willimas Church Music Trust, Golsoncott Foundation, Helen Mary McCosh Charitable Trust, The Ousley Church Trust and The Pilling Trust.

As well as £13,747 kindly donated by The Friends of Southwell Cathedral towards the Milo Chorister Fund, they have also supported the role of the Organ Scholar for a period of three years with a donation of £40,000.

We received support from The Newark & Sherwood District Council towards the printing of 'What's On' guides, a new public engagement initiative spearheaded by the Fundraising department. Corporate sponsorship for the Choir's Christmas concert increased on 2022, with £2,750 being received from local businesses. Further initiatives led by the Fundraising department comprised of a concert featuring world-famous Sheki Kanneh-Mason, poetry/music events 'Words & Music for Gaia, 'Words & Music for Christmas' and the book 'A Year in the Cathedral Garden'.

We are grateful to all trusts, donors and supporters who give so generously to support the work and mission of Southwell Cathedral Chapter.

Visitor & Legacy Income

A major source of funding for the Minster's work is regular giving, including Gift Aid where possible, by members of the Community with £123,900 received in 2023 (2022 - £130,200). Donations by visitors to the Minster increased in 2023 to £52,100 (2022 - £50,000) due to the enhanced visitor experience.

The Southwell Minster legacy leaflet is still proactively distributed; copies are available by the donation boxes in the Minster. Legacy income amounted to £45,000 in 2023, (2022 - £351,160). Lifetime gifts are similarly extremely valuable and enable donors to have the joy of seeing the immediate benefit.

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Trading Income

The Minster Shop net profit amounted to £8,423 in 2023 (2022 - £13,868) and continues to provide a valuable source of income to the Cathedral.

Investment Properties Portfolio

The investment property portfolio (Minster Centre, Sacrista Prebend, the Refectory and Bishops Manor) continues to provide a vital source of income. However, the net expenditure, not including loan interest of £22,521 (2022 – £12,496), totalled £12,048 (2022 - £68,250 net income). For more details of the return on investment properties please see note 7 on page 28.

Financial Investments

The Cathedral's financial investments are pooled and split between two investment managers, CCLA Investment Management Ltd and Rathbones Group Plc.

The Finance Committee (FC) reviews the Cathedral's investment portfolio at least twice per year and invites managers from both investment companies annually to provide further information on market performance. The policy is to maintain steady capital growth whilst being able to receive a good level of income to support mission. Investments held through the Church of England Central Board of Finance are subject to the ethical guidelines issued by the Church of England Ethical Investments Advisory Group (EIAG). The investments held by Rathbones are subject to regular ethical screening based on the same ethical guidelines. Further detailed information can be found in note 8 on page 28.

Financial Investments Performance

Investment markets saw positive returns overall in 2023 but with continued volatility over the course of the year.

During 2023 there were net unrealised gains on Chapter investments of £142,673 and net realised losses on disposals of £2. Along with the rise in value, income was higher in 2023 than the previous year with the total investment income amounting to £62,629 (2022 - £57,857).

Summary of Key figures

A summary of the key figures for the past five years is provided below:

	2019	2020	2021	2022	2023
	£	£	£	£	£
Incoming resources					
Congregational collections & giving	172,725	121,401	129,586	144,079	147,525
Legacies	32,076	23,468	36,304	351,160	45,000
Grants	753,157	1,415,929	1,229,792	561,385	438,207
Minster Shop net profit	47,731	13,741	11,946	13,838	8,423
Resources expended					
Major repairs & restoration	457,713	983,065	752,432	149,392	21,038
Key ratios					
Income yield on investments & cash	3.3%	3.1%	2.7%	2.8%	2.8%

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6. PLANS FOR FUTURE YEARS

Chapter continues with its strategic plan that will see the development of a more compelling Tourism and Heritage offer, building on the 'Leaves of Southwell' project and making Southwell Cathedral a centre of learning for children, students, heritage professional and special interest group. Chapter believe that by making its facilities available and more accessible will see an increase in use as a venue for music, entertainment and other events.

The approved plans consist of strategic initiatives that will enable the Cathedral to grow and sustain the annual number of visitors in order to support the development of our mission and ministry, outreach, education, cultural and musical heritage, and the local community.

The 'Leaves' project has enabled the development of the Palace Garden and Paddock to be a significant part of the Cathedral's tourism appeal as well as a space for ticketed outdoor events. Chapter will seek to increase the revenue that can be gained from tours and external hire.

The Friends of Southwell Cathedral provide a valuable source of funding towards many of the Cathedral's projects. Further details are provided in note 21a on page 34.

During 2024 our plans are to:

- Complete a strategic review of all the property assets of the Cathedral be that investment or functional to increase returns and reduce ongoing maintenance expenditure and begin the implementation of the resulting plan.
- Develop a five year strategic plan with regards to vision and strategy to be launched in May 2024.
- Continue to develop plans to become financially sustainable.
- Ensure new and vacant roles will be filled and have been reflected in the budget.
- Deliver an enhanced visitor experience and increase the amount of donations and number of paid for tours.
- Increase the number of and net income from commercial events.

7. RISK MANAGEMENT

The Chapter reviews the major risks to the Cathedral and its work on a regular basis. Systems and procedures are updated as necessary to mitigate risks where they are identified. To build on the work already undertaken by Chapter an Audit and Risk Committee was established as a sub-committee of the Chapter and is chaired by Mr Michael Bolton. A Risk Register was developed to identify all known risks and includes the nature of the risk, who owns it and the mitigation measures that have been put in place to manage the risk. A report to Chapter is made quarterly and provides a summary of the current risks on the Cathedral Risk Register. It also provides Chapter with an opportunity to discuss the most recent changes to the register.

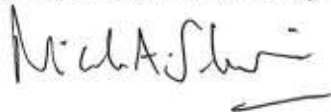
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There are 2 red risks which are highlighted in the table below along with the action to be taken to mitigate the risk. (RAYG* – Red, Amber, Yellow, Green).

RAG* and SCORE	Risk Detail	Mitigation and Update
R20	General Fund borrowing from Restricted Funds.	Chapter are working on a financial recovery plan to ensure that enough general fund income is received to cover general expenditure and capital commitments going forward.
R25	Reserves being depleted	Recent deficits have led to a reduction in the general fund to a an almost depleted level. Ways to achieve sustainability are currently being worked through.

Safeguarding remains a high priority for the Chapter. Chapter has entered into a Service Level Agreement with the Diocese and a qualified Cathedral Safeguarding Officer (Ms Penny Turner) began working 3 days per week in April 2022 and reduced to 2 days per week from September 2023. Canon Paul Rattigan is the Chapter Lead on Safeguarding. Mrs Vicky Thorpe continues in a voluntary capacity as the Cathedral safeguarding Co-ordinator. A safer recruitment policy and process has been implemented for all volunteers. More information regarding safeguarding can be would on the Cathedral's website.

Signed on behalf of the Chapter on 18th April 2024.



Nicola Sullivan
Dean

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

Opinion

We have audited the financial statements of Southwell Cathedral Chapter (the 'parent entity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the entity only balance sheet, the consolidated cash flow statement and notes to the financial statements, including 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:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 December 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to note 1b in the financial statements which discusses the Chapter's assessment of going concern. The matters set forth in note 1b indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Chapter's Annual Report, other than the financial statements and our auditor's report thereon. Chapter 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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent entity and its environment obtained in the course of the audit, we have not identified material misstatements in Chapter's Annual Report.

We have nothing to report in respect of the following matters in relation to which the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

1. adequate and sufficient accounting records have not been kept by the group or parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
2. the group and parent entity's financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of Chapter Members' remuneration specified by law are not made; or
4. we have not received all the information and explanations we require for our audit.

Responsibilities of Chapter

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

In preparing the financial statements, Chapter are responsible for assessing the group's and parent entity'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 parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

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

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

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent entity through discussions with Chapter and other management, and from our knowledge and experience of the Cathedral sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent entity, including the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018), Cathedrals Measure 1999, safeguarding legislation, health and safety requirements including fire safety and data protection laws;
- we assessed the extent of those responsible for compliance with the laws and regulations identified above through making enquiries of those responsible for compliance and inspecting legal correspondence; and

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

- we ensured identified laws and regulations were communicated within the audit team regularly and
- the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to Chapter's members, as a body, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to Chapter members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Adams
For and on behalf of BHP LLP, Statutory Auditor
One Waterside Place
Basin Square
Birmingham Road
Chesterfield
S41 7FH

24 April 2024

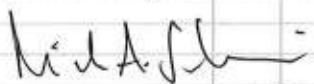
SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

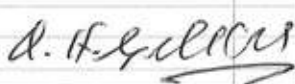
		Unrestricted		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
	Notes	Fund	Funds			2023	2022
		£	£	£	£	£	£
Income and Endowments from:	2						
(i) Donations and legacies		270,051	1,250	136,832	-	408,133	686,682
(ii) Grants in support of mission		22,875	-	415,332	-	438,207	561,385
(iii) Charges and fees arising in the course of mission		37,107	992	1,982	-	40,081	52,521
(iv) Trading and fundraising		397,958	-	1,960	-	399,918	249,888
(v) Investments		252,314	3,166	44,317	-	299,797	302,697
(vi) Other income		9,860	-	-	-	9,860	6,524
Total income		990,165	5,408	600,423	-	1,595,996	1,859,697
Expenditure on:	3						
(i) Raising funds		(585,601)	(312)	(76,324)	-	(662,237)	(553,686)
(ii) Ministry		(330,190)	-	(391,161)	-	(721,351)	(710,889)
(iii) Cathedral and precincts upkeep		(283,334)	-	(78,981)	-	(362,315)	(404,485)
(iv) Education and outreach		(71,346)	-	(17,416)	-	(88,762)	(194,146)
Total Expenditure		(1,270,471)	(312)	(563,882)	-	(1,834,665)	(1,863,206)
Exceptional item:							
Impairment of non-investment property	9	-	-	-	-	-	(109,182)
Net (expenditure)/income before investment gains/(losses)		(280,306)	5,096	36,541	-	(238,669)	(112,691)
Net (losses)/gains on investments	8	27,351	7,542	57,539	50,239	142,671	(226,660)
Net gains on investment property		-	-	-	-	-	195,000
Net (expenditure)/income		(252,955)	12,638	94,080	50,239	(95,998)	(144,351)
Gross transfers between funds	6	-	-	-	-	-	-
Net movement in funds		(252,955)	12,638	94,080	50,239	(95,998)	(144,351)
Total funds brought forward 1 January 2023		258,976	149,517	1,634,643	8,326,197	10,369,333	10,513,684
Total funds carried forward 31 December 2023	15	6,021	162,155	1,728,723	8,376,436	10,273,335	10,369,333
The notes on pages 23 to 34 form part of these accounts							

**SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed assets						
Investment assets						
Property	7	481,918	-	4,903,682	5,385,600	5,385,600
Investments	8	537,324	885,872	799,367	2,222,563	2,081,241
		1,019,242	885,872	5,703,049	7,608,163	7,466,841
Non investment assets						
Property	9	-	-	2,671,605	2,671,605	2,671,605
Equipment and plant	10	34,730	18,488	-	53,218	63,051
		34,730	18,488	2,671,605	2,724,823	2,734,656
Total fixed assets		1,053,972	904,360	8,374,654	10,332,986	10,201,497
Current assets						
Stocks	11	46,097	-	-	46,097	57,747
Debtors	12	33,596	65,870	-	99,466	322,097
Cash on deposit and at bank		(569,831)	764,041	1,782	195,992	263,547
		(490,138)	829,911	1,782	341,555	643,391
Liabilities due within one year						
Creditors	13	(95,785)	(5,548)	-	(101,333)	(157,164)
Net current assets/(liabilities)		(585,923)	824,363	1,782	240,222	486,227
Liabilities due after one year						
Creditors	14	(299,873)	-	-	(299,873)	(318,391)
Net assets		168,176	1,728,723	8,376,436	10,273,335	10,369,333
Funds						
	15					
General fund		6,021	-	-	6,021	258,976
Designated funds		41,476	-	-	41,476	41,476
Music designated funds		22,676	-	-	22,676	20,699
Fabric funds		-	461,040	442,137	903,177	811,026
Chapter fund		-	-	7,404,571	7,404,571	7,403,963
Music funds		-	534,490	526,620	1,061,110	1,010,906
Library fund		98,003	-	-	98,003	87,342
Great Hall		-	28,017	-	28,017	30,361
The Leaves of Southwell Project (Match Funding)		-	67,123	-	67,123	85,236
Sacrista Retreat House		-	289,556	-	289,556	298,195
Culture Recovery Fund		-	9,067	-	9,067	12,936
Church Commissioners		-	16,644	-	16,644	16,766
Organ Fund		-	125,294	-	125,294	97,442
Specified Donations		-	165,892	-	165,892	160,313
Other funds		-	31,600	3,108	34,708	33,696
		168,176	1,728,723	8,376,436	10,273,335	10,369,333

Approved on the 18th April 2024 and signed on behalf of Chapter

Nicola Sullivan  Dean

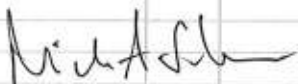
Arwel Griffiths 

The notes on pages 23 to 34 form part of these accounts

SOUTHWELL CATHEDRAL CHAPTER
CATHEDRAL BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed assets						
Investment assets						
Property	7	481,918	-	4,903,682	5,385,600	5,385,600
Investments	8	537,324	885,872	799,367	2,222,563	2,081,241
Investment in subsidiary		100	-	-	100	100
		1,019,342	885,872	5,703,049	7,608,263	7,466,941
Non investment assets						
Property	9	-	-	2,671,605	2,671,605	2,671,605
Equipment and plant	10	34,730	18,488	-	53,218	63,051
		34,730	18,488	2,671,605	2,724,823	2,734,656
Total fixed assets		1,054,072	904,360	8,374,654	10,333,086	10,201,597
Current assets						
Stocks	11	-	-	-	-	-
Debtors	12	106,112	65,870	-	171,982	394,780
Cash on deposit and at bank		(605,270)	764,041	1,782	160,553	226,536
		(499,158)	829,911	1,782	332,535	621,316
Liabilities due within one year						
Creditors	13	(95,288)	(5,548)	-	(100,836)	(149,057)
Net current assets/(liabilities)		(594,446)	824,363	1,782	231,699	472,259
Liabilities due after one year						
Creditors	14	(299,873)	-	-	(299,873)	(318,391)
Net assets		159,753	1,728,723	8,376,436	10,264,912	10,355,465
Funds						
	15					
General fund		(2,402)	-	-	(2,402)	245,108
Designated funds		41,476	-	-	41,476	41,476
Music designated funds		22,676	-	-	22,676	20,699
Fabric funds		-	461,041	442,137	903,178	811,026
Chapter fund		-	-	7,404,570	7,404,570	7,403,963
Music funds		-	534,490	526,620	1,061,110	1,010,906
Library fund		98,003	-	-	98,003	87,342
Great Hall		-	28,017	-	28,017	30,361
The Leaves Project (Match Funding)		-	67,123	-	67,123	85,236
Sacrista Retreat House		-	289,556	-	289,556	298,195
Culture Recovery Fund		-	9,067	-	9,067	12,936
Church Commissioners		-	16,644	-	16,644	16,766
Organ Fund		-	125,294	-	125,294	97,442
Specified Donations		-	165,892	-	165,892	160,313
Other funds		-	31,600	3,109	34,709	33,696
		159,753	1,728,724	8,376,436	10,264,913	10,355,465

Approved on the 18th April 2024 and signed on behalf of Chapter

Nicola Sullivan  Dean

Arwel Griffiths 

The notes on pages 23 to 34 form part of these accounts

**SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Statement of cash flows		2023		2022
	£	£	£	£
Cash flows from operating activities:				
Net cash (used in)/provided by operating activities		(86,867)		(89,485)
Cash flows from investing activities:				
Rents received net of costs	(12,048)		21,008	
Interest and dividends received net of costs	60,835		53,186	
Purchases of investments	-		(783,316)	
Sales of investments	967		762,251	
Purchases of equipment and plant	(11,513)		(14,045)	
Net cash provided by investing activities		38,241		39,084
Cash flows from financing activities:				
Repayments of borrowing	(19,311)		(32,828)	
Net cash provided by/(used in) financing activities		(19,311)		(32,828)
Change in cash and cash equivalents in the reporting period		(67,937)		(83,229)
Cash and cash equivalents at the beginning of the reporting period		264,003		347,232
Cash and cash equivalents at the end of the reporting period		196,066		264,003
Reconciliation of net income/ (expenditure) to net cash flow from operating activities				
		2023		2022
		£		£
Net income/(expenditure) before investment (losses)/gains for the reporting period		(238,669)		(112,691)
Adjusted for:				
Depreciation charges		21,346		23,405
Exceptional item - impairment of non-investment property		-		109,182
Income from property and investments		(299,797)		(302,697)
Investment property costs and loan interest		251,010		228,504
Decrease in stock		11,650		8,337
Decrease/(increase) in debtors		222,631		(74,244)
(Decrease)/increase in creditors		(55,038)		30,719
Net cash provided by / (used in) operating activities		(86,867)		(89,485)
Analysis of cash and cash equivalents				
Cash in hand		195,992		263,547
Investments - short term deposits		74		456
		196,066		264,003

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been drawn up in accordance with the December 2018 guidelines on accounting and reporting by English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

The financial statements have been prepared under the historical cost convention except for the valuation of investment assets that are shown at market value.

The Chapter constitutes a public benefit entity as defined by FRS 102.

These accounts are presented in sterling which is the functional currency.

b. Going Concern

At 31 December 2023 the Cathedral has negative free reserves of £510,627. These reserves of negative £510,627 comprise General fund balance of £6,021 less investment property with a value of £481,918 and equipment and plant with a value of £34,730. It is Chapter's strategy to use the investment properties to generate sustainable income streams which contribute to funding the activities of the organisation.

Chapter have prepared forecasts of income and expenditure for the four years to 31 December 2027 which incorporate a new strategy and plans for generating additional income. These forecasts show an increasing reliance on historic restricted reserves where appropriate whilst seeking new funding streams and generating additional income from activities to enable breakeven to be achieved. This will include some drawdown of the investment portfolio.

Chapter recognise that uncertainty exists regarding the success and sustainability of their future plans. This risk represents a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. Chapter will continue to monitor the actual results against forecast and take appropriate action to implement cost savings if necessary. Chapter are reviewing their property portfolio with a view to sell some assets which will be reinvested in other areas to reduce liability and generate future income.

Chapter have concluded that the entity remains a going concern whilst viable options remain available to them and therefore continue to adopt the going concern basis of preparation for these financial statements.

c. Basis of Consolidation

The consolidated financial statements comprise those of the Cathedral, of its wholly-owned subsidiary company Southwell Cathedral Chapter Trading Ltd and Church Street Land Trust, of which the Chapter is the sole trustee. The Cathedral acquired the whole share capital of Southwell Cathedral Chapter Trading Ltd consisting of 100 £1 shares, which were purchased at face value on 8 December 2016. On 1 January 2017 the Cathedral shop trade transferred from the Cathedral Chapter to the trading subsidiary. The turnover and expenditure of the subsidiary are included in the Statement of Financial Activities and the assets and liabilities of the subsidiary are included on a line-by-line basis in the Consolidated Balance Sheet. As permitted by the regulations no Chapter Statement of Financial Activities or Cash Flow Statement has been presented.

The Church Street Land Trust solely consists of the heritage asset disclosed in note 9.

d. Fund Accounting

Fund balances are split between general, designated, restricted and endowment funds.

Undesignated general funds are freely available for any purpose within the Cathedral's objects, at the discretion of the Chapter.

Designated funds are those funds set aside out of general funds by the Chapter for a specific purpose over whose use and purpose the Chapter has discretion.

Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust, or else by legal measure.

Endowment funds are those held on trust to be retained for the benefit of the Cathedral Chapter as capital funds and are classified as permanent endowment. In the case of the General Endowment fund administered by the Chapter there are discretionary powers to convert a small part of the capital into income.

e. Income

All income is recognised once Chapter has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Collections, giving, legacies and other income are credited on the date on which they are receivable.

Charges in the course of mission and activities for generating funds are recognised as and when the related goods or services are provided.

Grants towards specific repair restoration expenditure are shown as restricted income and credited on the date on which it is receivable.

Grant funding secured for future funding will be recognised when received where the organisation has evidence of entitlement over the grant income.

All investment income is credited on the date on which it is receivable.

Property income is credited on the date on which it is receivable.

f. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds
- Ministry
- Cathedral and precincts upkeep
- Education and outreach

Expenditure on Cathedral repairs is charged in the Statement of Financial Activities as it is incurred. The costs of routine maintenance work on the major repair programme are identified separately in the notes to the accounts.

Governance costs are costs associated with the governance infrastructure which allows the Cathedral to operate. These include such expenditure as external audit, legal advice and the cost of constitutional and statutory requirements.

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

f. Expenditure (continued)

Support costs are those costs which in themselves do not contribute directly to mission or generate funds and are necessary for those activities to take place. They will include office staff costs, office equipment, information technology, training and general office costs. These costs are allocated to departments on the basis of head count. For 2023 these were as follows:

Department	F.T.E.* No.	Percentage %
Costs of Generating Funds	3.72	18.2
Ministry	10.26	50.1
Cathedrals & Precincts	5.15	25.2
Education & Outreach	1.33	6.5
	<u>20.46</u>	<u>100</u>
Administration	5.97	
Total F.T.E. employees	<u>26.43</u>	

*F.T.E. - Full Time Equivalent

g. Property

Investment property

Investment property includes any interest in land and/or buildings which is held primarily for the purpose of producing an income, any rental income being negotiated at arm's length. It does not include any land acquired primarily with a view to resale at a profit, or property which is owned and mainly occupied for carrying out the Cathedral's purposes.

Investment properties are included at open market value and not depreciated, in accordance with FRS102.

Non-investment property

Non-investment properties are those properties used for Cathedral purposes and are valued at historic cost.

No provision for depreciation is provided in respect of freehold houses. Impairment reviews are carried out annually. Each house is fully maintained with a view to ensuring that the total residual value is not less than the amount stated in the financial statements. Accordingly, any depreciation would be immaterial.

The Cathedral is an inalienable asset and forms part of the permanent endowment. It is not valued in the balance sheet as no reliable cost information is available and conventional valuation approaches lack sufficient reliability. Items in the Cathedral inventory are similarly excluded from the financial statements.

h. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Cathedral does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Cathedral is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

i. Gains and losses

All gains and losses are taken to the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between sale proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. 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.

j. Fixed assets

Fixed assets with a cost less than £2,000 are written off in the year of acquisition. All other fixed assets (excluding property) are capitalised and depreciated on a straight line basis over their estimated useful lives as follows:

Equipment and plant:

Telephone system	5 years
Staging	5 years
Audio tour equipment	5 years
Video projection screen	8 years
Display boards and units	8 years
Heating system	8 years
Latchways system	20 years

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

k. Heritage assets

Chapter is a trustee of a heritage asset, being a piece of land which it is to retain in perpetuity for the public benefit for the sole purpose of conservation of archaeological and historical heritage and the advancement of education in the conservation of archaeological and historic heritage.

Where heritage assets are donated, the trustees consider that in the absence of reliable cost information, the expense of determining a reliable valuation of these artefacts is onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the assets. Heritage assets which are gifted are therefore excluded from the balance sheet in accordance with paragraph 18.15 of the SORP.

l. Stock

The shop stock is valued at the lower of cost and net realisable value after allowance for obsolete and slow moving items.

m. Debtors and creditors receivable / payable

Debtors and creditors with no stated interest rate receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

n. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, held with investment manager and in hand.

o. Provisions

Provisions are recognised when the Cathedral has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably measured.

p. Pensions

Southwell Cathedral Chapter participates in the Church of England Funded Pension Scheme and meets the costs of three members of the scheme out of a total membership of approximately 8,500 active members.

The Church of England Funded Pension Scheme is a defined benefit scheme but Southwell Cathedral Chapter is unable to identify its share of the underlying assets and liabilities and therefore accounts for pension costs on the basis of contributions actually payable to the scheme in the year.

The Cathedral has not entered into any agreement with the Church of England Funded Pension Scheme to repay contributions towards the scheme deficit and therefore no present value liability has been recognised in these accounts.

The Cathedral operates a Group Stakeholder Pension Scheme with AVMA for lay staff. The scheme meets the requirements of a qualifying workplace pension scheme for automatic enrolment. It is a defined contribution scheme, the assets of which are held separately from the Cathedral. Pension costs are recognised in the period they are incurred.

q. Taxation

The Cathedral is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

r. Judgements and key sources of estimation uncertainty

Estimates and judgements 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. Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

A key assumption concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year is the valuation of investment properties. The valuations are subject to judgements of an expert, but not limited to, the state of repair of the properties, local knowledge and housing market fluctuations.

Tangible fixed assets are depreciated to their residual value over their useful life. The useful life is based on the management's estimate of the period that the assets will generate revenue and will be reviewed annually for continued appropriateness. For non-investment properties the residual value is based on the management's assessment of current prices. The carrying values will be tested for impairment when there is an indication that the value of an asset might be impaired.

Although not a significant risk of material misstatement the allocation of support costs is also a key estimate. The accounting treatment of support costs can be found in accounting policy f.

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

2 INCOME AND ENDOWMENTS FROM:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
(i) Donations and legacies					
Congregational collections and giving	147,525	-	-	147,525	144,079
Donations	83,737	9,163	-	92,900	104,070
Income from appeals and fund raising	-	29,849	-	29,849	7,630
Tax recoverable under Gift Aid	34,718	1,968	-	36,686	35,204
Income from Friends and local trusts	1,321	54,852	-	56,173	44,539
Legacies	4,000	41,000	-	45,000	351,160
	271,301	136,832	-	408,133	686,682
(ii) Grants in support of mission					
Church Commissioners	-	377,235	-	377,235	322,410
Other revenue and capital grants	22,875	38,097	-	60,972	238,975
	22,875	415,332	-	438,207	561,385
(iii) Charges and fees arising in the course of mission					
Facility and other fees	38,099	1,982	-	40,081	52,521
(iv) Trading and fundraising					
Charges to visitors	62,686	1,960	-	64,646	43,213
Gross income of shop, refectory and other activities	335,272	-	-	335,272	206,675
	397,958	1,960	-	399,918	249,888
(v) Investments					
Property	237,168	-	-	237,168	244,840
Investments	18,312	44,317	-	62,629	57,857
	255,480	44,317	-	299,797	302,697
(vi) Other income					
Interest receivable on short term deposits	2,952	-	-	2,952	313
Other items	6,908	-	-	6,908	6,211
	9,860	-	-	9,860	6,524
Total income	995,573	600,423	-	1,595,996	1,859,697
Unrestricted income includes £990,165 (2022 £825,982) in respect of general funds and £5,408 (2022 £722) in respect of designated funds.					

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

3 EXPENDITURE ON:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
(i) Raising funds					
Costs of services directly recoverable	21,470	-	-	21,470	19,645
Gross costs of shop, refectory and other activities	212,147	-	-	212,147	162,033
General marketing costs	68,274	30,657	-	98,931	94,285
Investment property costs	258,800	14,731	-	273,531	241,000
Support costs	25,222	30,936	-	56,158	36,723
	585,913	76,324	-	662,237	553,686
(ii) Ministry					
Clergy stipends and working expenses	8,862	133,684	-	142,546	139,982
Clergy housing costs	35,268	1,000	-	36,268	57,069
Clergy support costs	2,038	63,009	-	65,047	81,569
Services, music and congregational costs	214,592	108,309	-	322,901	303,321
Support costs	69,430	85,159	-	154,589	128,948
	330,190	391,161	-	721,351	710,889
(iii) Cathedral and precincts upkeep					
Major repairs and restoration	-	21,038	-	21,038	149,392
Maintenance and interior upkeep	170,963	-	-	170,963	102,911
Cathedral insurance	32,998	15,109	-	48,107	39,650
Precincts, security and gardens upkeep	44,450	-	-	44,450	40,741
Support costs	34,923	42,834	-	77,757	71,791
	283,334	78,981	-	362,315	404,485
(iv) Education and outreach					
Educational activities	51,285	6,367	-	57,652	142,427
Archives and library	687	-	-	687	554
Charitable and other giving	10,366	-	-	10,366	12,508
Support costs	9,008	11,049	-	20,057	38,657
	71,346	17,416	-	88,762	194,146
Total expenditure	1,270,783	563,882	-	1,834,665	1,863,206

Unrestricted expenditure includes £1,270,471 (2022 £1,091,262) in respect of general funds and £312 (2022 £8,283) in respect of designated funds.

4 TOTAL EXPENDITURE ALLOCATIONS	Direct costs 2023	Support costs 2023	Total 2023	Direct costs 2022	Support costs 2022	Total 2022
	£	£	£	£	£	£
Costs of generating funds	606,079	56,158	662,237	516,963	36,723	553,686
Ministry	566,762	154,589	721,351	581,941	128,948	710,889
Cathedral and precincts upkeep	284,558	77,757	362,315	332,694	71,791	404,485
Education and outreach	68,705	20,057	88,762	155,489	38,657	194,146
	1,526,104	308,561	1,834,665	1,587,087	276,119	1,863,206

5 VAT
Any irrecoverable VAT has been included in the expenditure which gave rise to it. The total amount of irrecoverable VAT for 2023 was £29,148 (2022 - £44,472)

6 TRANSFERS
There were no transfers between funds during the year.

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

7 INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
At valuation 1 January	481,918	-	4,903,682	5,385,600	5,190,600
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net increase on revaluation	-	-	-	-	195,000
Transfer of Investments	-	-	-	-	-
At valuation 31 December	481,918	-	4,903,682	5,385,600	5,385,600

All investment properties are freehold. The Endowment figures above include land currently valued at £90,000 (2022 - £90,000). The valuation of non-residential properties is carried out by Owen Mathias who is a member of the Finance Committee and the valuation of residential properties is carried by various agents as required. Owen Mathias is a qualified Chartered Surveyor with knowledge of the local property market. All investment properties are reviewed annually.

Return on investment property	2023		2022	
	£	£	£	£
Rents receivable		226,351		235,512
Service charge income		10,817		9,328
		237,168		244,840
Repairs and maintenance	(95,039)		(46,658)	
Other property running costs	(149,007)		(115,476)	
Professional fees	(5,170)		(14,456)	
		(249,216)		(176,590)
Loan interest (see note 14)		(22,521)		(12,496)
Total return on investment property		(34,569)		55,754
National Lottery Heritage Fund Project expenditure		-		(47,242)
Gain on revaluations of investment properties		-		-
Net (expenditure)/income from investment properties		(34,569)		8,512

8 INVESTMENTS

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Investments at market value 1 January	501,006	832,176	747,603	2,080,785	2,286,380
Additions	-	-	-	-	783,316
Proceeds from disposals	(225)	(372)	(370)	(967)	(762,251)
Net increase/(decrease) on disposals and revaluation	34,893	57,539	50,239	142,671	(226,660)
Transfer of investments	-	-	-	-	-
Investments at market value 31 December	535,674	889,343	797,472	2,222,489	2,080,785
Short term deposits	1,650	(3,471)	1,895	74	456
	537,324	885,872	799,367	2,222,563	2,081,241
Investments by type		Equities	Fixed Interest	Variable Interest	Total
		£	£	£	£
Investments at market value 1 January		1,446,207	140,374	495,660	2,081,241
Investments at market value 31 December		1,567,633	239,176	415,754	2,222,563

There is an additional £100 investment in the Cathedral only balance sheet of its wholly owned subsidiary Southwell Cathedral Chapter Trading Limited.

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

9 NON INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
At cost 1 January	-	-	2,671,605	2,671,605	2,780,787
Additions	-	-	-	-	-
Impairment Review	-	-	-	-	(109,182)
At cost 31 December	-	-	2,671,605	2,671,605	2,671,605

No depreciation has been charged on the freehold or long leasehold properties.

Non investment properties are held as follows:

	Freehold	Leasehold >50 years	Leasehold <50 years	Total 2023	Total 2022
	£	£	£	£	£
At 1 January					
For Cathedral trading activities	275,000	-	-	275,000	384,182
For Cathedral clergy and staff housing	2,396,605	-	-	2,396,605	2,396,605
	2,671,605	-	-	2,671,605	2,780,787
At 31 December					
For Cathedral trading activities	275,000	-	-	275,000	275,000
For Cathedral clergy and staff housing	2,396,605	-	-	2,396,605	2,396,605
	2,671,605	-	-	2,671,605	2,671,605

Impairment reviews are carried out annually by the Finance committee members, assisted by Owen Mathias who is a member of the committee and this year supported by the report produced by Savills.

Church Street Land – Heritage asset

During 2015, Chapter became the trustee of a property trust which holds a piece of land that is the site of Roman ruins. Chapter is to retain the land in perpetuity for the public benefit, principally for the advancement of education in conservation of archaeological and historic heritage.

The asset has not been included on the balance sheet as the purchased cost of the land has no relevance as its primary purpose is for archaeological and historical study, and its value would differ dependent on the user. The site is unique and therefore there is no readily available market value, and trustees consider that in the absence of reliable cost information, the expense of determining a reliable valuation of this site is onerous compared with the additional benefit derived by users of the accounts in assessing the trustees' stewardship of the asset.

10 EQUIPMENT AND PLANT

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Cost	161,496	286,207	-	447,703	463,375
Depreciation	(123,537)	(261,115)	-	(384,652)	(390,964)
Net book value at 1 January	37,959	25,092	-	63,051	72,411
Additions	11,513	-	-	11,513	14,045
Disposals	-	-	-	-	(29,717)
Depreciation on disposals	-	-	-	-	29,717
Depreciation for year	(14,742)	(6,604)	-	(21,346)	(23,405)
Net book value at 31 December	34,730	18,488	-	53,218	63,051
Cost	173,009	286,207	-	459,216	447,703
Depreciation	(138,279)	(267,719)	-	(405,998)	(384,652)
Net book value at 31 December	34,730	18,488	-	53,218	63,051

11 STOCKS

Goods for resale	46,097	-	-	46,097	57,747
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Stock relates solely to trading stock held in Southwell Cathedral Chapter Trading Ltd.

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

12 DEBTORS		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
Group		£	£	£	£	£
	Trade debtors	4,993	-	-	4,993	4,020
	Other debtors	20,708	16,519	-	37,227	121,768
	Prepayments and accrued income	7,895	49,351	-	57,246	196,309
		33,596	65,870	-	99,466	322,097
Cathedral		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£	£
	Trade debtors	4,228	-	-	4,228	3,422
	Amount due from subsidiary undertaking	73,281	-	-	73,281	73,281
	Other debtors	20,708	16,519	-	37,227	121,768
	Prepayments and accrued income	7,895	49,351	-	57,246	196,309
		106,112	65,870	-	171,982	394,780
13 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
Group		£	£	£	£	£
	Bank loan (see note 14)	19,412	-	-	19,412	20,205
	Trade creditors	3,172	-	-	3,172	18,317
	Tax & social security	14,418	-	-	14,418	9,747
	Other creditors	43,944	5,548	-	49,492	62,300
	Accruals and deferred income	14,839	-	-	14,839	46,595
		95,785	5,548	-	101,333	157,164
Cathedral		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
		£	£	£	£	£
	Bank loan (see note 14)	19,412	-	-	19,412	20,205
	Trade creditors	2,675	-	-	2,675	10,210
	Tax & social security	14,418	-	-	14,418	9,747
	Other creditors	43,944	5,548	-	49,492	62,300
	Accruals and deferred income	14,839	-	-	14,839	46,595
		95,288	5,548	-	100,836	149,057
14 CREDITORS - AMOUNTS DUE BEYOND ONE YEAR						
Cathedral and Group						
<p>The £299,873 (2022 - £318,391) creditor due after more than one year is the proportion of the total loan balance of £319,285 that is not payable in 2024. This is a repayment bank loan from National Westminster Bank plc which is payable over twenty years from September 2014. The loan is secured against Bishop's Manor. The rate of interest is 2.35% per annum above the Bank's Base Rate and is reviewed every five years.</p>						
An analysis of the amounts falling due is below:		2023	2022			
		£	£			
	* in one year or less (under current liabilities)	19,412	20,205			
	* between one and two years	20,940	21,419			
	* between two and five years	73,236	72,296			
	* in five years or more	205,697	224,676			
		319,285	338,596			
	Payable within one year	19,412	20,205			
	Payable after one year	299,873	318,391			
		319,285	338,596			

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

15 FUNDS

Movement in Consolidated Funds

a. Endowment Funds

	As at 1st January 2023	Income	Expenditure	Gains	Transfers	As at 31st December 2023
	£	£	£	£	£	£
Fabric Funds	415,967	-	-	26,170	-	442,137
Chapter Fund	7,403,963	-	-	608	-	7,404,571
Music Funds	503,189	-	-	23,431	-	526,620
Other Funds	3,078	-	-	30	-	3,108
	8,326,197	-	-	50,239	-	8,376,436

	As at 1st January 2022	Income	Expenditure	Gains/ (Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Fabric Funds	452,996	-	-	(37,029)	-	415,967
Chapter Fund	7,343,686	-	-	60,277	-	7,403,963
Music Funds	534,646	-	-	(31,457)	-	503,189
Other Funds	3,120	-	-	(42)	-	3,078
	8,334,448	-	-	(8,251)	-	8,326,197

Fabric - established by constitution and statutes from 1967 to provide an income solely for the repair and maintenance of the fabric of the Cathedral Church, but without prejudice to payments being made for these purposes from other funds.

Chapter Fund - funds arising from the sale of property and investments prior to the combination of accounts for the Cathedral Chapter and Cathedral Council in the 1970's.

Music - includes capital grants from the Friends of the Cathedral Music and funds from a Capital & Projects funding campaign for a music foundation.

Other - other capital grants used for various specific purposes.

b. Restricted Funds

	As at 1st January 2023	Income	Expenditure	Gains	Transfers	As at 31st December 2023
	£	£	£	£	£	£
Fabric Funds	395,059	65,157	(26,628)	27,452	-	461,040
Music Funds	507,717	115,522	(102,105)	13,356	-	534,490
Great Hall	30,361	1,469	(5,921)	2,108	-	28,017
The Leaves Project (Match Funding)	85,236	3,737	(21,850)	-	-	67,123
Sacrista Retreat House	298,195	-	(8,639)	-	-	289,556
Culture Recovery Fund	12,936	-	(3,869)	-	-	9,067
Church Commissioners	16,766	377,235	(377,357)	-	-	16,644
Organ Fund	97,442	23,947	(2,297)	6,202	-	125,294
Specified Donations	160,313	3,105	(5,549)	8,023	-	165,892
Other Funds	30,618	10,251	(9,667)	398	-	31,600
	1,634,643	600,423	(563,882)	57,539	-	1,728,723

	As at 1st January 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Fabric Funds	475,231	48,965	(78,511)	(50,626)	-	395,059
Music Funds	220,468	345,587	(34,062)	(24,276)	-	507,717
Education Fund	38,252	939	(40)	(4,119)	(35,032)	-
Library Fund	95,371	2,340	(100)	(10,269)	(87,342)	-
Great Hall	40,394	1,707	(7,420)	(4,320)	-	30,361
The Leaves Project (Match Funding)	115,884	6,672	(37,320)	-	-	85,236
NHLF* - The Leaves of Southwell Project	(7,216)	232,562	(225,346)	-	-	-
Sacrista Retreat House	300,124	-	(1,929)	-	-	298,195
Culture Recovery Fund	16,805	-	(3,869)	-	-	12,936
Church Commissioners	24,771	322,410	(330,415)	-	-	16,766
Organ Fund	75,721	52,121	(22,066)	(8,334)	-	97,442
Specified Donations	174,321	3,395	(4,957)	(12,446)	-	160,313
Other Funds	34,917	16,295	(17,626)	(714)	(2,254)	30,618
	1,605,043	1,032,993	(763,661)	(115,104)	(124,628)	1,634,643

* NHLF - National Lottery, Heritage Fund (previously Heritage Lottery Fund)

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

15 FUNDS (Continued)

b. Restricted Funds (Continued)

Fabric - funds from restricted donations and income from the fabric endowment fund.

Music - funds from restricted donations and income from the music endowment fund.

Education - residue of donations and grants to fund the Education Centre. Frustrated fund balance transferred to general funds 2022.

Library - funds from the sale of library items. Found to be designated fund and therefore transferred accordingly in 2022.

Great Hall - funds from restricted donations towards the Archbishop's Palace National Lottery, Heritage Fund project.

The Leaves Project (Match Funding) - funds from restricted donations towards The Leaves of Southwell Project.

National Lottery, Heritage Fund (NLHF) - Following a successful development stage, The Leaves of Southwell Project was awarded a £1,909,600 grant by the National Lottery Heritage Fund (NLHF) for the delivery stage and the first £77,044 was received in 2019. A further £866,480 was drawn down during 2020, £700,808 during 2021 and £232,562 during 2022.

Sacrista Retreat House - This fund includes £273,160 that The trustees of The Convent of St Laurence agreed to donate for the benefit of Sacrista Prebend when the charity was dissolved in 2020.

Culture Recovery Fund - The Chapter were also successful in a bid to the CRF and was awarded a grant of £400,900 which is mainly for salary costs to help the Cathedral recover from the pandemic and move forward. The grant is for the period 1 October 2020 to 31 March 2021. The balance is for depreciation for items that Chapter's policy states should be capitalised.

Church Commissioners - The Commissioners support the ministry of Cathedrals through two funding streams. 'Section 21' funding is given to fund the stipends and pension costs of the dean and two residential canons. 'Section 23' funding is given to fund staff costs for Cathedrals with the lowest incomes, freeing up local resources and helping to facilitate mission and ministry to their local communities. The Commissioners also currently provide additional funding via their Cathedral Sustainability Fund.

Organ Fund - net funds from appeals to raise money for the restoration and rebuild of the Cathedral's organs.

Specified Donations - Various smaller donations restricted for specific diverse areas of Cathedral work.

Other Funds - other smaller funds including Potwell Dyke and money donated to the upkeep of Higgins Mead.

c. Designated Funds

	As at 1st January 2023	Income	Expenditure	Gains	Transfers	As at 31st December 2023
	£	£	£	£	£	£
Designated	41,476	-	-	-	-	41,476
Music (Metcalfe bursary)	20,699	589	(17)	1,405	-	22,676
Library	87,342	4,819	(295)	6,137	-	98,003
	149,517	5,408	(312)	7,542	-	162,155

	As at 1st January 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Designated	49,045	153	(7,714)	(670)	662	41,476
Music (Metcalfe bursary)	23,197	569	(569)	(2,498)	-	20,699
Library	-	-	-	-	87,342	87,342
	72,242	722	(8,283)	(3,168)	88,004	149,517

Designated - general donations and legacies which Chapter have earmarked for specific purposes.

Music (Metcalfe bursary) - a bequest designated by the Cathedral Council for chorister bursaries.

Library - funds from the sale of library items.

d. General Fund

	As at 1st January 2023	Income	Expenditure	Gains	Transfers	As at 31st December 2023
	£	£	£	£	£	£
General	245,108	854,306	(1,143,035)	27,351	13,868	(2,402)
Trading Subsidiary	13,868	135,859	(127,436)	-	(13,868)	8,423
	258,976	990,165	(1,270,471)	27,351	-	6,021

	As at 1st January 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
General	490,005	681,922	(961,070)	(14,319)	48,570	245,108
Trading Subsidiary	11,946	144,060	(130,192)	-	(11,946)	13,868
	501,951	825,982	(1,091,262)	(14,319)	36,624	258,976

General - general activity

Trading Subsidiary - wholly-owned subsidiary company used for the trading activity of The Cathedral Shop.

e. Summary of Net Assets by Fund 2023

	Unrestricted General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2023
	£	£	£	£	£
Tangible Fixed Assets	34,730	-	18,488	2,671,605	2,724,823
Investments	910,658	108,584	885,872	5,703,049	7,608,163
Current Assets	(543,709)	53,571	829,911	1,782	341,555
Current Liabilities	(95,785)	-	(5,548)	-	(101,333)
Long-Term Liabilities	(299,873)	-	-	-	(299,873)
Total funds carried forward 31 December 2023	6,021	162,155	1,728,723	8,376,436	10,273,335

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023**

f. Summary of Net Assets by Fund 2022		Unrestricted	Designated	Restricted	Endowment	Total
		General	Funds	Funds	Funds	Funds
		Fund	Funds	Funds	Funds	2022
		£	£	£	£	£
Tangible Fixed Assets		37,959	-	25,092	2,671,605	2,734,656
Investments		876,091	108,584	828,870	5,653,296	7,466,841
Current Assets		(182,898)	40,933	784,060	1,296	643,391
Current Liabilities		(153,785)	-	(3,379)	-	(157,164)
Long-Term Liabilities		(318,391)	-	-	-	(318,391)
Total funds carried forward 31 December 2022		258,976	149,517	1,634,643	8,326,197	10,369,333
16 EMPLOYEES					2023	2022
<i>Staff numbers</i>					No.	No.
Average number of paid employees working for the Cathedral during the year (including clergy paid by the Church Commissioners):						
Full time					12.0	12.9
Full time equivalent of part time staff					14.4	13.2
Total					26.4	26.1
<i>The average number of employees during the year</i>					33.0	33.0
<i>Staff costs</i>					£	£
Salaries and stipends					735,939	690,378
Employers national insurance					60,433	56,674
Employers apprenticeship levy					448	425
Employers pension contributions					87,934	87,851
Total					884,754	835,328
No employee or member of the Cathedral clergy received emoluments in excess of £60,000 in either year.						
17 REMUNERATION OF MEMBERS OF THE CHAPTER						
	Stipend / salary	Apprenticeship levy	Employers NI	Pension	Total	Total
	£	£	£	£	2023	2022
					£	£
Clerical Members/ Key Management Personnel						
The Very Revd Nicola Sullivan	39,477	171	3,472	8,909	52,029	53,273
The Rev Canon Richard Frith	30,989	131	2,371	7,127	40,618	41,736
The Rev Canon Paul Rattigan	30,989	146	2,773	7,127	41,035	39,772
<i>Financed by Church Commissioners</i>	101,455	448	8,616	23,163	133,682	134,781
The remuneration and pension provision for the clerical members are paid by the Church Commissioners and Cathedral Chapter in accordance with scales laid down annually by themselves, the Archbishops' Council and the Church of England Pensions Board.						
Total expenses reimbursed to 3 (2022: 3) clerical members of Chapter for travel, hospitality and stationery					£5,708	£6,355
18 AUDITOR'S REMUNERATION					2023	2022
Audit fee (including VAT)					£13,482	£12,840
Other services (including VAT)					£1,578	£1,500
19 OPERATING LEASES					2023	2022
The total future minimum lease payments under non-cancellable operating leases are as follows:						
					£	£
Within one year					2,645	2,645
Between two and five years					7,934	10,579
					10,579	13,224
20 PRIOR YEAR COMPARATIVE SOFA & SUMMARY OF ASSETS BY FUND						
		Unrestricted	Designated	Restricted	Endowment	Total
		General	Funds	Funds	Funds	Funds
		Fund	Funds	Funds	Funds	2022
		£	£	£	£	£
Income and Endowments from:						
Donations and legacies		268,870	-	417,812	-	686,682
Grants in support of mission		2,376	-	559,009	-	561,385
Charges and fees arising in the course of mission		42,819	-	9,702	-	52,521
Trading and fundraising		247,043	-	2,845	-	249,888
Investments		258,350	722	43,625	-	302,697
Other income		6,524	-	-	-	6,524
Total Income		825,982	722	1,032,993	-	1,859,697
Expenditure on:						
Raising funds		(448,029)	(31)	(105,626)	-	(553,686)
Ministry		(371,829)	(8,252)	(330,808)	-	(710,889)
Cathedral and precincts upkeep		(211,820)	-	(192,665)	-	(404,485)
Education and outreach		(59,584)	-	(134,562)	-	(194,146)
Total Expenditure		(1,091,262)	(8,283)	(763,661)	-	(1,863,206)
Exceptional Item:						
Impairment of non-investment property		-	-	-	(109,182)	(109,182)
Net income/(expenditure) before investment gains		(265,280)	(7,561)	269,332	(109,182)	(112,691)
Net (losses) on investments		(14,319)	(3,168)	(115,104)	(94,069)	(226,660)
Net gains on investment property		-	-	-	195,000	195,000
Net income/(expenditure)		(279,599)	(10,729)	154,228	(8,251)	(144,351)
Gross transfers between funds		36,624	88,004	(124,628)	-	-
Net movement in funds		(242,975)	77,275	29,600	(8,251)	(144,351)
Total funds brought forward 1 January 2022		501,951	72,242	1,605,043	8,334,448	10,513,684
Total funds carried forward 31 December 2022		258,976	149,517	1,634,643	8,326,197	10,369,333

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2023

21 CONNECTED ENTITIES

The following entities operate wholly for the benefit of the Cathedral's ministry but are not controlled by Chapter and therefore are not consolidated in the accounts of the Cathedral. Any payments made to the Cathedral or for its benefit are at the discretion of the trustees of the entities.

a The Friends of Southwell Cathedral (Registered Charity no. 1039131)

"The Friends" have a separate constitution with the objects of promoting the restoration, maintenance, repair and improvement of the fabric, ornaments, vestments, fittings, furniture and furnishings of the Cathedral, to maintain its public worship and music, and to further other charitable purposes relating to the Cathedral.

Members of the Council of The Friends include the Bishop of Southwell, the Dean of Southwell and a member appointed by each of the College of Canons and the Cathedral Chapter.

The accounts of The Friends have been independently examined and the report was unqualified.

	31.12.23	31.12.22
	£	£
<i>Amount paid or payable to the Cathedral</i>	59,896	46,433
Total income	105,432	74,172
Net income	35,538	18,343
Gains / (losses) on investments	15,731	(72,343)
Gross assets	700,313	647,737
Net assets	695,907	644,638

b The Chimes Trust (Registered Charity no. 241545)

The Chimes Trust dates from a settlement made in 1822. The purposes of the Trust is to maintain and repair the Chimes and fabric of the Cathedral. The Trustees include the Dean of Southwell.

The accounts of the Trust have been independently examined and the report was unqualified.

	5.4.23	5.4.22
	£	£
<i>Amount paid or payable to the Cathedral</i>	1,938	4,058
Total income	12,152	18,431
Net income/(expenditure)	(16,425)	11,061
Gains / (losses) on investments	(12,946)	29,196
Gross assets	758,211	787,505
Net assets	756,711	786,082

c Simmons Charity Minster Repair Fund

The Simmons Charity Minster Repair Fund was created by a Trust Deed in 1966 for the purpose of repairs to the Cathedral's fabric. The Dean of Southwell is one of the two Trustees.

	31.12.23	31.12.22
	£	£
<i>Amount paid or payable to the Cathedral</i>	3,162	2,245
Total income	8,848	6,872
Net income/(expenditure)	3,864	2,744
Gains on investments	28,349	1,897
Gross assets	288,371	255,241
Net assets	285,209	252,996

d The Southwell Minster Choir Association (Registered Charity no. 1000584)

The Southwell Minster Choir Association promotes the study and practice of choral music, particularly church music, and the development of the Southwell Minster Choir.

The accounts of the Association have been independently examined and the report was unqualified.

	31.3.23	31.3.22
	£	£
<i>Amount paid or payable to the Cathedral</i>	1,211	238
Total income	27,558	26,958
Net income/(expenditure)	(4,350)	2,425
Gains / (losses) on investments	(1,011)	(84)
Gross assets	51,447	56,808
Net assets	50,985	56,364

22 Related Party Transactions

The Cathedral is the parent entity of Southwell Cathedral Chapter Trading Limited, a limited company that carries of trading activities for the benefit of Southwell Cathedral Chapter. During the year The Cathedral purchased items in relation to its mission and ministry from Southwell Cathedral Chapter Trading Limited which totalled £1,534 (2022 - £2,014) and owed £nil (2022 - £nil) at the year end. Southwell Cathedral Chapter Trading Limited owed The Cathedral £73,281 at the year end (2022 - £73,281).

The Friends of Southwell Cathedral, The Chimes Trust, the Simmons Charity Minster Repair Fund and The Southwell Minster Choir Association, although associated entities, are not controlled by Chapter. Their results are not included in the consolidated financial statements but a summary of their accounts is shown in note 21.

In 2020 Chapter committed to reimbursing The Very Revd Nicola Sullivan and her husband, Terry Westwood, £43,000 for costs incurred by them and agreed by Chapter to repair, manage and maintain The Residence and its grounds up to a suitable and habitable standard. During 2021, £23,000 of this agreed amount was paid, with the final £20,000 being paid in 2 installments of £10,000 in 2022 and 2023 respectively.