

SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2020

SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2020

INDEX	PAGE
Annual Report:	
1. Legal & Administration	1-2
2. Structure, Governance and Management	3-6
3. Objectives & Activities	7-9
4. Achievements & Performance	9
5. Relationships with Other Organisations	10
6. Financial Review	10-13
7. Plan for Future Years	14
8. Risk Management	15
Auditor's Report	16-18
Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	20
Cathedral Balance Sheet	21
Consolidated Cash Flow Statement	22
Notes to the Financial Statements	23-34

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT
FOR THE YEAR ENDED 31st DECEMBER 2020**

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

administrator@southwellminster.org.uk

Members of the Cathedral Chapter

The Very Revd Nicola Sullivan

The Revd Canon Dr Richard Frith (Canon Precentor)

Canon Philip Blinston (appointed by the Bishop)

Mr Richard Vigar FCA (appointed by the Bishop)

Mrs Vicky Thorpe (Safeguarding Coordinator appointed by Chapter)

Mr Andrew Corner (elected by the APCM)

Mr Tim Richmond FCA (appointed by the Bishop)

Mr Shaun Boney (appointed by the Bishop from January 2018)

Mrs Jan Richardson (elected by the APCM) (from April 2019)

There has been a vacancy for a second Residentiary Canon since September 2018

There has been a vacancy for a Clerk in Holy Orders appointed by The Bishop since August 2019

Chief Operating Officer

The senior member of staff to whom day-to-day management of the Cathedral is delegated by Chapter is Mrs Adele Poulson.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

Professional Advisors

Auditors:

BHP LLP
2 Rutland Park
Sheffield
S10 2PD

Bankers:

National Westminster Bank plc
Newark (A) Branch
1 Market Place
Newark Notts NG24 1DY

Investment Managers:

Brewin Dolphin Ltd
1st Floor, Waterfront House
Waterfront Plaza
35 Station Street
Nottingham NG2 3DQ

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Solicitors:

Chattertons
9 Broad Street
Stamford
Lincs PE9 1PY

Surveyor of the Fabric:

Mr Nicholas Rank BA (Hons) BArch RIBA AABC
FRSA
Buttress Fuller Aisop Williams
41 Bengal Street
Manchester M4 6AF

Archaeologist:

Dr Philip Dixon
24 Crown Street
Newark
Notts NG24 4UY

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

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 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 2020 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.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

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.

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.
- Prepare 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.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

The Governance of the Cathedral

The Dean is the Chair and Chapter consists of two Residentiary Canons, together with members appointed by the Bishop of Southwell and Nottingham and two members elected by the Annual Parochial Church Meeting. The Chapter meets a minimum of nine times each year as a body but its detailed work is primarily devolved to a number of committees and boards, which deal with the following:

Education and Libraries	Health and Safety	Pastoral
Fabric	Liturgy and Worship	Property
Finance and Investment	Mission	Safeguarding
Shop Management	Audit and Risk	

The Finance and Investment Committee has ten members and is chaired by Tim Richmond. The members include the Dean, Chief Operating Officer, one Residentiary Canon and other members with financial and investment management expertise and property management expertise. 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 or 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.

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 12(i) of the Cathedrals Measure, 1963.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

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.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

3. OBJECTIVES & ACTIVITIES

Although the Cathedral is not regulated by the Charity Commission, 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.

Mission Statement:

"The Minster Community seeks to celebrate God's life, love and beauty in the Cathedral at the heart of the Diocese, in the life of the Parish and across the world. Our hope is in God the source of all community, and our purpose is the service of His Kingdom in the name of Jesus Christ and in the power of the Holy Spirit."

We will live out our mission through our strategic aims of:

Welcome, Hospitality and Christian Heritage

Offer a welcome to all visitors with the opportunity to discover the Cathedral, enjoy peace and have the opportunity for silence, quiet prayer and to light a candle or find a listening ear. We are here for everyone.

Worship

Offer inspiring services that lead and support all God's people and draw in those on the fringes of belief.

Faith, Learning and Discipleship

Create a place of theological enquiry, learning and Christian formation.

Outward facing engagement

To grow and build mutually beneficial relationships across the County in business, commerce agriculture and education with a special emphasis on areas of deprivation and social need.

A Sustainable and Ethical Business Operation

To create and improve sustainable income sources through a well administered business operation that will focus on growth through the development of new ideas and opportunities.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

Key priorities planned for 2020 included:

- The appointment of a graduate intern funded by the National Lottery Heritage Fund.
- The recruitment of a Residentiary Canon. (Deferred until 2021 due to Covid)
- The ongoing engagement with the Cathedrals Working Group regarding the new Cathedrals Measure.
- The continued delivery of the Round 2 'Leaves Project' funded by the National Lottery, Heritage Fund.
- 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.
- Review of the Safeguarding Policy in line with the diocesan and national guidelines.
- SCIE Audit in September 2020. (Deferred until 2021 due to Covid)
- The development of a number of new events, especially outdoor theatre, to encourage use of the gardens of the Archbishops Palace. (Deferred until 2021 due to Covid)
- To increase overall visitor (tourist/pilgrim) numbers. (Deferred until 2021 due to Covid)
- Increasing the average visitor donation.
- The ongoing development and implementation of the Cathedral website and online shop.
- Increased communication and marketing of events.
- The continued delivery of an upgraded IT infrastructure to increase efficiency, security, and reliability.
- The continuous review of operational procedures to improve efficiency, to find ways to reduce waste, and operating costs.
- Having spending plans that are affordable.

The key strategic objective for 2020, to grow a sustainable future to welcome visitors, pilgrims and worshippers was severely tested by the COVID-19 global pandemic. Many of our plans were put on hold as we were presented with different challenges and new ways of working, that no one could have anticipated. With more urgent priorities, considering how adversity can be turned into an opportunity with imaginative and creative action were embraced by the wider Cathedral team.

The Business Advisory Group which is a working group of the FAIC continued to develop plans for improved catering and hire/event facilities as well as ideas for Sacrista Prebend Retreat House, including its carpark and garden.

A detailed review of the Cathedral's activities during 2020 is contained in the Annual Report, available from the Minster Centre.

MINISTRY

Worship

Each day the Offices of Morning and Evening Prayer are said or sung in the Cathedral and the Holy Communion is celebrated. Sunday services include Morning Prayer, Holy Communion, Family Eucharist, Sung Eucharist and Evensong. During the pandemic many of these services were online.

Some services such as the Animal Blessing were held outside and in accordance with strict Covid guidelines.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

Diocesan Events

Many of the regular Diocesan events were cancelled during 2020, but it was possible to hold ordinations of Deacons and Priests, but in a much smaller and safe way.

Cathedral Events

During 2020 Cathedral events, which included concerts, exhibitions and festivals were cancelled, including the previously successful Southwell Music Festival.

CATHEDRAL AND PRECINCTS UPKEEP

- Maintenance and repairs were undertaken on the Residence
- Other properties have been maintained so as to minimise large expenditure in the future but more work is required in this area
- The grounds are continually being developed to enhance the overall visitor experience.
- Through the generosity of the Heritage Lottery Players the Cathedral High Quire roof was completely replaced.

EDUCATION AND OUTREACH

Although 2020 could not be described as a typical year due to the March lockdown and staff furlough, in the early part of the year we were able to welcome schools and the local community to the Minster. Between January and mid-March, 2291 people visited for school visits and a family fun day.

Adult learning included hard hat tours, university outreach, an academic conference and work with vulnerable groups in the community as part of the leaves project, and this reached a further 350.

Following furlough from late summer onwards we managed a hard hat tour of the Chapter House works before restrictions tightened again, but managed to deliver some online learning to a primary school for 30 children, engaged c100 people in the Leaves themed autumn half term family trail based in the Palace gardens and created a Christmas video tour and story for schools and churches as well as a Minster Advent/ Christmas trail for families in December.

In December we launched a new series of online talks related to the Leaves project, and we were delighted to employ a new graduate from 1st October as a year-long fixed term internship funded by the National Lottery Heritage Fund as part of the Leaves project.

4. ACHIEVEMENTS AND PERFORMANCE

The Finance & Investment Committee (FAIC) reviews the Cathedral's investment portfolio at least two times 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 Brewin Dolphin are subject to regular ethical screening based on the same ethical guidelines.

Some key figures and ratios and noted in section 6, Financial Review.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

5. 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 SchoolSouthwell Minster Choir Association
Southwell Music Festival	Southwell Town Council

6. FINANCIAL REVIEW

Financial performance

The following figures have been extracted from the audited accounts on pages 19 to 34

	2020	2019
	£	£
Operating Costs:		
Clergy costs	131,300	105,634
Services and music	115,997	153,195
Vergers and interior upkeep	84,596	167,359
Administration costs	251,882	261,061
Outward giving	11,000	20,540
Insurances and other expenses (net)	84,657	110,151
Total annual operating costs	679,432	817,940
These costs were funded as follows:		
Collections and giving	178,835	218,884
Church Commissioners	244,613	229,463
Investments and property (net)	117,019	121,890
Fees, visitors, shop and events (net)	35,350	158,110
Coronavirus Job Retention Scheme	120,108	-
Total income	695,925	728,347
Operating surplus/(deficit)	16,493	(89,593)
Legacies	2,000	250
General Fund Operating Surplus/(Deficit)	18,493	(89,343)

The General Fund net operating surplus (before legacies) for the year was £16,493 compared with a deficit of £89,593 in 2019. The surplus of £16,493 compares with a budgeted deficit £49,332.

Whilst every effort was made to reduce costs during 2020 due to the pandemic, a year in which income dropped by over £200,000, the above result would not have been possible without the funding from the Culture Recovery Fund.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

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 focussed 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.

A particular issue has been the need to further invest in updated and secure IT systems, which continued during 2020 and the benefits have been seen during the year with the dependence on the online shop during lockdowns and also the ability to gratefully receive many online donations. Work continues with a view to start live streaming events from the cathedral in the near future.

The outlook for 2021 is to achieve a breakeven budget, helped by the Culture Recovery Fund and ensuring that plans are in place to be able to work towards returning to normal life by the middle of the year. Additional income targets based on individual plans with a combined target of £72,500 continue to developed with the aim of working towards the main financial objective.

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 £627,000 as at 31st December 2020. This is split between general reserves of £578,726 and designated reserves of £48,274. 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. The current level of £551,595 is just over six month's 'normal' operational expenditure and Chapter reviews the amount of reserves that are required to ensure that they fulfil the charity's continuing obligations on a regular basis.

The reserves held in restricted funds amounted to £1,624,880 as at 31st December 2020. Information regarding the restricted funds is provided in note 15b on pages 31 and 32.

The reserves held in the endowment funds amounted to £8,208,087 as at 31st December 2020. Information regarding the endowment funds is provided in note 15a on page 31.

SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020

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 £94,349 in 2020 (2019 - £95,531). Most cathedrals also receive a grant towards clergy support and administrative costs, and a total of £150,264 was received in 2020 (2019 - £133,932). During 2020 an additional £91,385 was received due the vacancy of a Residentiary Canon during 2019 as well as 2020. This additional funding was used towards education, marketing and verger salary costs.

A development grant of £299,700 was awarded from the National Lottery, Heritage Fund (NLHF), for The Leaves of Southwell Project during 2017 and the first £71,636 of this was received during 2018. Further grant income of £194,547 was received in 2019 including a debtor of £68,863 for grant funds requested in 2018. The full grant awarded was not required to fulfil the requirements of this stage.

Following the 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 £782,833 was drawn down during 2020 and the balance will be received over the remaining two years of the project.

The Chapter were also successful in a bid to the Culture Recovery Fund and have been awarded a grant of £400,900 which is mainly for salary costs to help the cathedral recover from the current pandemic and move forward. The grant is for the period 1 October 2020 to 31 March 2021 and £200,450 was received in 2020.

Fundraising

Further Match funding for the NLHF - The Leaves of Southwell Project have gratefully been received during 2020 including grants from The Friends of Southwell Cathedral and The Chimes Trust. Specific thanks also to private individual donors who, on learning about the project, have proactively come forward to donate. Although we have reached our target of £180,000, continued contributions are always welcome due to additional not eligible costs which are inevitable with a project of this scale and complexity.

A Choir and Clergy Robes Appeal started during 2019 with a target to raise £29,000. Kind donations including online giving and £5,000 from SMCA were received during 2019. The appeal continued into 2020 and the target was met with further online giving and a welcomed £10,000 donation from The Friends of Southwell Cathedral.

Visitor & Legacy Income

A major source of funding for the Minster's work is regular giving under Gift Aid by members of the Community with £142,000 received in 2020 (2019 - £156,500). Donations by visitors to the Minster decreased in 2020 to £21,700 (2019 - £38,400) due to the forced closure of the building during the pandemic.

The Southwell Minster legacy leaflet is still proactively distributed; copies are available by the donations boxes in the Minster. Legacy income amounted to £23,468 in 2020, (2019 - £32,076). Lifetime gifts are similarly extremely valuable and enable donors to have the joy of seeing the immediate benefit.

Trading Income

The Minster Shop net profit amounted to £13,741 in 2020 (2019 - £47,731) and continues to provide a valuable source of income to the Cathedral. The decrease in profit is due to the forced closure periods during the pandemic although the government's Business Interruption grants have helped. An online shop via our website was implemented in December 2019 and this was developed further during the year to increase product availability and has been successful.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

Investment Properties Portfolio

The investment property portfolio (Minster Centre, Sacrista Prebend, the Refectory and Bishops Manor) continues to provide a vital source of income. Net income, not including loan interest of £9,980 (2019 – £12,521), totalled £90,880 (2019 - £63,617). For more details of the return on investment properties please see note 7 on page 28.

Financial Investments

Chapter has established a policy of investment to produce income, subject to a medium degree of risk whilst at least maintaining the real value of investments. All investments held by Chapter adhere to the Church of England's ethical policy.

On 1st September 2010 the financial investments were pooled and split between the two investment managers, CCLA Investment Management Ltd and Brewin Dolphin Ltd, and have been accounted for on that basis since that date. Further detailed information can be found in note 8 on page 28.

Financial Investments Performance

Investment markets saw positive returns overall in 2020 but with continued volatility over the course of the year.

During 2020 there were net unrealised gains on Chapter investments of £46,330 and net realised losses on disposals of £14,224. Despite the small rise in value, income was slightly lower in 2020 than the previous year with the total investment income amounting to £63,407 (2019 - £66,532).

Summary of Key figures

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

	2016	2017	2018	2019	2020
	£	£	£	£	£
Incoming resources					
Congregational collections & giving	137,768	151,568	180,506	172,725	121,401
Legacies	27,109	241,497	1,500	32,076	23,468
Grants	300,901	776,667	598,284	753,157	1,415,929
Minster Shop net profit	29,105	44,310	26,448	47,731	13,741
Resources expended					
Major repairs & restoration	83,166	571,984	320,115	457,713	920,606
Key ratios					
Income yield on investments & cash	4.1%	4.0%	3.9%	3.3%	3.1%

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

7. PLANS FOR FUTURE YEARS

In December 2020 Chapter approved a 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 operating 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. These eight strategic themes have now been embraced by the Cathedral Chapter as the basis of the strategy and will be used as a framework to approach Church Commissioners for development funding. In parallel, we have started the critical analysis of one of the four key business processes 'Book' in order to reengineer it to become more efficient and effective and to take full advantage of the opportunities presented to the Cathedral.

The 'Leaves' project has enabled the Cathedral to renew the high roof, undertake conservation and repair works to the carvings in the Chapter House and Slype. The project will also improve access to the Chapter House, replace external paths and lighting, in addition to providing interpretation across the site to raise awareness and understanding of the Leaves of Southwell.

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 2021 our plans are to:

- Monitor the Coronavirus situation regularly, taking necessary action as appropriate on the government's road map to recovery.
- Submit an application to the Church Commissioners for funding for a Commercial Operations Manager.
- New and vacant roles will be filled and have been reflected in the budget. New posts include a Residentiary Canon, a Fundraiser, a Commercial Operations Manager and additional administrative resources.
- Put in place a new tenancy agreement with the refectory to develop and manage a sustainable catering operation from 2021.
- Develop the existing floorspace for the shop and refectory to expand the catering and hospitality offer.
- Increase income from commercial events.
- Making better use of the car park and grounds at Sacrista.
- Complete the Leaves project during summer 2021.
- SCIE Audit.

Since outlining the above plans, we continue to be affected by a worldwide pandemic, COVID19. During 2020 this disease forced the closure of our Cathedral building, many staff have were furloughed and income levels were significantly impacted upon. Chapter and the Senior Management Team continue to work closely on this issue with support and guidance from the government and the national church. During these uncertain times we will continue to review our plans whilst developing a re-opening strategy as lockdown eases.

**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31st DECEMBER 2020**

8. RISK MANAGEMENT

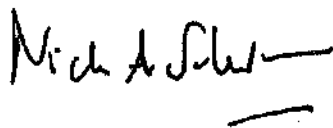
The Chapter reviews the major risks to the Cathedral and its work on a regular basis. Systems and procedures are updated as necessary to mitigate risks where they are identified. To build on the work already undertaken by Chapter an Audit and Risk Committee was established as a sub-committee of the Finance and Investment Committee and is chaired by Mr Richard Vigar. 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.

There are 3 red risks which are highlighted in the table below along with the action to be taken to mitigate the risk. (RAG* – Red, Amber, Green)

RAG* and SCORE	Risk Detail	Mitigation and Update
R16	The impact of Coronavirus could have a significant impact on income streams for many months to come with less tourists and decreased event activity including concerts. Confidence will be slow to build.	The situation is being monitored regularly, with necessary action taking place as more information is provided. Government guidelines are and will continue to be followed with required measures being implemented as and when announced. Social distancing measures will be key to move activity forward. All available sources of funding are being explored including the government's Job Retention Scheme.
R16	Not hiring the right people with the right skills at the right time	All recruitment activity identified. Recruitment documentation for key roles to be developed and actioned when it is possible to do so.
R16	Independent audit approved by the House of Bishop's could identify major weaknesses and failings of the safeguarding arrangements for the Cathedral.	Preparation for the audit will commence in January 2021

Safeguarding remains a high priority for the Chapter. Chapter's appointed Safeguarding Co-Ordinator, Mrs Vicky Thorpe, has worked with the Diocesan Safeguarding Adviser team to deliver staff and Chapter training. Chapter has reviewed and updated the Cathedral's safeguarding policy in line with national and diocesan guidelines for good practice.

Signed on behalf of the Chapter on 15th April 2021.



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 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Cathedral 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 2020, 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 related to going concern

We draw attention to note 1b in the financial statements which discusses the Chapter's assessment of the impact of the COVID-19 pandemic on the entity and its future plans. These events or conditions, along with the other matters as 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.

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 parent entity, or returns adequate or our audit have not been received from branches not visited by us; or
2. the 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 groups 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.

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

1. We gained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.
2. We focused on laws and regulations relevant to the entity which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, Chapter, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.
3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or Chapter that represented a risk of material misstatement due to fraud.

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.

BHP LLP

Jane Marshall (Apr 20, 2021 17:45 GMT+1)

Jane Marshall (Senior Statutory Auditor)
For and on behalf of BHP LLP
2 Rutland Park
Sheffield
S10 2PD
Date: Apr 20, 2021

SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
		Fund	Funds			2020	2019
		£	£	£	£	£	£
Income and Endowments from:	2						
(i) Donations and legacies		208,000	21,468	383,121	-	612,589	483,060
(ii) Grants in support of mission		-	-	1,415,929	-	1,415,929	753,157
(iii) Charges and fees arising in the course of mission		11,387	-	7,671	-	19,058	49,563
(iv) Trading and fundraising		107,297	-	4,827	-	112,124	298,042
(v) Investments		220,784	532	42,420	-	263,736	306,594
(vi) Other income		127,987	-	-	-	127,987	7,012
Total income		675,455	22,000	1,853,968	-	2,551,423	1,897,428
Expenditure on:	3						
(i) Raising funds		(240,024)	(34)	(112,260)	-	(352,318)	(514,309)
(ii) Ministry		(260,191)	-	(296,195)	-	(556,386)	(598,415)
(iii) Cathedral and precincts upkeep		(112,246)	-	(1,077,708)	-	(1,189,952)	(660,179)
(iv) Education and outreach		(44,501)	-	(76,792)	-	(121,293)	(101,606)
Total Expenditure		(656,962)	(34)	(1,562,953)	-	(2,219,949)	(1,874,509)
Net income/(expenditure) before investment gains/(losses)		18,493	21,966	291,015	-	331,474	22,919
Net gains/(losses) on investments	8	17,834	851	28,586	(13,738)	33,533	244,996
Net income (expenditure)		36,327	22,817	319,601	(13,738)	365,007	267,915
Other recognised gains/(losses)							
Investment property		-	-	-	10,000	10,000	-
Non investment property	9	-	-	-	-	-	-
		-	-	-	10,000	10,000	-
Gross transfers between funds	6	-	-	-	-	-	-
Net movement in funds		36,327	22,817	319,601	(3,738)	375,007	267,915
Total funds brought forward 1 January 2020		542,399	25,457	1,305,279	8,211,825	10,084,960	9,817,045
Total funds carried forward 31 December 2020		578,726	48,274	1,624,880	8,208,087	10,459,967	10,084,960

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

**SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Fixed assets						
Investment assets						
Property	7	727,102	-	4,463,498	5,190,600	5,180,600
Investments	8	140,496	943,695	964,897	2,049,088	2,022,172
		<u>867,598</u>	<u>943,695</u>	<u>5,428,395</u>	<u>7,239,688</u>	<u>7,202,772</u>
Non investment assets						
Property	9	-	-	2,780,787	2,780,787	2,780,787
Equipment and plant	10	27,131	27,340	-	54,471	54,122
		<u>27,131</u>	<u>27,340</u>	<u>2,780,787</u>	<u>2,835,258</u>	<u>2,834,909</u>
Total fixed assets		894,729	971,035	8,209,182	10,074,946	10,037,681
Current assets						
Stocks	11	72,898	-	-	72,898	77,946
Debtors	12	56,841	101,582	-	158,423	159,405
Cash on deposit and at bank		90,436	653,511	(1,095)	742,852	350,015
		<u>220,175</u>	<u>755,093</u>	<u>(1,095)</u>	<u>974,173</u>	<u>587,366</u>
Liabilities due within one year						
Creditors	13	(106,448)	(101,248)	-	(207,696)	(169,424)
Net current assets/(liabilities)		113,727	653,845	(1,095)	766,477	417,942
Liabilities due after one year						
Creditors	14	(381,456)	-	-	(381,456)	(370,663)
Net assets		627,000	1,624,880	8,208,087	10,459,967	10,084,960
Funds						
	15					
General fund		578,726	-	-	578,726	542,399
Designated funds		28,205	-	-	28,205	6,737
Music designated funds		20,069	-	-	20,069	18,720
Fabric funds		-	376,598	403,256	779,854	769,905
Chapter fund		-	-	7,159,377	7,159,377	7,153,107
Music funds		-	191,285	435,498	626,783	626,458
Education fund		-	33,094	-	33,094	33,094
Library fund		-	82,509	-	82,509	77,165
Great Hall		-	34,713	-	34,713	34,500
The Leaves Project (Match Funding)		-	241,183	-	241,183	287,557
NLHF* The Leaves Project		-	-	-	-	(38,448)
Culture Recovery Fund		-	37,824	-	37,824	-
Other funds		-	627,674	209,956	837,630	573,766
		<u>627,000</u>	<u>1,624,880</u>	<u>8,208,087</u>	<u>10,459,967</u>	<u>10,084,960</u>

* NLHF - National Lottery Heritage Fund (previously Heritage Lottery Fund)

Approved on the 15th April 2021 and signed on behalf of Chapter

Nicola Sullivan



Tim Richmond

Dean



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

SOUTHWELL CATHEDRAL CHAPTER
CATHEDRAL BALANCE SHEET
AS AT 31 DECEMBER 2020

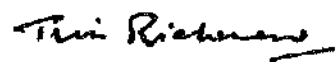
	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Fixed assets						
Investment assets						
Property	7	727,102	-	4,463,498	5,190,600	5,180,600
Investments	8	140,496	943,695	964,897	2,049,088	2,022,172
Investment in subsidiary		100	-	-	100	100
		<u>867,698</u>	<u>943,695</u>	<u>5,428,395</u>	<u>7,239,788</u>	<u>7,202,872</u>
Non investment assets						
Property	9	-	-	2,780,787	2,780,787	2,780,787
Equipment and plant	10	27,131	27,340	-	54,471	54,122
		<u>27,131</u>	<u>27,340</u>	<u>2,780,787</u>	<u>2,835,258</u>	<u>2,834,909</u>
Total fixed assets		894,829	971,035	8,209,182	10,075,046	10,037,781
Current assets						
Stocks	11	-	-	-	-	-
Debtors	12	129,931	101,582	-	231,513	229,604
Cash on deposit and at bank		75,320	653,511	(1,095)	727,736	301,888
		<u>205,251</u>	<u>755,093</u>	<u>(1,095)</u>	<u>959,249</u>	<u>531,492</u>
Liabilities due within one year						
Creditors	13	(105,365)	(101,248)	-	(206,613)	(161,381)
Net current assets		99,886	653,845	(1,095)	752,636	370,111
Liabilities due after one year						
Creditors	14	(381,456)	-	-	(381,456)	(370,663)
Net assets		613,259	1,624,880	8,208,087	10,446,226	10,037,229
Funds						
General fund	15	564,985	-	-	564,985	494,668
Designated funds		28,205	-	-	28,205	6,737
Music designated funds		20,069	-	-	20,069	18,720
Fabric funds		-	376,598	403,256	779,854	769,905
Chapter fund		-	-	7,159,377	7,159,377	7,153,107
Music funds		-	191,285	435,498	626,783	626,458
Education fund		-	33,094	-	33,094	33,094
Library fund		-	82,509	-	82,509	77,165
Great Hall		-	34,713	-	34,713	34,500
The Leaves Project (Match Funding)		-	241,183	-	241,183	287,557
NLHF* The Leaves Project		-	-	-	-	(38,448)
Culture Recovery Fund		-	37,824	-	37,824	-
Other funds		-	627,674	209,956	837,630	573,766
		<u>613,259</u>	<u>1,624,880</u>	<u>8,208,087</u>	<u>10,446,226</u>	<u>10,037,229</u>

* NLHF - National Lottery Heritage Fund (previously Heritage Lottery Fund)

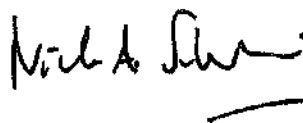
Approved on the 15th April 2021 and signed on behalf of Chapter

Nicola Sullivan

Dean



Tim Richmond



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 2020**

Statement of cash flows

	2020		2019
	£	£	£
Cash flows from operating activities:			
Net cash flow from operating activities	273,728		(68,390)
Cash flows from investing activities:			
Rents received net of costs	90,880	63,617	
Interest and dividends received net of costs	56,790	59,457	
Purchases of investments	(171,178)	(286,237)	
Sales of investments	177,746	281,377	
Additions to investment property	-	-	
Additions to non investment property	-	-	
Proceeds from sale of investment property	-	-	
Purchases of equipment and plant	(26,193)	(5,362)	
Net cash provided by investing activities	128,045		112,852
Cash flows from financing activities:			
Repayments of borrowing	(8,985)	(20,275)	
Cash inflows from new borrowing	-	-	
Net cash provided by/(used in) financing activities	(8,985)		(20,275)
Change in cash and cash equivalents in the reporting period	392,788		24,187
Cash and cash equivalents at the beginning of the reporting period	370,501		346,314
Cash and cash equivalents at the end of the reporting period	<u>763,289</u>		<u>370,501</u>

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2020		2019
	£	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	331,474		22,919
Adjusted for:			
Depreciation charges	25,844	29,514	
Income from property and investments	(263,736)	(306,594)	
Investment property costs, rental collection fees and investment management costs	116,067	183,519	
(Increase) /decrease in stock	5,048	(9,125)	
(Increase) /decrease in debtors	982	(32,550)	
Increase/ (decrease) in creditors	58,049	43,927	
Net cash provided by / (used in) operating activities	<u>273,728</u>		<u>(68,390)</u>

Analysis of cash and cash equivalents

Cash in hand	742,852	350,015
Investments - short term deposits	20,437	20,486
	<u>763,289</u>	<u>370,501</u>

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

b. Going Concern

At 31 December 2020 the Cathedral has free reserves of £551,595. These reserves comprise investment property with a value of £727,102 and net liabilities of £175,507. 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 has considered the impact of Covid-19 on the entity's income and operating cost base and their future plans. They have prepared forecasts of income and expenditure for the year to 31 December 2021 and cash flow forecasts to 31 December 2022 which show that they have sufficient reserves and cash to be able to continue for the foreseeable future. These forecasts have been prepared with consideration to the government's roadmap to recovery and the expectation that future plans to generate additional income are successful.

Chapter recognise that uncertainty exists surrounding the duration and impact of Covid-19 and the inherent risk 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 have concluded that the entity remains a going concern whilst such viable options are 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. 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. CJRS income is recognised in the period to which the claim relates.

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 and 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 2020**

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 2020 these were as follows:

Department	F.T.E.*	
	No.	Percentage
Costs of Generating Funds	4.15	21.3
Ministry	8.17	41.9
Cathedrals & Precincts	4.99	25.6
Education & Outreach	2.18	11.2
	19.49	100
Administration	5.09	
Total F.T.E. employees	24.58	

*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 charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity 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 2020**

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 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 AVVA 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 Chapter 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. Related parties

The Cathedral is the parent entity of Southwell Cathedral Chapter Trading Limited, a limited company that carries out 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 £833 (2019 - £1,555) and owed £nil (2019 - £nil) at the year end.

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.

s. Judgements and key sources of estimation uncertainty

There are no judgments (apart from those involving estimates) that have been made in the process of applying the above accounting policies. 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.

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 2020**

2 INCOME AND ENDOWMENTS FROM:

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
(i) Donations and legacies					
Congregational collections and giving	121,401	-	-	121,401	172,725
Donations	53,762	284,040	-	337,802	98,483
Income from appeals and fund raising	-	96,648	-	96,648	128,150
Tax recoverable under Gift Aid	28,997	1,067	-	30,064	45,804
Income from Friends and local trusts	1,840	1,366	-	3,206	6,012
Legacies	23,468	-	-	23,468	32,076
	<u>229,468</u>	<u>383,121</u>	<u>-</u>	<u>612,589</u>	<u>483,060</u>
(ii) Grants in support of mission					
Church Commissioners	-	335,998	-	335,998	276,417
Other revenue and capital grants	-	1,079,931	-	1,079,931	476,740
	<u>-</u>	<u>1,415,929</u>	<u>-</u>	<u>1,415,929</u>	<u>753,157</u>
(iii) Charges and fees arising in the course of mission					
Facility and other fees	11,387	7,671	-	19,058	49,563
(iv) Trading and fundraising					
Charges to visitors	1,224	1,341	-	2,565	39,004
Gross income of shop, refectory and other activities	106,073	3,486	-	109,559	259,038
	<u>107,297</u>	<u>4,827</u>	<u>-</u>	<u>112,124</u>	<u>298,042</u>
(v) Investments					
Property	200,329	-	-	200,329	240,062
Investments	20,987	42,420	-	63,407	66,532
	<u>221,316</u>	<u>42,420</u>	<u>-</u>	<u>263,736</u>	<u>306,594</u>
(vi) Other Income					
Coronavirus Job Retention Scheme	120,108	-	-	120,108	-
Interest receivable on short term deposits	242	-	-	242	550
Other items	7,637	-	-	7,637	6,462
	<u>127,987</u>	<u>-</u>	<u>-</u>	<u>127,987</u>	<u>7,012</u>
Total incoming resources	<u>697,455</u>	<u>1,853,968</u>	<u>-</u>	<u>2,551,423</u>	<u>1,897,428</u>

3 EXPENDITURE ON:

(i) Raising funds					
Costs of services directly recoverable	2,508	-	-	2,508	24,433
Gross costs of shop, refectory and other activities	91,433	12,074	-	103,507	163,747
General marketing costs	38,226	34,989	-	73,215	88,836
Investment property costs	100,586	25,461	-	126,047	196,040
Support costs	7,305	39,736	-	47,041	41,253
	<u>240,058</u>	<u>112,260</u>	<u>-</u>	<u>352,318</u>	<u>514,309</u>

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
(ii) Ministry					
Clergy stipends and working expenses	4,796	95,472	-	100,268	112,089
Clergy housing costs	94,754	3,126	-	97,880	61,271
Clergy support costs	202	55,211	-	55,413	49,075
Services, music and congregational costs	146,069	64,219	-	210,288	291,605
Support costs	14,370	78,167	-	92,537	84,375
	<u>260,191</u>	<u>296,195</u>	<u>-</u>	<u>556,386</u>	<u>598,415</u>
(iii) Cathedral and precincts upkeep					
Major repairs and restoration	-	983,065	-	983,065	457,713
Maintenance and interior upkeep	61,281	34,036	-	95,317	108,499
Cathedral insurance	30,748	7,539	-	38,287	36,927
Precincts, security and gardens upkeep	11,437	5,308	-	16,745	7,333
Support costs	8,780	47,758	-	56,538	49,707
	<u>112,246</u>	<u>1,077,706</u>	<u>-</u>	<u>1,189,952</u>	<u>660,179</u>
(iv) Education and outreach					
Educational activities	29,288	55,328	-	84,616	65,604
Archives and library	372	-	-	372	682
Charitable and other giving	11,000	570	-	11,570	21,940
Support costs	3,841	20,894	-	24,735	13,380
	<u>44,501</u>	<u>76,792</u>	<u>-</u>	<u>121,293</u>	<u>101,606</u>
Total expenditure	<u>656,996</u>	<u>1,562,953</u>	<u>-</u>	<u>2,219,949</u>	<u>1,874,509</u>

4 TOTAL EXPENDITURE ALLOCATIONS

	Direct costs 2020	Support costs 2020	Total 2020	Direct costs 2019	Support costs 2019	Total 2019
	£	£	£	£	£	£
Costs of generating funds	305,277	47,041	352,318	473,056	41,253	514,309
Ministry	463,849	92,537	556,386	514,040	84,375	598,415
Cathedral and precincts upkeep	1,133,414	56,538	1,189,952	610,472	49,707	660,179
Education and outreach	96,558	24,735	121,293	88,226	13,380	101,606
	<u>1,999,098</u>	<u>220,851</u>	<u>2,219,949</u>	<u>1,685,794</u>	<u>188,715</u>	<u>1,874,509</u>

5 VAT

Any irrecoverable VAT has been included in the expenditure which gave rise to it. The total amount of irrecoverable VAT for 2020 was £129,690 (2019 - £69,808)

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 2020**

7 INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
At valuation 1 January	727,102	-	4,453,498	5,180,600	5,180,600
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net increase on revaluation	-	-	10,000	10,000	-
At valuation 31 December	<u>727,102</u>	<u>-</u>	<u>4,463,498</u>	<u>5,190,600</u>	<u>5,180,600</u>

All investment properties are freehold. The Endowment figures above included land currently valued at £90,000 (2019 - £90,000). The valuation of non-residential properties is carried out by Owen Mathias who is a member of the Finance & Investment 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 fully assessed every five years in line with the Cathedrals Regulations and this was last completed for the December 2018 year end accounts.

Return on investment property

	2020		2019	
	£	£	£	£
Rents receivable		196,951		230,911
Service charge income		3,378		9,151
		<u>200,329</u>		<u>240,062</u>
Repairs and maintenance	(29,238)		(60,117)	
Other property running costs	(79,131)		(111,936)	
Professional fees	(1,080)		(4,392)	
		<u>(109,449)</u>		<u>(176,445)</u>
Loan interest (see note 14 on page 30)		(9,980)		(12,521)
Total return on investment property		<u>80,900</u>		<u>51,096</u>
Gain on revaluations of investment properties		10,000		-
Net incoming on investment properties		<u>90,900</u>		<u>51,096</u>

8 INVESTMENTS

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Investments at market value 1 January	408,285	623,451	969,950	2,001,686	1,751,830
Additions	13,838	20,730	136,610	171,178	286,237
Proceeds from disposals	(16,226)	(24,309)	(137,211)	(177,746)	(281,377)
Net increase/(decrease) on disposals and revaluation	18,685	28,586	(13,738)	33,533	244,996
Transfer of investments	(285,934)	285,934	-	-	-
Investments at market value 31 December	<u>138,648</u>	<u>934,392</u>	<u>955,611</u>	<u>2,028,651</u>	<u>2,001,686</u>
Short term deposits	1,848	9,303	9,286	20,437	20,486
	<u>140,496</u>	<u>943,695</u>	<u>964,897</u>	<u>2,049,088</u>	<u>2,022,172</u>

Investments by type	Equities £	Fixed Interest £	Variable Interest £	Total £
Investments at market value 1 January		590,235	96,877	1,335,060
Investments at market value 31 December		535,417	100,505	1,413,166

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

9 NON INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
At cost 1 January	-	-	2,780,787	2,780,787	2,780,787
Additions	-	-	-	-	-
Transfer use of Property	-	-	-	-	-
At cost 31 December	-	-	2,780,787	2,780,787	2,780,787

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 2020	Total 2019
	£	£	£	£	£
At 1 January					
For cathedral trading activities	384,182	-	-	384,182	384,182
For cathedral clergy and staff housing	2,396,605	-	-	2,396,605	2,396,605
	<u>2,780,787</u>	-	-	<u>2,780,787</u>	<u>2,780,787</u>
At 31 December					
For cathedral trading activities	384,182	-	-	384,182	384,182
For cathedral clergy and staff housing	2,396,605	-	-	2,396,605	2,396,605
	<u>2,780,787</u>	-	-	<u>2,780,787</u>	<u>2,780,787</u>

Impairment reviews are carried out annually by the Finance & Investment committee members, assisted by Owen Mathias who is a member of the committee. It was agreed that no significant adjustment is necessary for the accounts as at 31 December 2020.

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 2020	Total Funds 2019
	£	£	£	£	£
Cost	125,005	265,973	-	390,978	385,616
Depreciation	(119,014)	(217,842)	-	(336,856)	(307,342)
Net book value at 1 January	5,991	48,131	-	54,122	78,274
Additions	26,193	-	-	26,193	5,362
Disposals	-	(5,400)	-	(5,400)	-
Depreciation on disposals	-	5,400	-	5,400	-
Depreciation for year	(7,155)	(18,889)	-	(25,844)	(29,514)
Transfer	2,102	(2,102)	-	-	-
Net book value at 31 December	<u>27,131</u>	<u>27,340</u>	-	<u>54,471</u>	<u>54,122</u>
Cost	153,300	258,471	-	411,771	390,978
Depreciation	(126,169)	(231,131)	-	(357,300)	(336,856)
Net book value at 31 December	<u>27,131</u>	<u>27,340</u>	-	<u>54,471</u>	<u>54,122</u>

11 STOCKS

Goods for resale	72,898	-	-	72,898	77,946
------------------	--------	---	---	--------	--------

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 2020**

12 DEBTORS

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Trade debtors	5,083	-	-	5,083	6,527
Other debtors	45,468	100,444	-	145,912	143,189
Prepayments and accrued income	6,290	1,138	-	7,428	9,689
	56,841	101,582	-	158,423	159,405

Cathedral	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Trade debtors	4,892	-	-	4,892	3,445
Amount due from subsidiary undertaking	73,281	-	-	73,281	73,281
Other debtors	45,468	100,444	-	145,912	143,189
Prepayments and accrued income	6,290	1,138	-	7,428	9,689
	129,931	101,582	-	231,513	229,604

13 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Bank loan (see note 14)	23,613	-	-	23,613	23,390
Trade creditors	3,437	-	-	3,437	9,199
Other creditors	54,571	35,985	-	90,556	115,769
Accruals and deferred income	24,827	65,263	-	90,090	21,066
	106,448	101,248	-	207,696	169,424

Cathedral	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Bank loan (see note 14)	23,613	-	-	23,613	23,390
Trade creditors	2,354	-	-	2,354	1,156
Other creditors	54,571	35,985	-	90,556	115,769
Accruals and deferred income	24,827	65,263	-	90,090	21,066
	105,365	101,248	-	206,613	161,381

14 CREDITORS - AMOUNTS DUE BEYOND ONE YEAR

Cathedral and Group

Of the £381,456 creditors due after more than one year, £361,456 (2019 - £370,663) is the proportion of the total loan balance of £385,069 that is not payable in 2020. 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. The balance of £20,000 (2019 -nil) is the proportion of the £43,000 to be repaid to The Very Revd Nicola Sullivan and her husband, Terry Westwood, 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. The remaining £23,000 will be paid during 2021 and is included in current creditors.

An analysis of the amounts falling due is below:

* in one year or less (under current liabilities)	46,613
* between one and two years	34,199
* between two and five years	86,258
* in five years or more	260,999

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

15 FUNDS

Movement in Consolidated Funds

a. Endowment Funds

	As at 1st January 2020	Incoming Resources	Resources Expended	Gains/ (Losses)	Transfers	As at 31st December 2020
	£	£	£	£	£	£
General	-	-	-	-	-	-
Fabric	408,664	-	-	(5,408)	-	403,256
Chapter Fund	7,153,107	-	-	6,270	-	7,159,377
Music	439,486	-	-	(3,988)	-	435,498
Other	210,568	-	-	(612)	-	209,956
	8,211,825	-	-	(3,738)	-	8,208,087

	As at 1st January 2019	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st December 2019
	£	£	£	£	£	£
General	439,892	-	-	-	(439,892)	-
Fabric	363,248	-	-	45,416	-	408,664
Chapter Fund	7,026,050	-	-	77,057	50,000	7,153,107
Music	405,992	-	-	33,494	-	439,486
Other	205,429	-	-	5,139	-	210,568
	8,440,611	-	-	161,106	(389,892)	8,211,825

General - includes the realised gains on property and investments.

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 including the Summers Bequest used for various specific purposes.

b. Restricted Funds

	As at 1st January 2020	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st December 2020
	£	£	£	£	£	£
Fabric	361,241	24,201	(22,437)	13,593	-	376,598
Music	186,972	15,871	(19,871)	8,313	-	191,285
Education	33,094	-	-	-	-	33,094
Library	77,165	2,108	(135)	3,370	-	82,508
Great Hall	34,500	213	-	-	-	34,713
The Leaves Project (Match Funding)	287,557	88,853	(135,228)	-	-	241,182
NHLF* - The Leaves of Southwell Project	(38,448)	866,480	(828,032)	-	-	-
Sacrista Retreat House	14,445	273,160	-	593	-	288,198
Culture Recovery Fund	-	200,450	(162,626)	-	-	37,824
Other	348,753	382,632	(394,624)	2,717	-	339,478
	1,305,279	1,853,968	(1,562,953)	28,586	-	1,624,890

	As at 1st January 2019	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st December 2019
	£	£	£	£	£	£
Fabric	292,821	51,580	(22,287)	39,349	(222)	361,241
Music	175,228	17,132	(29,450)	24,062	-	186,972
Education	33,094	-	-	-	-	33,094
Library	65,150	2,497	(233)	9,751	-	77,165
Great Hall	47,396	1,219	(14,115)	-	-	34,500
The Leaves Project (Match Funding)	107,727	223,603	(43,773)	-	-	287,557
NHLF* - The Leaves of Southwell Project	(22,763)	361,898	(377,581)	-	-	(38,448)
Quire Aisle Roof Project	11,417	1,280	(12,919)	-	222	-
Other	402,092	341,238	(388,397)	8,265	-	363,198
	1,112,162	1,000,445	(888,755)	81,427	-	1,305,279

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

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

Library - funds from the sale of library items.

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 the successful development stage, The Leaves of Southwell project was awarded a £1,909,800 grant by the NLHF for the delivery stage and the first £77,044 was received in 2019. A further £782,833 was drawn down during 2020 and the balance will be received over the remaining three years of the project.

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

Culture Recovery Fund - The Chapter were also successful in a bid to the CRF and have been awarded a grant of £400,900 which is mainly for salary costs to help the cathedral recover from the current pandemic and move forward. The grant is for the period 1 October 2020 to 31 March 2021.

Quire Aisle roof project - In 2016 The Cathedral was awarded two grants totalling £586,000 from the First World War Centenary Cathedral Repairs Fund to re-roof the North and South Quire Aisles. The final retention payment on the building works was paid in 2019.

Other - other incoming donations restricted for specific purposes including Time Travelling.

c. Designated Funds

	As at 1st January 2020	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st December 2020
	£	£	£	£	£	£
Designated	6,737	21,467	-	-	-	28,204
Music (Metcalfe bursary)	18,720	532	(34)	851	-	20,069
	25,457	21,999	(34)	851	-	48,273

	As at 1st January 2019	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st December 2019
	£	£	£	£	£	£
Designated	6,185	631	(59)	-	-	6,737
Music (Metcalfe bursary)	16,257	-	-	2,463	-	18,720
	22,422	631	(59)	2,463	-	25,457

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

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

d. General Fund

	As at 1st	Incoming Resources	Resources Expended	Gains/ Expended	Transfers	As at 31st
	£	£	£	£	£	£
General	494,668	561,008	(556,256)	17,834	47,731	564,985
Trading Subsidiary	47,731	114,447	(100,706)	-	(47,731)	13,741
	542,399	675,455	(656,962)	17,834	-	578,726

	As at 1st	Incoming Resources	Resources Expended	Gains	Transfers	As at 31st
	£	£	£	£	£	£
General	215,402	703,899	(640,973)	-	416,340	494,668
Trading Subsidiary	26,448	192,453	(144,722)	-	(26,448)	47,731
	241,850	896,352	(785,695)	-	389,892	542,399

General - general activity

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

16 EMPLOYEES

	2020 No.	2019 No.
Staff numbers		
Average number of paid employees working for the cathedral during the year (including clergy paid by the Church Commissioners):		
Full time	12.6	12.5
Full time equivalent of part time staff	12.0	12.3
Total	24.6	24.8
The average number of employees during the year	35.0	36.0
Staff costs	£	£
Salaries and stipends	623,673	582,090
Employers national insurance	45,164	42,885
Employers apprenticeship levy	288	288
Employers pension contributions	71,517	72,613
Total	740,642	697,876

No employee or member of the Cathedral clergy received emoluments in excess of £60,000 in either year.

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

17 REMUNERATION OF MEMBERS OF THE CHAPTER

	Stipend / salary	Apprenticeship levy	Employers NI	Pension	Total 2020	Total 2019
	£	£	£	£	£	£
Clerical Members						
The Very Revd Nicola Sullivan	37,485	156	3,116	12,293	53,050	51,971
The Rev Canon Richard Frith (from 8/9/19)	28,906	132	2,427	9,834	41,299	12,901
The Rev Canon Nigel Coates (to 30/9/19)	-	-	-	-	-	30,659
Financed by Church Commissioners	66,391	288	5,543	22,127	94,349	95,531

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. Clerical members disclosed above are housed by Cathedral Chapter. In addition Revd Matthew Askey, an employee of The Southwell Minster School (to 31/8/19), was provided housing only by Cathedral Chapter to to this date.

Total expenses reimbursed to 2 (2019: 3) clerical members of Chapter for travel, hospitality and stationery **£3,067** **£5,523**

18 AUDITOR'S REMUNERATION

	2020	2019
Audit fee (including VAT)	£8,310	£7,854
Other services (including VAT)	-	£900

19 OPERATING LEASES

	2020	2019
	£	£
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Within one year	2,148	2,148
Between two and five years	1,617	3,758
	3,765	5,906

20 PRIOR YEAR COMPARATIVE SOFA

	Unrestricted General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2019
	£		£	£	£
Income and Endowments from:					
Donations and legacies	290,128	-	192,932	-	483,060
Grants in support of mission	12,500.00	-	740,657	-	753,157
Charges and fees arising in the course of mission	36,901	-	12,662	-	49,563
Trading and fundraising	288,042	-	10,000	-	298,042
Investments	261,769	631	44,194	-	306,594
Other income	7,012	-	-	-	7,012
Total Income	896,352	631	1,000,445	-	1,897,428
Expenditure on:					
Raising funds	(449,840)	(59)	(64,410)	-	(514,309)
Ministry	(322,886)	-	(275,529)	-	(598,415)
Cathedral and precincts upkeep	(177,399)	-	(482,780)	-	(660,179)
Education and outreach	(35,570)	-	(66,036)	-	(101,606)
Total Expenditure	(985,695)	(59)	(888,755)	-	(1,874,509)
Net income/(expenditure) before investment gains	(89,343)	572	111,690	-	22,919
Net gains/(losses) on investments	-	2,463	81,427	161,106	244,996
Net income/(expenditure)	(89,343)	3,035	193,117	161,106	267,915
Other recognised gains /(losses)					
Investment property	-	-	-	-	-
Non investment property	-	-	-	-	-
	-	-	-	-	-
Gross transfers between funds	389,892	-	-	(389,892)	-
Net movement in funds	300,549	3,035	193,117	(228,786)	267,915
Total funds brought forward 1 January 2019	241,850	22,422	1,112,162	8,440,611	9,817,045
Total funds carried forward 31 December 2019	542,399	25,457	1,305,279	8,211,825	10,084,960

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

	31.12.20	31.12.19
	£	£
<i>Amount paid or payable to the Cathedral</i>	72,875	36,432
Total incoming resources	28,551	48,034
Net incoming(outgoing) resources	(53,439)	1,047
Gains / (losses) on investments	8,534	62,220
Gross assets	646,507	691,518
Net assets	642,538	687,443

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.

	5.4.20	5.4.19
	£	£
<i>Amount paid or payable to the Cathedral</i>	12,706	1,086
Total incoming resources	18,372	24,617
Net incoming resources	(2,253)	27,947
Gains / (losses) on investments	(90,729)	15,461
Gross assets	607,255	775,172
Net assets	606,013	700,819

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.

	31.12.20	31.12.19
	£	£
<i>Amount paid or payable to the Cathedral</i>	2,178	33,136
Total incoming resources	7,401	9,752
Net incoming resources	2,661	(26,167)
Gains on investments	5,027	8,262
Gross assets	238,715	231,985
Net assets	236,537	228,849

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.

	31.3.20	31.3.19
	£	£
<i>Amount paid or payable to the Cathedral</i>	754	3,532
Total incoming resources	72,106	46,317
Net incoming resources	14,783	10,608
Gains / (losses) on investments	(2,296)	428
Gross assets	32,361	35,948
Net assets	31,941	35,528