

SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2022

SOUTHWELL CATHEDRAL CHAPTER**ANNUAL REPORT AND ACCOUNTS****YEAR ENDED 31 DECEMBER 2022**

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**SOUTHWELL CATHEDRAL CHAPTER
ANNUAL REPORT
FOR THE YEAR ENDED 31st DECEMBER 2022**

1. LEGAL AND ADMINISTRATIVE INFORMATION

Full Name:

The Cathedral and Parish Church of the Blessed Virgin Mary

Office Address:

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

01636 812649

office@southwellminster.org.uk

Members of the Cathedral Chapter

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

Chief Officer

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

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Professional Advisors

Auditor:	BHP LLP 2 Rutland Park Sheffield S10 2PD
Bankers:	National Westminster Bank plc Newark (A) Branch 1 Market Place Newark Notts NG24 1DY
Investment Managers:	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET Rathbones Investment Management 8 Finsbury Circus London EC2M 7AZ United Kingdom
Solicitors:	Chattertons 9 Broad Street Stamford Lincs PE9 1PY
Surveyor of the Fabric:	Mr Nicholas Rank BA (Hons) BArch RIBA AABC FRSA Buttress Fuller Alsop Williams 41 Bengal Street Manchester M4 6AF
Archaeologist:	Dr Philip Dixon 24 Crown Street Newark Notts NG24 4UY

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT

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

The Role of the Cathedral within the Diocese

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

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

The primary work of the Cathedral in 2022 is the same as it has been through the ages, the worship of God, the mission of the gospel and the ministry of hospitality and welcome. It is a prayerful place and a spiritual resource to the Diocese of Southwell and Nottingham. Daily worship is at the centre of our life. Southwell Minster as Cathedral and parish church offers all who come an opportunity for celebration, learning and discovery.

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

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

Organisation and Structure

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

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Pay Policy for Key Management Personnel

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

The Chapter

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

Statement of Chapter's Responsibilities

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

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

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

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The Governance of the Cathedral

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

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

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

- Land.
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000.
- The improvement 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.

The Audit and Risk Committee is made up of not less than four members of whom the majority shall be independent, lay persons. The current chair is Richard Vigar, a qualified accountant

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

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

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The Cathedral Council

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

In particular it:

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

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

The College of Canons

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

Its role is to:

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

Fabric Advisory Committee

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

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

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3. OBJECTIVES & ACTIVITIES

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

Vision Statement:

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

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

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

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

Key priorities planned for 2022 included:

- The ongoing engagement with the Cathedrals Working Group regarding the new Cathedrals Measure.
- Undertake a strategic review of all the property assets of the cathedral be that investment or functional.
- The 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.
- Submit an application to the Church Commissioners Cathedral Sustainability Fund for a Visitor Engagement Officer.
- Submit an application to the Church Commissioners Cathedral Sustainability Fund for administrative support necessary for the implementation of the New Cathedrals Measure
- Employ a Fundraiser through support of the cathedral Sustainability Fund
- Financial sustainability and understanding of the need to close the operating deficit and generate additional income.
- Respond and take necessary actions following the SCIE Audit which took place in September 2021.
- Run a programme of day retreats at Sacrista Prebend and increase uptake
- To increase income from commercial events.
- To increase overall visitor (tourist/pilgrim) numbers.
- To increase the average visitor donation.
- To Increase communication and marketing of events.
- The continued delivery of an upgraded IT infrastructure to increase efficiency, security, and reliability.
- Formulate spending plans that are affordable.

A detailed review of the Cathedral's activities during 2022 is contained in the Annual Report, available from the Minster Centre.

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MINISTRY

Worship

Each day the offices of Morning and Evening Prayer are said or sung in the Cathedral and Holy Communion is celebrated. After a two-year consultation and trial period reshaping the Sunday morning worship, the 10am Cathedral Eucharist was established as the main eucharistic celebration. From Advent, on the second Sunday of the month, in addition a 11.15am Traditional (BCP) Sung Eucharist balances a shorter non choral 10am Cathedral Eucharist. 7.40am Litany, 8am Holy Communion and 3.30pm Evensong complete the usual Sunday pattern. Livestreaming via YouTube and the website the Cathedral Eucharist and Evensong is valued by the housebound and those unable to get to church. There was a gradual 'returning to normal' as covid restrictions lessened during the year. Following the death of Her Majesty Queen Elizabeth II on 8 September, the Cathedral was the focus of remembrance and thanksgiving during the eleven days which followed culminating in a large Civic Service on Sunday 18 September and livestreaming the funeral from Westminster Abbey the following day.

Diocesan Events

The usual pattern of services resumed following the pandemic including the Chrism Eucharist, ordinations, licensing of lay readers and confirmations.

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

A joint Cathedral and Diocesan staff Carol Service was held.

CATHEDRAL EVENTS

There were several exhibitions in the Minster including Jacqui Parkinson's Threads Through Creation.

There were 3 outdoor theatre performances and 2 outdoor concerts. A 'street party' was held to celebrate the Queen's Jubilee which was attended by over 400 people. The Bramley Apple Festival and Winter Craft Fair were both well attended again post Covid. The late summer Plant Hunters Fair was popular and being well received in the newly developed Palace Gardens. A Spring one is being added from 2023.

There were 14 concerts during the year including the Southwell Music Festival over the August Bank Holiday weekend and the cathedral promoted its first Christmas concert, The Magic of Christmas.

There have been a number of conferences and talks in support of the 'Leaves Project' that have attracted visitors, academics and sponsors from across the county and further afield.

CATHEDRAL AND PRECINCTS UPKEEP

- Maintenance and repairs were undertaken on most of the Vicars Court properties, including essential damp proofing works.
- The grounds are continually being developed to enhance the overall visitor experience following the employment of a full time head gardener who commenced in February.
- Final capital works were completed on The Leaves of Southwell project, supported by The National Lottery Heritage Fund.
- Essential works were carried out to maintain the fire system in the cathedral.
- The door controls at both the North and South doors of the cathedral were brought up to date to ensure continued accessibility.
- Work undertaken to include fire protection within Sacrista Prebend.

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EDUCATION AND OUTREACH

2022 was defined by a 'getting back to normal' and the successful completion of the community engagement and outreach for the 'Leaves' project. Time Travelling made a welcome return in March and Kirby Stebbing joined the team in April this year as our new Education Administrator, just in time for the Time Travelling week in June for Key Stage 1 (aged 5-7).

We published a new School visits programme this year, which is now available online and at the welcome desk – people are surprised by the variety of learning sessions on offer. While our most popular activities continue to be the RE based sessions, the Romans in Southwell day also proves very popular, thanks to our partnership with Southwell Community Archaeology Group, who provide volunteering support and huge amounts of knowledge.

We help to ensure that the Minster is engaging for learners and visitors of all ages, and to bring it to life in a relevant way in all we do. There is always a trail at the welcome desk for visiting children, and the Leaves project saw us develop a children's Activity Pack which went on sale in the shop.

We were disappointed at the cancellation in September of our Discovery Day for adults due to the Queen's death.

I would like to thank the Minster community – volunteers, congregation, staff and visitors for their support and look forward to new adventures in 2023.

ACHIEVEMENTS AND PERFORMANCE

A Canon Missioner was appointed in the autumn of 2021 in the person of Rev Canon Paul Rattigan who took up his position in January 2022.

Following the SCIE audit of safeguarding in the cathedral which took place in September 2021 Chapter has already implemented some of the considerations including an enhanced Cathedral safeguarding Management Group (SMG). The SMG is tasked with implementing an action plan and managing ongoing policies and procedures. A service level agreement with the Diocese was set up from April 2022 to support safeguarding work.

The external work associated with the Leaves Project in the Palace Gardens was completed in the Spring and formally opened in June 2022.

A successful application was made to the Cathedral Sustainability Fund to support a Visitor Engagement Officer for 3 years from January 2023 and one to support a nine month appointment for a part time Administrator also from January 2023 to support with the Charity Registration process.

Livestreaming of services and other events has now become a regular part of how the cathedral operates.

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

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4. RELATIONSHIPS WITH OTHER ORGANISATIONS

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

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

5. FINANCIAL REVIEW

Financial performance

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

	2022	2021
	£	£
Operating Costs:		
Clergy costs	214,656	145,435
Services and Music	173,560	148,463
Vergers and interior upkeep	190,079	128,963
Administration costs	369,825	261,637
Outward giving	11,001	11,052
Insurances and other expenses (net)	52,270	80,704
Total annual operating costs	1,011,391	776,254
These costs were funded as follows:		
Collections and giving	193,293	187,580
Church Commissioners	296,619	251,516
Investments and property (net)	89,345	117,787
Fees, visitors, shop and events (net)	166,854	123,208
Coronavirus Job Retention Scheme	-	149
Total income	746,111	680,240
Operating (deficit)	(265,280)	(96,014)
Legacies	-	4,304
General Fund Operating (Deficit)	(265,280)	(91,710)

The General Fund net operating deficit for the year was £265,280 compared with a deficit of £91,710 in 2021. The deficit of £265,280 compares with a budgeted deficit of £91,108.

The budgeted deficit of £91,108 was set in the autumn of 2021 when it was anticipated that recovery from that pandemic would be steady. Unfortunately, recovery was slower than expected which impacted the cathedral's income streams from visitors and events.

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

The Chapter's main effort, whilst continuing to review the costs and effectiveness of its administration, is 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.

The investment in updated and secure IT systems has continued during 2022.

The outlook for 2023 is that there will be a deficit of £136,852. In light of this, Chapter is focussing on a Financial Recovery Plan.

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

Reserves & Reserves Policy

The reserves held in unrestricted funds amounted to £408,493 as at 31st December 2022. This is split between general reserves of £258,976 and designated reserves of £149,517. Total unrestricted funds have been split on the Consolidated Statement of Financial Activities (SOFA), on page 19 of the financial statements, disclosing the general and designated funds in individual columns.

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

In calculating the free reserves figure it is necessary to start with unrestricted funds of £408,493 and then to exclude designated funds of £149,517 and equipment and plant with a value of £37,959. This gives a figure of £221,017. However, this includes investment property with a value of £481,918, which is not readily realisable into cash. Therefore, the true value of free reserves, which excludes investment property, is a negative £260,901.

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

The reserves held in restricted funds amounted to £1,634,643 as at 31st December 2022. Information regarding the restricted funds is provided in note 15b on pages 31 and 32.

The reserves held in the endowment funds amounted to £8,326,197 as at 31st December 2022. Information regarding the endowment funds is provided in note 15a on page 31.

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Grants

All cathedrals are supported financially by the Church Commissioners in the provision of the stipend of a Dean and stipends for two Residentiary Canons this amounted to £134,781 in 2022 (2021 - £95,454). Most cathedrals also receive a grant towards clergy support and administrative costs, and a total of £161,838 was received in 2022 (2021 - £156,062). During 2022 an additional £4,500 was agreed due the vacancy of a Residentiary Canon at the start of 2022 and was used towards marketing salary costs.

A grant was awarded from The Church Commissioners Cathedral Sustainability Fund to support the cost of a fundraiser for a period of three years. The first £21,291 was drawn down in 2022.

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

Fundraising

The inaugural 'Great Southwell Organathon' took place in September, aimed at raising £10,000 towards the renovation of the Quire Organ in 2024. A range of events generated positive engagement, particularly the closing concert entitled 'A Night at the Proms'. A total of £10,222 was raised. We are grateful to all donors and supporters of the event. The Friends of Southwell Cathedral have generously donated £40,000 towards the renovation project which is expected to cost approximately £240,000.

The Minster's Fundraiser began forging relationships with corporate entities, with a view to attracting sponsorship for public events. £1,500 was raised for the Cathedral Choir's concert, 'The Magic of Christmas'. Newark & Sherwood District Council donated £5,000 towards art installation 'Space Voyage', which was unfortunately postponed until 2023. Plans are in place for a large-scale fundraising campaign around the Cathedral Choristers in 2023, alongside further fundraising for the Quire Organ and education.

Visitor & Legacy Income

A major source of funding for the Minster's work is regular giving, including Gift Aid where possible, by members of the Community with £130,200 received in 2022 (2021 - £133,400). Donations by visitors to the Minster increased in 2022 to £50,000 (2021 - £28,700) due to the increased opening and recovery from the pandemic.

The Southwell Minster legacy leaflet is still proactively distributed; copies are available by the donation boxes in the Minster. Legacy income amounted to £351,160 in 2022, (2021 - £36,304). 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 £13,868 in 2022 (2021 - £11,946) and continues to provide a valuable source of income to the Cathedral.

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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 £12,496 (2021 – £9,150), totalled £68,250 (2021 - £103,624). 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. During 2021, an investment management company review took place, and it was agreed the value of investments held with Brewin Dolphin would be transferred to Rathbones. This transfer took place during 2022. Further detailed information can be found in note 8 on page 28.

Financial Investments Performance

Investment markets saw negative returns overall in 2022 but with continued volatility over the course of the year.

During 2022 there were net unrealised losses on Chapter investments of £184,698 and net realised losses on disposals of £41,962. Along with the fall in value, income was lower in 2022 than the previous year with the total investment income amounting to £57,857 (2021 - £62,104).

Summary of Key figures

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

	2018	2019	2020	2021	2022
	£	£	£	£	£
Incoming resources					
Congregational collections & giving	180,506	172,725	121,401	129,586	144,079
Legacies	1,500	32,076	23,468	36,304	351,160
Grants	598,284	753,157	1,415,929	1,229,792	561,385
Minster Shop net profit	26,448	47,731	13,741	11,946	13,838
Resources expended					
Major repairs & restoration	320,115	457,713	983,065	752,432	149,392
Key ratios					
Income yield on investments & cash	3.9%	3.3%	3.1%	2.7%	2.8%

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6. PLANS FOR FUTURE YEARS

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

The 'Leaves' project will enable the development of the Palace Garden and Paddock to be a significant part of the Cathedral's tourism appeal as well as an improved space for ticketed outdoor events.

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 2023 our plans are to:

- Undertake a strategic review of all the property assets of the cathedral be that investment or functional to increase returns and reduce ongoing maintenance expenditure.
- With regards to New Cathedrals Measure, complete process for registration as a charity and implement concomitant governance changes.
- Ensure new and vacant roles will be filled and have been reflected in the budget.
- Deliver an enhanced visitor experience and increase the amount of donations and number of paid for tours.
- Increase the number of and net income from commercial events.

7. RISK MANAGEMENT

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

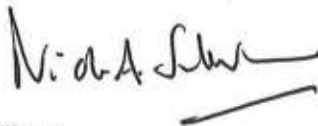
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There are 3 red risks which are highlighted in the table below along with the action to be taken to mitigate the risk. (RAYG* – Red, Amber, Yellow, Green).

RAG* and SCORE	Risk Detail	Mitigation and Update
R16	Under-utilisation of Chapter Assets.	A review of Chapter's property took place during 2022 with assistance from professionals provided through the Church Commissioners and in further detail from a review by Savills (UK) Ltd. Opportunities identified will be worked through during 2023.
R16	General Fund borrowing from Restricted Funds.	Chapter are working on a financial recovery plan to ensure that enough general fund income is received to cover general expenditure and capital commitments going forward.
R16	Reserves being depleted	Recent deficits have led to a reduction in the general fund below Chapters agreed value of six months expenditure. Ways to achieve sustainability are currently being worked through with support from the Church Commissioners Cathedral's Sustainability Fund.

Safeguarding remains a high priority for the Chapter. Chapter has entered into a Service Level Agreement with the Diocese and a qualified Cathedral Safeguarding Officer (Ms Penny Turner) began working 3 days per week in April. Canon Paul Rattigan became the Chapter Lead on Safeguarding. Mrs Vicky Thorpe continues in a voluntary capacity as the Cathedral safeguarding Co-ordinator. A safer recruitment policy and process has been implemented for all volunteers.

Signed on behalf of the Chapter on 20th April 2023.



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 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the entity only balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 December 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Material uncertainty relating to going concern

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

Other information

The other information comprises the information included in the Chapter's Annual Report, other than the financial statements and our auditor's report thereon. Chapter are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Chapter

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

In preparing the financial statements, Chapter are responsible for assessing the group's and parent entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Chapter either intend to liquidate the group or parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

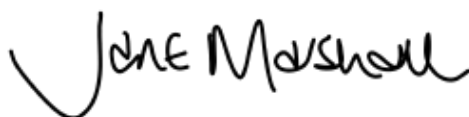
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



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

Date: 26 April 2023

SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted		Restricted	Endowment	Total	Total
		General	Designated	Funds	Funds	Funds	Funds
	Notes	Fund	Funds			2022	2021
		£	£	£	£	£	£
Income and Endowments from:	2						
(i) Donations and legacies		268,870	-	417,812	-	686,682	333,069
(ii) Grants in support of mission		2,376	-	559,009	-	561,385	1,229,792
(iii) Charges and fees arising in the course of mission		42,819	-	9,702	-	52,521	40,554
(iv) Trading and fundraising		247,043	-	2,845	-	249,888	173,997
(v) Investments		258,350	722	43,625	-	302,697	285,116
(vi) Other income		6,524	-	-	-	6,524	4,986
Total income		825,982	722	1,032,993	-	1,859,697	2,067,514
Expenditure on:	3						
(i) Raising funds		(448,029)	(31)	(105,626)	-	(553,686)	(505,362)
(ii) Ministry		(371,829)	(8,252)	(330,808)	-	(710,889)	(610,779)
(iii) Cathedral and precincts upkeep		(211,820)	-	(192,665)	-	(404,485)	(1,001,751)
(iv) Education and outreach		(59,584)	-	(134,562)	-	(194,146)	(159,546)
Total Expenditure		(1,091,262)	(8,283)	(763,661)	-	(1,863,206)	(2,277,438)
Exceptional item:							
Impairment of non-investment property	9	-	-	-	(109,182)	(109,182)	-
Net (expenditure)/income before investment gains/(losses)		(265,280)	(7,561)	269,332	(109,182)	(112,691)	(209,924)
Net (losses)/gains on investments	8	(14,319)	(3,168)	(115,104)	(94,069)	(226,660)	263,641
Net gains on investment property		-	-	-	195,000	195,000	-
Net (expenditure)/income		(279,599)	(10,729)	154,228	(8,251)	(144,351)	53,717
Gross transfers between funds	6	36,624	88,004	(124,628)	-	-	-
Net movement in funds		(242,975)	77,275	29,600	(8,251)	(144,351)	53,717
Total funds brought forward 1 January 2022		501,951	72,242	1,605,043	8,334,448	10,513,684	10,459,967
Total funds carried forward 31 December 2022	15	258,976	149,517	1,634,643	8,326,197	10,369,333	10,513,684

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

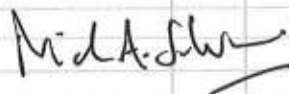
SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Fixed assets						
Investment assets						
Property	7	481,918	-	4,903,682	5,385,600	5,190,600
Investments	8	502,757	828,870	749,614	2,081,241	2,305,444
		984,675	828,870	5,653,296	7,466,841	7,496,044
Non investment assets						
Property	9	-	-	2,671,605	2,671,605	2,780,787
Equipment and plant	10	37,959	25,092	-	63,051	72,411
		37,959	25,092	2,671,605	2,734,656	2,853,198
Total fixed assets		1,022,634	853,962	8,324,901	10,201,497	10,349,242
Current assets						
Stocks	11	57,747	-	-	57,747	66,084
Debtors	12	38,736	283,361	-	322,097	247,853
Cash on deposit and at bank		(238,448)	500,699	1,296	263,547	328,168
		(141,965)	784,060	1,296	643,391	642,105
Liabilities due within one year						
Creditors	13	(153,785)	(3,379)	-	(157,164)	(130,217)
Net current assets/(liabilities)		(295,750)	780,681	1,296	486,227	511,888
Liabilities due after one year						
Creditors	14	(318,391)	-	-	(318,391)	(347,446)
Net assets		408,493	1,634,643	8,326,197	10,369,333	10,513,684
Funds						
	15					
General fund		258,976	-	-	258,976	501,951
Designated funds		41,476	-	-	41,476	49,045
Music designated funds		20,699	-	-	20,699	23,197
Fabric funds		-	371,838	415,967	787,805	891,589
Chapter fund		-	-	7,253,963	7,253,963	7,193,686
Music funds		-	507,717	444,872	952,589	688,225
Education fund		-	-	-	-	38,252
Library fund		87,342	-	-	87,342	95,371
Great Hall		-	30,361	-	30,361	40,394
The Leaves of Southwell Project (Match Funding)		-	85,236	-	85,236	115,884
NLHF* The Leaves Project		-	-	-	-	(7,216)
Sacrista Retreat House		-	298,195	-	298,195	300,124
Culture Recovery Fund		-	12,936	-	12,936	16,805
Other funds		-	328,360	211,395	539,755	566,377
		408,493	1,634,643	8,326,197	10,369,333	10,513,684

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

Approved on the 20th April 2023 and signed on behalf of Chapter

Nicola Sullivan



Dean

Arwel Griffiths



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

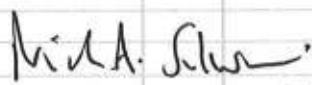
SOUTHWELL CATHEDRAL CHAPTER
CATHEDRAL BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Fixed assets						
Investment assets						
Property	7	481,918	-	4,903,682	5,385,600	5,190,600
Investments	8	502,757	828,870	749,614	2,081,241	2,305,444
Investment in subsidiary		100	-	-	100	100
		984,775	828,870	5,653,296	7,466,941	7,496,144
Non investment assets						
Property	9	-	-	2,671,605	2,671,605	2,780,787
Equipment and plant	10	37,959	25,092	-	63,051	72,411
		37,959	25,092	2,671,605	2,734,656	2,853,198
Total fixed assets		1,022,734	853,962	8,324,901	10,201,597	10,349,342
Current assets						
Stocks	11	-	-	-	-	-
Debtors	12	111,419	283,361	-	394,780	320,664
Cash on deposit and at bank		(275,459)	500,699	1,296	226,536	303,272
		(164,040)	784,060	1,296	621,316	623,936
Liabilities due within one year						
Creditors	13	(145,678)	(3,379)	-	(149,057)	(124,094)
Net current assets		(309,718)	780,681	1,296	472,259	499,842
Liabilities due after one year						
Creditors	14	(318,391)	-	-	(318,391)	(347,446)
Net assets		394,625	1,634,643	8,326,197	10,355,465	10,501,738
Funds						
	15					
General fund		245,108	-	-	245,108	490,005
Designated funds		41,476	-	-	41,476	49,045
Music designated funds		20,699	-	-	20,699	23,197
Fabric funds		-	371,838	415,967	787,805	891,589
Chapter fund		-	-	7,253,963	7,253,963	7,193,686
Music funds		-	507,717	444,872	952,589	688,225
Education fund		-	-	-	-	38,252
Library fund		87,342	-	-	87,342	95,371
Great Hall		-	30,361	-	30,361	40,394
The Leaves Project (Match Funding)		-	85,236	-	85,236	115,884
NLHF* The Leaves Project		-	-	-	-	(7,216)
Sacrista Retreat House		-	298,195	-	298,195	300,124
Culture Recovery Fund		-	12,936	-	12,936	16,805
Other funds		-	328,360	211,395	539,755	566,377
		394,625	1,634,643	8,326,197	10,355,465	10,501,738

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

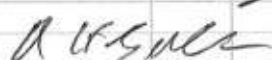
Approved on the 20th April 2023 and signed on behalf of Chapter

Nicola Sullivan



Dean

Arwel Griffiths



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

SOUTHWELL CATHEDRAL CHAPTER
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of cash flows		2022		2021
	£	£	£	£
Cash flows from operating activities:				
Net cash (used in)/provided by operating activities		(89,485)		(421,908)
Cash flows from investing activities:				
Rents received net of costs	21,008		20,370	
Interest and dividends received net of costs	53,186		54,820	
Purchases of investments	(783,316)		(269,264)	
Sales of investments	762,251		275,176	
Additions to investment property	-		-	
Additions to non investment property	-		-	
Proceeds from sale of investment property	-		-	
Purchases of equipment and plant	(14,045)		(51,604)	
Net cash provided by investing activities		39,084		29,498
Cash flows from financing activities:				
Repayments of borrowing	(32,828)		(23,647)	
Cash inflows from new borrowing	-		-	
Net cash provided by/(used in) financing activities		(32,828)		(23,647)
Change in cash and cash equivalents in the reporting period		(83,229)		(416,057)
Cash and cash equivalents at the beginning of the reporting period		347,232		763,289
Cash and cash equivalents at the end of the reporting period		264,003		347,232
Reconciliation of net income/ (expenditure) to net cash flow from operating activities				
		2022		2021
		£		£
Net income/(expenditure) before investment (losses)/gains for the reporting period		(112,691)		(209,924)
Adjusted for:				
Depreciation charges		23,405		33,664
Exceptional item - impairment of non-investment property		109,182		-
Income from property and investments		(302,697)		(285,116)
Investment property costs and loan interest		228,504		209,927
(Increase) /decrease in stock		8,337		6,814
(Increase) /decrease in debtors		(74,244)		(89,430)
Increase/ (decrease) in creditors		30,719		(87,843)
Net cash provided by / (used in) operating activities		(89,485)		(421,908)
Analysis of cash and cash equivalents				
Cash in hand		263,547		328,168
Investments - short term deposits		456		19,064
		264,003		347,232

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 ACCOUNTING POLICIES

a. Basis of Accounting

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

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

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

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

b. Going Concern

At 31 December 2022 the Cathedral has negative free reserves of £260,901. These reserves of negative £260,901 comprise General fund balance of £258,976 less investment property with a value of £481,918 and equipment and plant with a value of £37,959. It is Chapter's strategy to use the investment properties to generate sustainable income streams which contribute to funding the activities of the organisation.

Chapter have prepared forecasts of income and expenditure for the four years to 31 December 2026 which incorporate a new strategy and plans for generating additional income. These forecasts show a continuing reliance on reserves whilst seeking new funding streams and generating additional income from activities as well as a necessary review of expenditure to enable breakeven to be achieved.

Chapter recognise that uncertainty exists regarding the success and sustainability of their future plans. This risk represents a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. Chapter will continue to monitor the actual results against forecast and take appropriate action to implement cost savings if necessary.

Chapter 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. As permitted by the regulations no Chapter Statement of Financial Activities or Cash Flow Statement has been presented.

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

d. Fund Accounting

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

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

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

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

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

e. Income

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

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

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

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

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

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

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

f. Expenditure

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

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

Expenditure on Cathedral repairs is charged in the Statement of Financial Activities as it is incurred. The costs of routine maintenance 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 2022

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 2022 these were as follows:

Department	F.T.E.*	Percentage
	No.	%
Costs of Generating Funds	2.68	13.3
Ministry	9.41	46.7
Cathedrals & Precincts	5.23	26.0
Education & Outreach	2.81	14.0
	20.13	100
Administration	5.97	
Total F.T.E. employees	26.10	

*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 2022

k. Heritage assets

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

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

l. Stock

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

m. Debtors and creditors receivable / payable

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

n. Cash and cash equivalents

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

o. Provisions

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

p. Pensions

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

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

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

The Cathedral operates a Group Stakeholder Pension Scheme with AVIVA 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. Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

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

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

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

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 INCOME AND ENDOWMENTS FROM:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
(i) Donations and legacies					
Congregational collections and giving	144,079	-	-	144,079	129,586
Donations	90,080	13,990	-	104,070	91,532
Income from appeals and fund raising	-	7,630	-	7,630	39,667
Tax recoverable under Gift Aid	33,174	2,030	-	35,204	34,496
Income from Friends and local trusts	1,537	43,002	-	44,539	1,484
Legacies	-	351,160	-	351,160	36,304
	268,870	417,812	-	686,682	333,069
(ii) Grants in support of mission					
Church Commissioners	-	322,410	-	322,410	296,290
Other revenue and capital grants	2,376	236,599	-	238,975	933,502
	2,376	559,009	-	561,385	1,229,792
(iii) Charges and fees arising in the course of mission					
Facility and other fees	42,819	9,702	-	52,521	40,554
(iv) Trading and fundraising					
Charges to visitors	40,368	2,845	-	43,213	26,659
Gross income of shop, refectory and other activities	206,675	-	-	206,675	147,338
	247,043	2,845	-	249,888	173,997
(v) Investments					
Property	244,840	-	-	244,840	223,012
Investments	14,232	43,625	-	57,857	62,104
	259,072	43,625	-	302,697	285,116
(vi) Other income					
Coronavirus Job Retention Scheme	-	-	-	-	149
Interest receivable on short term deposits	313	-	-	313	76
Other items	6,211	-	-	6,211	4,761
	6,524	-	-	6,524	4,986
Total income	826,704	1,032,993	-	1,859,697	2,067,514

Unrestricted income includes £825,982 in respect of general funds and £722 in respect of designated funds.

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 EXPENDITURE ON:	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
(i) Raising funds					
Costs of services directly recoverable	19,645	-	-	19,645	11,099
Gross costs of shop, refectory and other activities	162,033	-	-	162,033	122,866
General marketing costs	66,386	27,899	-	94,285	105,596
Investment property costs	180,338	60,662	-	241,000	219,077
Support costs	19,658	17,065	-	36,723	46,724
	448,060	105,626	-	553,686	505,362
(ii) Ministry					
Clergy stipends and working expenses	5,201	134,781	-	139,982	99,527
Clergy housing costs	57,069	-	-	57,069	46,302
Clergy support costs	2,915	78,654	-	81,569	58,798
Services, music and congregational costs	245,870	57,451	-	303,321	271,892
Support costs	69,026	59,922	-	128,948	134,260
	380,081	330,808	-	710,889	610,779
(iii) Cathedral and precincts upkeep					
Major repairs and restoration	-	149,392	-	149,392	752,432
Maintenance and interior upkeep	102,911	-	-	102,911	112,455
Cathedral insurance	29,738	9,912	-	39,650	39,094
Precincts, security and gardens upkeep	40,741	-	-	40,741	25,021
Support costs	38,430	33,361	-	71,791	72,749
	211,820	192,665	-	404,485	1,001,751
(iv) Education and outreach					
Educational activities	27,237	115,190	-	142,427	105,325
Archives and library	554	-	-	554	433
Charitable and other giving	11,100	1,408	-	12,508	11,794
Support costs	20,693	17,964	-	38,657	41,994
	59,584	134,562	-	194,146	159,546
Total expenditure	1,099,545	763,661	-	1,863,206	2,277,438

Unrestricted expenditure includes £1,091,262 in respect of general funds and £8,283 in respect of designated funds.

4 TOTAL EXPENDITURE ALLOCATIONS

	Direct costs 2022	Support costs 2022	Total 2022	Direct costs 2021	Support costs 2021	Total 2021
	£	£	£	£	£	£
Costs of generating funds	516,963	36,723	553,686	458,638	46,724	505,362
Ministry	581,941	128,948	710,889	476,519	134,260	610,779
Cathedral and precincts upkeep	332,694	71,791	404,485	929,002	72,749	1,001,751
Education and outreach	155,489	38,657	194,146	117,552	41,994	159,546
	1,587,087	276,119	1,863,206	1,981,711	295,727	2,277,438

5 VAT

Any irrecoverable VAT has been included in the expenditure which gave rise to it. The total amount of irrecoverable VAT for 2022 was £44,472 (2021 - £129,146)

6 TRANSFERS

A review of fund balances took place during 2022. The restricted Education fund with a balance of £35,032 has been transferred to the general fund to offset against education expenditure within the year. Various small restricted balances totalling £2,254 from previous specific historic appeals has been transferred to the general fund. A small deficit balance of £662 within designated funds has also been transferred to the general fund. The net effect of these is an increase in general funds of £36,624.

It was identified that the Library Fund was originally a designation of funds and should therefore be reported as such in the accounts and the year end balance of £87,342 has been transferred from restricted funds. This, along with the £662 identified above, gave a net increase in designated funds of £88,004.

Restricted fund reduced by £124,628 being the net effect of transfers identified above.

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
At valuation 1 January	727,102	-	4,463,498	5,190,600	5,190,600
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Net increase on revaluation	-	-	195,000	195,000	-
Transfer of Investments	(245,184)	-	245,184	-	-
At valuation 31 December	481,918	-	4,903,682	5,385,600	5,190,600

All investment properties are freehold. The Endowment figures above included land currently valued at £90,000 (2021 - £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	2022		2021	
	£	£	£	£
Rents receivable		235,512		212,347
Service charge income		9,328		10,665
		244,840		223,012
Repairs and maintenance	(46,658)		(20,540)	
Other property running costs	(115,476)		(94,848)	
Professional fees	(14,456)		(4,000)	
		(176,590)		(119,388)
Loan interest (see note 14)		(12,496)		(9,150)
Total return on investment property		55,754		94,474
National Lottery Heritage Fund Project expenditure		(47,242)		(83,254)
Gain on revaluations of investment properties		-		-
Net income from investment properties		8,512		11,220

8 INVESTMENTS

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
Investments at market value 1 January	155,646	1,042,406	1,088,328	2,286,380	2,028,651
Additions	7,589	209,129	566,598	783,316	269,264
Proceeds from disposals	(6,194)	(187,987)	(568,070)	(762,251)	(275,176)
Net increase/(decrease) on disposals and revaluation	(17,487)	(115,104)	(94,069)	(226,660)	263,641
Transfer of investments	361,452	(116,268)	(245,184)	-	-
Investments at market value 31 December	501,006	832,176	747,603	2,080,785	2,286,380
Short term deposits	1,751	(3,306)	2,011	456	19,064
	502,757	828,870	749,614	2,081,241	2,305,444

Investments by type	Equities £	Fixed Interest £	Variable Interest £	Total £
Investments at market value 1 January		603,531	78,332	1,623,581
Investments at market value 31 December		534,184	74,883	1,472,174

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

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 NON INVESTMENT PROPERTY

Cathedral and Group	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£	£
At cost 1 January	-	-	2,780,787	2,780,787	2,780,787
Additions	-	-	-	-	-
Impairment Review	-	-	(109,182)	(109,182)	-
At cost 31 December	-	-	2,671,605	2,671,605	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 2022	Total 2021
	£	£	£	£	£
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
	2,780,787	-	-	2,780,787	2,780,787
At 31 December					
For cathedral trading activities	275,000	-	-	275,000	384,182
For cathedral clergy and staff housing	2,396,605	-	-	2,396,605	2,396,605
	2,671,605	-	-	2,671,605	2,780,787

Impairment reviews are carried out annually by the Finance & Investment committee members, assisted by Owen Mathias who is a member of the committee and this year supported by the report produced by Savills. The only adjustment in the 2022 is one for The Cathedral Shop due the carrying cost being higher than its market value.

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 2022	Total Funds 2021
	£	£	£	£	£
Cost	177,168	286,207	-	463,375	411,771
Depreciation	(138,517)	(252,447)	-	(390,964)	(357,300)
Net book value at 1 January	38,651	33,760	-	72,411	54,471
Additions	14,045	-	-	14,045	51,604
Disposals	(29,717)	-	-	(29,717)	-
Depreciation on disposals	29,717	-	-	29,717	-
Depreciation for year	(14,737)	(8,668)	-	(23,405)	(33,664)
Net book value at 31 December	37,959	25,092	-	63,051	72,411
Cost	161,496	286,207	-	447,703	463,375
Depreciation	(123,537)	(261,115)	-	(384,652)	(390,964)
Net book value at 31 December	37,959	25,092	-	63,051	72,411

11 STOCKS

Goods for resale	57,747	-	-	57,747	66,084
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 2022

12 DEBTORS		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
Group		£	£	£	2022	2021
		£	£	£	£	£
Trade debtors		4,020	-	-	4,020	4,565
Other debtors		17,758	104,010	-	121,768	235,155
Prepayments and accrued income		16,958	179,351	-	196,309	8,133
		38,736	283,361	-	322,097	247,853
Cathedral		£	£	£	2022	2021
Trade debtors		3,422	-	-	3,422	4,095
Amount due from subsidiary undertaking		73,281	-	-	73,281	73,281
Other debtors		17,758	104,010	-	121,768	235,155
Prepayments and accrued income		16,958	179,351	-	196,309	8,133
		111,419	283,361	-	394,780	320,664
13 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
Group		£	£	£	2022	2021
Bank loan (see note 14)		20,205	-	-	20,205	23,977
Trade creditors		18,317	-	-	18,317	13,271
Tax & social security		9,747	-	-	9,747	1,421
Other creditors		58,921	3,379	-	62,300	61,661
Accruals and deferred income		46,595	-	-	46,595	29,887
		153,785	3,379	-	157,164	130,217
Cathedral		£	£	£	2022	2021
Bank loan (see note 14)		20,205	-	-	20,205	23,977
Trade creditors		10,210	-	-	10,210	7,148
Tax & social security		9,747	-	-	9,747	1,421
Other creditors		58,921	3,379	-	62,300	61,661
Accruals and deferred income		46,595	-	-	46,595	29,887
		145,678	3,379	-	149,057	124,094
14 CREDITORS - AMOUNTS DUE BEYOND ONE YEAR						
Cathedral and Group						
<p>The £318,391 (2021 - £347,446) creditor due after more than one year is the proportion of the total loan balance of £338,596 that is not payable in 2023. 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 £nil (2021 - £10,000) is the proportion of the £43,000 being 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 £10,000 will be paid during 2023 and is included in current creditors.</p>						
An analysis of the amounts falling due is below:			2022	2021		
			£	£		
* in one year or less (under current liabilities)			30,205	33,977		
* between one and two years			21,419	34,607		
* between two and five years			72,296	77,776		
* in five years or more			224,676	235,063		
			348,596	381,423		
Payable within one year			30,205	33,977		
Payable after one year			318,391	347,446		
			348,596	381,423		

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

15 FUNDS

Movement in Consolidated Funds

a. Endowment Funds

	As at 1st January 2022	Income	Expenditure	Gains/ (Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Fabric Funds	452,996	-	-	(37,029)	-	415,967
Chapter Fund	7,193,686	-	-	60,277	-	7,253,963
Music Funds	472,178	-	-	(27,306)	-	444,872
Other Funds	215,588	-	-	(4,193)	-	211,395
	8,334,448	-	-	(8,251)	-	8,326,197

	As at 1st January 2021	Income	Expenditure	Gains	Transfers	As at 31st December 2021
	£	£	£	£	£	£
Fabric Funds	403,256	-	-	49,740	-	452,996
Chapter Fund	7,159,377	-	-	34,309	-	7,193,686
Music Funds	435,498	-	-	36,680	-	472,178
Other Funds	209,956	-	-	5,632	-	215,588
	8,208,087	-	-	126,361	-	8,334,448

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 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Fabric Funds	438,593	48,965	(69,654)	(46,066)	-	371,838
Music Funds	216,047	345,479	(30,009)	(23,800)	-	507,717
Education Fund	38,252	939.00	(40)	(4,119)	(35,032)	-
Library Fund	95,371	2,340	(100)	(10,269)	(87,342)	-
Great Hall	40,394	1,707	(7,420)	(4,320)	-	30,361
The Leaves Project (Match Funding)	115,884	6,672	(37,320)	-	-	85,236
NLHF* - The Leaves of Southwell Project	(7,216)	232,562	(225,346)	-	-	-
Sacrista Retreat House	300,124	-	(1,929)	-	-	298,195
Culture Recovery Fund	16,805	-	(3,869)	-	-	12,936
Other Funds	350,789	394,329	(387,974)	(26,530)	(2,254)	328,360
	1,605,043	1,032,993	(763,661)	(115,104)	(124,628)	1,634,643

	As at 1st January 2021	Income	Expenditure	Gains/ (Losses)	Transfers	As at 31st December 2021
	£	£	£	£	£	£
Fabric Funds	376,598	35,654	(26,467)	52,808	-	438,593
Music Funds	191,285	15,624	(15,688)	24,826	-	216,047
Education Fund	33,094	926	(64)	4,296	-	38,252
Library Fund	82,509	2,309	(159)	10,712	-	95,371
Great Hall	34,713	1,241	(67)	4,507	-	40,394
The Leaves Project (Match Funding)	241,183	80,398	(205,697)	-	-	115,884
NLHF* - The Leaves of Southwell Project		700,808	(708,024)	-	-	(7,216)
Sacrista Retreat House	288,198	12,952	-	(1,026)	-	300,124
Culture Recovery Fund	37,824	190,106	(211,125)	-	-	16,805
Other Funds	339,476	316,677	(328,281)	22,917	-	350,789
	1,624,880	1,356,695	(1,495,572)	119,040	-	1,605,043

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

SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

15 FUNDS (Continued)

b. Restricted Funds (Continued)

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

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

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

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

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

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

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

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

Culture Recovery Fund - The Chapter were also successful in a bid to the CRF and 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. The balance is for depreciation for items that Chapter's policy states should be capitalised.

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

c. Designated Funds	As at 1st January 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
Designated	49,045	153	(7,714)	(670)	662	41,476
Music (Metcalfe bursary)	23,197	569	(569)	(2,498)	-	20,699
Library	-	-	-	-	87,342	87,342
	72,242	722	(8,283)	(3,168)	88,004	149,517
	As at 1st January 2021	Income	Expenditure	Gains	Transfers	As at 31st December 2021
	£	£	£	£	£	£
Designated	28,205	20,151	(10)	699	-	49,045
Music (Metcalfe bursary)	20,069	561	(39)	2,606	-	23,197
	48,274	20,712	(49)	3,305	-	72,242

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

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

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

d. General Fund	As at 1st January 2022	Income	Expenditure	(Losses)	Transfers	As at 31st December 2022
	£	£	£	£	£	£
General	490,005	681,922	(961,070)	(14,319)	48,570	245,108
Trading Subsidiary	11,946	144,060	(130,192)	-	(11,946)	13,868
	501,951	825,982	(1,091,262)	(14,319)	36,624	258,976
	As at 1st January 2021	Income	Expenditure	Gains	Transfers	As at 31st December 2021
	£	£	£	£	£	£
General	564,985	565,460	(669,116)	14,935	13,741	490,005
Trading Subsidiary	13,741	124,647	(112,701)	-	(13,741)	11,946
	578,726	690,107	(781,817)	14,935	-	501,951

General - general activity

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

Summary of Net Assets by Fund	Unrestricted General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2022
	£	£	£	£	£
Tangible Fixed Assets	37,959	-	25,092	2,671,605	2,734,656
Investments	876,091	108,584	828,870	5,653,296	7,466,841
Current Assets	(182,898)	40,933	784,060	1,296	643,391
Current Liabilities	(153,785)	-	(3,379)	-	(157,164)
Long-Term Liabilities	(318,391)	-	-	-	(318,391)
Total funds carried forward 31 December 2022	258,976	149,517	1,634,643	8,326,197	10,369,333

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

16 EMPLOYEES						2022	2021
						No.	No.
Staff numbers							
Average number of paid employees working for the cathedral during the year (including clergy paid by the Church Commissioners):							
Full time						12.9	11.1
Full time equivalent of part time staff						13.2	12.9
Total						26.1	24.0
The average number of employees during the year						33.0	33.0
Staff costs						£	£
Salaries and stipends						690,378	635,030
Employers national insurance						56,674	48,181
Employers apprenticeship levy						425	291
Employers pension contributions						87,851	70,776
Total						835,328	754,278
No employee or member of the Cathedral clergy received emoluments in excess of £60,000 in either year.							
17 REMUNERATION OF MEMBERS OF THE CHAPTER							
		Stipend / salary	Apprenticeship levy	Employers NI	Pension	Total 2022	Total 2021
Clerical Members/ Key Management Personnel		£	£	£	£	£	£
The Very Revd Nicola Sullivan		37,955	165	3,476	11,677	53,273	53,637
The Rev Canon Richard Frith		29,926	125	2,343	9,342	41,736	41,817
The Rev Canon Paul Rattigan (From Jan)		26,261	135	2,622	8,754	39,772	-
Financed by Church Commissioners		96,142	425	8,441	29,773	134,781	95,454
The remuneration and pension provision for the clerical members are paid by the Church Commissioners and Cathedral Chapter in accordance with scales laid down annually by themselves, the Archbishops' Council and the Church of England Pensions Board.							
Total expenses reimbursed to 3 (2021: 2) clerical members of Chapter for travel, hospitality and stationery						£6,355	£4,494
18 AUDITOR'S REMUNERATION						2022	2021
Audit fee (including VAT)						£12,840	£10,602
19 OPERATING LEASES						2022	2021
The total future minimum lease payments under non-cancellable operating leases are as follows:						£	£
Within one year						2,645	1,617
Between two and five years						10,579	-
						13,224	1,617
20 PRIOR YEAR COMPARATIVE SOFA & SUMMARY OF ASSETS BY FUND							
		Unrestricted General Fund	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2021	
		£	£	£	£	£	
Income and Endowments from:							
Donations and legacies		235,327	20,000	77,742	-	333,069	
Grants in support of mission		-	-	1,229,792	-	1,229,792	
Charges and fees arising in the course of mission		38,874	-	1,680	-	40,554	
Trading and fundraising		173,039	-	958	-	173,997	
Investments		237,881	712	46,523	-	285,116	
Other income		4,986	-	-	-	4,986	
Total Income		690,107	20,712	1,356,695	-	2,067,514	
Expenditure on:							
Raising funds		(297,857)	(49)	(207,456)	-	(505,362)	
Ministry		(317,888)	-	(292,891)	-	(610,779)	
Cathedral and precincts upkeep		(136,046)	-	(865,705)	-	(1,001,751)	
Education and outreach		(30,026)	-	(129,520)	-	(159,546)	
Total Expenditure		(781,817)	(49)	(1,495,572)	-	(2,277,438)	
Net income/(expenditure) before investment gains		(91,710)	20,663	(138,877)	-	(209,924)	
Net gains/(losses) on investments		14,935	3,305	119,040	126,361	263,641	
Net income/(expenditure)		(76,775)	23,968	(19,837)	126,361	53,717	
Gross transfers between funds		-	-	-	-	-	
Net movement in funds		(76,775)	23,968	(19,837)	126,361	53,717	
Total funds brought forward 1 January 2021		578,726	48,274	1,624,880	8,208,087	10,459,967	
Total funds carried forward 31 December 2021		501,951	72,242	1,605,043	8,334,448	10,513,684	
Summary of Net Assets by Fund							
Tangible Fixed Assets		38,651	-	33,760	2,780,787	2,853,198	
Investments		856,855	28,709	1,058,098	5,552,382	7,496,044	
Current Assets		72,513	43,533	524,780	1,279	642,105	
Current Liabilities		(118,622)	-	(11,595)	-	(130,217)	
Long-Term Liabilities		(347,446)	-	-	-	(347,446)	
Total Net Assets		501,951	72,242	1,605,043	8,334,448	10,513,684	

**SOUTHWELL CATHEDRAL CHAPTER
NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

	31.12.22	31.12.21
	£	£
<i>Amount paid or payable to the Cathedral</i>	46,433	37,428
Total income	74,172	40,473
Net income/(expenditure)	18,343	(9,132)
Gains / (losses) on investments	(72,343)	65,232
Gross assets	647,737	702,166
Net assets	644,638	698,638

b The Chimes Trust (Registered Charity no. 241545)

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

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

	5.4.22	5.4.21
	£	£
<i>Amount paid or payable to the Cathedral</i>	4,058	1,710
Total income	18,431	17,319
Net income/(expenditure)	11,061	22,358
Gains / (losses) on investments	29,176	117,454
Gross assets	787,505	747,116
Net assets	786,082	745,825

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.

	31.12.22	31.12.21
	£	£
<i>Amount paid or payable to the Cathedral</i>	2,245	1,812
Total income	6,872	6,631
Net income/(expenditure)	2,744	2,215
Gains on investments	1,897	9,603
Gross assets	255,241	250,167
Net assets	252,996	248,355

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.

	31.3.22	31.3.21
	£	£
<i>Amount paid or payable to the Cathedral</i>	238	-
Total income	26,958	28,980
Net income/(expenditure)	2,425	22,106
Gains / (losses) on investments	(84)	-
Gross assets	56,808	54,467
Net assets	56,364	54,035

22 Related Party Transactions

The Cathedral is the parent entity of Southwell Cathedral Chapter Trading Limited, a limited company that carries of trading activities for the benefit of Southwell Cathedral Chapter. During the year The Cathedral purchased items in relation to its mission and ministry from Southwell Cathedral Chapter Trading Limited which totalled £2,014 (2021 - £1,973) and owed £nil (2021 - £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. There results are not included in the consolidated financial statements but a summary of their accounts is shown in note 21.

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