

**BARCHESTER CATHEDRAL**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Explanatory notes**

Text in red is quoted from the Cathedral Accounting Regulations and cathedrals have discretion in how it is implemented.

Text in black is example text that is provided to help cathedrals formulate their own disclosures on similar items.

## ANNUAL REPORT

The Chapter of Barchester Cathedral present their Annual Report and accounts for Barchester Cathedral ("the Cathedral"), together with the Auditor's Report, for the year ended 31 December 2019.

### Mission statement

*The report must set out the cathedral's mission statement and summarise the ways in which the Chapter implements it.*

### Objectives and activities

*The cathedral's legal purposes must be disclosed, including a summary of how the cathedral's activities implement those purposes. The main priorities for the year should be outlined in the report; this information could come from the management plan. There should be reference to the plans for the next year as reported in the previous year and comments given for any substantial changes.*

*Good reporting provides a coherent explanation of the cathedral's strategies for achieving its aims and objectives and explains how the activities it undertook contributed to their achievement. The report must provide an explanation of:*

- *Its aims, including the issues it seeks to tackle and the changes or differences it seeks to make through its activities;*
- *How the achievement of its aims will further its legal purposes;*
- *Its strategies for achieving its stated aims and objectives;*
- *The criteria or measures it uses to assess success in the reporting period; and*
- *The significant activities undertaken, explaining how they contribute to the achievement of its stated aims and objectives.*

*The review of the activities of the cathedral must include all material entities included in the consolidated accounts. The activities included in the report should, as a minimum, include those listed on the face of the SOFA under 'Expenditure' as well as any particularly significant items in the supporting notes. Accordingly, the following headings would normally be included in this section under significant activities undertaken:*

- *Ministry*
- *Cathedrals and precincts upkeep*
- *Education and outreach*
- *Community, parish and congregation*
- *Additions to cathedral buildings*
- *Additions to statutory inventory, and disposals from it.*

*Within these headings it may be appropriate to comment on:*

- *Cathedral events*
- *Diocesan events in the cathedral*
- *The number attending services, and the number and type of services and other events held*
- *The numbers of visitors*
- *The extent of diocesan and other extra-cathedral activities undertaken by cathedral clergy and staff. There should be no notional charge in the accounts for the time spent on extra-cathedral activities. If actual income is received, then it should be shown under an appropriate heading.*
- *The use of volunteers by the Cathedral should be explained. Whilst it is not practicable for an economic value to be attached to the work of volunteers, it is nevertheless important for readers to be supplied with sufficient information to understand the role and contribution of volunteers.*

### **Public benefit**

*A cathedral must explain the main activities undertaken to further the cathedral's purposes for the public benefit*

The Chapter confirms that the Chapter has had regard to the Charity Commission's guidance on public benefit.

### **Achievements and performance**

*Progress on achieving the main priorities must be reported, include a description of how success is assessed, and quantified if appropriate.*

*This section should also include reports on the following, if applicable:*

- *The nature of any important events affecting the cathedral*
- *A statement covering the progress of raising and spending money on major appeals*
- *Major works to the fabric of the cathedral*
- *If relevant, an explanation of the cathedral's social investment policy and how it contributed to achieving aims and objectives*
- *Investment policy and performance against that policy and against appropriate benchmarks*

### **Financial review**

*The report must contain a review of the financial position of the cathedral and the other entities consolidated with it. Statements to be included are:*

- *A statement of the cathedral's policy in relation to its reserves and identify the amount of funds held for restricted purposes, designated or held in endowment funds.*
- *A comparison of the level of reserves compared to the policy and an explanation of the steps being taken to bring the reserves into line*
- *Where funds are in deficit an explanation why they are in deficit and the steps being taken to eliminate the deficit*
- *If relevant, an explanation of the financial effects of significant events*
- *Explain any material designated funds and when it is expected they will be spent*
- *In respect of stock exchange investments, a commentary should be given on the performance and management of the cathedral's investments in the context of the movements in the relevant stock market indices and inflation*
- *A description of the principal risks and uncertainties facing the cathedral and its subsidiary undertakings, as identified by the Chapter, together with a summary of its plans and strategies for managing those risks. This should be taken from the Chapter's risk register.*

*Further items on which it may be appropriate to comment include:*

- *The level of donations income, both from the congregation and from other gifts*
- *Major sources of finance (e.g. legacies, grants)*
- *The results of trading operations*
- *Property*
- *The extent of any material donated assets, goods or services, and how they have been dealt with in the accounts*
- *The level of maintenance overhang*
- *The date of the last quinquennial and when the next is due.*

### **[an example reserves policy is below]**

Barchester Cathedral held consolidated total funds of £1,968,000 as at 31 December 2019 (2018: £1,423,000). Of this £126,000 (2018: £114,000) was held in endowment funds and £466,000 (2018: £183,000) was held in restricted funds. The restricted and endowment funds are not available for the general purposes of the cathedral.

After making allowance for those restricted and endowment funds, the cathedral has unrestricted funds of £1,376,000 (2018: £1,126,000). However, this fund includes the carrying value of functional assets for operational use by the cathedral and its subsidiaries. The value of

these assets can only be realised at 31 December 2019 by disposal of the assets. This balance was £1,249,000 at 31 December 2019 (2018: £1,117,000), giving a total balance for the cathedral's freely available reserves of £127,000 (2018: £9,000).

The cathedral's policy is to hold an amount of freely available reserves equal to between three and six months of unrestricted expenditure. In 2019, this is between £130,500 and £261,000. The freely available reserves are below this amount. In order to bring the reserves held in line with the policy, the cathedral plans to increase the number of lettings it facilitates. It hopes that this will generate profits and diversify the cathedral's income sources to make it more financially resilient.

#### **Plans for future periods**

*The report must provide a summary of the cathedral's plans for the future, including its aims and objectives and details of any activities planned to achieve them.*

*The report should explain the Chapter's perspective of the future direction of the cathedral. It should explain, where relevant, how experience gained or lessons learned from past or current activities have influenced future plans and decisions about allocating resources to their best effect.*

#### **Structure, governance and management**

*The following information must be included in the Annual Report:*

- *The nature and date(s) of the cathedral's governing statute(s)*
- *State that the cathedral is an ecclesiastical corporation*
- *A description of the role of the cathedral within the diocese*
- *A description of the organisational structure of the cathedral and how the cathedral is managed. This will need a description of the three institutions (the Council, the Chapter and the College of Canons) comprising the corporate body and of the Finance Committee. The roles of each, and of the Bishop, as set out in paragraphs 3, 4, 5 and 9 of the Cathedrals Measure 1999, should be briefly explained. It is not required to name any individual (except as required by paragraph 4.7), though some might wish to do so.*
- *A statement regarding the relationships between the cathedral and other organisations with which it co-operates in the pursuit of its objectives*
- *Details of the method of appointing members of Chapter indicating who is entitled to appoint*
- *Policies and procedures adopted for the induction and training of new members of Chapter*
- *A description of how decisions are made, e.g. which type of decisions are taken by Chapter and which are delegated to staff*
- *Changes in senior clerical and lay appointments*
- *A disclosure on Chapter's arrangements for setting the pay and remuneration of key senior staff and any benchmarks, parameters or criteria used in setting their pay*
- *If relevant, a summary of the cathedral's investment powers given by the Cathedrals Measure 1999*

#### **Statement of responsibilities of the Chapter**

The Chapter is responsible under requirements laid down by the Church Commissioners under the powers given to 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 these regulations or describing which regulations have not been complied with and giving reasons for the non-compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- preparing the accounts on the going concern basis unless it is inappropriate to presume that the cathedral will continue in business;
- keeping proper accounting records from which the financial position of the cathedral can be ascertained with reasonable accuracy at any time, and
- safeguarding the assets of the cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Reference and administrative details**

The cathedral's annual report must contain the following information:

- The full legal name of the cathedral and any other name commonly used
- The address of the cathedral office
- The names of the members of the Chapter and the executive posts held by them
- The name of the administrator
- The names of the surveyor to the fabric (being the architect appointed under the Care of Cathedrals Measure 1990) and the archaeologist
- The names of the members of the finance committee
- The names of the members of the fabric advisory committee
- The name of the director of music or organist
- The name and address of the cathedral auditors
- The names and addresses of the cathedral's bankers, solicitors, accountants, investment managers, architects; and any other professional advisors used during the year.
- Details of any funds held as a custodian trustee on behalf of others

**Approved by the Chapter on 21 May 2020 and signed on its behalf by:**

Francis Arabin  
Dean of Barchester Cathedral

21 May 2020

**INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF BARCHESTER CATHEDRAL**

**[to be provided to each Chapter in consultation with their auditor]**

*The accounts must be independently audited by an auditor who is a firm or individual who may, under section 144(2) of the Charities Act 2011, audit the accounts of a charity. A partner or employee of the auditor should not be a member of any of the bodies comprising the corporate body.*

*The auditor's terms of engagement must be agreed in writing with the Chapter of the cathedral and should be updated at least every three years.*

*The audit should be conducted in accordance with International Standards on Auditing (UK), as applied to charities in Practice Note 11 (Revised): The Audit of Charities, issued by the Financial Reporting Council. The report of the auditor should be addressed to the members of the Chapter of the cathedral.*

Mr Septimus Harding  
Senior Statutory Auditor  
for and on behalf of Hiram Associates LLP  
Statutory Auditor, Chartered Accountants  
London

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

[NB: transfers of unapplied total return may be presented as transfers in income (as below) or as transfers between funds]

	Notes	Unrestricted £	Restricted £	Endowment £	2019 £	2018 £
<b>Income and endowments from:</b>						
Donations and legacies:	<b>2</b>					
. Donations		451,000	162,000	-	<b>613,000</b>	512,000
. Legacies		52,000	12,000	-	<b>64,000</b>	78,000
. Grants		65,000	499,000	-	<b>564,000</b>	599,000
Charitable activities	<b>3</b>	55,000	150,000	-	<b>205,000</b>	169,000
Other trading activities	<b>4</b>	99,000	-	-	<b>99,000</b>	97,000
Investments		1,000	-	20,000	<b>21,000</b>	25,000
Other income		1,000	-	-	<b>1,000</b>	2,000
Transfer to income	<b>18</b>	22,000	-	(22,000)	-	-
<b>Total income</b>		<b>746,000</b>	<b>823,000</b>	<b>(2,000)</b>	<b>1,567,000</b>	<b>1,482,000</b>
<b>Expenditure on:</b>						
Raising funds	<b>5</b>	76,000	-	1,000	<b>77,000</b>	81,000
Charitable activities:	<b>6</b>					
. Ministry		211,000	344,000	-	<b>555,000</b>	589,000
. Cathedral and precincts upkeep		184,000	63,000	-	<b>247,000</b>	301,000
. Education and outreach		22,000	111,000	-	<b>133,000</b>	119,000
. Community, Parish and congregation		27,000	-	-	<b>27,000</b>	33,000
Other		2,000	-	-	<b>2,000</b>	3,000
<b>Total expenditure</b>		<b>522,000</b>	<b>518,000</b>	<b>1,000</b>	<b>1,041,000</b>	<b>1,126,000</b>
<b>Net income before gains on investments</b>		<b>224,000</b>	<b>305,000</b>	<b>(3,000)</b>	<b>526,000</b>	<b>356,000</b>
<b>Net gains (losses) on investments</b>	<b>13</b>	4,000	-	15,000	<b>19,000</b>	(33,000)
<b>Net income (expenditure)</b>		<b>228,000</b>	<b>305,000</b>	<b>12,000</b>	<b>545,000</b>	<b>323,000</b>
<b>Transfers between funds</b>		<b>22,000</b>	<b>(22,000)</b>	-	-	-
<b>Net movement in funds</b>		<b>250,000</b>	<b>283,000</b>	<b>12,000</b>	<b>545,000</b>	<b>323,000</b>
<b>Total funds brought forward</b>		<b>1,126,000</b>	<b>183,000</b>	<b>114,000</b>	<b>1,423,000</b>	<b>1,100,000</b>
<b>Total funds carried forward</b>		<b>1,376,000</b>	<b>466,000</b>	<b>126,000</b>	<b>1,968,000</b>	<b>1,423,000</b>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted £	Restricted £	Endowment £	2018 £
<b>Income and endowments from:</b>					
Donations and legacies:	<b>2</b>				
. Donations		512,000	-	-	<b>512,000</b>
. Legacies		78,000	-	-	<b>78,000</b>
. Grants		40,000	559,000	-	<b>599,000</b>
Charitable activities	<b>3</b>	25,000	144,000	-	<b>169,000</b>
Other trading activities	<b>4</b>	97,000	-	-	<b>97,000</b>
Investments		2,000	-	23,000	<b>25,000</b>
Other income		2,000	-	-	<b>2,000</b>
Transfer to income	<b>18</b>	-	-	-	-
<b>Total income</b>		<b>756,000</b>	<b>703,000</b>	<b>23,000</b>	<b>1,482,000</b>
<b>Expenditure on:</b>					
Raising funds	<b>5</b>	80,000	-	1,000	<b>81,000</b>
Charitable activities:	<b>6</b>				
. Ministry		239,000	350,000	-	<b>589,000</b>
. Cathedral and precincts upkeep		196,000	105,000	-	<b>301,000</b>
. Education and outreach		24,000	95,000	-	<b>119,000</b>
. Community, Parish and congregation		33,000	-	-	<b>33,000</b>
Other		3,000	-	-	<b>3,000</b>
<b>Total expenditure</b>		<b>575,000</b>	<b>550,000</b>	<b>1,000</b>	<b>1,126,000</b>
<b>Net income before gains on investments</b>		<b>181,000</b>	<b>153,000</b>	<b>22,000</b>	<b>356,000</b>
<b>Net gains (losses) on investments</b>	<b>13</b>	(6,000)	-	(27,000)	<b>(33,000)</b>
<b>Net income (expenditure)</b>		<b>175,000</b>	<b>153,000</b>	<b>(5,000)</b>	<b>323,000</b>
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		<b>175,000</b>	<b>153,000</b>	<b>(5,000)</b>	<b>323,000</b>
<b>Total funds brought forward</b>		<b>951,000</b>	<b>30,000</b>	<b>119,000</b>	<b>1,100,000</b>
<b>Total funds carried forward</b>		<b>1,126,000</b>	<b>183,000</b>	<b>114,000</b>	<b>1,423,000</b>

BALANCE SHEETS AS AT 31 DECEMBER 2019

[This balance sheet does not present the analysis of net assets between funds because this is provided in the notes to the accounts.]

	Notes	Consolidated		Cathedral only	
		2019 £	2018 £	2019 £	2018 £
<b>Fixed assets</b>					
Tangible assets	11	<b>1,249,000</b>	1,117,000	<b>1,249,000</b>	1,117,000
Investments	13	<b>816,000</b>	683,000	<b>816,100</b>	683,100
<b>Total fixed assets</b>		<b>2,065,000</b>	1,800,000	<b>2,065,100</b>	1,800,100
<b>Current assets</b>					
Debtors	14	<b>48,000</b>	44,000	<b>41,000</b>	42,000
Cash at bank and in hand		<b>92,000</b>	46,000	<b>6,900</b>	16,900
<b>Total current assets</b>		<b>140,000</b>	90,000	<b>47,900</b>	58,900
Creditors: Amounts falling due within one year	15	<b>(87,000)</b>	(267,000)	<b>(113,000)</b>	(315,000)
<b>Net current assets</b>		<b>53,000</b>	(177,000)	<b>(65,100)</b>	(256,100)
Creditors: Amounts falling due after one year	16	<b>(150,000)</b>	(200,000)	<b>(150,000)</b>	(200,000)
<b>Total net assets</b>		<b>1,968,000</b>	1,423,000	<b>1,850,000</b>	1,344,000
<b>The funds of the cathedral</b>					
Endowment funds	17	<b>126,000</b>	114,000	<b>126,000</b>	114,000
Restricted funds	17	<b>466,000</b>	183,000	<b>348,000</b>	104,000
Unrestricted funds		<b>1,376,000</b>	1,126,000	<b>1,376,000</b>	1,126,000
<b>Total funds</b>		<b>1,968,000</b>	1,423,000	<b>1,850,000</b>	1,344,000

The notes 1 to 21 form part of these accounts.

The accounts of Barchester Cathedral were approved by the Chapter and authorised for issue on 21 May 2020 and signed on its behalf by:

**Francis Arabin**  
Dean of Barchester Cathedral

21 May 2020

**Dr Gwynne**  
Member of Chapter of Barchester Cathedral

21 May 2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>		<b>390,000</b>	<b>207,000</b>
<b>Net cash provided by operating activities</b>		<b>390,000</b>	<b>207,000</b>
<b>Cash flows from investing activities</b>			
Income from investments		21,000	25,000
Tangible assets: additions	11	(201,000)	(64,000)
Investments: additions	13	(184,000)	(187,000)
Investments: sale proceeds	13	80,000	29,000
<b>Net cash provided by (used in) investing activities</b>		<b>(284,000)</b>	<b>(197,000)</b>
<b>Cash flows from financing activities</b>			
Repayment of bank loan	15	(50,000)	-
<b>Net cash used in financing activities</b>		<b>(50,000)</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>		<b>56,000</b>	<b>10,000</b>
Cash at the start of the reporting period		58,000	48,000
Change in cash and cash equivalents in the year		56,000	10,000
<b>Cash at the end of the year</b>		<b>114,000</b>	<b>58,000</b>

**Reconciliation of net income to net cash inflow from operating activities**

	Notes	2019 £	2018 £
Net income for the year		545,000	323,000
Adjustments for:			
Depreciation of tangible assets	11	69,000	66,000
Income from investments		(21,000)	(25,000)
(Gains) losses on investments	13	(19,000)	33,000
Decrease (increase) in debtors	14	(4,000)	92,000
Increase (decrease) creditors	15, 16	(180,000)	(282,000)
<b>Net cash provided by (used in) operating activities</b>		<b>390,000</b>	<b>207,000</b>

Cash and cash equivalents and net debt comprise the following balances:

	At 1 January £	Cash flows £	Other non cash changes £	At 31 December £
Cash at bank and in hand	46,000	46,000	-	92,000
Cash held with investment managers for reinvestment	12,000	10,000	-	22,000
<b>Total cash and cash equivalents</b>	<b>58,000</b>	<b>56,000</b>	<b>-</b>	<b>114,000</b>
Bank loans falling due after one year	(200,000)	50,000	-	(150,000)
<b>Total net debt</b>	<b>(142,000)</b>	<b>106,000</b>	<b>-</b>	<b>(36,000)</b>

Within cash held with investment managers for reinvestment, £22,000 (2018: £12,000) relates to the endowment fund, which is unavailable for use until it is applied to the income fund.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. **Accounting policies**

**[These accounting policies, or policies with the same meaning, are the policies common to all cathedrals and must be included in the cathedral's accounts. Additional policies, or more detailed policies, will be required based on each cathedral's particular circumstances.]**

**Basis of preparation**

The accounts have been prepared in accordance with the *Accounting and Reporting Regulations for English Anglican Cathedrals*, dated December 2018, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The cathedral meets the definition of a public benefit entity under FRS 102.

The accounts are presented in sterling, which is the functional currency of the cathedral, and rounded to the nearest pound.

**Consolidation**

The accounts consolidate the results of the cathedral and its subsidiaries St Trinians School ("the choir school") and Barchester Cathedral Enterprises Limited.

In addition, the cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided in note 19.

**Going concern**

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

**Income**

**[Policies on each material source of income will be required]**

**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 headings:

- Costs of raising funds comprise the costs of commercial trading and their associated support costs; and
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the cathedral and their associated support costs.

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

Support costs are those functions that assist the work of the cathedral but do not directly undertake either charitable or fundraising activities. Please see note 9 for details of these costs and the basis of allocation.

### **Tangible fixed assets**

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated over their useful economic lives on a straight line basis as follows:

Freehold buildings	[x] years
IT equipment	[x] years

### **Heritage assets**

Heritage assets include the cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 31 December 2018, because information on their historical cost is not available.

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

### **Investments**

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

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value 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.

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

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

### **Debtors**

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

### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Pensions**

[Add policies for each pension scheme as required]

**[NB:** Comparatives must be provided for each item presented on the SOFA, balance sheet, cash flow statement and in the notes, subject to the exceptions in the Regulations, which mirror the exceptions found within FRS 102. Cathedrals have discretion over how this requirement is presented in the notes to the accounts, and different presentation methods may be applicable for different notes. Examples of different presentation methods in these model accounts are:

- **Copy notes** – note 2 provides an example of where the prior year note has been included in the current year accounts in order to show the unrestricted/restricted split for the 2018 year;
- **Additional columns** – note 3 shows comparatives alongside the current year balance through adding extra columns; and
- **Narrative comment** – note 4 contains a narrative comment that provides the comparative information for the unrestricted/restricted/endowment fund split. The totals already have comparatives.

Most balance sheet reconciliations are exempt from the requirement to provide detailed comparatives. However, there are cases where additional disclosures required in charity accounting have not been covered by exceptions in FRS 102. Primarily these relate to:

- **Listed investments** – although a prior year reconciliation of investment property is not required, there is no similar exception for listed investments. In these model accounts the exception in relation to investment property has not been used, because it is considered more useful to the reader of Barchester Cathedral to show a prior year reconciliation for all investments rather than just for listed investments;
- **Fund reconciliations** – where there are reconciliations of opening and closing balances on restricted and endowment funds, these will need to have prior year comparatives for all numbers in the reconciliation. ]

## 2. Income from donations and legacies

	Unrestricted	Restricted	Endowment	2019
	£	£	£	£
Congregational giving	102,500	18,500	-	<b>121,000</b>
Donations from Friends and local trusts	20,500	143,500	-	<b>164,000</b>
Other donations	308,000	-	-	<b>308,000</b>
Donated goods and services	20,000	-	-	<b>20,000</b>
<b>Total donations</b>	<b>451,000</b>	<b>162,000</b>	-	<b>613,000</b>
Legacies	52,000	12,000	-	<b>64,000</b>
<b>Total legacies</b>	<b>52,000</b>	<b>12,000</b>	-	<b>64,000</b>
Church Commissioners grants	-	120,000	-	<b>120,000</b>
Diocesan grants	-	116,000	-	<b>116,000</b>
Heritage Lottery Fund grants	-	263,000	-	<b>263,000</b>
Allchurches Trust	25,000	-	-	<b>25,000</b>
Other grants	40,000	-	-	<b>40,000</b>
<b>Total grants</b>	<b>65,000</b>	<b>499,000</b>	-	<b>564,000</b>
<b>Total</b>	<b>568,000</b>	<b>673,000</b>	-	<b>1,241,000</b>

	Unrestricted	Restricted	Endowment	2018
	£	£	£	£
Congregational giving	273,000	-	-	<b>273,000</b>
Donations from Friends and local trusts	151,000	-	-	<b>151,000</b>
Other donations	63,000	-	-	<b>63,000</b>
Donated goods and services	25,000	-	-	<b>25,000</b>
<b>Total donations</b>	<b>512,000</b>			<b>512,000</b>
Legacies	78,000	-	-	<b>78,000</b>
<b>Total legacies</b>	<b>78,000</b>			<b>78,000</b>
Church Commissioners grants	-	140,000	-	<b>140,000</b>
Diocesan grants	-	419,000	-	<b>419,000</b>
Other grants	40,000	-	-	<b>40,000</b>
<b>Total grants</b>	<b>40,000</b>	<b>559,000</b>		<b>599,000</b>
<b>Total</b>	<b>630,000</b>	<b>559,000</b>		<b>1,189,000</b>

Total gift aid receivable included above was £25,000 (2018: £42,000).

**[NB: in cases where there are no entries in a column, such as the endowment column in the above table, the entire column may be deleted.]**

3. **Income from charitable activities**

	Unrestricted	Restricted	2019	Unrestricted	Restricted	2018
	£	£	£	£	£	£
Facility and other fees	55,000	-	<b>55,000</b>	25,000	-	<b>25,000</b>
Gross income of the choir school	-	150,000	<b>150,000</b>	-	144,000	<b>144,000</b>
<b>Total</b>	<b>55,000</b>	<b>150,000</b>	<b>205,000</b>	<b>25,000</b>	<b>144,000</b>	<b>169,000</b>

4. **Income from other trading activities**

	Unrestricted	Restricted	Endowment	2019	2018
	£	£	£	£	£
Charges to visitors	12,000	-	-	<b>12,000</b>	10,000
Lettings of cathedral or other buildings	62,000	-	-	<b>62,000</b>	54,000
Fundraising events	5,000	-	-	<b>5,000</b>	7,000
Gross income of shop, refectory and other trading activities	20,000	-	-	<b>20,000</b>	26,000
<b>Total</b>	<b>99,000</b>			<b>99,000</b>	<b>97,000</b>

All income from other trading activities in 2018 relates to the unrestricted fund.

5. **Costs of raising funds**

	2019	2018
	£	£
Gross costs of shop, refectory and other trading activities	15,000	18,000
Costs of fundraising and lettings	32,000	36,000
Investment management costs	22,000	20,000
Support costs (note 9)	8,000	7,000
<b>Total</b>	<b>77,000</b>	<b>81,000</b>

6. **Expenditure on charitable activities**

	Direct costs (note 7)	Grant making (note 8)	Support costs (note 9)	2019
	£	£	£	£
Ministry	412,000	33,000	110,000	555,000
Cathedral and precincts upkeep	201,000	-	46,000	247,000
Education and outreach	118,000	6,000	9,000	133,000
Community, parish and congregation	25,000	-	2,000	27,000
<b>Total</b>	<b>756,000</b>	<b>39,000</b>	<b>167,000</b>	<b>962,000</b>

	Direct costs (note 7)	Grant making (note 8)	Support costs (note 9)	2018
	£	£	£	£
Ministry	403,000	86,000	100,000	589,000
Cathedral and precincts upkeep	249,000	-	52,000	301,000
Education and outreach	98,000	14,000	7,000	119,000
Community, parish and congregation	19,000	-	14,000	33,000
<b>Total</b>	<b>769,000</b>	<b>100,000</b>	<b>173,000</b>	<b>1,042,000</b>

Total irrecoverable VAT included above was £76,000 (2018: £67,000).

7. Direct costs of charitable activities

	2019	2018
	£	£
<b>Ministry:</b>		
. Clergy stipends and working expenses	354,000	340,000
. Clergy housing costs	22,000	27,000
. Clergy support costs	10,000	11,000
. Services and music	26,000	25,000
<b>Total ministry direct costs</b>	<b>412,000</b>	<b>403,000</b>
<b>Cathedral and precincts upkeep:</b>		
. Major repairs and restoration	55,000	107,000
. Maintenance and interior upkeep	53,000	58,000
. Cathedral inventory purchases	6,000	5,000
. Cathedral insurance	22,000	21,000
. Precincts, security and gardens upkeep	65,000	58,000
<b>Total cathedral and precincts upkeep costs</b>	<b>201,000</b>	<b>249,000</b>
<b>Education and outreach:</b>		
. Choir school costs	111,000	95,000
. Educational activities	1,000	1,000
. Archives and library	6,000	2,000
<b>Total education and outreach costs</b>	<b>118,000</b>	<b>98,000</b>
<b>Community, parish and congregation:</b>		
. Parish groups and activities	25,000	19,000
<b>Total community, parish and congregation costs</b>	<b>25,000</b>	<b>19,000</b>
<b>Total</b>	<b>756,000</b>	<b>769,000</b>

8. Grant making

	2019	2018
	£	£
<b>Ministry:</b>		
. Contribution to ministry of Dr Vesey Stanhope in Italy	24,000	80,000
. Church Mission Society	5,000	-
. Bible Reading Fellowship	4,000	6,000
<b>Total ministry grants</b>	<b>33,000</b>	<b>86,000</b>
<b>Education and outreach:</b>		
. Scholarship prizes to the Friends of the Choir School	6,000	14,000
<b>Total education and outreach grants</b>	<b>6,000</b>	<b>14,000</b>
<b>Total</b>	<b>39,000</b>	<b>100,000</b>

9. Support costs

	Costs of raising funds	Charitable activities	2019	Costs of raising funds	Charitable activities	2018
	£	£	£	£	£	£
Finance, HR and IT costs	3,000	94,000	<b>97,000</b>	2,000	97,000	<b>99,000</b>
Other premises costs	5,000	68,000	<b>73,000</b>	5,000	69,000	<b>74,000</b>
Staff training costs	-	2,000	<b>2,000</b>	-	3,000	<b>3,000</b>
Governance costs	-	3,000	<b>3,000</b>	-	4,000	<b>4,000</b>
<b>Total</b>	<b>8,000</b>	<b>167,000</b>	<b>175,000</b>	<b>7,000</b>	<b>173,000</b>	<b>180,000</b>

Support costs are stated after charging audit fees of £16,000 (2018: £15,500). Costs are allocated on the basis of the headcount of staff employed in each activity.

10. Employees and office holders

	Clergy	Lay staff	2019	Clergy	Lay staff	2018
	£	£	£	£	£	£
Wages and salaries, including stipends	230,000	122,000	<b>352,000</b>	203,000	138,000	<b>341,000</b>
Social security costs	32,500	16,000	<b>48,500</b>	28,000	18,000	<b>46,000</b>
Pension costs	52,500	12,000	<b>64,500</b>	49,000	13,000	<b>62,000</b>
<b>Total</b>	<b>315,000</b>	<b>150,000</b>	<b>465,000</b>	<b>280,000</b>	<b>169,000</b>	<b>449,000</b>

The average staff numbers are as follows:

	Headcount		Full time equivalent	
	2019	2018	2019	2018
	£	£	£	£
Fundraising	1	1	0.5	0.5
Charitable activities:				
. Clergy	9	8	6.8	6.2
. Lay staff	6	5	2.4	3.1
Support and administration	3	3	1.5	1.5
<b>Total</b>	<b>19</b>	<b>17</b>	<b>11.2</b>	<b>11.3</b>

No staff or clergy member was paid more than £60,000 for the year (2018: none).

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council, and the Church of England Pensions Board. No supplement to these scales are paid. These payments are set out below.

	Remuneration	Pension payments	Other benefits	2019
	£	£	£	£
Francis Arabin	35,000	8,500	3,000	<b>46,500</b>
Dr Gwynne	32,000	8,000	3,000	<b>43,000</b>
Obidiah Slope	33,000	7,500	3,000	<b>43,500</b>
Theophilus Grantly	24,000	5,500	3,000	<b>32,500</b>
Wilfred Thorne	16,000	3,000	3,000	<b>22,000</b>
<b>Total</b>	<b>140,000</b>	<b>32,500</b>	<b>15,000</b>	<b>187,500</b>

	Remuneration £	Pension payments £	Other benefits £	2018 £
Francis Arabin	33,000	8,000	3,000	<b>44,000</b>
Dr Gwynne	31,500	8,000	3,000	<b>42,500</b>
Obidiah Slope	33,500	8,000	3,000	<b>44,500</b>
Theophilus Grantly	24,000	5,000	3,000	<b>32,000</b>
Wilfred Thorne	15,000	3,000	3,000	<b>21,000</b>
<b>Total</b>	<b>137,000</b>	<b>32,000</b>	<b>15,000</b>	<b>184,000</b>

In addition, 3 (2018: 5) members of chapter were reimbursed £4,000 (2018: £3,500) in expenses during the year. All expenses related to travel costs.

11. **Tangible assets**

Consolidated and cathedral	Freehold land and buildings £	IT equipment £	2019 £
<i>Cost</i>			
At 1 January	2,062,000	125,000	<b>2,187,000</b>
Additions	201,000	-	<b>201,000</b>
Disposals	-	-	-
<b>Cost at 31 December</b>	<b>2,263,000</b>	<b>125,000</b>	<b>2,388,000</b>
<i>Depreciation</i>			
At 1 January	1,024,000	46,000	<b>1,070,000</b>
Depreciation charge	44,000	25,000	<b>69,000</b>
Released on disposal	-	-	-
<b>Depreciation at 31 December</b>	<b>1,068,000</b>	<b>71,000</b>	<b>1,139,000</b>
<b>Net book value at 1 January</b>	<b>1,038,000</b>	<b>79,000</b>	<b>1,117,000</b>
<b>Net book value at 31 December</b>	<b>1,195,000</b>	<b>54,000</b>	<b>1,249,000</b>

12. **Heritage assets (consolidated and cathedral)**

**[NB: a note will be required in order to explain the types and uses of cathedral buildings and the inventory, as required by the Regulations]**

As stated in the accounting policies, no value has been placed on the cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

The cathedral buildings are the cathedral, chapter house, cloisters and libraries.

The Care of Cathedrals Measure 2011 requires cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the cathedral church. Primarily this consists of the cathedral's unique collection of 18<sup>th</sup> century silver plate and the organ. No additions to the inventory in the last four years have met the definition of a heritage asset and there have been no transactions involving heritage assets in the same time period.

13. Investments

Consolidated	Listed	Investment	2019	Listed	Investment	2018
	investments	property		investments	property	
	£	£	£	£	£	£
At 1 January	511,000	160,000	<b>671,000</b>	371,000	175,000	<b>546,000</b>
Additions	184,000	-	<b>184,000</b>	187,000	-	<b>187,000</b>
Disposal proceeds	(80,000)	-	<b>(80,000)</b>	(29,000)	-	<b>(29,000)</b>
Net movement in market value	15,000	4,000	<b>19,000</b>	(18,000)	(15,000)	<b>(33,000)</b>
<b>Total invested assets</b>	<b>630,000</b>	<b>164,000</b>	<b>794,000</b>	<b>511,000</b>	<b>160,000</b>	<b>671,000</b>
Cash held for reinvestment	<b>22,000</b>	-	<b>22,000</b>	<b>12,000</b>	-	<b>12,000</b>
<b>Total investments</b>	<b>652,000</b>	<b>164,000</b>	<b>816,000</b>	<b>523,000</b>	<b>160,000</b>	<b>683,000</b>

Cathedral	Listed	Investment	Unlisted	2019
	investments	property	investment	
	£	£	£	£
At 1 January	511,000	160,000	100	<b>671,100</b>
Additions	184,000	-	-	<b>184,000</b>
Disposal proceeds	(80,000)	-	-	<b>(80,000)</b>
Net movement in market value	15,000	4,000	-	<b>19,000</b>
<b>Total invested assets</b>	<b>630,000</b>	<b>164,000</b>	<b>100</b>	<b>794,100</b>
Cash held for reinvestment	<b>22,000</b>	-	-	<b>22,000</b>
<b>Total investments</b>	<b>652,000</b>	<b>164,000</b>	<b>100</b>	<b>816,100</b>

Cathedral	Listed	Investment	Unlisted	2018
	investments	property	investment	
	£	£	£	£
At 1 January	371,000	175,000	100	<b>546,100</b>
Additions	187,000	-	-	<b>187,000</b>
Disposal proceeds	(29,000)	-	-	<b>(29,000)</b>
Net movement in market value	(18,000)	(15,000)	-	<b>(33,000)</b>
<b>Total invested assets</b>	<b>511,000</b>	<b>160,000</b>	<b>100</b>	<b>671,100</b>
Cash held for reinvestment	<b>12,000</b>	-	-	<b>12,000</b>
<b>Total investments</b>	<b>523,000</b>	<b>160,000</b>	<b>100</b>	<b>683,100</b>

The Cathedral's unlisted investment consists of its shareholding of 100 ordinary shares in Barchester Cathedral Enterprises Limited, a wholly owned subsidiary of the cathedral. Further details are provided in note 19.

The cathedral also has an investment property let to St Trinians Choir School, which comprises the school buildings. The cathedral has elected to account for this property using the cost model, and so this investment property is shown within tangible fixed assets. The carrying amount of this property at 31 December was £708,000 (2018: £762,000).

**[NB: if the cathedral has investment assets that do not fit into these categories, for example social investments, further columns will be required.]**

14. Debtors

	Consolidated		Cathedral	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	25,000	28,000	2,000	7,000
Amounts owed by subsidiary undertakings	-	-	35,000	26,000
Prepayments and accrued income	14,000	8,000	2,000	6,000
Other debtors	9,000	8,000	2,000	3,000
<b>Total debtors</b>	<b>48,000</b>	<b>44,000</b>	<b>41,000</b>	<b>42,000</b>

Included within other debtors is a rent deposit of £1,000 (2018: £1,000) due to be refunded to the cathedral after one year. No discounting has been applied to this balance because the time value of money would be immaterial.

15. Creditors: Amounts falling due within one year

	Consolidated		Cathedral	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	16,000	47,000	3,000	18,000
Church of England Funded Pension Scheme liability (note 16)	39,000	35,000	39,000	35,000
Bank loan (note 16)	-	50,000	-	50,000
Amounts owed to subsidiary undertakings	-	-	64,000	95,000
Accruals and deferred income	23,000	22,000	5,000	6,000
Grants payable	-	100,000	-	100,000
Other creditors	9,000	13,000	2,000	11,000
<b>Total creditors falling due within one year</b>	<b>87,000</b>	<b>267,000</b>	<b>113,000</b>	<b>315,000</b>

16. Creditors: Amounts falling due after one year

	Consolidated		Cathedral	
	2019	2018	2019	2018
	£	£	£	£
Church of England Funded Pension Scheme liability	-	50,000	-	50,000
Bank loan	150,000	150,000	150,000	150,000
<b>Total creditors falling due after one year</b>	<b>150,000</b>	<b>200,000</b>	<b>150,000</b>	<b>200,000</b>

The Church of England Funded Pension Scheme (CEFPS) liability relates to the cathedral's involvement in the CEFPS for the benefit of its clergy. The scheme is considered to be a multi-employer scheme, and it is not possible to attribute the schemes' assets and liabilities to specific employers. Therefore, contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable plus any impact of deficit contributions.

The most recent valuation of the scheme was carried by an independent qualified actuary using the projected unit method at 31 December 2015. This revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m. In light of this, deficit repair contributions are payable at a rate of 11.9% of contributory salary until 31 December 2025. This liability represents the present value of the future cash outflows of the cathedral in relation to this arrangement.

The bank loan is with Barchester Bank plc. This loan is fixed at a rate of 5% and is interest-only until expiry. In the year ended 31 December 2019, the cathedral made an agreed capital repayment of £50,000 to ensure compliance with a loan covenant for the loan amount to be less than 100% of the value of the pledged security. It is anticipated that the loan will be repaid at expiry following the sale of an investment property. The cathedral has pledged this investment property, the former Framley Parsonage, as security for this loan. The total debt, both on a consolidated and cathedral only basis, falls due:

	2019	2018
	£	£
Within one year	-	50,000
Between one and two years	-	-
Between two and five years	-	-
In five years or more	150,000	150,000
<b>Total debt</b>	<b>150,000</b>	<b>200,000</b>

17. Funds

Consolidated	Unrestricted	Restricted	Endowment	2019
	£	£	£	£
Tangible assets	1,249,000	-	-	1,249,000
Investments	304,000	386,000	126,000	816,000
Current assets	60,000	80,000	-	140,000
Current liabilities	(87,000)	-	-	(87,000)
Non-current liabilities	(150,000)	-	-	(150,000)
<b>Total</b>	<b>1,376,000</b>	<b>466,000</b>	<b>126,000</b>	<b>1,968,000</b>

Consolidated	Unrestricted	Restricted	Endowment	2018
	£	£	£	£
Tangible assets	1,117,000	-	-	1,117,000
Investments	386,000	183,000	114,000	683,000
Current assets	90,000	-	-	90,000
Current liabilities	(267,000)	-	-	(267,000)
Non-current liabilities	(200,000)	-	-	(200,000)
<b>Total</b>	<b>1,126,000</b>	<b>183,000</b>	<b>114,000</b>	<b>1,423,000</b>

Cathedral	Unrestricted	Restricted	Endowment	2019
	£	£	£	£
Tangible assets	1,249,000	-	-	1,249,000
Investments	342,100	348,000	126,000	816,100
Current assets	47,900	-	-	47,900
Current liabilities	(113,000)	-	-	(113,000)
Non-current liabilities	(150,000)	-	-	(150,000)
<b>Total</b>	<b>1,376,000</b>	<b>348,000</b>	<b>126,000</b>	<b>1,850,000</b>

<b>Cathedral</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	1,117,000	-	-	<b>1,117,000</b>
Investments	465,100	104,000	114,000	<b>683,100</b>
Current assets	58,900	-	-	<b>58,900</b>
Current liabilities	(315,000)	-	-	<b>(315,000)</b>
Non-current liabilities	(200,000)	-	-	<b>(200,000)</b>
<b>Total</b>	<b>1,126,000</b>	<b>104,000</b>	<b>114,000</b>	<b>1,344,000</b>

Restricted and endowment funds are made up of various smaller fund balances as set out below.

<b>Restricted funds</b>	<b>1 January</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains and</b>	<b>31 December</b>
	<b>2019</b>	<b>£</b>	<b>£</b>	<b>transfers</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fabric maintenance	104,000	553,000	(287,000)	(22,000)	<b>348,000</b>
Church Commissioners grants	-	120,000	(120,000)	-	-
<b>Cathedral only subtotal</b>	<b>104,000</b>	<b>673,000</b>	<b>(407,000)</b>	<b>(22,000)</b>	<b>348,000</b>
Choir school funds	79,000	150,000	(111,000)	-	<b>118,000</b>
<b>Consolidated total</b>	<b>183,000</b>	<b>823,000</b>	<b>(518,000)</b>	<b>(22,000)</b>	<b>466,000</b>

<b>Restricted funds</b>	<b>1 January</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains and</b>	<b>31 December</b>
	<b>2018</b>	<b>£</b>	<b>£</b>	<b>transfers</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fabric maintenance	-	419,000	(315,000)	-	<b>104,000</b>
Church Commissioners grants	-	140,000	(140,000)	-	-
<b>Cathedral only subtotal</b>	<b>-</b>	<b>559,000</b>	<b>(455,000)</b>	<b>-</b>	<b>104,000</b>
Choir school funds	30,000	144,000	(95,000)	-	<b>79,000</b>
<b>Consolidated total</b>	<b>30,000</b>	<b>703,000</b>	<b>(550,000)</b>	<b>-</b>	<b>183,000</b>

#### *Fabric maintenance*

The cathedral periodically applies for funds to allow it to carry out specific maintenance projects for its buildings. The transfer was made to the general fund in agreement with the donor because a surplus of funds had been raised in previous years to replace the stalls after mysterious goings-on.

#### *Church Commissioners grants*

The Church Commissioners are enabled to make various grants under the Cathedrals Measure 1999 to the Cathedral. Section 21 and 22 grants are made towards the stipend and other costs of a dean and two residentiary canons of the cathedral. Section 23 grants are made towards the stipend of any other clerk or salary of any lay person employed in connection with the cathedral and section 25 grants are made towards the repair of any chancel, other than that of the cathedral, which the cathedral is wholly or partly liable to repair.

#### *Choir school fund*

Although the choir school is consolidated within these accounts, the funds held by the school must be used for the advancement of education and cannot be used for the general purposes of the cathedral. Consequently, these have been disclosed as a restricted fund within these financial statements.

Endowment funds	1 January 2019 £	Income £	Expenditure £	Gains and transfers £	31 December 2019 £
General fund	114,000	(2,000)	(1,000)	15,000	126,000
<b>Consolidated and cathedral</b>	<b>114,000</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>15,000</b>	<b>126,000</b>

Endowment funds	1 January 2018 £	Income £	Expenditure £	Gains and transfers £	31 December 2018 £
General fund	119,000	23,000	(1,000)	(27,000)	114,000
<b>Consolidated and cathedral</b>	<b>119,000</b>	<b>23,000</b>	<b>(1,000)</b>	<b>(27,000)</b>	<b>114,000</b>

Endowment funds are of a general nature, and the total return generated from them is not restricted to a particular purpose.

18. Total return

	Trust for investment £	Unapplied total return £	2019 £
At 1 January	4,000	110,000	114,000
Gift of endowment funds	-	-	-
Investment income	-	20,000	20,000
Net revaluation gains	-	15,000	15,000
Investment management costs	-	(1,000)	(1,000)
<b>Total before application of income</b>	<b>4,000</b>	<b>144,000</b>	<b>148,000</b>
Unapplied total return allocated to income		(22,000)	(22,000)
<b>Total endowment fund</b>	<b>4,000</b>	<b>122,000</b>	<b>126,000</b>

	Trust for investment £	Unapplied total return £	2018 £
At 1 January	4,000	115,000	119,000
Gift of endowment funds	-	-	-
Investment income	-	23,000	23,000
Net revaluation gains	-	(27,000)	(27,000)
Investment management costs	-	(1,000)	(1,000)
<b>Total before application of income</b>	<b>4,000</b>	<b>110,000</b>	<b>114,000</b>
Unapplied total return allocated to income		-	-
<b>Total endowment fund</b>	<b>4,000</b>	<b>110,000</b>	<b>114,000</b>

The Church of England (Miscellaneous Provisions) Measure 2014 allows cathedrals to adopt a total return approach to managing their endowment funds. Barchester Cathedral passed a resolution on 20 June 2016 to adopt the total return accounting approach under this Measure.

The unapplied total return was calculated at the point that the order was made as the market value of the assets less the base value of the endowment. The Chapter agreed that the base value of the endowment should be the market value of the assets at the earliest valuation for

which records are maintained, which was in 1956. The base value of the endowment was assessed at £4,000, and the unapplied total return was £21,000.

The Chapter's policy is to increase the endowment by approximately 10% each year when this is possible, and to allocate returns generated in the year in excess of this amount to income. The Chapter believes that, at present, this method appropriately balances the needs of the current and future beneficiaries of the cathedral.

19. **Consolidated and connected entities**

*St Trinians Choir School*

The Choir School is a charitable trust (charity registration number 123456). Under the Trust Deed, the Chapter has the power to appoint five out of ten trustees of the school, not including the Dean of the cathedral. Although the Chapter does not control more than half of the voting rights of the charity, it is considered that the Chapter controls the school because tied votes of the trustee board are considered by the Dean of the cathedral for a final decision. In addition, the close working relationship between the two institutions ensures that the school's strategic objectives are closely aligned with those of the cathedral.

The summary audited financial performance and position of the charity for the year is as below.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	<b>164,000</b>	160,000
Expenditure	<b>(111,000)</b>	(95,000)
<b>Surplus for the year</b>	<b>53,000</b>	<b>65,000</b>

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Assets	<b>220,000</b>	176,000
Liabilities	<b>(38,000)</b>	(47,000)
<b>Total funds</b>	<b>118,000</b>	<b>129,000</b>

*Barchester Cathedral Enterprises Limited*

The Cathedral owns 100 per cent of the issued ordinary £1 shares of Barchester Cathedral Enterprises Limited (company number 0123456), a company incorporated in England and Wales. The principal business activity of Barchester Cathedral Enterprises Limited is the provision of the cathedral shop and refectory. In addition, the company provides individual spaces in the cathedral's ancillary buildings for lettings as required by the local community.

The summary audited financial performance and position of the company for the year is as below.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income	<b>82,000</b>	80,000
Expenditure	<b>(47,000)</b>	(54,000)
Profit before tax	<b>35,000</b>	26,000
Gift aid paid to the cathedral	<b>(35,000)</b>	(26,000)
<b>Profit after tax and gift aid</b>	<b>-</b>	<b>-</b>

	2019	2018
	£	£
Assets	35,100	26,100
Liabilities	(35,000)	(26,000)
<b>Total funds</b>	<b>100</b>	<b>100</b>

*Friends of Barchester Cathedral*

The Friends of Barchester Cathedral exist wholly for the benefit of the cathedral, but are not controlled by Chapter. It is a registered charity (number 987654).

The summary audited financial performance and position of the charity for the year is as below.

	2019	2018
	£	£
Income	228,000	123,000
Grants paid to the cathedral	(164,000)	(151,000)
Other expenditure	(24,000)	(22,000)
<b>Surplus (deficit) for the year</b>	<b>40,000</b>	<b>(50,000)</b>

	2019	2018
	£	£
Assets	451,000	408,000
Liabilities	(38,000)	(35,000)
<b>Total funds</b>	<b>413,000</b>	<b>373,000</b>

20. **Related party transactions**

The cathedral pays a contribution toward the school fees for certain choristers at St Trinians Choir School. In 2019, the total fee contribution was £14,000 (2018: £16,000). £64,000 (2018: £95,000) was outstanding between the cathedral and the school at 31 December. These amounts have been eliminated on consolidation.

Donations of an unrestricted nature totalling £24,000 (2018: £22,000) were made by members of Chapter in the year. For details of remuneration and expenses paid to members of chapter, see note 10.

No other related party transactions were entered into in the year.

21. **Funds held on behalf of others**

The Chapter is trustee of 3 funds, mainly permanent endowment funds, totalling £57,000 (2018: £59,000). Their income, £12,000 (2018: £11,000) is applied in accordance with the terms of the trust.

These amounts are excluded from these accounts.