



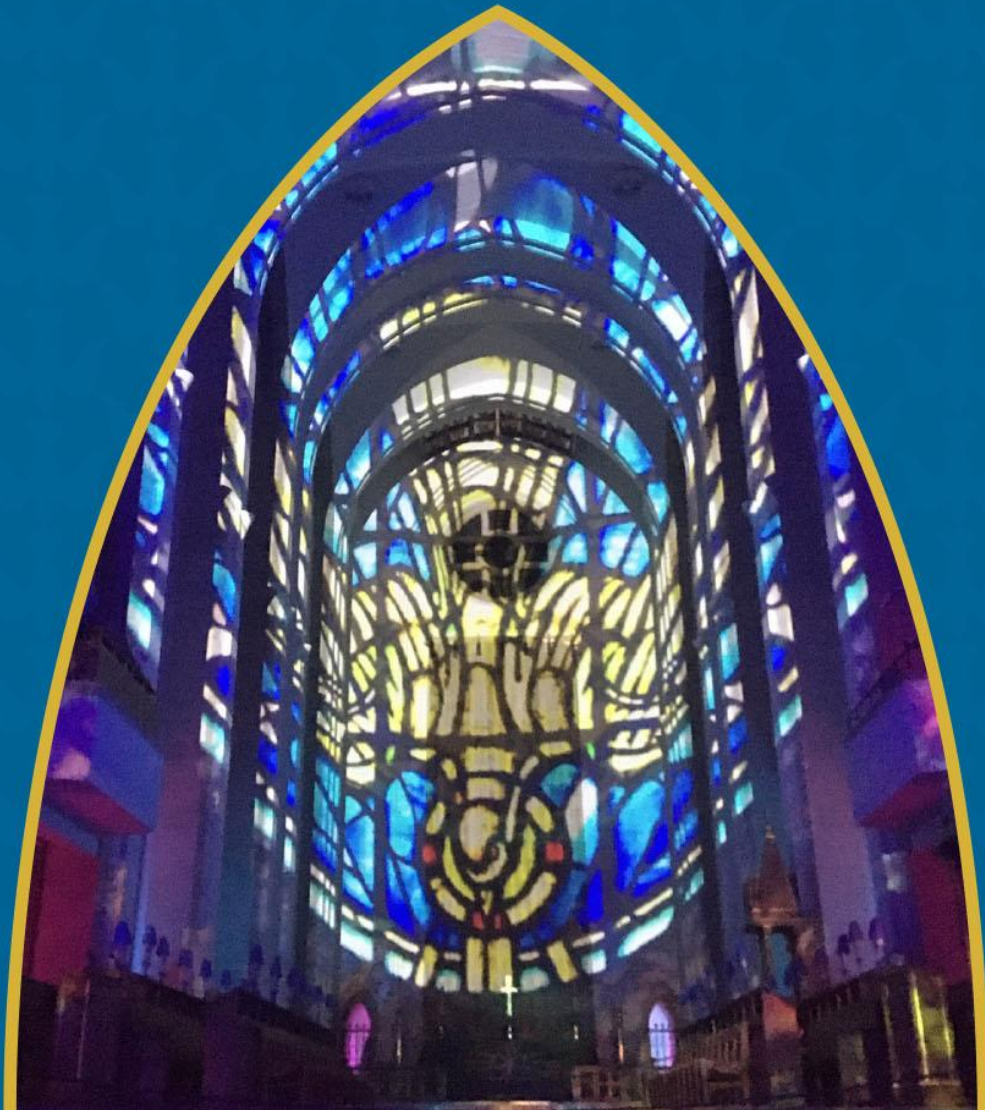
GUILDFORD  
CATHEDRAL



For the year ended  
**31 December 2022**

# ANNUAL REPORT

and financial  
statements



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## CHAPTER REPORT

This Annual Report contains the financial statements of the Cathedral Church of the Holy Spirit, Guildford (known as Guildford Cathedral) for the year ended 31 December 2022 set out on pages 17 to 48 together with the Chapter Report on pages 1 to 13, including an Introduction by the Dean on pages 1 to 4, incorporating a review of our main activities and achievements and a financial review. In addition, the Chapter Report includes legal and administrative information and details of the Cathedral's structure, governance, and management, which are set out in Appendices I to II on pages 49 to 54.

## FROM THE DEAN'S DESK

### A new normal?

As 2022 began we were still learning to live with Covid – building on what we had come to practice habitually with regard to hand-sanitising and face coverings as appropriate. We slowly introduced more working from the cathedral offices and strengthened our IT infrastructure so that working from home would be as effective and fulfilling as possible. Seasons and our Shop began to welcome back guests and customers and activity on the site increased. We have welcomed new volunteers and members of staff, not least and after almost a two year vacancy our new Canon Liturgist, Rachel Young joined the team. For most of 2022 Canon Gilly Myers continued to put in hours of voluntary time as Cathedral Liturgist and has continued to assist Canon Rachel and to share what is an enormous workload. To our great joy we welcomed new members of the College of Canons from among our staff, Duncan Myers and Matt O'Grady. Only a few months ago, Lisa Hatherall, already a member of our admin team was appointed as Dean's PA and Senior Administrator. Lisa hit the road running and has very quickly grasped much of the eccentricities of working alongside me and Matt. She succeeded in March Emma Cooper as she moved on to a new post as School Business Manager at a school nearer her home. Emma was an indefatigable colleague who provided, with Matt O'Grady, the hub at the centre of all our work. We thank Emma for her energy and dedication to the work and mission of the Cathedral for the past eight years. Very sadly Jim Earwicker, one of our long serving Virgers, became ill at the end of 2022 and died only a few weeks ago. We extend our deep condolences to Jenny and Alice and to the rest of Jim's family.

Throughout the year we have welcomed many hundreds of people to the Cathedral for a wide variety of reasons. Visits from schools and schools workshops are rapidly oversubscribed and the termly Family Fun Days continue to be ticketed in order that we can have confidence that we can provide a safe and warm welcome. Music plays a central part in the day to day life of any cathedral and our calendar has included performances from well-known musicians, for example Aled Jones and John Rutter, and also our monthly Coffee Concerts showcasing local musicians and welcoming guests from far and wide. We provided the musicians and venue for a recording of Songs of Praise and hymns for continued use by the BBC. We were pleased to provide a special concert for International Women's Day celebrating Inspirational Women, including women composers and our own Katherine Dienes-Williams. Our collaboration with John Rutter saw Ruby and Arthur, two of our choristers, singing with John Rutter in the Royal Albert Hall. Ruby has been very busy as BBC Young Chorister of the Year 2021. We are very proud of her and of all our musicians.

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Hundreds of visitors were here in June for the National 12-Bell Striking Competition. The best ringing bands from across the country (which includes the Guildford Cathedral Band) competed throughout the day with activities for people of all ages taking place on the ground. This was a mammoth task and many people put their heart and soul into the project which was more than 12 months in the planning. Another logistical challenge with outstanding purpose opened the year with Illuminations – a light and sound show presented by *Lux Muralis* – using the whole interior of the cathedral as the backdrop. This was part of our postponed 60<sup>th</sup> birthday celebrations.

The middle of the year was a full one as we joined with the nation in celebrating the Jubilee of the late Her Majesty the Queen in June, thousands of Year 6 children for their Leavers' Services, University of Surrey graduations and more. Again, the outdoor cinema Luna proved popular and our Events Team and the Seasons team provided a wonderful welcome to guests.

Filming took place in August and early September and again 'Team Guildford' pulled out all the stops when the sad news came of the death of the Queen. Within 24 hours an entire filmset had to be struck, the cathedral configured to welcome the hundreds who would come to sign our Books of Condolence and thanks to all members of staff and our volunteers we were able to provide a warm welcome to be put in place very quickly. It was a privilege to speak to those who waited patiently in the queue in order to pay their respects. 'The cathedral was the natural place to come' is something I heard time and time again. 'It is a place for the whole community'. It was indeed a place for the whole community as hundreds were drawn to the cathedral to watch the BBC broadcast of the funeral and come and go during the day, returning at the end for the interment of the Queen in Windsor. This was made possible through the generosity of the Lord Lieutenant of Surrey, with whose office we worked most closely. The Under Sheriff of Surrey, Caroline Breckell, was instrumental in planning with Emma Cooper every detail of what took place. This continued with the Proclamation of the new King by the High Sheriff on the steps of the Cathedral and it was very moving to see the leaders and mayors of all boroughs in the County receive their mandate from the High Sheriff in order to make the proclamation for their borough. Our girl choristers added their voices and brought beautiful music to all as we continued in prayer for the King with a service in the cathedral.

We again provided a venue for a drive-thru flu vaccination clinic for a local GP practice in the autumn and almost 1,000 people received their flu jab and many also visited the cathedral and Seasons.

The most recent project, the National Monument against Violence and Aggression, happened in March 2023. At the centre was a catalyst, the *Knife Angel* statue, which was at the west end of the Cathedral. This prompted conversations and resolutions throughout the local community and county regarding the importance of reducing violence and aggression. Thousands of people visited to see the statue and hundreds more took part in seminars, lectures, workshops, school assemblies, boxing tournaments and discussion groups around the town and county. This was a huge team effort from raising the necessary funds to engaging with local young people. As well as thanks to our home team, Matt, Emma, Nicola Pratt and Louise Musgrove, it is appropriate to mention in this report the contribution to the strategy and delivery of the project made by Christ's College Guildford and in particular the 2022 Head Boy and Head Girl, Ben and Lyla, for their amazing work in keeping the project grounded in the reality of young people. We are also grateful to Julie Somerville for her generosity in sharing her experience of losing her son to knife crime in an attack very close to the cathedral. It was a privilege for us to host the statue and to guide and shape the programme.



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As well as all this and more, the regular rhythm of prayer and worship continued. It is a deep blessing to start and finish the day with prayer – in a pattern echoed around the world and over the centuries. Our daily choral evensong provides an oasis of calm reflection and prayer and with all the cathedrals in the land is at the centre of what we do. We do the same, day in and day out – collectively offer prayer and worship to God. It is the backbone which gives structure to everything else that happens here.

Behind the scenes, the strategic body, Chapter, was strengthened by the appointment of two new members and we are looking forward to the full implementation of the new Cathedrals Measure when all Cathedrals will come under the Charity Commission with regard to public benefit whilst remaining guided by the Church Commissioners with regard to ecclesiastical purpose. In 2021 we submitted an application to Guildford Borough Council seeking planning permission for a small residential development on seven acres of our 26 acre site. This was in response to the Local Plan which allocated this site for housing. We joined with a registered social landlord to develop a scheme which included 40% affordable housing with a mix of tenure, homes with air source heating, photovoltaic panels on dwellings, two new meadows, a community orchard, wooded play areas and two new ponds. Very sadly, and at the last minute, the Planning Committee refused permission. We are considering the next steps required in order to provide much needed homes and amenities on our site. One of the planning benefits from the development would be the creation of an endowment, the income from which can be spent on repairs and maintenance of the cathedral building thus helping towards maintaining and enhancing the heritage asset. The considerable costs Chapter has expended on this project over more than 10 years has put pressure on our reserves. When planning permission is granted the reserves will be 'refilled'. Until then Chapter explores additional avenue to address this. In addition, Chapter is working to affect an improvement to our general fund in order to address our structural deficit. Although we set a balanced budget in 2020 the pandemic has affected our subsequent two years outturn. We have set ourselves an objective to set a balanced budget for 2024.

As with all cathedrals we move forward like an iceberg, with most of the work being out of sight. Our clergy team share with me in the spiritual leadership of the cathedral, prayerfully discerning the ways forward. My deep thanks go to Canon Chris and Canon Rachel, who are our 'full timers' and to Canon Mavis, Canon Gilly and Sub-Dean Stuart who are all volunteers and to Canon Duncan who as Anglican Chaplain at the University of Surrey manages to be in two places at once. It is a huge blessing to be part of a well-functioning team who respect each other and always manage to enjoy each other's company. Our lay staff and volunteers are all so well supported by Matt O'Grady our Chief Operating Officer. Cathedrals are complex places behind the scenes with many 'moving parts' and they require a cool head and empathetic leader. In Matt we have a person with these characteristics and an open approach which has proved central to our continuing ability to recover from the pandemic and the financial downturn. Personally I am deeply indebted to him.

Also behind the scenes is the whole strategic work of Chapter and the vital work done by the Cathedral Finance and Risk Committee so expertly led by our Cathedral Treasurer Andrew Pianca. He will always thank our Chief Finance Officer Malcolm Twigger-Ross and our Finance Manager Ryan Fowlds for their sterling work. This is my opportunity to acknowledge our debt to Andrew, for his expertise, commitment and courageous wisdom.

Chapter is also advised by the Fabric Advisory Committee (FAC) chaired by Paul Velluet. Like the members of the Finance and Risk Committee the members of the FAC come from far and near to

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bring their professional expertise to the work and mission of the cathedral. Chapter is grateful to Paul for the leadership of the FAC and for his relentless support to us regarding the fabric, buildings and site.

We have been strengthened in our mission through some very generous legacies from friends now departed. We all have cause to be blessed by their foresight, generosity and example.

A Dean sits in a place where we have a bird's eye view of everything which goes on at a Cathedral. It is a blessing and a privilege and a responsibility. I am deeply grateful to God for all those who walk with me in this endeavour.

What follows is a snapshot of what has gone on in 2022 and the first quarter of 2023. As I remarked earlier most of it is beneath the surface.

## HIGHLIGHTS OF 2022

### Liturgy and Music

By the beginning of 2022, liturgy and music in the Cathedral had recovered from the constraints of the pandemic. Regular services were back in the diary, with special services returning gradually. Leadership of the music and liturgy department was provided by the Sub Dean, Stuart Beake, and Canon Gilly Myers in the absence of a Canon Liturgist. The girl and boy choristers and the lay clerks continued their high level of commitment and musical excellence, inspired by the musical leadership of Katherine Dienes-Williams and Richard Moore. Highlights during the first half of the year included the launch of a choir CD of works by Harold Darke and Durufle in January; in February we held a service for Her Majesty the Queen's Platinum Anniversary and a residential day and concert at St. Catherine's school for the girl choristers; it was also a month of organ voluntaries by female composers. In March the girl choristers took part in a concert called 'Inspiring Women', performing 'The Girl from Aleppo' by Cecilia MacDowell. This year there was a full complement of services for Holy Week and Easter which were revised by Canon Gilly. Every term our choristers visit a church in the diocese to sing Evensong. This year they visited St. Mary's Shalford (girls), St. Nicholas', Cranleigh (boys) and St. Nicholas' Church, Guildford (girls). We also invite back former boy choristers, our Changed Voices, who are at senior schools in the area to sing with the choir at Evensong once a term.

In May the choir and congregation took part in a BBC Songs of Praise recording and hosted a well-attended concert including John Rutter conducting his choral celebration *The Gift of Life*. Also in May, Katherine was elected by her peers as President of the Cathedral Organists Association for four years, a prestigious national appointment. Changes to the team of lay clerks saw auditions held in May and also later in the year, in November. By September 2023 we hope to have a full complement once again. June saw the celebration of Queen Elizabeth's Platinum Jubilee at a civic level with a County Service in which the great choir of girl and boy choristers and lay clerks joined forces to lead worship and we welcomed the choirs of Holy Trinity, Guildford to join us for an Evensong. The choir's year came to a close in July with the customary valedictory service and a recital by out-going organ scholar, Michael Stephens-Jones.

Little did we know that huge changes were going to arrive in September. The death of Her Majesty Queen Elizabeth coincided with the very beginning of the new choir term, necessitating a swift

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change of plans to enable rehearsals and the organisation of a Service of Commemoration for all in the County. The demands of this week alone demonstrated the supreme flexibility and ability of the music team here, along with the clergy, who all worked tirelessly to do justice to this difficult time. It must have been an interesting start for our new organ Scholar, Marcus McDevitt. In the congregation looking on was our new Canon for Liturgy and Music, Canon Rachel Young, who had moved in at the beginning of the month and whose installation service was held the day before Her Majesty's funeral. Since arriving Rachel has been getting to know the music team and gradually identifying the many parts of her job which had been admirably taken on by others during the absence of a Canon Liturgist. She is still supported by Canon Gilly who is continuing to offer her skills and experience. One of Rachel's first tasks was to be on the panel auditioning for an organ scholar for Sept 2023 and to begin planning for the many school carol services later in the year.

October heralded International Chorister Day, for which the team produced a series of social media interviews between our own and international choristers for a week leading up to the day. In November we hosted the Assistant Cathedral Organists' Conference which was well received, and our girl choristers attended some workshops at Cambridge University, culminating in singing Evensong jointly with the choir of Clare College. They were also invited to sing, with our lay clerks, Evensong at Winchester Cathedral in November. Important services for All Souls and All Saints Days, Remembrance and the Advent Procession, and then Christmas Services were planned and held, including an informal Christingle for families with children in 'Seasons' this year. A particular highlight for us all was an invitation from John Rutter to our head choristers, Ruby and Arthur, to sing as soloists in a Christmas concert at the Royal Albert Hall, with the Royal Philharmonic Orchestra and Voces8. A trip was organised for our choristers to see the concert and all enjoyed it thoroughly.

2022 was a year of recovering a sense of normality after the pandemic and adapting to other changes that happened around us all, as well as settling down under the leadership of a new Canon Liturgist. The team continues to be supported by our Liturgy and Music Administrator, Carolyn Howard-Jones, and Lead Choir Chaperone David Buckley.

## Family Engagement and Schools

### *Family Fun Days*

There were six Family Fun Days held in 2022; the additional one to the usual annual pattern took place in December 2022 during the Christmas holidays and was generously supported by Ecclesiastical who provided funding for the activity resources and craft packs. In total, the Family Fun Day programme welcomed almost 700 children to the Cathedral. Many families return to subsequent events and many positive reports are received about the activities, the welcome received, and the generosity of the Cathedral in providing a free event for families. The Box Office system which was introduced following the Covid-pandemic continues to be used effectively to manage resources and cost of equipment to run the Fun Days successfully. The events could not happen without the dedicated team of volunteers who are incredibly warm and welcoming and who build relationships with visitors quickly and effectively.

### *Family Services*

The Cathedral's Christingle Service took place in the Cathedral in January 2022 and welcomed a congregation of 47. On Good Friday we welcomed a truly all-age congregation to worship together in the Cathedral under the leadership of Canon Chris Hollingshurst. Journey to Bethlehem was able

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to happen this year (after a two-year break) and was a well-attended service, with a cast of characters from our family congregations. Additionally, there was a trial of holding the Christingle Service as an informal act of worship in Seasons during Advent in December 2022. Canon Rachel Young created the service content with interactive readings, worship songs, joint prayers, and of course the creation and lighting of Christingles. We were delighted to have the support of Seasons in trialling this service in the café and will review how best to approach this service in 2023.

### *Cathedral Tots*

2022 saw a full year of Cathedral Tots with 11 sessions taking place across the year. All of the activity for Cathedral Tots now takes place in the crossing with the story and prayers moving to the Regimental Chapel. Becki was supported by Mary Beal and Karen Taylor in creating an over-arching theme for the year whereby each service takes a theme with *For God so loved the world that He gave us...* with the phrase being completed by various themes to help families engage with liturgical events during the year. We have gained a group of regular attenders including two childminders and continue to welcome new families at each session. Many Tots families attend other family events at the Cathedral including Fun Days and Family Services.

### *School Visits and Workshops*

The early part of 2022 was still affected by Covid with a couple of early school visits needing to be cancelled and rearranged for later in the year. The school visit programme grew with seven bespoke tailored visits taking place over the course of the year. New learning sessions were created and resourced to provide teaching on requested learning objectives. The workshop programme held four Easter Workshops, four Trinity Workshops and five Advent Workshops working with 430 children from 13 Diocesan primary schools. We were delighted to welcome back pupils on pilgrimage from St. Teresa's School, Effingham in June and the Year 7 cohort from St. Crispin's School, Wokingham in October in visits that have now become an integral part of our annual programme. The school visits and workshops could not take place effectively without the dedication and energy of the volunteer team who work extremely hard to deliver learning sessions and guide activities and we are extremely grateful for their hard work and time given to this programme.

### *Godly Play*

Becki Hartley, the Head of Visitor Experience and Events, was trained as a Godly Play Accredited Storyteller in October 2022 at a three-day residential course which took place at Ripon College, Cuddesdon.

### *Diocesan Board of Education Links*

The Key Stage 1 Diocesan Schools' Eco-Day took place for the first time in March 2022; a collaborative school activity jointly organised and planned by Becki and colleagues from the Diocesan Education Team. This was a hugely successful day and, with an evaluation process guided by teachers, pupils and sessions leaders, we hope to make changes and run the day again in 2023. Becki supported the Year 6 Leavers' Services in June once again, working with various members of the Diocesan Board of Education Team to help the services run smoothly. The Cathedral was once again filled with artwork created by children at Diocesan primary schools for the period of Advent and Christmas on the theme of *Prince of Peace*.



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### Enterprises - Visitor Experience and Events

#### *Commercial Events*

It was a very busy year for events as we found space for cancelled and rearranged clients and accepted as many new bookings as possible. Regular clients, Pre-loved Kilo, Luna Cinema, Etsy, Craft & Flea and Worth the Weight all returned. The Cathedral's own Christmas Fair welcomed a record number of visitors as many more people were leaving their homes and looking for things to do, but not yet willing or able to go on holiday. The Cathedral also hosted the University of Surrey graduation ceremonies across extra days, as the university team attempted to host a high number of students both from the UK and abroad, who had missed out in 2020 and 2021. Other graduation and award ceremonies included Farnborough Technical College, Teacher Training (SCITT) and Apprenticeship Awards (ALPS).

#### *Coffee Concerts and Exhibitions*

The return of our coffee concert programme was well received, with audience numbers growing each month. The series continues to attract a broad range of musicians. The exhibition programme delivered five exhibitions as we worked to rearrange those cancelled during 2021 and offer visitors new exhibitions:

- o February - Guildford Photographic Society.
- o March - West Surrey Artists.
- o May - The Grafham Group.
- o July - Fiona Bunn, Alpine Photography.
- o September - Jacqui Parkinson, Threads Through Creation.

#### *Filming*

The Cathedral secured a major filming contract with Netflix and filming took place over three weeks in September.

### Enterprises - Other

#### *Seasons Café and Kitchen*

The Tipsy Pigs team worked hard to re-establish their external catering business and welcome café visitors back. They operated on reduced hours for the first quarter of the year to mirror Cathedral opening hours. We are so grateful to Carla Williams and her team for continuing what has been a very fruitful relationship. There were so many highlights in 2022, not least the wonderful tea that was provided for the congregation after the Queen's Platinum Jubilee service in June.

#### *Shop*

The shop began the year on reduced hours, returning to full opening after Easter. Trading improved during autumn and in the run up to Christmas, with new and replenished stock proving popular.

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### Fundraising

The Cathedral gives heartfelt and grateful thanks to all those that support the missions and ministry of this place. All gifts, large or small, enable us to keep our doors open and support our ministry. For the majority of 2022 the Cathedral was without a Fundraising officer and the Head of Development in this time continued to cover both Fundraising and Marketing for a very busy year at the Cathedral. The Cathedral opened on limited hours for the first quarter of 2022 from 10.30am to 3.30pm, which in turn impacted the visitor donations, albeit donations started to grow throughout the rest of the year. Trust income was low in 2022, due to the fact that many who had previously supported the Cathedral changing their priorities due to the number of applications received in an incredibly competitive field. The Cathedral is very grateful to the many Trusts that continue to support us, despite their own challenges.

#### Income from Trusts and Foundations

- Atlas Fund
- Vibrated Corn Charitable Trust
- Evelyn Charitable Trust

#### Grant Income

- Allchurches Trust (Ecclesiastical)
- Church Commissioners
- Friends of Guildford Cathedral
- Guildford Borough Council
- Guildford Cathedral Music Development Foundation
- Association of English Cathedral
- Listed Places of Worship

Some trusts and grant organisations wish to remain anonymous. We give thanks for generous and loyal support from several parishes, including, St Mary's, Ash Vale and St Martin's, East Horsley. Their prayerful and financial support means a great deal to us. We are truly thankful to all individuals, trusts and foundations, organisations, and statutory bodies for their support.

### Fabric Report and Forecast of Maintenance Costs

The Cathedral Architect's Quinquennial Inspection took place in September 2022, identifying a list of maintenance and repair items to be undertaken at a cost of approximately £6,400,000. Progress in dealing with these items remains slow whilst income from the Cathedral development endowment is awaited. Urgent and health and safety related defects continue to be addressed and routine maintenance carried out as required.

### Staff

Staff members continue working a 'hybrid' routine of working from home for part of the week and spending the remainder of their allotted hours in the office. This and other ways of offering staff flexible working conditions continue to be popular.

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As ever there was a large degree of staff turbulence in 2022. David Hardwick (Lay Clerk) departed in March 2022; Michael Stephens-Jones, Organ Scholar in August 2022; Andrew Hudsmith (very long serving) Virger in September 2022; Tim Peters and Oli Sullivan, Lay Clerks in December and January 2023 respectively; Emma Cooper, Dean's PA in March 2023; Richard Moore, Sub Organist in April 2023. We are most grateful for the important contribution made by all of these dedicated staff members. Karen Taylor (previously employed as Visitor Experience Officer, re-joined as Fundraising Officer) in June 2022; Marcus McDevitt, Organ Scholar joined in September 2022; Jake Thompson, full time Virger and Nicola Goff, part time Virger joined in November 2022 and February 2023 respectively; Asher Oliver, Sub Organist joined in April 2023. The vacant posts are currently a Family Engagement Officer, three Lay Clerks and an Administration Assistant. Recruiting action for these has already taken place, one is due to be filled in August and three in September 2023.

### Volunteers

The Cathedral remains indebted to its large number of Volunteers for their conscientious sense of duty, honest endeavour and courage in the face of continuing challenges posed by the pandemic. The Volunteer cohorts are ably co-ordinated by Julie Mitchell and listed at Appendix 10. All helped to keep the Cathedral operating despite the difficulties including an increasing number of vacancies and we are enormously grateful.

### Risk Management

Chapter continues to deal with all the effects of the pandemic. The risks identified during 2022 have been ameliorated by risk assessments that have been reviewed and amended on a regular basis to be able to adapt to frequently changing circumstances.

The major risks in 2022 continued to be the underlying deficit and the progress on the sale of the land. Chapter had set challenging budget targets for 2022 and 2023, including plans for increasing income generation. Movement towards the sale of the land has continued and an application application for planning permission to Guildford Borough Council was made on 29 March 2023, but this was refused by the Council. A way forward has yet to be determined.

Chapter's detailed Risk Register is kept up to date, given all the various activities of the Cathedral. The risk management process and the resulting Register identifies risks, assesses their impact and likelihood and, where necessary, implements controls to mitigate and monitor those risks that are assessed significant. The Risk Register review process has been reviewed and refined, thanks to two external risk experts being members of the Cathedral Finance and Risk Committee

The key controls used by Chapter to manage risk include:

- Formal agendas and minutes for the Boards and Committees;
- Comprehensive strategic planning, budgeting, and management reporting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

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### Financial Review

Income increased to £1,650,000 (2021 £1,297,000). Major contributors to this were legacies at £272,000 (2021: £53,000), grants at £487,000 (2021: £406,000) and other trading activities at £528,000 (2021: £436,000). Donations however fell to £218,000 (2021: £272,000). Expenditure, with the resumption of full activity after the pandemic, rose to £1,692,000 (2021: £1,304,000). Expenditure on raising funds was £398,000 (2021: £242,000) reflecting a full year of trading activities (2022: £197,000, 2021: £141,000) and a fuller staffed fundraising team (2022: £114,000, 2021: £24,000). Expenditure on charitable activities was £1,294,000 (2021: £1,062,000) with a full programme of services and music (2022: £263,000, 2021: £216,000) and support costs (2022: £453,000, 2021: £388,000) with repairs and maintenance also increasing (2022: £268,000, 2021: £189,000).

This meant that the Cathedral had a net expenditure for the year before investment losses of £42,000 (2021: net expenditure of £7,000). Without the high legacy income, the deficit would have been considerably worse showing the Cathedral's significant underlying deficit and challenge to deliver a long term sustainable financial position. The loss on investments of £230,000 (2021: gain £142,000), which is dealt with further below, then had a significant impact and was the largest change compared to the prior year producing a net expenditure of £272,000 (2021: net income £135,000).

|  | 2022           | 2021           | Movement     |
|--|----------------|----------------|--------------|
|  | £'000s         | £'000s         | £'000s       |
| <b>Income</b>                                    |                |                |              |
| Donations  | 218            | 272            | (54)         |
| Legacies   | 272            | 53             | 219          |
| Grants   | 487            | 406            | 81           |
| Other trading activities                         | 528            | 436            | 92           |
| Other income                                     | 145            | 130            | 15           |
| <b>Total Income</b>                              | <b>1,650</b>   | <b>1,297</b>   | <b>353</b>   |
| <b>Expenditure</b>                               |                |                |              |
| Other trading activities                         | (197)          | (141)          | (56)         |
| Fundraising                                      | (114)          | (24)           | (90)         |
| Services and Music                               | (263)          | (216)          | (47)         |
| Repairs and maintenance                          | (268)          | (189)          | (79)         |
| Support Costs                                    | (453)          | (388)          | (65)         |
| Other expenditure                                | (397)          | (346)          | (51)         |
| <b>Total Expenditure</b>                         | <b>(1,692)</b> | <b>(1,304)</b> | <b>(388)</b> |
| <br>   |                |                |              |
| Net expenditure before investment (losses)/gains | (42)           | (7)            | (35)         |
| Net (losses)/gains on investments                | (230)          | 142            | (372)        |
| <b>Net (expenditure)/income</b>                  | <b>(272)</b>   | <b>135</b>     | <b>(407)</b> |

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The management accounts' result, which adjusts for expenditure on the land sale and spreads significant legacies over three years to reduce the fluctuations from this very variable income source, gives the following adjusted result on unrestricted funds:

|   | 2022   | 2021   |
|---|--------|--------|
|   | £'000s | £'000s |
| Net movement in funds                   | (116)  | 71     |
| Net (losses)/gains on investments       | 51     | (17)   |
| Result before investment (losses)/gains | (65)   | 54     |
| Deferred Legacy Income                  | (69)   | (33)   |
|   | (134)  | 21     |
| Land Sale                               | 41     | 7      |
| Management Accounts Result              | (93)   | 28     |

The land sale development would have brought in additional general funds and established a significant endowment fund to fund repair and maintenance for the Cathedral. The refusal of planning permission in March 2023 has been a significant setback for the Cathedral. The financial plans have been recast to deliver a management accounts deficit of £40,000 for 2023 and then to have a surplus of £20,000 in 2024 and 2025. Free reserves should then stabilise at c.£200,000. However, to achieve this is a significant challenge which Chapter recognises and is addressing.

### Investments

To ensure appropriate financial management Charles Stanley and & Co Ltd hold the main portfolio on behalf of the Cathedral and manage it on a discretionary basis within agreed parameters and in accordance with the Cathedrals Measure 1999. A discretionary mandate enables them to monitor the portfolio on an ongoing basis and they are authorised to take timely action to adjust the portfolio as considered appropriate in response to market developments. Investments are also held with CCLA Investment Management Ltd.

At the end of the year, the Cathedral's investment portfolio was valued at £1.7m of which 63% was managed by Charles Stanley and 37% by CCLA within its Church of England Investment Fund. Total returns were -9.2% for CCLA and -10.5% for Charles Stanley. This produced significant investment losses of £230,000 (2021: gain £142,000). This was in line with general market performance during 2022 which was a very disappointing year for sustainability-focused, multi-asset investment strategies and an exceptionally punishing year for holders of both bonds and equities. Apart from 2008 and the onset on that global financial crisis, we have to go back to 1990 to find similarly correlated sell-offs across the major asset classes. CCLA's comparator weighted index had a return of -10.1%.

Investments are held for the long-term and Chapter believes this fall to be temporary market fluctuations and that over the long-term the Cathedral investments will grow.



# The Cathedral Church of the Holy Spirit, Guildford

## ANNUAL REPORT

For the year ended 31 December 2022

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### Reserves

Chapter's policy has been to maintain £500,000 in liquid unrestricted reserves (cash and on-call investments net of current debtors and creditors). However, with the impact of Covid, reserves fell below this. They recovered somewhat in 2021 but have now fallen again. It is therefore urgent to devise and implement measures to address the Cathedral's underlying deficit.

|                              |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|
| Liquid Unrestricted Reserves | 2022  | 2021  | 2020  | 2019  | 2018  |
|                              | £'000 | £'000 | £'000 | £'000 | £'000 |
|                              | 320   | 422   | 333   | 565   | 665   |

# The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

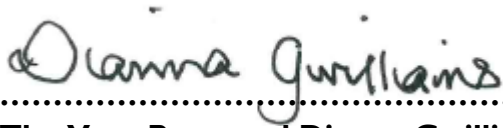
For the year ended 31 December 2022

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## Public Benefit

Chapter confirm that they have complied with Section 4 of the Charities Act 2006 to have 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 public importance in the promotion of religion, music, education, and architecture.

**Approved by the Chapter of Guildford Cathedral on 13 June 2023 and signed on its behalf by**



.....

**The Very Reverend Dianna Gwilliams, Dean**

## The Cathedral Church of the Holy Spirit, Guildford

### INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD For the year ended 31 December 2022

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We have audited the financial statements of The Cathedral Church of The Holy Spirit – Guildford (the 'parent entity') ('the Cathedral') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, The Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the affairs for the group and the parent entity as at 31 December 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the regulations made 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 Chapter 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.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Chapter's use of the going concern basis of accounting in the preparation of accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the group or parent entity to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Chapter with respect to going concern are described in the relevant section of this report.

#### **Other information**

The Chapter members are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

## The Cathedral Church of the Holy Spirit, Guildford

### INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD

For the year ended 31 December 2022

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apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which we report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent entity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Chapter**

As explained more fully in the Statement of the Chapter's Responsibilities set out on pages 49 and 50 the members 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 the members 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, the members are responsible for assessing the Group's and the 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 the members either intend to liquidate the Cathedral or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities including fraud are instances of noncompliance with laws and regulations. We design procedures in line with our responsibilities, outlined above to detect material misstatements in respect of irregularities including fraud. The extent to which our procedures are capable of detecting irregularities including fraud is detailed below.

Our approach to identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations is as follows:

## The Cathedral Church of the Holy Spirit, Guildford

### INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD

For the year ended 31 December 2022

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- We identified those laws and regulations considered to have a material effect on the financial statements and operations of the parent entity, including the financial reporting framework, data protection legislation, health and safety and safeguarding regulations.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

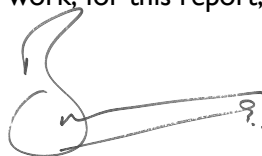
Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and Chapter members as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Chapter meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Chapter members, as a body, in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter's 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 Chapter and the Chapter's members as a body, for our audit work, for this report, or for the opinions we have formed.



10th July 2023

Brewers Chartered Accountants  
Statutory Auditor  
Bourne House  
Queen Street  
Gomshall  
Surrey  
GU5 9LY

Brewers Chartered Accountants is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.



# The Cathedral Church of the Holy Spirit, Guildford

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2022

|  | Note | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s | Total<br>2021<br>£'000s |
|--|------|---------------------------------|-------------------------------|------------------------------|-------------------------|-------------------------|
| <b>Income and endowments from</b>                |      |                                 |                               |                              |                         |                         |
| <b>Donations &amp; legacies</b>                  |      |                                 |                               |                              |                         |                         |
| Donations  | 2    | 193                             | 25                            | -                            | 218                     | 272                     |
| Legacies   | 2    | 144                             | 128                           | -                            | 272                     | 53                      |
| Grants   | 2    | 31                              | 456                           | -                            | 487                     | 406                     |
|  |      | <u>368</u>                      | <u>609</u>                    | <u>-</u>                     | <u>977</u>              | <u>731</u>              |
| Charitable activities                            | 3    | 22                              | 30                            | -                            | 52                      | 21                      |
| Other trading activities                         | 4    | 510                             | 18                            | -                            | 528                     | 436                     |
| Investments                                      | 5    | 28                              | 44                            | -                            | 72                      | 70                      |
| Other income                                     | 6    | -                               | 21                            | -                            | 21                      | 39                      |
| <b>Total income and endowments</b>               |      | <u>928</u>                      | <u>722</u>                    | <u>-</u>                     | <u>1,650</u>            | <u>1,297</u>            |
| <b>Expenditure on</b>                            |      |                                 |                               |                              |                         |                         |
| Raising Funds                                    | 7    | (340)                           | (52)                          | (6)                          | (398)                   | (242)                   |
| <b>Charitable activities</b>                     |      |                                 |                               |                              |                         |                         |
| Ministry   | 8    | (363)                           | (491)                         | -                            | (854)                   | (722)                   |
| Cathedral & precincts upkeep                     | 8    | (225)                           | (161)                         | -                            | (386)                   | (296)                   |
| Education and outreach                           | 8    | (15)                            | (39)                          | -                            | (54)                    | (44)                    |
| <b>Total expenditure</b>                         |      | <u>(943)</u>                    | <u>(743)</u>                  | <u>(6)</u>                   | <u>(1,692)</u>          | <u>(1,304)</u>          |
| Net expenditure before investment (losses)/gains |      | (15)                            | (21)                          | (6)                          | (42)                    | (7)                     |
| Net (losses)/gains on investments                |      | (51)                            | (95)                          | (84)                         | (230)                   | 142                     |
| Net (expenditure)/income                         |      | (66)                            | (116)                         | (90)                         | (272)                   | 135                     |
| Transfers between funds                          | 10   | (50)                            | 50                            | -                            | -                       | -                       |
| Net movement in funds                            |      | (116)                           | (66)                          | (90)                         | (272)                   | 135                     |
| Funds brought forward                            |      | 4,348                           | 938                           | 1,315                        | 6,601                   | 6,466                   |
| Funds carried forward                            | 17   | <u>4,232</u>                    | <u>872</u>                    | <u>1,225</u>                 | <u>6,329</u>            | <u>6,601</u>            |

The Cathedral's entity only result (net movement in funds) for the year was £363,000 deficit (2021: £88,000 surplus).

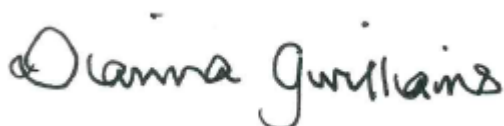
# The Cathedral Church of the Holy Spirit, Guildford

## BALANCE SHEETS

For the year ended 31 December 2022

|  | Note | Group          |                | Chapter        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2022<br>£'000s | 2021<br>£'000s | 2022<br>£'000s | 2021<br>£'000s |
| <b>Fixed Assets</b>                            |      |                |                |                |                |
| Tangible Assets                                | 12   | 3,688          | 3,702          | 3,688          | 3,702          |
| Heritage assets                                | 13   | 224            | 224            | 224            | 224            |
| Investments                                    | 14   | 2,107          | 2,515          | 2,107          | 2,515          |
|  |      | <u>6,019</u>   | <u>6,441</u>   | <u>6,019</u>   | <u>6,441</u>   |
| <b>Current Assets</b>                          |      |                |                |                |                |
| Investments                                    | 14   | 70             | 70             | 70             | 70             |
| Stocks - goods for resale                      |      | 18             | 13             | -              | -              |
| Debtors  | 15   | 217            | 153            | 252            | 165            |
| Cash at bank & in hand                         |      | 266            | 175            | 109            | 116            |
|  |      | <u>571</u>     | <u>411</u>     | <u>431</u>     | <u>351</u>     |
| Creditors: Amounts falling due within one year | 16   | (261)          | (251)          | (248)          | (227)          |
|  |      | <u>310</u>     | <u>160</u>     | <u>183</u>     | <u>124</u>     |
| Net current assets                             |      |                |                |                |                |
|  |      | <u>6,329</u>   | <u>6,601</u>   | <u>6,202</u>   | <u>6,565</u>   |
| <b>Funds</b>                                   |      |                |                |                |                |
| Unrestricted Funds                             | 17   | 4,232          | 4,348          | 4,105          | 4,312          |
| Restricted Funds                               | 17   | 872            | 938            | 872            | 938            |
| Endowment Funds                                | 17   | 1,225          | 1,315          | 1,225          | 1,315          |
| Total funds                                    | 17   | <u>6,329</u>   | <u>6,601</u>   | <u>6,202</u>   | <u>6,565</u>   |

The financial statements were approved by the Chapter of Guildford Cathedral on 13 June 2023 and signed on its behalf by:



**The Very Reverend Dianna Gwilliams**  
Dean



**Andrew Pianca**  
Treasurer

# The Cathedral Church of the Holy Spirit, Guildford

## CONSOLIDATED CASH FLOW

For the year ended 31 December 2022

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|   | 2022         | 2021        |
|---|--------------|-------------|
|   | £'000        | £'000       |
| <b>Cash flows from operating activities</b>   |              |             |
| Net cash used in operating activities   | (141)        | (96)        |
| <b>Cash flows from investing activities</b>   |              |             |
| Net Dividends, interest and rents from investments                                  | 61           | 59          |
| Purchase of property and equipment  | (7)          | (6)         |
| Purchase of investments   | (601)        | (1,154)     |
| Sales of investments  | 779          | 1,015       |
| Net cash provided/(used) by investing activities                                    | <u>232</u>   | <u>(86)</u> |
| Change in cash and cash equivalents   | 91           | (182)       |
| Cash and cash equivalents at 1 January  | 175          | 357         |
| Cash and cash equivalents at 31 December  | <u>266</u>   | <u>175</u>  |
| <b>Reconciliation of net expenditure to net cash flow from operating activities</b> |              |             |
| Net (expenditure)/income  | (272)        | 135         |
| Adjustments for:  |              |             |
| Depreciation charges  | 21           | 24          |
| Losses/(gains) on investments   | 230          | (142)       |
| Dividends, interest and rents from investments                                      | (72)         | (70)        |
| Property and investment management costs  | 11           | 11          |
| (Increase)/decrease in stocks   | (5)          | 5           |
| (Increase) in debtors   | (64)         | (48)        |
| Increase/(decrease) in creditors  | 10           | (11)        |
| Net cash used in operating activities   | <u>(141)</u> | <u>(96)</u> |
| <b>Analysis of cash and cash equivalents</b>  |              |             |
| Cash at bank and in hand  | <u>266</u>   | <u>175</u>  |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### I. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments to market value, as necessary.

The financial statements and report are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Cathedral and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the financial statements are also prepared in accordance with Accounting and Reporting by English Anglican Cathedrals (dated December 2018) as specified by the Church Commissioners in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared in £ sterling and monetary amounts are rounded to £ thousand.

#### Basis of consolidation

The consolidated financial statements comprise those of the Cathedral and its wholly owned subsidiary company Guildford Cathedral Enterprises Limited. The turnover and expenditure and the assets and liabilities of the subsidiary are included on a line by line base in the Consolidated Statement of Financial Activities and the Consolidated Balance Sheet.

#### Going Concern

Chapter considers that while there are financial challenges there are no material uncertainties over the ability to continue as a going concern for the foreseeable future which is an assessment in respect of a period of one year from the date of approval of these financial statements. Further details on the financial pressures facing the Cathedral are given in Note 23.

#### Income

- Grants, donations, gift aid reclaimable, fees charged, hire charges, trading income and investment income are recorded when receivable.
- Grants and donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Grants and donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Where any amounts are required to be retained as capital in accordance with the donor's wishes these are accounted for as Endowments.
- The Cathedral benefited from assistance provided under the furlough scheme and a £15,000 discretionary grant from Guildford Borough Council. Amounts received have been recorded as unrestricted in other income and other grants.
- Legacies are recorded when the amount receivable can be determined with reasonable certainty.
- Any income subject to VAT is recorded net of VAT chargeable.
- Gifts in kind are recorded at their estimated value. No value is attributed to voluntary help.

#### Charging policy

The Cathedral does not charge for entry to the Cathedral. To achieve its objectives, every effort is made to develop earnings from commercial sources, and to attract voluntary donations from supporters and visitors. It is felt that pursuance of this policy will help many thousands of people each year to enjoy the beauty of the Cathedral and come to know Christ better through that experience. The Cathedral is open to everyone, regardless of background or means, and it is our aim to ensure that each person receives a personal warm welcome.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### I. ACCOUNTING POLICIES (continued)

#### Donated assets

Offers of gifts in kind are considered by the Chapter, and where appropriate by the Cathedral's Fabric Advisory Committee (FAC). The disposal of donated assets which are deemed to have outlived their usefulness is carefully discussed in Chapter and by the Fabric Advisory Committee, and where necessary proposals are submitted to the Cathedral's Fabric Commission for England (CFCE). No items are disposed of without the agreement of the FAC, and decisions of the CFCE are always complied with. In the case of such items once donated by individuals or families, surviving relatives are always informed when a decision is made in favour of disposal.

#### Expenditure

- Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. Support costs not directly attributable to a particular financial activity category are apportioned over the relevant categories on the basis of staff numbers working in each department.
- Costs of raising funds, includes both fundraising and marketing together with the gross costs of the shop.
- Charitable activities is comprised of three categories: Ministry covering clergy stipends and housing together with the costs incurred by our choir and music department, Cathedral and precincts upkeep covering building repairs, depreciation and utilities and Education and outreach which covers the cost of the Schools department and outward giving. Governance costs are included within support costs and consist of audit costs and an allocation of senior management time.
- Chapter makes annual donations totalling 5% of the prior year's unrestricted collections and stewardship income before gift-aid divided between a number of external charities selected by Chapter on recommendations by the Community Committee. An estimate of the amount payable from the current year's income together with any outstanding amounts from prior years is included within creditors.
- Intra-group sales and associated costs with the Cathedral's subsidiary company, Guildford Cathedral Enterprises Limited, are excluded from the consolidated income and expenditure.

#### Taxation

HM Revenue and Customs treats Cathedrals as exempt charities and as such they are entitled to certain tax exemptions on income and profit from investments and on any surpluses from trading activities carried out in furtherance of the Cathedral's primary objectives, if these profits are applied solely for charitable purposes. Guildford Cathedral Enterprises Limited donates its surplus taxable profit to the Cathedral. The Chapter is eligible to partially recover VAT. Non-recoverable VAT is attributed to the relevant expense.

#### Pensions

Up until 2016 lay members of staff were eligible to join The Church of England Church Workers Pension Fund (CWPF). This scheme is now closed to new members. See note 18 for further information on the Church Workers Pension Fund. The Cathedral in addition operates a defined contribution pension scheme for lay members of staff. The scheme is administered by NEST and is a qualifying workplace scheme for auto enrolment.

The pension costs represent the amount of contributions payable to the pension schemes in respect of the accounting period.



# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### I. ACCOUNTING POLICIES (continued)

#### Operating leases

Rentals applicable to operating leases where substantially all the benefit and risks of ownership remain with the lessor are charged on a straight-line basis over the period of the lease.

#### Heritage Assets

Heritage assets have been capitalised at deemed cost on the adoption of FRS 102. This was based on a replacement cost valuation by Steph Clarke of Christies & Roger Heath-Bullock in March 2013. No depreciation is charged on these assets as they are well maintained and polished and are not believed to have a finite life.

These assets are predominantly liturgical vessels such as chalices, crosses and candlesticks. The Cathedral keeps a register of the assets which are held in the Treasury or the safe for use in special services.

#### Land, Buildings, Inventory and Equipment

The Cathedral land, Cathedral building and ancillary buildings form part of the Cathedral's Endowment and in accordance with the Cathedral Accounting and Reporting Regulations are not included in these accounts.

Fixed assets costing over £1,000 are capitalised in the year of purchase.

Freehold buildings are included at their historic cost as permitted on the adoption of FRS102. No depreciation is provided on the basis of immateriality due to long unexpired lives and high residual values. The Cathedral has a policy and practice of regular maintenance and properties are also unlikely to suffer obsolescence. The Cathedral undertakes annual impairment reviews of all properties stated in the accounts.

Depreciation of other assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Furniture and fittings 10% straight line basis
- Office and catering equipment over 3 – 4 years
- Ceremonial Garments over 25 years

#### Investments

Property investments are stated at open market value at the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. No depreciation is charged on investment properties. The valuation is based on readily available market information of sold prices of comparable properties in the same postcode proximity.

Other financial investments are valued at the balance sheet date at their market value. Realised and unrealised gains/losses in the year arising from the investment manager's trading activity are shown combined in the Statement of Financial Activities. If a sale is expected within twelve months the amount is shown under current assets. The investment held in the Cathedral's wholly owned subsidiary, Guildford Cathedral Enterprises Limited is held in the Cathedral entity balance sheet at cost. The carrying value of all investments are reviewed annually for impairment.

#### Stocks

Stocks are items purchased for re-sale by Guildford Cathedral Enterprises Limited and are valued at the lower of cost or net realisable value, after making allowance for obsolete and slow-moving items.

#### Cash

Cash and cash equivalents consist of cash at bank and in hand. It includes cash held by the investment managers for distribution but excludes that held for re-investment.

### I. ACCOUNTING POLICIES (continued)

#### Financial Instruments

Apart from the investments within Fixed Assets investments and Current Asset investments the Cathedral holds only basic financial instruments.

Debtors are measured at amortised cost and are held at settlement amount net of discounts less any provision for non-recoverability.

Creditors are measured at amortised cost and are held at settlement amount net of discounts. They are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

#### Funds

Unrestricted funds are donations and incoming resources receivable or generated for the Objects of the Cathedral without further specified purpose and are available as general funds.

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets the criteria is charged to the fund.

Endowment Funds are those held on trust as a capital fund. The property endowment fund is an expendable endowment fund where capital may be used in the circumstances set out in note 17. The other endowment funds are permanent endowments where only the income may be spent.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

- Fair value of functional property, heritage assets and investment property.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 2. INCOME FROM DONATIONS AND LEGACIES

| 2022                                | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|-------------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Collections & Giving                | 94                              | -                             | -                            | 94                      |
| Donations                           | 70                              | 23                            | -                            | 93                      |
| Gift Aid                            | 29                              | 2                             | -                            | 31                      |
| <b>Total donations</b>              | <b>193</b>                      | <b>25</b>                     | <b>-</b>                     | <b>218</b>              |
| <b>Legacies</b>                     | <b>144</b>                      | <b>128</b>                    | <b>-</b>                     | <b>272</b>              |
| <b>Grants</b>                       |                                 |                               |                              |                         |
| Church Commissioners                | -                               | 304                           | -                            | 304                     |
| Cathedral Friends                   | -                               | 69                            | -                            | 69                      |
| Music Development Trust             | 4                               | 81                            | -                            | 85                      |
| Other                               | 27                              | 2                             | -                            | 29                      |
| <b>Total grants</b>                 | <b>31</b>                       | <b>456</b>                    | <b>-</b>                     | <b>487</b>              |
| <b>Total</b>                        | <b>368</b>                      | <b>609</b>                    | <b>-</b>                     | <b>977</b>              |
| <br>                                |                                 |                               |                              |                         |
| 2021                                | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
| Collections & Giving                | 96                              | -                             | -                            | 96                      |
| Donations                           | 77                              | 60                            | -                            | 137                     |
| Gift Aid                            | 34                              | 5                             | -                            | 39                      |
| <b>Total donations</b>              | <b>207</b>                      | <b>65</b>                     | <b>-</b>                     | <b>272</b>              |
| <b>Legacies</b>                     | <b>53</b>                       | <b>-</b>                      | <b>-</b>                     | <b>53</b>               |
| <b>Grants</b>                       |                                 |                               |                              |                         |
| Church Commissioners                | -                               | 294                           | -                            | 294                     |
| Friends and Music Development Trust | 6                               | 65                            | -                            | 71                      |
| Other                               | 39                              | 2                             | -                            | 41                      |
| <b>Total grants</b>                 | <b>45</b>                       | <b>361</b>                    | <b>-</b>                     | <b>406</b>              |
| <b>Total</b>                        | <b>305</b>                      | <b>426</b>                    | <b>-</b>                     | <b>731</b>              |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 3. INCOME FROM CHARITABLE ACTIVITIES

| 2022             | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Special services | 22                              | 30                            | -                            | 52                      |

| 2021             | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Special services | 14                              | 7                             | -                            | 21                      |

### 4. INCOME FROM OTHER TRADING ACTIVITIES

| 2022                  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|-----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Guided Tours          | 1                               | 3                             | -                            | 4                       |
| Cathedral lettings    | 333                             | -                             | -                            | 333                     |
| Events                | 40                              | 13                            | -                            | 53                      |
| Shop Income           | 104                             | -                             | -                            | 104                     |
| Café Sales Commission | 32                              | -                             | -                            | 32                      |
| Other activities      | -                               | 2                             | -                            | 2                       |
|                       | 510                             | 18                            | -                            | 528                     |

| 2021                  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|-----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Guided Tours          | 1                               | 1                             | -                            | 2                       |
| Cathedral lettings    | 366                             | -                             | -                            | 366                     |
| Events                | -                               | 3                             | -                            | 3                       |
| Shop Income           | 56                              | -                             | -                            | 56                      |
| Café Sales Commission | 9                               | -                             | -                            | 9                       |
| Other activities      | -                               | -                             | -                            | -                       |
|                       | 432                             | 4                             | -                            | 436                     |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 5. INVESTMENT INCOME

| 2022                 | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Dividends receivable | 13                              | 44                            | -                            | 57                      |
| Rents receivable     | 15                              | -                             | -                            | 15                      |
| Interest receivable  | -                               | -                             | -                            | -                       |
|                      | <u>28</u>                       | <u>44</u>                     | <u>-</u>                     | <u>72</u>               |

| 2021                 | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Dividends receivable | 14                              | 39                            | -                            | 53                      |
| Rents receivable     | 17                              | -                             | -                            | 17                      |
| Interest receivable  | -                               | -                             | -                            | -                       |
|                      | <u>31</u>                       | <u>39</u>                     | <u>-</u>                     | <u>70</u>               |

### 6. OTHER INCOME

| 2022                 | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Insurance Recoveries | -                               | 21                            | -                            | 21                      |

| 2021                             | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|----------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Coronavirus Job Retention Scheme | <u>39</u>                       | <u>-</u>                      | <u>-</u>                     | <u>39</u>               |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 7. EXPENDITURE ON RAISING FUNDS

| 2022                          | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|-------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Visitor facilities            | 8                               | 1                             | -                            | 9                       |
| Services directly recoverable | 10                              | 1                             | -                            | 11                      |
| Other trading activities      | 190                             | 7                             | -                            | 197                     |
| Fundraising                   | 90                              | 24                            | -                            | 114                     |
| Investment property           | 1                               | -                             | -                            | 1                       |
| Investment management         | 3                               | 2                             | 6                            | 11                      |
| Support costs                 | 38                              | 17                            | -                            | 55                      |
|                               | <u>340</u>                      | <u>52</u>                     | <u>6</u>                     | <u>398</u>              |

| 2021                          | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|-------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Visitor facilities            | 4                               | -                             | -                            | 4                       |
| Services directly recoverable | 2                               | -                             | -                            | 2                       |
| Other trading activities      | 133                             | 8                             | -                            | 141                     |
| Fundraising                   | 13                              | 11                            | -                            | 24                      |
| Investment property           | 2                               | -                             | -                            | 2                       |
| Investment management         | 4                               | 2                             | 5                            | 11                      |
| Support costs                 | 35                              | 23                            | -                            | 58                      |
|                               | <u>193</u>                      | <u>44</u>                     | <u>5</u>                     | <u>242</u>              |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 8. EXPENDITURE ON CHARITABLE ACTIVITIES

| 2022                                    | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|---|---------------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Ministry</b>                         |                                 |                               |                              |                         |
| Clergy Stipends and expenses            | 5                               | 107                           | -                            | 112                     |
| Clergy and other Housing                | 94                              | -                             | -                            | 94                      |
| Clergy support                          | 14                              | 48                            | -                            | 62                      |
| Services & Music                        | 31                              | 232                           | -                            | 263                     |
| Allocated Support Costs                 | 219                             | 104                           | -                            | 323                     |
|   | <u>363</u>                      | <u>491</u>                    | <u>-</u>                     | <u>854</u>              |
| <b>Cathedral &amp; precincts upkeep</b> |                                 |                               |                              |                         |
| Repairs and Maintenance                 | 127                             | 141                           | -                            | 268                     |
| Cathedral Insurance                     | 41                              | -                             | -                            | 41                      |
| Precinct security and upkeep            | 18                              | -                             | -                            | 18                      |
| Allocated Support Costs                 | 39                              | 20                            | -                            | 59                      |
|   | <u>225</u>                      | <u>161</u>                    | <u>-</u>                     | <u>386</u>              |
| <b>Education &amp; outreach</b>         |                                 |                               |                              |                         |
| Educational activities                  | -                               | 34                            | -                            | 34                      |
| Charitable & other giving               | 4                               | -                             | -                            | 4                       |
| Allocated Support Costs                 | 11                              | 5                             | -                            | 16                      |
|   | <u>15</u>                       | <u>39</u>                     | <u>-</u>                     | <u>54</u>               |



# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

| 2021  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|---|---------------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Ministry</b>                             |                                 |                               |                              |                         |
| Clergy Stipends and expenses                | 12                              | 94                            | -                            | 106                     |
| Clergy and other Housing                    | 71                              | -                             | -                            | 71                      |
| Clergy support                              | 13                              | 50                            | -                            | 63                      |
| Services & Music                            | 28                              | 188                           | -                            | 216                     |
| Allocated Support Costs                     | 160                             | 106                           | -                            | 266                     |
|   | <u>284</u>                      | <u>438</u>                    | <u>-</u>                     | <u>722</u>              |
| <b>Cathedral &amp; precincts<br/>upkeep</b> |                                 |                               |                              |                         |
| Repairs and Maintenance                     | 101                             | 88                            | -                            | 189                     |
| Cathedral Insurance                         | 39                              | -                             | -                            | 39                      |
| Precinct security and upkeep                | 17                              | -                             | -                            | 17                      |
| Allocated Support Costs                     | 31                              | 20                            | -                            | 51                      |
|   | <u>188</u>                      | <u>108</u>                    | <u>-</u>                     | <u>296</u>              |
| <b>Education &amp; outreach</b>             |                                 |                               |                              |                         |
| Educational activities                      | -                               | 29                            | -                            | 29                      |
| Charitable & other giving                   | 2                               | -                             | -                            | 2                       |
| Allocated Support Costs                     | 8                               | 5                             | -                            | 13                      |
|   | <u>10</u>                       | <u>34</u>                     | <u>-</u>                     | <u>44</u>               |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 9. SUPPORT COSTS

|  | 2022       | 2021       |
|--|------------|------------|
|  | £'000s     | £'000s     |
| Utilities                                  | 57         | 64         |
| Depreciation                               | 21         | 24         |
| Administration                             | 111        | 63         |
| Governance                                 | 33         | 28         |
| Sundry                                     | 48         | 45         |
| Bank charges                               | 7          | 4          |
| Personnel & training                       | 176        | 160        |
|  | <u>453</u> | <u>388</u> |
| Allocated:                                 |            |            |
| Fundraising                                | 55         | 58         |
| Charitable activities                      | 398        | 330        |
|  | <u>453</u> | <u>388</u> |
| Included above:                            |            |            |
| Operating leases                           | 13         | 13         |
| Payments to auditors: Accounts preparation | 1          | 1          |
| Audit                                      | 17         | 12         |

The support costs have been allocated between activities according to the number of people employed in those activities.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 10. TRANSFERS BETWEEN FUNDS

| 2022                                     | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|--|---------------------------------|-------------------------------|------------------------------|-------------------------|
| To fund deficit on Music                 | (94)                            | 94                            | -                            | -                       |
| To fund deficit on Education<br>Outreach | (12)                            | 12                            | -                            | -                       |
| To fund deficit on Fabric                | (33)                            | 33                            | -                            | -                       |
| Transfer from Newill Trusts              | 90                              | (90)                          | -                            | -                       |
| Other transfers                          | (1)                             | 1                             | -                            | -                       |
|  | <u>(50)</u>                     | <u>50</u>                     | <u>-</u>                     | <u>-</u>                |

| 2021                                     | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|--|---------------------------------|-------------------------------|------------------------------|-------------------------|
| To fund deficit on Music                 | (101)                           | 101                           | -                            | -                       |
| To fund deficit on Education<br>Outreach | (30)                            | 30                            | -                            | -                       |
| To fund deficit on Fabric                | (12)                            | 12                            | -                            | -                       |
| Transfer from Newill Trusts              | 50                              | (50)                          | -                            | -                       |
| Other transfers                          | 1                               | (1)                           | -                            | -                       |
|  | <u>(92)</u>                     | <u>92</u>                     | <u>-</u>                     | <u>-</u>                |

The transfer from the Newill Trusts was in respect of expenditure on repairs, maintenance and insurance costs within the terms of the Trusts.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 11. EMPLOYEES AND OFFICE HOLDERS

| <u>Staff Costs</u>    | 2022       | 2021       |
|-----------------------|------------|------------|
|                       | £'000s     | £'000s     |
| Salaries and stipends | 730        | 616        |
| National Insurance    | 61         | 47         |
| Pensions              | 37         | 36         |
|                       | <u>828</u> | <u>699</u> |

| <u>Average staff numbers</u>  | Headcount   |             | Full time equivalent |             |
|-------------------------------|-------------|-------------|----------------------|-------------|
|                               | 2022        | 2021        | 2022                 | 2021        |
|                               | No.         | No.         | No.                  | No.         |
| Ministry & Music              | 11.2        | 12.0        | 6.9                  | 8.4         |
| Clergy Support                | 1.8         | 1.8         | 1.8                  | 1.8         |
| Education                     | 1.0         | 1.0         | 0.8                  | 0.8         |
| Cathedrals & Precincts upkeep | 3.8         | 3.9         | 2.9                  | 3.0         |
| Fundraising                   | 2.5         | 1.0         | 2.1                  | 1.0         |
| Trading                       | 2.6         | 2.6         | 2.3                  | 2.3         |
| Governance                    | 0.4         | 0.4         | 0.3                  | 0.3         |
| Administrative Support        | 8.4         | 7.2         | 6.1                  | 4.9         |
|                               | <u>31.7</u> | <u>29.9</u> | <u>23.2</u>          | <u>22.5</u> |

No employee or office holder was paid more than £60,000 per annum (2021: None). Chapter considers its key management personnel to comprise the clergy members of Chapter and the Chief Operating Officer. The total amount received by key management personnel during the year was £170,000 (2021: £156,000).

Included within staff costs are payments made by the Church Commissioners to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The stipend and pension of the Dean and two residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops Council, and the Church of England Pensions Board. No supplements to these scales are paid. Each of the individuals also benefits from housing provided by the Cathedral free of rent and council tax in furtherance of their duties. The Cathedral also pays a contribution to the telephone bills. The total stipend for the year was £75,820 (2021: £65,000) and pension provision was £22,980 (2021: £22,500) made up as follows:

|                                | 2022          |               | 2021          |               |
|--------------------------------|---------------|---------------|---------------|---------------|
|                                | Stipend       | Pension       | Stipend       | Pension       |
| Very Rev. Dianna Gwilliams     | 37,950        | 11,680        | 37,800        | 12,500        |
| Rev. Canon Chris Hollingshurst | 29,410        | 8,700         | 27,200        | 10,000        |
| Rev. Canon Rachel Young        | 8,460         | 2,600         | -             | -             |
|                                | <u>75,820</u> | <u>22,980</u> | <u>65,000</u> | <u>22,500</u> |

No remuneration was paid to other members of Chapter during the year (2021: nil). Expenses of £8,150 (2021: £11,300) were reimbursed to 3 (2021: 3) members of the Chapter in the year. These included £2,950 of relocation expenses (2021: £3,200).

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 12. TANGIBLE ASSETS

|                        | Chapter                          |                                  |                 | Subsidiary                       | Total<br>£'000s |
|------------------------|----------------------------------|----------------------------------|-----------------|----------------------------------|-----------------|
|                        | Functional<br>property<br>£'000s | Equipment<br>and plant<br>£'000s | Total<br>£'000s | Equipment<br>and plant<br>£'000s |                 |
| <u>Cost/Valuation</u>  |                                  |                                  |                 |                                  |                 |
| At 1 January 2022      | 3,635                            | 221                              | 3,856           | 7                                | 3,863           |
| Additions              | -                                | 7                                | 7               | -                                | 7               |
| Changes in valuation   | -                                | -                                | -               | -                                | -               |
| At 31 December 2022    | <u>3,635</u>                     | <u>228</u>                       | <u>3,863</u>    | <u>7</u>                         | <u>3,870</u>    |
| <u>Depreciation</u>    |                                  |                                  |                 |                                  |                 |
| At 1 January 2022      | -                                | 154                              | 154             | 7                                | 161             |
| Charge in year         | -                                | 21                               | 21              | -                                | 21              |
| At 31 December 2022    | <u>-</u>                         | <u>175</u>                       | <u>175</u>      | <u>7</u>                         | <u>182</u>      |
| <u>Net Book Values</u> |                                  |                                  |                 |                                  |                 |
| At 31 December 2022    | <u>3,635</u>                     | <u>53</u>                        | <u>3,688</u>    | <u>-</u>                         | <u>3,688</u>    |
| At 31 December 2021    | <u>3,635</u>                     | <u>67</u>                        | <u>3,702</u>    | <u>-</u>                         | <u>3,702</u>    |

The functional property is housing for Cathedral clergy and staff.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 13. HERITAGE ASSETS

|                            | Group  |        | Chapter |        |
|----------------------------|--------|--------|---------|--------|
|                            | 2022   | 2021   | 2022    | 2021   |
|                            | £'000s | £'000s | £'000s  | £'000s |
| At 1 January & 31 December | 224    | 224    | 224     | 224    |

### 14. INVESTMENTS

|                                 | 2022               |                     |        | 2021               |                     |         |
|---------------------------------|--------------------|---------------------|--------|--------------------|---------------------|---------|
|                                 | Listed investments | Investment property | Total  | Listed investments | Investment property | Total   |
|                                 | £'000s             | £'000s              | £'000s | £'000s             | £'000s              | £'000s  |
| At 1 January                    | 2,033              | 508                 | 2,541  | 1,707              | 508                 | 2,215   |
| Additions                       | 616                | -                   | 616    | 1,199              | -                   | 1,199   |
| Disposals                       | (779)              | -                   | (779)  | (1,015)            | -                   | (1,015) |
| Changes in market value         | (230)              | -                   | (230)  | 142                | -                   | 142     |
| Market Value at 31 December     | 1,640              | 508                 | 2,148  | 2,033              | 508                 | 2,541   |
| Cash held for re-investment     | 29                 | -                   | 29     | 44                 | -                   | 44      |
| Total Consolidated Investments  | 1,669              | 508                 | 2,177  | 2,077              | 508                 | 2,585   |
| Investment in group undertaking | -                  | -                   | -      | -                  | -                   | -       |
| Total Chapter Investments       | -                  | -                   | 2,177  | -                  | -                   | 2,585   |
| Long-term                       | 1,599              | 508                 | 2,107  | 2,007              | 508                 | 2,515   |
| Current                         | 70                 | -                   | 70     | 70                 | -                   | 70      |
|                                 | 1,669              | 508                 | 2,177  | 2,077              | 508                 | 2,585   |

| <u>Listed Investments at 31 December</u> | 2022  | 2021  |
|--|-------|-------|
| Charles Stanley managed portfolio        |       |       |
| Fixed Income                             | 382   | 725   |
| UK Equities                              | 175   | 83    |
| Overseas Equities                        | 301   | 167   |
| Property                                 | 15    | 44    |
| Alternatives                             | 116   | 126   |
| Mixed                                    | 32    | 91    |
|  | 1,021 | 1,236 |
| CCLA CBF Investment Fund                 | 619   | 797   |
| Total                                    | 1,640 | 2,033 |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 14. INVESTMENTS (continued)

The Cathedral has one wholly owned subsidiary, Guildford Cathedral Enterprises Limited, which has a share capital of £100. A summary of its financial results and funds which are consolidated in these financial statements are as follows.

| 2022                      | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2022<br>£'000s |
|---------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Turnover                  | 365                             | -                             | -                            | 365                     |
| Cost of sales and trading | (209)                           | -                             | -                            | (209)                   |
| Other income              | -                               | -                             | -                            | -                       |
| Gift to Chapter           | (66)                            | -                             | -                            | (66)                    |
|                           | 91                              | -                             | -                            | 91                      |
| Funds at 1 January        | 36                              | -                             | -                            | 36                      |
| Funds at 31 December      | 127                             | -                             | -                            | 127                     |

| 2021                      | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|---------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Turnover                  | 339                             | -                             | -                            | 339                     |
| Cost of sales and trading | (148)                           | -                             | -                            | (148)                   |
| Other income              | 6                               | -                             | -                            | 6                       |
| Gift to Chapter           | (150)                           | -                             | -                            | (150)                   |
|                           | 47                              | -                             | -                            | 47                      |
| Funds at 1 January        | (11)                            | -                             | -                            | (11)                    |
| Funds at 31 December      | 36                              | -                             | -                            | 36                      |



# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 15. DEBTORS

|   | Group      |            | Chapter    |            |
|---|------------|------------|------------|------------|
|   | 2022       | 2021       | 2022       | 2021       |
|   | £'000s     | £'000s     | £'000s     | £'000s     |
| Trade Debtors                           | 41         | 25         | 30         | 18         |
| Amounts owed by subsidiary undertakings | -          | -          | 51         | 22         |
| Prepayments and accrued income          | 169        | 128        | 164        | 125        |
| Other debtors                           | 7          | -          | 7          | -          |
|   | <u>217</u> | <u>153</u> | <u>252</u> | <u>165</u> |

### 16. CREDITORS

|                              | Group      |            | Chapter    |            |
|------------------------------|------------|------------|------------|------------|
|                              | 2022       | 2021       | 2022       | 2021       |
|                              | £'000s     | £'000s     | £'000s     | £'000s     |
| Trade creditors              | 153        | 138        | 150        | 134        |
| Accruals and deferred income | 85         | 81         | 80         | 71         |
| Taxation                     | 17         | 21         | 17         | 21         |
| Other creditors              | 6          | 11         | 1          | 1          |
|                              | <u>261</u> | <u>251</u> | <u>248</u> | <u>227</u> |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 17. FUNDS

| <u>Fund Movements 2022</u> | 1 January<br>2022 | Income       | Expenditure    | Gains and<br>losses | Transfers | 31<br>December<br>2022 |
|----------------------------|-------------------|--------------|----------------|---------------------|-----------|------------------------|
| <b>Consolidated</b>        | £'000s            | £'000s       | £'000s         | £'000s              | £'000s    | £'000s                 |
| <b>Unrestricted Funds</b>  |                   |              |                |                     |           |                        |
| General                    | 4,348             | 928          | (943)          | (51)                | (50)      | 4,232                  |
| <b>Restricted Funds</b>    |                   |              |                |                     |           |                        |
| Choir and Music            | -                 | 280          | (289)          | (2)                 | 94        | 83                     |
| General Stipends           | -                 | 285          | (285)          | -                   | -         | -                      |
| Education & other purposes | -                 | 77           | (72)           | -                   | 13        | 18                     |
| Fabric Funds               | 225               | 64           | (97)           | (24)                | 33        | 201                    |
| Newill Trusts              | 713               | 16           | -              | (69)                | (90)      | 570                    |
|                            | 938               | 722          | (743)          | (95)                | 50        | 872                    |
| <b>Endowment Funds</b>     |                   |              |                |                     |           |                        |
| Choir and Music            | 459               | -            | (4)            | (47)                | -         | 408                    |
| Fabric                     | 277               | -            | (2)            | (30)                | -         | 245                    |
| Property                   | 579               | -            | -              | (7)                 | -         | 572                    |
|                            | 1,315             | -            | (6)            | (84)                | -         | 1,225                  |
| <b>Total</b>               | <b>6,601</b>      | <b>1,650</b> | <b>(1,692)</b> | <b>(230)</b>        | <b>-</b>  | <b>6,329</b>           |
| <b>Chapter</b>             |                   |              |                |                     |           |                        |
| General Funds              | 4,312             | 646          | (752)          | (51)                | (50)      | 4,105                  |
| Restricted Funds           | 938               | 722          | (743)          | (95)                | 50        | 872                    |
| Endowment Funds            | 1,315             | -            | (6)            | (84)                | -         | 1,225                  |
| <b>Total</b>               | <b>6,565</b>      | <b>1,368</b> | <b>(1,501)</b> | <b>(230)</b>        | <b>-</b>  | <b>6,202</b>           |

Details of transfers are set out in note 10.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 17. FUNDS (continued)

| <u>Fund Movements 2021</u>    | 1 January<br>2021 | Income       | Expenditure    | Gains and<br>losses | Transfers | 31<br>December<br>2021 |
|-------------------------------|-------------------|--------------|----------------|---------------------|-----------|------------------------|
|                               | £'000s            | £'000s       | £'000s         | £'000s              | £'000s    | £'000s                 |
| <b>Consolidated</b>           |                   |              |                |                     |           |                        |
| <b>Unrestricted Funds</b>     |                   |              |                |                     |           |                        |
| General                       | 4,277             | 821          | (675)          | 17                  | (92)      | 4,348                  |
| <b>Restricted Funds</b>       |                   |              |                |                     |           |                        |
| Choir and Music               | 30                | 112          | (241)          | -                   | 99        | -                      |
| General Stipends              | -                 | 295          | (295)          | -                   | -         | -                      |
| Education & other<br>purposes | 2                 | 13           | (46)           | -                   | 31        | -                      |
| Fabric Funds                  | 212               | 38           | (42)           | 5                   | 12        | 225                    |
| Newill Trusts                 | 665               | 18           | -              | 80                  | (50)      | 713                    |
|                               | 909               | 476          | (624)          | 85                  | 92        | 938                    |
| <b>Endowment Funds</b>        |                   |              |                |                     |           |                        |
| Choir and Music               | 441               | -            | (3)            | 21                  | -         | 459                    |
| Fabric                        | 263               | -            | (2)            | 16                  | -         | 277                    |
| Property                      | 576               | -            | -              | 3                   | -         | 579                    |
|                               | 1,280             | -            | (5)            | 40                  | -         | 1,315                  |
| <b>Total</b>                  | <b>6,466</b>      | <b>1,297</b> | <b>(1,304)</b> | <b>142</b>          | <b>-</b>  | <b>6,601</b>           |
| <b>Chapter</b>                |                   |              |                |                     |           |                        |
| General Funds                 | 4,289             | 641          | (543)          | 17                  | (92)      | 4,312                  |
| Restricted Funds              | 909               | 476          | (624)          | 85                  | 92        | 938                    |
| Endowment Funds               | 1,280             | -            | (5)            | 40                  | -         | 1,315                  |
| <b>Total</b>                  | <b>6,478</b>      | <b>1,117</b> | <b>(1,172)</b> | <b>142</b>          | <b>-</b>  | <b>6,565</b>           |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 17. FUNDS (continued)

| <u>Fund Assets at 31 December 2022</u> | Tangible<br>Assets | Investments  | Current<br>Assets | Creditors    | Net Assets   |
|--|--------------------|--------------|-------------------|--------------|--------------|
|  | £'000s             | £'000s       | £'000s            | £'000s       | £'000s       |
| <b><u>Consolidated</u></b>             |                    |              |                   |              |              |
| <b>Unrestricted Funds</b>              |                    |              |                   |              |              |
| General                                | 3,912              | 269          | 312               | (261)        | 4,232        |
| <b>Restricted Funds</b>                |                    |              |                   |              |              |
| Choir and Music                        | -                  | -            | 83                | -            | 83           |
| Education & other purposes             | -                  | -            | 18                | -            | 18           |
| Fabric Funds                           | -                  | 183          | 18                | -            | 201          |
| Newill Trusts                          | -                  | 479          | 91                | -            | 570          |
|  | -                  | 662          | 210               | -            | 872          |
| <b>Endowment Funds</b>                 |                    |              |                   |              |              |
| Choir and Music                        | -                  | 386          | 22                | -            | 408          |
| Fabric                                 | -                  | 236          | 9                 | -            | 245          |
| Property                               | -                  | 554          | 18                | -            | 572          |
|  | -                  | 1,176        | 49                | -            | 1,225        |
| <b>Total</b>                           | <b>3,912</b>       | <b>2,107</b> | <b>571</b>        | <b>(261)</b> | <b>6,329</b> |
| <b><u>Chapter</u></b>                  |                    |              |                   |              |              |
| General Funds                          | 3,912              | 269          | 172               | (248)        | 4,105        |
| Restricted Funds                       | -                  | 662          | 210               | -            | 872          |
| Endowment Funds                        | -                  | 1,176        | 49                | -            | 1,225        |
| <b>Total</b>                           | <b>3,912</b>       | <b>2,107</b> | <b>431</b>        | <b>(248)</b> | <b>6,202</b> |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 17. FUNDS (continued)

| <u>Fund Assets at 31 December 2021</u> | Tangible<br>Assets | Investments | Current<br>Assets | Creditors | Net Assets |
|--|--------------------|-------------|-------------------|-----------|------------|
|  | £'000s             | £'000s      | £'000s            | £'000s    | £'000s     |
| <b>Consolidated</b>                    |                    |             |                   |           |            |
| <b>Unrestricted Funds</b>              |                    |             |                   |           |            |
| General                                | 3,926              | 400         | 273               | (251)     | 4,348      |
| <b>Restricted Funds</b>                |                    |             |                   |           |            |
| Choir and Music                        | -                  | -           | -                 | -         | -          |
| Education & other purposes             | -                  | -           | -                 | -         | -          |
| Fabric Funds                           | -                  | 208         | 17                | -         | 225        |
| Newill Trusts                          | -                  | 638         | 75                | -         | 713        |
|  | -                  | 846         | 92                | -         | 938        |
| <b>Endowment Funds</b>                 |                    |             |                   |           |            |
| Choir and Music                        | -                  | 439         | 20                | -         | 459        |
| Fabric                                 | -                  | 269         | 8                 | -         | 277        |
| Property                               | -                  | 561         | 18                | -         | 579        |
|  | -                  | 1,269       | 46                | -         | 1,315      |
| Total                                  | 3,926              | 2,515       | 411               | (251)     | 6,601      |
| <b>Chapter</b>                         |                    |             |                   |           |            |
| General Funds                          | 3,926              | 400         | 213               | (227)     | 4,312      |
| Restricted Funds                       | -                  | 846         | 92                | -         | 938        |
| Endowment Funds                        | -                  | 1,269       | 46                | -         | 1,315      |
| Total                                  | 3,926              | 2,515       | 351               | (227)     | 6,565      |

As at 31 December 2022 and 2021 the Newill Trusts had a £50,000 loan in place to the Chapter General Fund at an interest rate of 1.85% p.a..

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### 17. FUNDS (continued)

#### Description of Funds

**General Fund** The general fund is the Cathedral's unrestricted fund available for any of the Cathedral's purposes without restriction.

#### Restricted Funds

**Choir & Music** Restricted fund for supporting the music and choir of the Cathedral. Expenditure for the Cathedral choir and musical activities, including outreach, is charged here as is income from specific donations, grants, and earnings. The fund usually produces an annual deficit that is met by a transfer of funds from the general fund.

**Education and other purposes** Restricted fund for donations supporting the Cathedral's educational activities. Certain other smaller restricted donations have also been included within this heading.

**Fabric Funds** Restricted funds for the upkeep of the Cathedral and precincts; included within the following main funds: for the upkeep and development of the Cathedral's stained glass (£180,000); for the maintenance and upkeep of the regimental chapel within the Cathedral (£15,000), and for the maintenance and upkeep of the Seeds of Hope Children's Garden (£4,000).

**Newill Trusts** Restricted funds for the repair, maintenance and insurance of the Cathedral and certain other purposes.

#### Endowment Funds

**Choir and music** Permanent endowment fund for the Cathedral's choir and music. Income is credited to the Choir and Music restricted fund.

**Fabric Fund** Permanent endowment fund for the Cathedral's maintenance and upkeep. Income is credited to the General fabric restricted fund.

**Property Fund** Expendable endowment fund where capital may be used for the improvement or development of any property in which Chapter has an interest (other than the Cathedral and its ancillary buildings) except for £20,000 which could be used for the choir and music. Income is credited to the general fund.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 18. PENSIONS

#### Church of England Funded Pension Scheme (Clergy)

Guildford Cathedral participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are £22,000 (2021: £22,000).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumption

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this)
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards
- Increase in pensionable stipends in line with CPIH
- Mortality in accordance with 90% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0%

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

| % of pensionable salary        | January 2018 to December 2020 | January 2021 to December 2022 |
|--------------------------------|-------------------------------|-------------------------------|
| Deficit recovery contributions | 11.9%                         | 7.1%                          |

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.



# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 18. PENSIONS (continued)

|  | 2022<br>£'000s | 2021<br>£'000s |
|--|----------------|----------------|
| Balance sheet liability at 1 January         | 2              | 4              |
| Deficit contribution paid                    | (1)            | (2)            |
| Interest cost                                | -              | -              |
| Remaining change in balance sheet liability* | (1)            | -              |
| Balance sheet liability at 31 December       | -              | 2              |

\* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

The liability was not recognised in the balance sheet for 2021 because it was not material and the Church Commissioners are committed to fund this liability under section 21 of the Cathedrals Measure 1999.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

|                                       | December 2022 | December 2021 | December 2020 |
|---------------------------------------|---------------|---------------|---------------|
| Discount rate                         | n/a           | 0.0%          | 0.2%          |
| Price inflation                       | n/a           | n/a           | 3.1%          |
| Increase to total pensionable payroll | n/a           | -1.5%         | 1.6%          |

The legal structure of the scheme is such that if another Responsible Body fails, Guildford Cathedral could become responsible for paying a share of that Responsible Body's pension liabilities.

#### Church Workers Pension Fund and NEST (lay staff)

The Cathedral has two schemes in place for lay members of staff. It participates in the Pension Builder Scheme Section of the Church Workers Pension Fund and from 2016, in addition, a defined contribution scheme administered by NEST.

The Church Workers Pension Fund (Guildford Cathedral) is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

### 18. PENSIONS (continued)

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. Therefore, contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable of £4,000 (2021: £4,000).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time. The legal structure of the scheme is such that if another employer fails, Guildford Cathedral could become responsible for paying a share of that employer's pension liabilities.

Contributions by the Cathedral to NEST were £11,000 (2021: £9,000).

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 19. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

|   | Unrestricted<br>Funds | Restricted<br>Funds | Endowment<br>Funds | Total<br>2021  |
|---|-----------------------|---------------------|--------------------|----------------|
|   | £'000s                | £'000s              | £'000s             | £'000s         |
| <b>Income and endowments from</b>                         |                       |                     |                    |                |
| Donations & legacies                                      |                       |                     |                    |                |
| Donations   | 207                   | 65                  | -                  | 272            |
| Legacies  | 53                    | -                   | -                  | 53             |
| Grants  | 45                    | 361                 | -                  | 406            |
|   | 305                   | 426                 | -                  | 731            |
| Charitable activities                                     | 14                    | 7                   | -                  | 21             |
| Other trading activities                                  | 432                   | 4                   | -                  | 436            |
| Investments   | 31                    | 39                  | -                  | 70             |
| Other income  | 39                    | -                   | -                  | 39             |
| <b>Total income and endowments</b>                        | <b>821</b>            | <b>476</b>          | <b>-</b>           | <b>1,297</b>   |
| <b>Expenditure on</b>                                     |                       |                     |                    |                |
| Raising Funds   | (193)                 | (44)                | (5)                | (242)          |
| Charitable activities                                     |                       |                     |                    |                |
| Ministry  | (284)                 | (438)               | -                  | (722)          |
| Cathedral & precincts upkeep                              | (188)                 | (108)               | -                  | (296)          |
| Education and outreach                                    | (10)                  | (34)                | -                  | (44)           |
| <b>Total expenditure</b>                                  | <b>(675)</b>          | <b>(624)</b>        | <b>(5)</b>         | <b>(1,304)</b> |
| Net (expenditure)/income before investment (losses)/gains | 146                   | (148)               | (5)                | (7)            |
| Net (losses)/gains on investments                         | 17                    | 85                  | 40                 | 142            |
| Net (expenditure)/income                                  | 163                   | (63)                | 35                 | 135            |
| Transfers between funds                                   | (92)                  | 92                  | -                  | -              |
| Net movement in funds                                     | 71                    | 29                  | 35                 | 135            |
| Funds brought forward                                     | 4,277                 | 909                 | 1,280              | 6,466          |
| Funds carried forward                                     | 4,348                 | 938                 | 1,315              | 6,601          |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 20. THE FRIENDS OF GUILDFORD CATHEDRAL (Charity No. 250402)

The Very Reverend Dianna Gwilliams was a Trustee of The Friends of Guildford Cathedral during the year.

Grants from The Friends of Guildford Cathedral amounting to £69,000 were accounted for by the Cathedral in the year (2021: £22,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

| 2021                  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2021<br>£'000s |
|-----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Income                | 41                              | -                             | -                            | 41                      |
| Expenditure           | (32)                            | -                             | -                            | (32)                    |
| Net income            | 9                               | -                             | -                            | 9                       |
| Gains on investments  | 15                              | -                             | 2                            | 17                      |
| Net movement in funds | 24                              | -                             | 2                            | 26                      |
| Funds brought forward | 292                             | 5                             | 32                           | 329                     |
| Funds carried forward | 316                             | 5                             | 34                           | 355                     |

| 2020                  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2020<br>£'000s |
|-----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Income                | 27                              | -                             | -                            | 27                      |
| Expenditure           | (62)                            | -                             | -                            | (62)                    |
| Net expenditure       | (35)                            | -                             | -                            | (35)                    |
| Losses on investments | (6)                             | -                             | (2)                          | (8)                     |
| Net movement in funds | (41)                            | -                             | (2)                          | (43)                    |
| Funds brought forward | 334                             | 4                             | 34                           | 372                     |
| Funds carried forward | 293                             | 4                             | 32                           | 329                     |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

### 21. GUILDFORD CATHEDRAL MUSIC DEVELOPMENT FOUNDATION (Charity No 1093933)

The Very Reverend Dianna Gwilliams and the Reverend Canon Rachel Young were Trustees of Guildford Cathedral Music Development Foundation during the year.

Grants from The Guildford Cathedral Music Development Foundation amounting to £86,000 were accounted for in the year by the Cathedral (2021: £49,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

| 2021                     | Unrestricted Funds | Restricted Funds | Endowment Funds | Total  |
|--------------------------|--------------------|------------------|-----------------|--------|
|                          | £'000s             | £'000s           | £'000s          | £'000s |
| Income                   | 7                  | 5                | 9               | 21     |
| Expenditure              | (38)               | (19)             | (5)             | (62)   |
| Net income/(expenditure) | (31)               | (14)             | 4               | (41)   |
| Gains on investments     | 46                 | 5                | 65              | 116    |
| Net movement in funds    | 15                 | (9)              | 69              | 75     |
| Fund transfers           | -                  | 26               | (26)            | -      |
| Funds brought forward    | 558                | 82               | 642             | 1,282  |
| Funds carried forward    | 573                | 99               | 685             | 1,357  |

| 2020                     | Unrestricted Funds | Restricted Funds | Endowment Funds | Total  |
|--------------------------|--------------------|------------------|-----------------|--------|
|                          | £'000s             | £'000s           | £'000s          | £'000s |
| Income                   | 8                  | 3                | 8               | 19     |
| Expenditure              | (21)               | (52)             | (3)             | (76)   |
| Net income/(expenditure) | (13)               | (49)             | 5               | (57)   |
| Gains on investments     | 102                | 19               | 118             | 239    |
| Net movement in funds    | 89                 | (30)             | 123             | 182    |
| Fund transfers           | -                  | 22               | (22)            | -      |
| Funds brought forward    | 469                | 91               | 540             | 1,100  |
| Funds carried forward    | 558                | 83               | 641             | 1,282  |

### 22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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### **23. GOING CONCERN**

The Cathedral's activities together with the factors likely to affect its future development and financial position are set out in the Annual Report. As described in the report the Cathedral currently operates with an underlying deficit on its operational activities and has been working hard to recover from the impact of Covid and to reduce the deficit with the intention of eliminating it over the next couple of years. The land sale development would have brought in additional general funds and established a significant endowment fund to fund repair and maintenance for the Cathedral. The refusal of planning permission in March 2023 has been a significant setback for the Cathedral. The financial plans have been recast to deliver a management accounts deficit of £40,000 for 2023 and then to have a surplus of £20,000 in 2024 and 2025. Free reserves will then stabilise at c.£200,000. However to achieve this is a significant challenge which Chapter recognises and is addressing. Chapter continues to adopt the going concern basis of accounting in preparing the financial statements.

### **24. RELATED PARTY TRANSACTIONS**

Donations during the year made by Chapter members personally or through Trusts controlled by them totalled £6,000 (2021: £5,000).

# The Cathedral Church of the Holy Spirit, Guildford

## APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2022

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### Appendix 1 - Governance

Guildford Cathedral is governed under the Cathedrals Measure 1999 and by a Constitution and Statutes which came into effect on 24 November 2002 and was last revised in June 2017. Under these regulations, it is the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and to order the worship and promote the mission of the Cathedral.

Under the Constitution and Statutes, the Corporate Body of the Cathedral Church of the Holy Spirit, Guildford comprises the members for the time being of the Cathedral Council, the Chapter, and the College of Canons. It is a body corporate with continual succession and a common seal which is known as the common seal of the Cathedral.

### Appendix 2 - The Chapter

#### The Dean

The Dean is the 'principal dignitary of the Cathedral, next after the Bishop, and is Chairman of the Chapter and President of the College of Canons'. S/He is appointed by Her Majesty the Queen and instituted by the Bishop to the office of Dean of Guildford.

The Dean has the right to preach and celebrate Holy Communion in the Cathedral on occasions agreed by the Chapter. Subject to the provisions of Constitution and Statutes no person shall preach within the Cathedral without the approval of the Dean.

It is the duty of the Dean, as Chair of the Chapter, to govern and direct on its behalf the life and work of the Cathedral and, in particular, to:

- Ensure that Divine Service is duly performed in the Cathedral;
- Ensure that the Constitution and Statutes are faithfully observed;
- Maintain good order and proper reverence in the Cathedral;
- Secure the pastoral care of all members of the Cathedral community;
- Take all decisions necessary to deal with any emergency affecting the Cathedral, pending consideration of the matter by the Chapter;

#### The Chapter

The Cathedrals Measure 1999 requires that it shall be the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and in particular, to:

- Order the worship and promote the mission of the Cathedral;
- Formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- Prepare an annual budget for the Cathedral;
- Submit to the Council the annual report and audited accounts and such other reports as may be requested by the Council on any matter concerning the Cathedral;
- Submit to the College of Canons the annual report and audited accounts prepared as aforesaid;
- Keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;



## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2022

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- Manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out, and
- Perform such other functions as may be prescribed.

The Chapter is also responsible under the 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 Guildford Cathedral and its consolidated entities;
- Stating that they have complied in all material respects with Accounting and Reporting for English Anglican Cathedral and applicable United Kingdom Accounting Standards; 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;
- 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 taking reasonable steps for the prevention and detection of fraud and other irregularities, and
- Preparing the accounts on a going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

As far as the Chapter members are aware there is no relevant audit information of which the Cathedral's auditors are unaware; and the Chapter members have taken all the steps that they consider they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Cathedral's auditors are aware of that information.

### Method of Appointing Members to the Chapter

In accordance with the Constitution of the Cathedral, the Chapter shall consist of:

- The Dean, who shall be the chairman and shall have a second or casting vote;
- All the Residentiary Canons;
- One lay person appointed by the Bishop after consultation with the Dean and the Chapter;
- The Cathedral Honorary Treasurer;
- Two lay persons elected by a meeting of members of the Cathedral Community;
- Up to three persons nominated by Chapter for their particular skills (not more than one of whom may be a clerk of holy orders).

All lay persons must be actual communicants and shall hold office for three years and shall be eligible for membership for further terms of office.

## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2022

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#### Members of Chapter

|  |   |
|--|---|
| The Dean<br>The Sub Dean                   | The Very Reverend Dianna Gwilliams<br>The Venerable Stuart Beake                              |
| The Residentiary Canons                    | The Reverend Canon Chris Hollingshurst<br>The Reverend Canon Rachel Young (from October 2022) |
| Chapter Appointees:                        | Mr Andrew Pianca (Hon Treasurer)<br>Ms Jo Pinson  |
| One Lay person appointed by the Bishop     | Major General Roddy Porter  |
| Two persons elected by Cathedral Community | Ms Ann Bourne (from September 2022)<br>Ms Berrie Norton (from September 2022)                 |

#### Appendix 3 - The Cathedral Council

The Cathedrals Measure 1999 requires that it shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, to:

- Consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter;
- Receive and consider the annual budget of the Cathedral;
- Receive and consider the annual report and audited accounts;
- Consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of this Measure, and
- Perform such other functions as may be prescribed.

The Chairman is a lay person, not a member of the Chapter, appointed by the Bishop after discussion with the Chapter. The Dean is a member ex officio, and the Chapter elects two members. One member is elected by the Cathedral Community and two by the College of Canons. Further members are appointed to represent the wider civic, economic, and ecumenical interests and concerns of the diocese.

The Bishop as Visitor is invited to attend as an advisor and non-voting member at all meetings of the Cathedral Council and the Council continues to be grateful for his support and advice.

#### Appendix 4 -The College of Canons

The College of Canons consists of the Dean, Residentiary Canons, the Archdeacons of Surrey and Dorking and the Bishop of Dorking. In addition, there are 30 members (15 ordained and 15 lay) appointed by the Bishop of Guildford in consultation with the Dean, up to 4 Ecumenical Canons and up to 3 additional members who may hold a particular responsibility in the diocese. The College elects two members to the Cathedral Council. It is the responsibility and duty of the College of Canons to elect the Diocesan Bishop in accordance with the Appointment of Bishops Act, 1533.

The role of the College of Canons is to promote and support the Mission and Ministry of the Cathedral in the diocese by drawing on the experience of its members in their ministry and reflecting the views of the Diocese. In furtherance of that role it shall:

- Receive and consider the annual report and audited accounts.
- Discuss such matters concerning the Cathedral as may be raised by any of its members, and
- Perform such other functions as may be prescribed and relevant to its role.

#### **Appendix 5 - The Bishop**

The Bishop shall have the principal seat and dignity in the Cathedral.

After consultation with the Chapter and subject to any provision in the Statutes, he may officiate in the Cathedral and use it in his work of teaching and mission, for ordinations and synods and for other Diocesan occasions and purposes. Also,

- The Chapter shall from time to time consult the Bishop in respect of the general direction and mission of the Cathedral, and the Bishop may at any time seek the advice of the Chapter on any matter.
- The Constitution of the Cathedral provides that the Bishop shall be the Visitor thereof.
- The Bishop shall as Visitor hear and determine any question as to the construction of the Constitution and Statutes.
- The Bishop may hold a visitation of the Cathedral when he considers it desirable or necessary to do so or when requested by the Council or the Chapter.
- In the course of a visitation, the Bishop may give such directions to the Chapter, to the holder of any office in the Cathedral or to any person employed by the Cathedral as will, in the opinion of the Bishop, better serve the due observance of the Constitution and Statutes.
- It shall be the duty of any person or body on whom functions are conferred by or under The Cathedrals Measure 1999 to act in accordance with any determination under, and any direction under, the above paragraphs.
- The provisions above are without prejudice to the powers of the Bishop under the Care of Cathedrals (Supplementary Provisions) Measure 1994 and his powers as Visitor generally.
- The Bishop may at any time propose for consideration by the Council amendments to the Constitution.

#### **Appendix 6 - The Cathedral Finance and Risk Committee**

The Constitution requires the setting up of a Finance Committee with the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management and the management of property and assets belonging to the Cathedral. Chapter receives and acts with the guidance and the advice given to it by the Cathedral Finance and Risk Committee.

The Committee consists of the Dean, the Chief Operating Officer, the Treasurer, and at least three but not more than six persons appointed by Chapter for their ability, expertise and experience in the fields of finance and investment and their management; of these not more than two may be members of Chapter. The majority of members of the Finance and Risk Committee will not be members of Chapter. Members are appointed for a renewable period of three years.

### The Cathedral's Finances

Investment Powers - Under the terms of the Cathedrals Measure 1999, the Chapter may invest the Cathedral's funds in any of the following:

- Land.
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.
- Investments in which the 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 endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

### Members of the Cathedral Finance and Risk Committee

Mr Andrew Pianca (Honorary Treasurer and Chair)  
The Very Reverend Dianna Gwilliams  
The Venerable Stuart Beake  
Mr Ian Bowler  
Mr Keith Malcouronne  
Mr Matt O'Grady  
Mr Nigel Stapleton (until September 2022)

### Appendix 7 – The Fabric Advisory Committee

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee (FAC) is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter in regard to proposed development of and changes to the Cathedral's fabric.

There are eight voting members of the Fabric Advisory Committee, four appointed by the Cathedrals Fabric Commission after consultation with the Chapter, and four by the Chapter after consultation with the Commission. The members appoint a Chairman from among their own number. The Dean and the Chief Operating Officer attend meetings on behalf of the Chapter, and other Chapter members are free to attend; no members of the Chapter have a vote. The Cathedral Architect, under Section 4 of the Care of Cathedrals Measure 1990, has a duty to attend meetings, although he does not have the right to vote.

### Members of the Fabric Advisory Committee

Mr Paul Velluet (Chair)  
Mr Matt Champion  
Mr Colin Kerr  
Mr James Miller  
Ms Cressida Williams  
Mr Paul Williams  
The Reverend Canon Stuart Thomas (until November 2022)  
Vacant

Secretary                      Mr Matt O'Grady

## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2022

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#### Appendix 8 – The Community Committee

The Cathedral Constitution also makes provision for a Community Committee, to act as a channel of communication between Chapter and the community, and to advise Chapter on any matters affecting the Cathedral community. This Committee is currently in abeyance until a new forum is constituted under the 2021 Cathedrals Measure.

#### Appendix 9 – (Statutory) Cathedral Lay Staff

|                                     |                               |
|-------------------------------------|-------------------------------|
| Chief Operating Officer             | Mr Matt O’Grady               |
| Organist & Master of the Choristers | Mrs Katherine Dienes-Williams |

#### Appendix 10 - Cathedral Volunteers

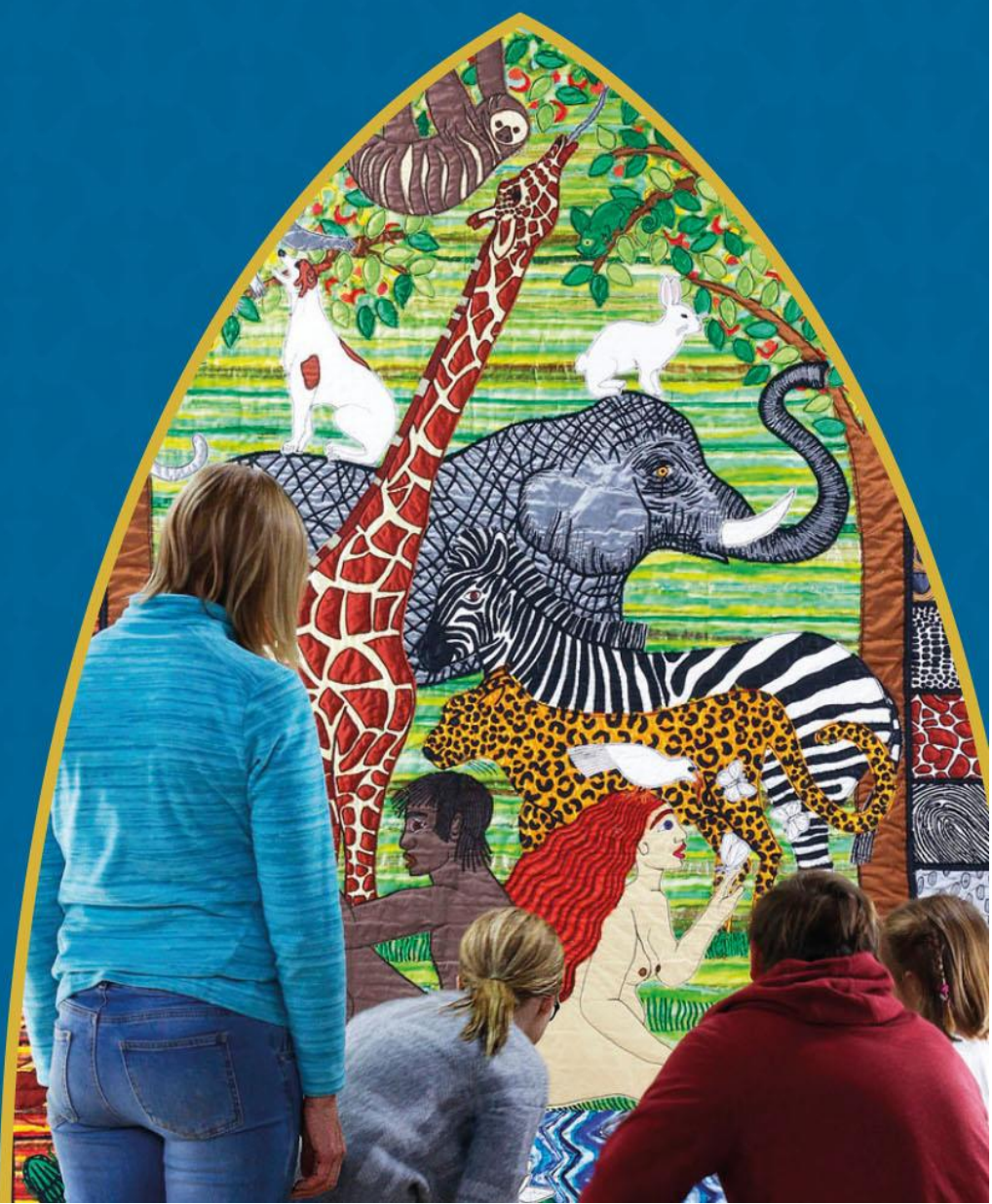
Chapter acknowledges the enormous contribution made by more than 300 volunteers throughout the year. The various areas of service include Archivists, Bell Ringers, Coin Scheme, Fair Trade, Family Engagement and Schools Helpers, Flower Arrangers, Graphic Designer, Guides, The Guildford Cathedral Singers, Handyman, Honorary Assistant Clergy, Pastoral Assistants, Servers, Shop Helpers, Stewards, Sunday School Helpers, Tower Tour Guides, and the Treasury Curator.

#### Appendix 11 – Cathedral Officers and Advisers

The work of the Chapter would not be possible without support from experts in various professional fields and the following table details the Chapter’s advisers:

|                        |   |
|------------------------|---|
| Architect and Surveyor | Mr John Bailey, BA, BArch, RIBA, AABC<br>Thomas Ford & Partners |
| Auditor                | Mr Andrew Skilton<br>Brewers Chartered Accountants              |
| Bank Manager           | Ms Hayley Faulkner-Gibbs<br>National Westminster Bank           |
| Cathedral Solicitor    | Mr Duncan Elson, LLB<br>Charles Russell Speechlys               |
| Investment Adviser     | Mr Andrew Frogley<br>Charles Stanley & Co Ltd                   |





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