



GUILDFORD
CATHEDRAL



For the year ended
31 December 2023

ANNUAL REPORT

and financial
statements



CONTENTS

ANNUAL REPORT	PAGE
Chapter Report	I
AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023	
Independent Auditor's Report	13
Consolidated Statement of Financial Activities	17
Balance Sheets	18
Consolidated Cash Flow	19
Notes to the Financial Statements	20
APPENDICES TO THE ANNUAL REPORT	
1. Governance	53
2. The Chapter	53
3. The Cathedral Council and the Advisory Board	54
4. The College of Canons	55
5. The Bishop	55
6. The Nominations Committee	55
7. The Cathedral Finance Audit and Risk Committee	56
8. The Fabric Advisory Committee	56
9. The Community Committee and Cathedral Forum	57
10. Cathedral Lay Staff	57
11. Cathedral Volunteers	57
12. Cathedral Officers and Advisers	58

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

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 2023 set out on pages 17 to 52 together with the Chapter Report on pages 1 to 12, 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 1 to 12 on pages 53 to 58.

CHAPTER REPORT

The Chapter held eleven regular meetings in 2023 and two extra meetings to discuss our submission to the Appointment process for the new Dean. One of those meetings was with the Bishop.

Four matters have dominated our agendas (and our work):

- The retirement of Dean Dianna and the process for appointing her successor
- The Cathedral's financial situation
- The potential land sale
- The Cathedrals' Measure 2021

The Retirement of Dean Dianna and the Appointment Process

The Dean informed Chapter in April of her intention to retire in September. The King had given her permission to do so. Her retirement created the fourteenth vacancy, at the time, of a Cathedral Dean in England. The appointment process is run by the Appointment Secretaries of the Prime Minister and of the Archbishops and the vacancies are dealt with in sequence. As part of the process the Chapter had to provide a document describing the Cathedral and outlining its needs and the Bishop had to consult with Chapter about the qualities needed in a new Dean. Chapter expressed its deep gratitude to Dianna for all she had achieved as Dean and wished her and Martin well in the future. The Bishop consulted Chapter and appointed the Sub-Dean as Acting (later Interim) Dean. Dianna's farewell Service took place on September 17th.

The Cathedral's Financial Situation

A detailed report on the Cathedral Finances will be found elsewhere in this Annual Report but the predicted large end-of-year deficit, caused partly by the lack of filming income, has been a major concern. Budgeting for 2024 was made more complicated by not knowing the outcome of the planning permission appeal (the result was finally made known on 24 May 2024) . It was clear that we needed to explore how to increase our income. As a result, it was decided:

- To launch a Renewal of Giving campaign in November;
- To launch a Music Patrons' Scheme, and
- To re-establish the Development Committee which oversees the fundraising work of the Cathedral.

The Land Sale Refusal

The medium and long-term financing of the upkeep of the Cathedral depended greatly on whether or not the land sale could take place. In March 2023 we learnt that our second application for

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

planning permission had been refused, despite our having worked hard to comply with all the recommendations of the Borough Council planners. In conjunction with Vivid Homes (the Charity with whom we were working), we appealed against the decision and a Public Inquiry was held in March 2024. The notification of the refusal of the appeal in May means that the Cathedral will no longer receive a new Cathedral Close nor the large sum of money to invest in an endowment fund, the interest from which would have been spent maintaining and repairing the Cathedral. The Deanery is not safe at the time of writing and a new Dean may have to live elsewhere, at least temporarily. Whilst all urgent matters have been dealt with, significant further expenditure on the Cathedral building is needed in the next five or so years. Chapter is now looking at alternative ways of creating an endowment and also at repairing and/or replacing Cathedral Close houses, as well as eradicating the annual operational deficit.

The Cathedrals Measure 2021

A considerable amount of work was necessary to implement the provisions of the Cathedrals Measure 2021 to enable its provisions to apply to us by March 2024. There are: a new Constitution and Statutes; new committees, and new Terms of Reference. The Cathedral Council has been disbanded and will be replaced by an Advisory Board (the Chapter expressed its gratitude to Peter Shaw and the outgoing Council for their support and encouragement over the years). Most importantly the Chapter became Charity Trustees subject to the Charity Commission for financial and related matters. Most unimportantly the Acting Dean became the Interim Dean.

Other Matters

During the year Chapter received regular reports on Safeguarding and agreed a Service Level Agreement with the Diocese; it commissioned and discussed a Music Review which led in turn to the need to produce a Liturgical Plan; it received reports from the Architect, from Heads of Departments and the COO, and it regularly expressed its deep appreciation of our hard-working staff and volunteers. I conclude by thanking my Chapter colleagues for their commitment and dedication over a challenging year and in particular wish to thank the indefatigable Matt O'Grady for all that he does as Chapter Clerk and Chief Operations Officer.

The Venerable Stuart Beake
Interim Dean

HIGHLIGHTS OF 2023

Liturgy and Music

At the beginning of 2023, leadership of the Liturgy and Music Department was given by the Canon Liturgist who had, by then, been in post for three months. The new year dawned with the familiar Epiphany Procession in January and three Cantata Evensongs by J. S. Bach, performed by our choirs with a small orchestra of pupils and staff from Charterhouse School. These were particularly enjoyed by members of the congregation and brought a different slant to the season of Epiphany. January also

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

saw the auditions for a new Sub Organist to replace Richard Moore when he was due to leave at Easter and Asher Oliver was appointed.

February 2023 saw the 20th Anniversary of the Girl's Choir, celebrated by an Evensong in which former choristers were invited to sing, and a series of organ voluntaries by female composers. We held the first of two sets of auditions for new lay clerks, designed to build our team to a full complement of six in the autumn. Work began towards a BBC visit in March for a recording of a Mother's Day Service and a live broadcast of Evensong. March also saw some student organ scholars invited to play a short recital before Sunday Evensong which gave a precious showcase to some young instrumentalists.

Holy Week and Easter arrived in April following the same pattern of services developed by Canon Gilly Myers the previous year and the girl choristers were invited to sing in a performance of the Matthew Passion by Bach in the Royal Festival Hall. We said a fond farewell to Richard Moore and Asher Oliver arrived almost immediately to replace him. May was a busy month, due to the Coronation of His Majesty Charles III, celebrated with a County Service on Sunday 7 May. Then came the Anniversary of the Consecration of the Cathedral, at which we were joined by Charterhouse Junior Choir, followed in quick succession by Ascension Day and Pentecost, our Patronal Festival. Winchester Girl's Choir also joined us for an Evensong during that month.

In June we held more auditions for lay clerks after which we were pleased to know that we had successfully offered five places to new singers to join us. Boys, girls and lay clerks joined the choir of Holy Trinity Church, Guildford, for an Evensong there – at which there were almost 100 singers packed into the sanctuary in the heat of the summer! The end of term in July was preceded by a fabulous valedictory recital by our Organ Scholar, Marcus McDevitt, before he left to study at Oxford University.

The new choir year began in September with those five new lay clerks joining us, which was a great joy to see and offered more stability in the back row than we had had all year. One of them, Peter Hicks, became the new Lead Chaperone and has led the team of volunteers with wit and attentiveness. Also joining us was Jeremy Wan, our new Organ Scholar. The Dean, The Very Reverend Dianna Gwilliams, retired and we said goodbye to her in a farewell service in September, singing the spiritual 'Wade in the water' to an arrangement by Moses Hogan, with the words altered by Katherine Dienes-Williams to read 'Live on the water'. As the term progressed, it became evident that the lay clerks were settling in together and facing the new challenges of being in a Cathedral choir. They are a great bunch of young people, who have since shown themselves to be personable, reliable and increasingly a musically steady back row.

The autumn continued with the usual series of regular services. Advent arrived accompanied by the now-traditional social media Advent Calendar recordings of choir members singing carols, and the Advent Procession. Perhaps the highlight of the whole year was the concert given by our choir with John Rutter and the brass group 'Septura' on 9 December. The cathedral was a sell-out, John and the music being received with huge enthusiasm. It was a wonderful high on which to end the year and to propel us into 2024. Thank you to all our musicians – choristers, lay clerks, organists and

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

especially Katherine for her leadership – and their supporters and chaperones, and to the Development and Events departments which support us in all we do.

Schools

School Visits and Workshops

Becki Hartley delivered a full schedule of schools visits for the Knife Angel in 2023 and continued to provide a number of schools visits throughout the summer term, as well as support for the school leavers services. In August, Becki finished her role at the Cathedral and handed over to Nicola Cole who took over in September. A full timetable of Advent workshops was disrupted by water shortages on the Hill but five out of the eight groups were able to attend. The Advent and Easter workshops have been refreshed and as well as these Nicola has overseen a successful run of schools visits, all with a different focus. We saw three schools for the Easter workshops and 8 bespoke visits over the academic year. The Wooden One Octave Organ for Young Technologists (WOOFYT) organ workshop was attended by our local junior school and very much enjoyed and is expected again in 2024. We are pleased to already have schools booked in for the 2024/25 academic year and are increasing our number of workshops and visits. Nicola is also working on links with our most local schools and has been pleased to run assemblies and help with some school-based presentations about Christianity. Nicola is grateful for the support of her wonderful volunteer team, without whom the schools programme could not run.

Diocesan Board of Education Link

The Key Stage 1 Diocesan Schools' Eco-Day took place again in March 2024; a collaborative school activity jointly organised and planned by Nicola and colleagues from the Diocesan Education Team and administrated by Nicola. This was a hugely successful day with excellent feedback. 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. At Christmas the Cathedral was filled with artwork created by children at Diocesan primary schools for the period of Advent and Christmas on the theme of *God's Gift*. Nicola continues to meet regularly with Diocesan colleagues to match workshops and visits with the new RE curriculum.

Enterprises - Visitor Experience and Events

Commercial Events

A full diary of events took place across the year, with a particularly busy autumn welcoming new clients. Many of our regular clients returned, including University of Surrey for both undergraduate and post graduate graduation ceremonies, Luna Cinema, Pre-loved Kilo sale, Craft & Flea and Etsy. Farnham College returned for a second year and we hosted award ceremonies for Teacher Training Awards (SCITT) and Apprenticeships (ALPS). We successfully hosted new clients who have rebooked; these included Silent Discos, Concert by Candlelight and London Concertante.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

Coffee Concerts and Exhibitions

Coffee concert audience numbers have returned to pre-covid levels, with visitors enjoying a range of free to attend concerts by a variety of musicians. We are delighted with the support of performers offering their time for free. The exhibitions programme delivered four exhibitions:

- Sight For Surrey Centenary Exhibition
- Jenna Fox MA RCA
- Andrew Rafferty – Sea henge: A Journey
- Ukrainian Icons

Enterprises - Other

Seasons Café and Kitchen

Seasons had a hugely successful partnership year, with our policy of choosing events that support Seasons business and recommending them as our caterer of choice. In addition, the team rebuilt external events catering business, further enhancing commissionable income for Enterprises.

Shop

The shop had a good year despite challenges of stock price hikes amid the cost-of-living issues. New stock and event led lines helped to protect revenue and entice new customers. The retail environment remains challenging. We welcomed new volunteers with relevant experience, helping the shop to open for extended event hours, further supporting income opportunities.

Family Engagement

In September 2023, Family Engagement became part of the Visitor Experience offer, and Rachel Johnson was welcomed as the Family Engagement Officer. This position has been generously funded for 3 years by the Friends of Guildford Cathedral and will be responsible for Family Fun Days, Tots, and all family services. In addition, Rachel will be trained for Godly Play this Autumn. Rachel has embraced her new role with enthusiasm and understanding, creating themes, plans and ideas in support of family engagement now and for the future.

Family Fun Days

There were five Family Fun Days in 2023, each welcoming 120 children across two sessions. These sessions are free to attend and booking is via the online Box Office, which helps to manage numbers and resources in a cost-effective way. Many families return repeatedly and enjoy the activities which are planned around a different theme. A strong and dedicated team of volunteers are integral to the continued success of Family Fun Days and their family-centred welcome and approach is appreciated by children and careers alike.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

Family Services

Christingle took place in December and welcomed a congregation of 35. Again, Seasons was the venue for this service and we are grateful for their ongoing support. Journey To Bethlehem proved popular and was well attended. It was made even more wonderful with families from our congregations joining in with the cast of characters. The Good Friday service welcomed many members from our families congregation to this well attended all-age service.

Cathedral Tots

10 Tots sessions were delivered across the year with Rachel taking on the organisation and delivery, supported by Rachel Young (liturgy) and assisted on the day by Mary Beal (visitor engagement) Many families who attend Tots go on to book Family Fun Days and come to other services.

Godly Play

Funding has been secured to enable the Family Engagement Officer to attend a residential Godly Play course this autumn and we have already begun to plan how to incorporate the Godly Play resources into Family Engagement and throughout the Diocese. The Head of Schools will also be attending the training in October and is in discussion with the Family Engagement Officer and the Diocese as we move forward with this project.

Fundraising

The Cathedral gives heartfelt and grateful thanks to all those that support the mission and ministry of this place. All gifts, large or small, enable us to keep our doors open and support our ministry. The first major fundraising campaign for 2023 was to raise funds to bring the Knife Angel, National Monument Against Violence and Aggression to the Cathedral for March 2023. Working with companies and organisations across Surrey, the funds required to host the Knife Angel were successfully raised. We are most grateful to all those companies, individuals and organisations that made this project and its outreach a success, bringing 25,000 visitors to the Cathedral site. A special thank you goes to the Lord Lieutenant of Surrey and the High Sheriff of Surrey for their support.

Throughout 2023 gifts from individuals have increased, including payments toward salaries and unrestricted gifts to cover the Cathedral's work.

Income from Trusts and Foundations:

- Atlas Fund
- The Borrows Charitable Trust
- Golsoncott Foundation
- The Robertson-Ness Trust
- Trusts that wish to remain anonymous
- Vibrated Corn Charitable Trust
- Guildford Fair Trade
- The Ouseley Trust
- Williams Church Music Trust

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

Grant Income:

- Benefact Trust
- Church Commissioners
- Friends of Guildford Cathedral
- Guildford Cathedral Music Development Foundation

The Fundraising Team has managed the Music Patron Scheme, which has to date raised £17,500. They have also run fundraising events and challenges in 2023, including a brave team of staff, choristers, chorister parents and cathedral community who abseiled down the Tower of the Cathedral. We also held our first quiz which will return in 2024.

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. Grateful thanks also go out to those who remember the Cathedral in their wills.

Fabric Report and Forecast of Maintenance Costs

The Cathedral Architect's Quinquennial Inspection report from September 2022 identified a list of maintenance and repair items still to be undertaken at a cost of approximately £3,570,000 over the five years between the date of his report and when the next one is due in 2027. Progress in dealing with these items remained slow whilst income from the Cathedral development endowment was awaited. Urgent and health and safety related defects continue to be addressed and routine maintenance carried out as required.

Staff

As always there was a degree of staff turbulence during the year since the last report. We were extremely sad to lose our dear Part Time Virger Jim Earwicker in March 2023, who succumbed to a brain tumour. He had been employed by the Cathedral since 2013 and is much missed. Nicola Goff, who has been a regular member of the Cathedral community for many years, had previously stepped into the breach during Jim's illness and has been our Part Time Virger ever since. Recruiting elsewhere has been buoyant, with five new Lay Clerks joining in September 2023 (Fraser Ellson, Hamish Garland, Peter Hicks, Lauren Macklon and Oliver Turner), with Peter Hicks also taking over as the Lead Choir Chaperone in place of the departing David Buckley. Becki Hartley departed in July after five outstanding years as our Head of Family Engagement and Schools, and the arrival of Nicola Cole in September as Head of Schools heralded a change in organisation with Schools and Family Engagement splitting into two roles. Rachel Johnson also joined in September 2023 as the first holder of the Family Engagement Officer post. Jeremy Wan replaced Marcus McDevitt as the Organ Scholar in August 2023, and he was in turn replaced by George Baldwin in August 2024. Malcolm Twigger-Ross departed as our long serving Chief Finance Officer (CFO) in December 2023, we are thankful to Malcolm for all he has done for the Cathedral in tough times. Sandy Caven kindly held the fort for a couple of months before Helen Hopkinson joined as the new CFO in March 2024. Julie Mitchell departed in June 2023 after five years of sterling service as the Volunteer Co-ordinator.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

This position has now been combined with the Administration Assistant role and the first post holder to fill both positions joined in June 2024.

Volunteers

The Cathedral remains indebted to its 250 Volunteers for their hard work, determination and loyalty in the face of continuing challenges. The Volunteer cohorts are listed at Appendix II on page 52. All helped to keep the Cathedral operating despite the difficulties, not least the absence of a Volunteer Co-ordinator for almost a year, and we are enormously grateful.

Risk Management

The major risks in 2023 continued to be the underlying deficit and the progress on the sale of the land. Chapter has set a challenging budget target for 2024, including plans for increasing income generation. Movement towards the sale of the land continued but the application for planning permission was refused in March 2023 and the appeal lodged later that year was refused in May 2024.

Chapter's detailed Risk Register is kept up to date under the supervision of the Chief Operating Officer, regularly reviewed by the Senior Management Group and formally reviewed on behalf of Chapter by the Finance, Audit and Risk Committee at least annually but more often where there are any changes identified by the Chief Operating Officer. All significant risks are reported to Chapter by the Committee. 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.

The principal areas of risk under the Register are:

- Strategic
- Financial
- Safeguarding
- Legal and Regulatory Compliance
- Operational
- Pandemic related

The key controls used by Chapter apart from the Risk Register 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, including on Risk Framework and Risk Appetite;
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

Financial Review

The Consolidated Statement of Financial Activities on page 17 shows that Total Income decreased by £291,000 from £1,650,000 in 2022 to £1,359,000 in 2023. The biggest single item was the fall in legacies by £266,000, a figure that cannot be budgeted for in advance. Other Trading Activities fell by £78,000. In 2022 we were fortunate to have income from filming of £76,000 which has not recurred since then. Donations increased from all sources – collections, planned giving and individual donations from £218,000 to £295,000.

Total Expenditure on page 17 is shown to have decreased to £1,603,000 (2022: £1,692,000). Repairs and Maintenance fell by £102,000 from £268,000 to £166,000. Other than that expenditure was broadly in line with 2022, with the exception of allocated support costs whose allocation between expenditure headings has been changed alongside an overall increase of £52,000.

This meant that the Cathedral had a net expenditure for the year before investment gains of £244,000 (2022: net expenditure before investment losses of £42,000). The deficit reflects the Cathedral's significant challenge to deliver a long term sustainable financial position.

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. Note that the movements on the Restricted and Endowment Trust Funds are excluded from this table of reconciliation:

	2023	2022
	£'000s	£'000s
Net movement in Unrestricted Funds	(55)	(116)
Net(gains)/losses on investments	(8)	51
Result before investment (losses)/gains	(63)	(65)
Deferred Legacy Income	61	(69)
	(2)	(134)
Exceptional Transfers	(96)	-
Land Sale	16	41
Management Accounts Result	(82)	(93)

Whilst the land sale development net proceeds would have largely been permanently endowed and, therefore, not primarily affecting the general fund income of the Cathedral they would have provided a new Cathedral Close for our Clergy and staff and established a significant endowment fund whose income would have supported the repair and maintenance of the Cathedral for the future. The refusal of planning permission in March 2023 and the failure of the appeal in May 2024 has been a significant financial setback for the Cathedral.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

In 2024 a very welcome one-off gift of £150,000, together with increased support from the Music Development Foundation, has brought the Cathedral invaluable breathing space and means that the

Cathedral is now forecasting a surplus for 2024 of £80,000. However, the forecasts for 2025 and 2026 still show substantial deficits. The challenging financial situation is being addressed by reducing costs and increasing income. Expenditure reduction will be achieved by taking advantage, amongst other things, of economies of scale offered by the move of the Diocesan offices and staff to Stag Hill in 2025. Income generation is being increased by a Renewal of Giving scheme aimed at increasing the amount given by members of the Cathedral community, and three staff, funded by the Cathedral Sustainability Fund, are being recruited specifically to drive up income generation. The Music Patrons Scheme is a new project aimed at generating income to support music at the Cathedral, and a concerted effort to engage with those who were previously involved in delivering music on Stag Hill is commencing in September 2024.

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 Measures 1999 and 2021. 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. All investments are managed in accordance with charity trustee investment powers and in accordance with Church of England guidelines.

At the end of the year, the Cathedral's investment portfolio was valued at £1.6m (2022: £1.7m) of which 64% was managed by Charles Stanley and 36% by CCLA within its Church of England Investment Fund. The unrealised investment gains were £90,000 which compared favourably to the 2022 investment losses of £230,000. Overall value has dropped, despite unrealised gains, due to disposals in the year under review. Chapter are satisfied with the investment performance, given the context of the performance of global markets.

Reserves

The policy of maintaining at least £500K in unrestricted reserves was maintained between 2017 and 2020. This represents around 50% of the annual unrestricted running costs of the Cathedral, which Chapter considers reasonable based on the income that it is likely to receive during the time taken to devise and implement a revised set of financial priorities, should this be required. However, due to ongoing deficits reserves have fallen below £500,000 in liquid unrestricted reserves (cash and on-call investments net of current debtors and creditors) since 2020 and they have fallen again during 2023. It is therefore urgent to address the Cathedral's underlying deficit using the methods described in the financial review.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2023

Liquid Unrestricted Reserves	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
	272	320	422	333	565

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.

Statement of Financial and Reporting Responsibilities

Chapter is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Charity law requires Chapter to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Cathedral and of the Cathedral and its subsidiary company (the Group) and of the incoming resources and application of resources, including the income and expenditure, of the Cathedral and Group for that period.

In preparing these financial statements, Chapter is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with Financial Reporting Standard 102 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Cathedral and Group will continue in operation.

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Cathedral and Group and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the Cathedral and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each member of Chapter at the date of approval of this report is aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- each member of Chapter has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Chapter is responsible for the maintenance and integrity of the Cathedral's financial information included on the Cathedral's website.

Approved by the Chapter of Guildford Cathedral on 22 October 2024 and signed on its behalf by



The Venerable Stuart Beake – Interim Dean

Independent Auditor's Report

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 2023 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 2023 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 30 of the Cathedrals Measure 2021.

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 Cathedral 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 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 statement set out on page 11 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:

- 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).

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2023

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 30 of the Cathedrals Measure 2021. 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.



Date: 24TH October 2024

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 2023

	Note	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s	Total 2022 £'000s
Income and endowments from						
Donations & legacies						
Donations	2	250	45	-	295	218
Legacies	2	6	-	-	6	272
Grants	2	22	469	-	491	487
		278	514	-	792	977
Charitable activities	3	15	19	-	34	52
Other trading activities	4	428	22	-	450	528
Investments	5	37	43	-	80	72
Other income	6	3	-	-	3	21
Total income and endowments		761	598	-	1,359	1,650
Expenditure on						
Raising Funds	7	(346)	(121)	(6)	(473)	(398)
Charitable activities						
Ministry	8	(225)	(495)	-	(720)	(854)
Cathedral & precincts upkeep	8	(190)	(146)	-	(336)	(386)
Education and outreach	8	(37)	(37)	-	(74)	(54)
Total expenditure		(798)	(799)	(6)	(1,603)	(1,692)
Net income/(expenditure) before investment gains/(losses)		(37)	(201)	(6)	(244)	(42)
Net gains / (losses) on investments		8	47	35	90	(230)
Net income/(expenditure)		(29)	(154)	29	(154)	(272)
Transfers between funds	10	(26)	72	(46)	-	-
Net movement in funds		(55)	(82)	(17)	(154)	(272)
Funds brought forward		4,232	872	1,225	6,329	6,601
Funds carried forward	17	4,177	790	1,208	6,175	6,329

The Cathedral's entity only result (net movement in funds) for the year was £270,000 deficit (2022: £363,000 deficit).

The Cathedral Church of the Holy Spirit, Guildford

BALANCE SHEETS

For the year ended 31 December 2023

	Note	Group		Chapter	
		2023 £'000s	2022 £'000s	2023 £'000s	2022 £'000s
Fixed Assets					
Tangible Assets	12	3,681	3,688	3,681	3,688
Heritage assets	13	224	224	224	224
Investments	14	2,093	2,107	2,093	2,107
		<u>5,998</u>	<u>6,019</u>	<u>5,998</u>	<u>6,019</u>
Current Assets					
Investments	14	70	70	70	70
Stocks - goods for resale		19	18	-	-
Debtors	15	131	217	163	252
Cash at bank & in hand		179	266	85	109
		<u>399</u>	<u>571</u>	<u>318</u>	<u>431</u>
Creditors: Amounts falling due within one year	16	(222)	(261)	(201)	(248)
		<u>177</u>	<u>310</u>	<u>117</u>	<u>183</u>
Net current assets					
		<u>6,175</u>	<u>6,329</u>	<u>6,115</u>	<u>6,202</u>
Funds					
Unrestricted Funds	17	4,177	4,232	4,117	4,105
Restricted Funds	17	790	872	790	872
Endowment Funds	17	1,208	1,225	1,208	1,225
Total funds	17	<u>6,175</u>	<u>6,329</u>	<u>6,115</u>	<u>6,202</u>

The financial statements were approved by the Chapter of Guildford Cathedral on 21 October 2024 and signed on its behalf by:



The Venerable Stuart Beake
Interim Dean



Andrew Pianca
Treasurer

The Cathedral Church of the Holy Spirit, Guildford

CONSOLIDATED CASH FLOW

For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Net cash used in operating activities	(251)	(141)
Cash flows from investing activities		
Net Dividends, interest and rents from investments	69	61
Purchase of property and equipment	(9)	(7)
Purchase of investments	(96)	(601)
Sales of investments	200	779
Net cash provided by investing activities	<u>164</u>	<u>232</u>
Change in cash and cash equivalents	(87)	91
Cash and cash equivalents at 1 January	266	175
Cash and cash equivalents at 31 December	<u><u>179</u></u>	<u><u>266</u></u>
Reconciliation of net expenditure to net cash flow from operating activities		
Net (expenditure)/income	(154)	(272)
Adjustments for:		
Depreciation charges	16	21
Losses/(Gains) on investments	(90)	230
Dividends, interest and rents from investments	(80)	(72)
Property and investment management costs	11	11
(Increase)/Decrease in stocks	(1)	(5)
(Increase) in debtors	86	(64)
Increase/(Decrease) in creditors	(39)	10
Net cash used in operating activities	<u><u>(251)</u></u>	<u><u>(141)</u></u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	<u><u>179</u></u>	<u><u>266</u></u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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.
- 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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 2023

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 Cathedrals 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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 2023

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.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 2023

2. INCOME FROM DONATIONS AND LEGACIES

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Collections & Giving	99	-	-	99
Donations	119	42	-	161
Gift Aid	32	3	-	35
Total donations	250	45	-	295
Legacies	6	-	-	6
Grants				
Church Commissioners	-	322	-	322
Friends and Music Development Trust	-	147	-	147
Other	22	-	-	22
Total grants	22	469	-	491
Total	278	514	-	792

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'000s
Collections & Giving	94	-	-	94
Donations	70	23	-	93
Gift Aid	29	2	-	31
Total donations	193	25	-	218
Legacies	144	128	-	272
Grants				
Church Commissioners	-	304	-	304
Friends and Music Development Trust	4	150	-	154
Other	27	2	-	29
Total grants	31	456	-	487
Total	368	609	-	977

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

3. INCOME FROM CHARITABLE ACTIVITIES

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Special services	15	19	-	34

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

4. INCOME FROM OTHER TRADING ACTIVITIES

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Guided Tours	2	3	-	5
Cathedral lettings	285	-	-	285
Events	2	19	-	21
Shop Income	101	-	-	101
Café Sales Commission	38	-	-	38
Other activities	-	-	-	-
	428	22	-	450

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

5. INVESTMENT INCOME

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Dividends receivable	17	43	-	61
Rents receivable	19	-	-	19
Interest receivable	1	-	-	1
	<u>37</u>	<u>43</u>	<u>-</u>	<u>80</u>

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

6. OTHER INCOME

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Insurance Recoveries	3	-	-	3
	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'000s
Coronavirus Job Retention Scheme	-	21	-	21
	<u>-</u>	<u>21</u>	<u>-</u>	<u>21</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. EXPENDITURE ON RAISING FUNDS

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Visitor facilities	11	1	-	12
Services directly recoverable	8	2	-	10
Other trading activities	167	18	-	185
Fundraising	68	30	-	98
Investment property	2	-	-	2
Investment management	3	2	6	11
Support costs	87	68	-	155
	346	121	6	473

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'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
	340	52	6	398

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. EXPENDITURE ON CHARITABLE ACTIVITIES

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Ministry				
Clergy Stipends and expenses*	10	146	-	156
Clergy and other Housing	56	-	-	56
Clergy support	-	38	-	38
Services & Music	33	209	-	242
Allocated Support Costs	126	102	-	228
	<u>225</u>	<u>495</u>	<u>-</u>	<u>720</u>
Cathedral & precincts upkeep				
Repairs and Maintenance	68	98	-	166
Cathedral Insurance	45	-	-	45
Precinct security and upkeep	19	-	-	19
Allocated Support Costs	58	48	-	106
	<u>190</u>	<u>146</u>	<u>-</u>	<u>336</u>
Education & outreach				
Educational activities	23	30	-	53
Charitable & other giving	5	-	-	5
Allocated Support Costs	9	7	-	16
	<u>37</u>	<u>37</u>	<u>-</u>	<u>74</u>

* Paid by Church Commissioners

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'000s
Ministry				
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>
Cathedral & precincts upkeep				
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>
Education & outreach				
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>

* Paid by Church Commissioners

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

9. SUPPORT COSTS

	2023	2022
	£'000s	£'000s
Utilities	75	57
Depreciation	16	21
Administration	70	111
Governance	33	33
Sundry	48	48
Bank charges	6	7
Personnel & training	257	176
	<u>505</u>	<u>453</u>
Allocated:		
Fundraising	155	55
Charitable activities	350	398
	<u>505</u>	<u>453</u>
Included above:		
Operating leases	13	13
Payments to auditors: Accounts preparation	1	1
Audit	17	17

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 2023

10. TRANSFERS BETWEEN FUNDS

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
To fund deficit on Music	(93)	93	-	-
To fund deficit on Education Outreach	(23)	23	-	-
To fund deficit on Fabric	(36)	36	-	-
Transfer from Newill Trusts	100	(100)	-	-
Transfer from Property Expendable Endowment	26	20	(46)	-
	(26)	72	(46)	-

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

The transfer from the Newill Trusts was in respect of expenditure on repairs, service 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 2023

II. EMPLOYEES AND OFFICE HOLDERS

<u>Staff Costs</u>	2023	2022
	£'000s	£'000s
Salaries and stipends	738	730
National Insurance	66	61
Pensions	36	37
	<u>840</u>	<u>828</u>

<u>Average staff numbers</u>	Headcount		Full time equivalent	
	2023	2022	2023	2022
	No.	No.	No.	No.
Ministry & Music	11.6	11.2	6.0	6.9
Clergy Support	1.8	1.8	1.6	1.8
Education	1.0	1.0	1.1	0.8
Cathedrals & Precincts upkeep	3.9	3.8	3.0	2.9
Fundraising	2.8	2.5	2.4	2.1
Trading	3.3	2.6	2.8	2.3
Governance	0.4	0.4	0.3	0.3
Administrative Support	7.9	8.4	5.6	6.1
	<u>32.7</u>	<u>31.7</u>	<u>22.8</u>	<u>23.2</u>

No employee or office holder was paid more than £60,000 per annum (2022: 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 £212,545 (2022: £170,000). Included within staff costs are payments made by the Church Commissioners to members of Chapter under the Cathedrals Measures 1999 and 2021 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 £112,905 (2022: £75,820) and pension provision was £23,163 (2022: £22,980) made up as follows:

	2023		2022	
	Stipend	Pension	Stipend	Pension
Very Rev. Dianna Gwilliams	39,477	8909	37,950	11,680
Rev. Canon Chris Hollingshurst	30,666	7127	29,410	8,700
Rev. Canon Rachel Young	30,666	7127	8,460	2,600
Ven. Stuart Beake	12,096	-	-	-
	<u>112,905</u>	<u>23,163</u>	<u>75,820</u>	<u>22,980</u>

No remuneration was paid to other members of Chapter during the year (2022: nil). Expenses of £4,526 (2022: £8,150) were reimbursed to 3 (2022: 3) members of the Chapter in the year.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

12. TANGIBLE ASSETS

	Chapter			Subsidiary	Total £'000s
	Functional property £'000s	Equipment and plant £'000s	Total £'000s	Equipment and plant £'000s	
<u>Cost/Valuation</u>					
At 1 January 2023	3,635	228	3,863	7	3,870
Additions	-	9	9	-	9
Changes in valuation	-	-	-	-	-
At 31 December 2023	<u>3,635</u>	<u>237</u>	<u>3,872</u>	<u>7</u>	<u>3,879</u>
<u>Depreciation</u>					
At 1 January 2023	-	175	175	7	182
Charge in year	-	16	16	-	16
At 31 December 2023	<u>-</u>	<u>191</u>	<u>191</u>	<u>7</u>	<u>198</u>
<u>Net Book Values</u>					
At 31 December 2023	<u>3,635</u>	<u>46</u>	<u>3,681</u>	<u>-</u>	<u>3,681</u>
At 31 December 2022	<u>3,635</u>	<u>53</u>	<u>3,688</u>	<u>-</u>	<u>3,688</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 2023

13. HERITAGE ASSETS

	Group		Chapter	
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
At 1 January & 31 December	224	224	224	224

14. INVESTMENTS

	2023			2022		
	Listed investments £'000s	Investment property £'000s	Total £'000s	Listed investments £'000s	Investment property £'000s	Total £'000s
At 1 January	1,640	508	2,148	2,033	508	2,541
Additions	78	-	78	616	-	616
Disposals	(200)	-	(200)	(779)	-	(779)
Changes in market value	90	-	90	(230)	-	(230)
Market Value at 31 December	1,608	508	2,116	1,640	508	2,148
Cash held for re-investment	47	-	47	29	-	29
Total Consolidated Investments	1,655	508	2,163	1,669	508	2,177
Investment in group undertaking			-			-
Total Chapter Investments			2,163			2,177
Long-term	1,585	508	2,093	1,599	508	2,107
Current	70	-	70	70	-	70
	1,655	508	2,163	1,669	508	2,177

<u>Listed Investments at 31 December</u>	2023	2022
Charles Stanley managed portfolio		
Fixed Income	387	382
UK Equities	183	175
Overseas Equities	324	301
Property	16	15
Alternatives	98	116
Mixed	26	32
	1,034	1,021
CCLA CBF Investment Fund	574	619
Total	1,608	1,640

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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.

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Turnover	316	-	-	316
Cost of sales and trading	(199)	-	-	(199)
Other income	-	-	-	-
Gift to Chapter	(182)	-	-	(182)
	(65)	-	-	(65)
Funds at 1 January	127	-	-	127
Funds at 31 December	62	-	-	62

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

15. DEBTORS

	Group		Chapter	
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Trade Debtors	39	41	31	30
Amounts owed by subsidiary undertakings	-	-	49	51
Prepayments and accrued income	89	169	80	164
Other debtors	3	7	3	7
	<u>131</u>	<u>217</u>	<u>163</u>	<u>252</u>

16. CREDITORS

	Group		Chapter	
	2023	2022	2023	2022
	£'000s	£'000s	£'000s	£'000s
Trade creditors	114	153	110	150
Accruals and deferred income	77	85	67	80
Taxation	24	17	24	17
Other creditors	7	6	-	1
	<u>222</u>	<u>261</u>	<u>201</u>	<u>248</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. FUNDS

<u>Fund Movements 2023</u>	1 January 2023	Income	Expenditure	Gains and losses	Transfers	31 December 2023
Consolidated	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,232	761	(798)	8	(26)	4,177
Restricted Funds						
Choir and Music	83	123	(272)	-	113	47
General Stipends	-	301	(301)	-	-	-
Education & other purposes	19	113	(154)	(1)	23	-
Fabric Funds	201	46	(72)	5	36	216
Newill Trusts	569	15	-	43	(100)	527
	872	598	(799)	47	72	790
Endowment Funds						
Choir and Music	408	-	(4)	20	-	424
Fabric	245	-	(2)	11	-	254
Property	572	-	-	4	(46)	530
	1,225	-	(6)	35	(46)	1,208
Total	6,329	1,359	(1,603)	90	-	6,175
Chapter						
General Funds	4,105	644	(614)	8	(26)	4,117
Restricted Funds	872	598	(799)	47	72	790
Endowment Funds	1,225	-	(6)	35	(46)	1,208
Total	6,202	1,242	(1,419)	90	-	6,115

Details of transfers are set out in note 10 on page 34.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. FUNDS (continued)

<u>Fund Movements 2022</u>	1 January 2022	Income	Expenditure	Gains and losses	Transfers	31 December 2022
<u>Consolidated</u>	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,348	928	(943)	(51)	(50)	4,232
Restricted Funds						
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
Endowment Funds						
Choir and Music	459	-	(4)	(47)	-	408
Fabric	277	-	(2)	(30)	-	245
Property	579	-	-	(7)	-	572
	1,315	-	(6)	(84)	-	1,225
Total	6,601	1,650	(1,692)	(230)	-	6,329
Chapter						
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
Total	6,565	1,368	(1,501)	(230)	-	6,202

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. FUNDS (continued)

<u>Fund Assets at 31 December 2023</u>	Tangible Assets	Investments	Current Assets	Creditors	Net Assets
	£'000s	£'000s	£'000s	£'000s	£'000s
Consolidated					
Unrestricted Funds					
General	3,905	273	221	(222)	4,177
Restricted Funds					
Choir and Music	-	-	47	-	47
Education & other purposes	-	-	-	-	-
Fabric Funds	-	188	28	-	216
Newill Trusts	-	471	56	-	527
	-	659	131	-	790
Endowment Funds					
Choir and Music	-	405	19	-	424
Fabric	-	248	6	-	254
Property	-	508	23	-	530
	-	1,161	48	-	1,208
Total	3,905	2,093	400	(222)	6,175
Chapter					
General Funds	3,905	273	187	(248)	4,117
Restricted Funds	-	659	131	-	790
Endowment Funds	-	1,161	47	-	1,208
Total	3,905	2,093	365	(248)	6,115

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. FUNDS (continued)

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

As at 31 December 2023 and 2022 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 2023

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.

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 scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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. 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 contributions payable towards benefits and expenses accrued in that year, which were £23,000 in 2023 (2022: £22,000), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £0).

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 assumptions:

- 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 tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022 and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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.

	2023	2022
Balance sheet liability at 1 January	0	2,000
Deficit contribution paid	0	-1,000
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	-1,000
Balance sheet liability at 31 December	0	0

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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5% pa

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 failed 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 £2,000 (2022: £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.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

Contributions by the Cathedral to NEST were £12,000 (2022: £11,000).

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

19. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

The Very Reverend Dianna Gwilliams and the Venerable Stuart Beake were Trustees of The Friends of Guildford Cathedral during the year.

Grants from The Friends of Guildford Cathedral amounting to £101,000 were accounted for by the Cathedral in the year (2022: £67,000).

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

2023	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2023 £'000s
Income	19	-	-	19
Expenditure	(108)	-	-	(108)
Net income/(expenditure)	(89)	-	-	(89)
Gains on investments	10	-	1	11
Transfers	32	(1)	(31)	-
Net movement in funds	(47)	(1)	(30)	(78)
Funds brought forward	250	1	30	281
Funds carried forward	203	-	-	203

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'000s
Income	32	-	-	32
Expenditure	(77)	(4)	-	(81)
Net income	(45)	(4)	-	(49)
Gains on investments	(20)	-	(5)	(25)
Net movement in funds	(65)	(4)	(5)	(74)
Funds brought forward	315	5	35	355
Funds carried forward	250	1	30	281

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

The Very Reverend Dianna Gwilliams, the Venerable Stuart Beake 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 £46,000 were accounted for in the year by the Cathedral (2022: £86,000).

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

2022	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2022 £'000s
Income	3	2	5	10
Expenditure	(48)	(37)	(6)	(91)
Net income/(expenditure)	(45)	(35)	(1)	(81)
Gains on investments	(65)	(8)	(104)	(177)
Net movement in funds	(110)	(43)	(105)	(258)
Fund transfers	-	28	(28)	-
Funds brought forward	573	99	685	1,357
	<u>463</u>	<u>84</u>	<u>552</u>	<u>1,099</u>

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'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	<u>573</u>	<u>99</u>	<u>685</u>	<u>1,357</u>

22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

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 reduce this.

The land sale development would have brought in additional funds to enable the Cathedral Close buildings to be replaced and to establish a significant endowment fund to provide an income stream to fund repairs and maintenance for the Cathedral. The refusal of planning permission in March 2023 and the refusal of the appeal in May 2024 has been a significant setback for the Cathedral.

However, in 2024 a one-off gift of £150,000, together with increased support from the Music Development Foundation, has brought the Cathedral invaluable breathing space and means that the Cathedral is now forecasting a surplus for 2024 of £80,000. There has also been an indication of a significant legacy bequeathed to the Cathedral. The longer-term financial situation remains extremely challenging and is being addressed by reducing costs and increasing income. 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 £10,235 (2022: £5,000).

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the Year Ended 31 December 2023

Appendix 1 - Governance

Guildford Cathedral is governed under the Cathedrals Measure 2021 and by a Constitution and Statutes which came into effect on 22 November 2023. The members of the Chapter have responsibility for the general control and management of the administration of the Cathedral and, accordingly, are the charity trustees for the purposes of the Charities Act 2011 following the commencement of the charity provisions under section 53(6) of the Measure in relation to the Cathedral.

The body corporate established by virtue of section 9(1)(a) of the Cathedrals Measure 1999 continues to exist and consists only of the Chapter.

Appendix 2 - The Chapter

The Dean

The Dean is appointed by His Majesty. The Dean, as the principal dignitary of the Cathedral next after the Bishop, must on behalf of the Chapter govern and direct the life and work of the Cathedral, and in performing that duty, the Dean must in particular:

- ensure that Divine Service is duly performed in the Cathedral;
- ensure that this Constitution and the Statutes are faithfully observed;
- oversee the work undertaken by the clergy and staff of the Cathedral in relation to the Cathedral;
- maintain good order and proper reverence in the Cathedral;
- secure the pastoral care of all members of the Cathedral community;
- provide leadership on matters relating to the safeguarding of any children or vulnerable adults who work, volunteer or worship in the Cathedral or who visit the Cathedral, and
- take all decisions necessary for dealing with an emergency affecting the Cathedral, pending consideration of the matter by the Chapter.

The Chapter

The objects of the Chapter are:

- to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;
- to care for and conserve the fabric and structure of the Cathedral Church building, and
- to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to above.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the Year Ended 31 December 2023

Membership of the Chapter

The membership of the Chapter is as follows:

- the Dean;
- the Residentiary Canons;
- the Non-Executive members.

The Bishop, after consulting the Chapter, must appoint one of the Non-Executive members who is not a Residentiary Canon. The Non-Executive member appointed by the Bishop is, by virtue of that appointment, the Senior Non-Executive member of the Chapter. The members of the Chapter must appoint the other Non-Executive members who are not Residentiary Canons, but each appointment under this paragraph requires the prior approval of the Bishop.

Members of Chapter

The Dean	The Very Reverend Dianna Gwilliams (until September 2023)
The Sub Dean	The Venerable Stuart Beake (until September 2023)
The Acting Dean	The Venerable Stuart Beake (until March 2024)
The Interim Dean	The Venerable Stuart Beake (from March 2024)
The Residentiary Canons	The Reverend Canon Chris Hollingshurst The Reverend Canon Rachel Young
Senior Non-Executive Member	Mr Roddy Porter
The Honorary Treasurer	Mr Andrew Pianca
Other Non-Executive Members	Ms Ann Bourne Ms Berendina Norton Ms Jo Pinson

Appendix 3 - The Cathedral Council and the Advisory Board

The Cathedrals Measure 2021 removed the requirement for there to be a Cathedral Council. The Guildford Cathedral Council met for the last time on 17 October 2023. The new Constitution and Statutes make provision for an Advisory Board to replace the Cathedral Council. It is hoped that the new Advisory Board will hold its first meeting in 2024.

Appendix 4 -The College of Canons

There continues to be a body called the College of Canons. The College of Canons is independent of the Chapter and neither the College nor its members (in their capacity as such) form part of the body corporate of the Cathedral.

The members of the College of Canons are:

- the Dean;
- every Suffragan Bishop of the Diocese;
- every Canon of the Cathedral, and
- every Archdeacon of the Diocese.

The College of Canons has the functions conferred by the Appointment of Bishops Act 1533 on the body referred to in that Act as the Dean and Chapter of the Cathedral and the following additional functions:

- to discuss such matters concerning the Cathedral as may be raised by any of its members;
- at the request of the Bishop, to give advice to the Bishop on any matter affecting the Cathedral or the Diocese, and
- to perform such other functions as may be determined by the Chapter and the Bishop.

Appendix 5 - The Bishop

The Bishop continues to have the principal seat and dignity in the Cathedral. The Bishop may, after consultation with the Dean and Chapter, and subject to provision in the Statutes and any engagement entered into the Cathedral's diary prior to the Bishop's request to officiate, officiate in the Cathedral and use it in his or her work of teaching and mission, for ordinations and synods and for other diocesan occasions and purposes.

The Bishop may seek the advice of the Chapter on any matter.

The Bishop may commission a review of any aspects of the Cathedral's financial affairs, governance, management, operations or mission which the Bishop considers necessary or appropriate.

The Bishop continues to be Visitor of the Cathedral and, accordingly, continues to have the jurisdiction as Visitor that is inherent to the office of Bishop.

Appendix 6 – The Nominations Committee

There is a committee known as the Nominations Committee. The Chapter must appoint the members and chair of the Committee, which must have at least three members. at least one of whom must be a Non-Executive member of the Chapter.

The Nominations Committee must advise the Chapter on:

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the Year Ended 31 December 2023

- the recruitment of non-executive members;
- the recruitment of members of committees and sub-committees of the Chapter;
- the training needs of members of the Chapter.

Members of the Nominations Committee

Mr Roddy Porter (Chair)
The Reverend Canon Chris Hollingshurst
Ms Jo Pinson

Appendix 7 - The Cathedral Finance Audit and Risk Committee

Under the terms of the new Constitution and Statutes The Finance, Audit and Risk Committee must have at least six members, the majority of whom must not also be members of the Chapter. It is for the Chapter to appoint the members of the Committee, following consultation with the Nominations Committee. It is for the Chapter to appoint the chair of the Committee, who shall be known as the “Honorary Treasurer”; and that person must have recent and relevant financial experience and must be a non-executive member of the Chapter.

The Cathedral's Finances

Under the terms of the Cathedrals Measure 2021 The Chapter may in respect of money which forms part of the permanent endowment of the Cathedral or is otherwise vested in the Chapter:

- invest it in the acquisition of land;
- invest it in an investment fund or deposit fund constituted under the Church Funds Investment Measure 1958;
- invest it in any investments in which trustees may invest under the general power of investment in section 3 of the Trustee Act 2000 (as restricted by sections 4 and 5 of that Act);
- use it for the improvement or development of property vested in the Chapter.

Members of the Cathedral Finance Audit and Risk Committee

Mr Andrew Pianca (Honorary Treasurer and Chair)
Mr Ian Bowler
Canon Keith Malcouronne
Mr Julian Roberts
Vacant
Vacant

Appendix 8 – 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.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the Year Ended 31 December 2023

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

Vacant

Vacant

Canon Matt O'Grady (Secretary)

Appendix 9 – The Community Committee and Cathedral Forum

The new Cathedral Constitution makes no provision for a Community Committee, but a Cathedral Forum is to be set up, to act as a channel of communication between Chapter and the community, and to address any matter which Chapter requests it to consider.

Appendix 10 – (Statutory) Cathedral Lay Staff

Chief Operating Officer	Canon Matt O'Grady
Chief Finance Officer	Mr Malcolm Twigger-Ross (until December 2023)
Chief Finance Officer	Mr Sandy Caven (until March 2024)
Chief Finance Officer	Mrs Helen Hopkinson (from March 2024)
Organist & Master of the Choristers	Mrs Katherine Dienes-Williams

Appendix 11 - 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, Communion Assistants, Fair Trade, Family Engagement and Schools Helpers, Flower Arrangers, Graphic Designer, Guides, The Guildford Cathedral Singers, Handyman, Honorary Assistant Clergy, Live Streaming Team, Pastoral Assistants, Servers, Shop Helpers, Stewards, Sunday School Helpers, Tower Tour Guides, and the Treasury Curator.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the Year Ended 31 December 2023

Appendix 12 – 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 Thomas Ford & Partners
Auditor	Mr Andrew Skilton Brewers Chartered Accountants
Bank Manager	Ms Stephanie Regular National Westminster Bank
Cathedral Solicitor	Mr Duncan Elson, LLB Charles Russell Speechlys
Investment Adviser	Mr Andrew Frogley and Mr Nic Clarke Charles Stanley & Co Ltd



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