

THE CHAPTER OF DERBY CATHEDRAL



ANNUAL REPORT AND ACCOUNTS

for the year ended 31 DECEMBER 2022

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ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 December 2022**

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**THE CHAPTER OF DERBY CATHEDRAL
ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 December 2022**

Constitution:

The Cathedral is governed by the Constitution and Statutes for the Cathedral Church of All Saints drawn up in accordance with the Cathedrals Measure 1999 and confirmed by the Archbishops of Canterbury and York on 27 January 2000.

Title: The Corporation of the Cathedral of All Saints in Derby

Address: The Cathedral Office, Derby Cathedral Centre, 18-19 Iron Gate, Derby, DE1 3GP

Auditors: BHP LLP, One Waterside Place, Brimington Road, Chesterfield, S41 7FH

Solicitors: Freeth Cartwright LLP, 80 Mount Street, Nottingham, NG1 6HH

Bankers: The Co-Operative Bank, Delf House, Southway, Skelmersdale, WN8 6WT

Visitor: The Lord Bishop of Derby, The Right Reverend Libby Lane.

Chapter:

The Very Reverend Dr Peter Robinson

The Reverend Canon Richard Andrews

The Reverend Canon Carla Vicêncio Prior (16th October 2022)

The Reverend Canon Nicky Fenton

Mrs Val Grahl

The Honourable David Legh DL

Canon Mark Titterton

Administrator and Chapter Steward: Mrs Carol Thomas

Cathedral Architect: Mr Robert Kilgour

Cathedral Archaeological Consultant: Mr Richard Morriss

Director of Music: Mr Alexander Binns

Fabric Advisory Committee:

Mr Andrew Barber (Chair)

Dr Maxwell Craven (Vice-Chair)

Mr Terry Bennett

Ms Nettie Cook

Mr James Darwin

Mr Clive England

Mrs Elizabeth Walker

Mr Peter Rogan

Finance Committee:

Canon Mark Titterton (Chair)

The Very Reverend Dr Peter Robinson

The Reverend Canon Richard Andrews

Dr Stephen Lamont

Mr Martyn Marples

Mrs Carol Thomas

THE CHAPTER OF DERBY CATHEDRAL ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 December 2022

The Purpose of the Cathedral:

The purposes of the Cathedral, as set out in the Preamble to its Constitution, are these:

- to maintain a daily pattern of corporate prayer and worship, giving glory to God and holding before him the needs of the church and the world, and particularly of the Diocese of Derby, the City of Derby and the County of Derbyshire;
- to be a focus for the Bishop's ministry, a resource to her and a place where prayer is offered for her;
- to preach the gospel of Christ and nurture Christian learning, in collaboration with other churches and traditions and with sensitivity to other faiths;
- to extend hospitality to pilgrims and visitors of every kind;
- to demonstrate the concern of Christ for the poor;
- to engage with the city and the county, with corporate life and institutions, in the complexities of contemporary society and culture, and to explore spiritual values with all people of goodwill;
- to share, as the mother church, with the parishes of the diocese in every aspect of the Church's vocation.

These purposes are all taken seriously and acted upon. They are summed up in the Cathedral's Mission Statement:

"Derby Cathedral - serving City, County and Diocese, through worship and mission."

The Chapter

The Chapter is the Cathedral's governing body. It has the responsibility for the good governance and strategic direction of the Cathedral's life. Key decisions are made by Chapter but the day-to-day management of the Cathedral is entrusted to a range of groups including the Management Committee, the Finance Committee and the Safeguarding Committee. The Chapter is advised in its thinking by the College of Canons and by the Cathedral Council. The Chapter of Derby Cathedral met eleven times during 2022 for governance, together with additional development and strategy meetings.

Chapter's Report

The Chapter is pleased to offer you this report. As well as fulfilling a legal requirement, this gives the Chapter an opportunity to reflect on the past year and to give thanks for all that has taken place.

2022 saw the previous years' restrictions, which had hampered the Cathedral in so many ways, lifted and the Cathedral returning back to relatively normal activities, much to Chapter's relief. However, the financial impact of the pandemic and the slow return of those wishing to hire the Cathedral continued, albeit to a lesser extent. We continued to live stream the main Cathedral services which has allowed new audiences to connect with the Cathedral. The Chapter is focussed on ensuring this can continue and are actively seeking ways to fund a new broadcasting and streaming system, which will improve the quality of live streamed services and enable more services, including some Special Services, to be live streamed, something which our current system is not capable of doing.

In October, after an intensive round of interviews, the Chapter were delighted to welcome Canon Carla Vicêncio Prior as the new Canon for Community Learning. This further supports the Chapter's objective to ensure it develops a learning culture across the Cathedral and the various communities we interact with. Canon Carla also took over the reins of the Cathedral Safeguarding Lead, a role which had been admirably fulfilled by Canon Richard Andrews.

Chapter

The Chapter continues to meet monthly, working well together and with a strong identity. The Chapter is committed to the life of the Cathedral and is ably assisted by Carol Thomas, Chief Operating Officer, and Reverend Dr Alan Flintham as Secretary to Chapter.

The Chapter has made significant progress towards going under the Cathedrals Measure 2021. Policies have been drafted and approved, together with completion of the draft Constitution and Statutes and due diligence questionnaire, both which are required by the Church Commissioners and the Charity Commission. Whilst we have made great strides in this process, there is still a little way to go before we are a registered charity. This is a priority for the Chapter during 2023.

Finance and Administration Team

The Finance and Administration team worked hard during 2022 as they continued to deliver a professional service to all those they encountered. We said goodbye to Kim Milner in August after more than twelve years of dedicated administration support and this role was fulfilled temporarily by Debbie Thornton. We welcomed Charlotte Charles, maternity cover for the Events and Diary Coordinator and Clair Skinner, Admin Assistant to oversee the safeguarding training requirements joined in March. We were pleased to appoint a Digital Marketing Officer, Jen Simmons, funded by the Church Commissioners, which has allowed our digital presence to grow in an ever-changing digital world.

Although the Finance Manager, Rachael Lee, had a bad injury in July, the finance function continues to be delivered successfully with the advent of working remotely. Rachael has continued to be ably assisted by Maria Wetton, Finance Assistant.

The Verging Team

The Verging Department, along with the Cathedral community, were all devastated by the loss of our friend and colleague, Mat Mawson, who passed away in March. However, the verging team pulled together and both Kim Hardy, Maddie Newbury, supported by Richard Hair, continue to deliver services, Special Services, events and concerts under the able direction of the Head Verger, Michael Scott.

The Music Team

The Music Team has given outstanding service to the Cathedral throughout this year. Without the restrictions of covid and social distancing requirements, the Music Department has gone from strength to strength. The Lay Clerks, Voluntary Choir and Choristers continue to provide an excellent singing contribution to Eucharist services.

Funding and Visitors

The Chapter were pleased to see a substantial increase in visitor numbers compared to the previous two years which were significantly reduced due to the pandemic. With the support of two major art installations during the year, we welcomed a total of 84,320 visitors in 2022. This was a huge increase compared to 2021 (11,600) and is close to returning back to pre-pandemic levels.

In 2022, we were the host for two major art installations; Peace Doves in April and Gaia in October. Peace Doves saw over 8,000 paper doves suspended from the nave and decorated by many communities, schools and the general public, with over 26,000 people visiting the installation. Following on from the success of the Museum of the Moon in 2019, we welcomed Luke Jerram's Gaia in October. A seven-metre diameter sphere, again from the nave of the Cathedral, attracted over 35,000 people during its three and a half week installation.

After a turbulent couple of years, it was pleasing that concerts and Cathedral hires returned to near pre-pandemic levels for 2022. External hires generate significant income, something which affected the Cathedral significantly during the pandemic. The Chapter sees this stream of income as a priority for 2023 to help secure financial sustainability. The Church Commissioners fully support the Chapter in this priority and with the help of the Cathedral Sustainability Fund, a Commercial Manager will be recruited early 2023.

We celebrated the Queen's Platinum Jubilee weekend in June, joining the nationwide campaign of lighting up beacons and working in partnership with the City Council, we played an active role in the celebrations on Cathedral Green to light the City's beacon before hosting a civic service, attended by many specially invited guests.

Sadly, in September, the Cathedral was the focal point as we said goodbye to Queen Elizabeth II. The Cathedral team were well prepared for Operation London Bridge, and worked tremendously hard to ensure those who wished to pay their respects to Her late Majesty were able to do so in their own way. This included welcoming many visitors who paid their respects by signing the books of condolence, as well as two special services during the ten day mourning period.

Following the success of the first 'Tree of Light' appeal in 2021, it returned in 2022. The Tree of Light is a way of encouraging people visiting to decorate and write messages on a specially designed Christmas tag to hang on the Cathedral's Christmas tree, resulting in excess of 400 beautifully decorated tags hanging on the tree.

Derby Cathedral School

We continue to develop the Cathedral's relationship with Derby Cathedral School, a free school that is building up year by year from the start of the 2018-2019 academic year.

The structural development of the relationship is led by the Canon for Community Learning and we are working towards providing a point of engagement for every child in each academic year, as well regular opportunities for collective worship led by cathedral clergy in the cathedral itself.

The Dean continues to be a member of the Governing Body which is in the process of being expanded to take account of the increasing numbers year by year in the school. Chapter nominates two governors. As a member of the governing body the Dean is a link governor for the Statutory Inspection of Anglican and Methodist Schools process (SIAMs).

Contributions to charity

The Cathedral sets aside 5% of congregational giving to pass on to other charities. The Justice, Peace and Creation Committee (JPCC) regularly meet to decide which charities to support and allocations in 2022 included the Ukraine Crisis Appeal, Derby Ukrainian Support, Save the Children and Food for Thought.

The JPCC is delighted to make these allocations thanks to the generosity of the congregation.

Work with the Diocese of Derby

The Cathedral continues its strong links with the Diocese, with the Chair of Finance on Chapter also the Executive Chair of the Diocesan Board of Finance. A robust Partnership Agreement, adopted in 2022, with the Diocesan Safeguarding Team for the delivery of safeguarding has continued during this year and this further enhances ways in which the two organisations work more closely together.

Safeguarding

The Chapter follows the House of Bishops guidance on Safeguarding. In doing so, it adopted the Diocese of Derby's Safeguarding Policy as its own in December 2016 and re-adopted this in February 2022. Significant work has taken between the Safeguarding Committee and Diocesan Safeguarding Advisor for the new Partnership Agreement to replace the outdated Service Level Agreement. The Safeguarding Committee, chaired by a member of Chapter, meets four times a year and reports to Chapter.

Derby Cathedral continues to work to ensure the Cathedral is a safe space for all. The Safeguarding Committee completed the implementation of all the recommendations from the Social Care Institute of Excellent (SCIE) audit and this is reviewed twice yearly by the Safeguarding Committee.

Chapter would like to thank all those involved in the work with children, young people and vulnerable adults in the Cathedral for their care and hard work. We are also indebted to the members of the Safeguarding

Committee who aid Chapter in their oversight of Safeguarding and the Diocesan Safeguarding Team for their support over the past year.

Appreciation

There is much to be grateful for in the Cathedral and there are so many people to thank: our host of volunteers; the Cathedral Officers, both paid and voluntary; our friends and supporters; the College of Canons; the Cathedral Council; the Cathedral Friends; those who support the Cathedral prayerfully and financially; the Wardens and Stewards; the serving team and the team of additional chaplains. All give of their time and talents so willingly and generously. On behalf of the Chapter, thank you.

We are thankful for the support and advice received from the Fabric Advisory Committee, with particular appreciation for working remotely and responding pro-actively when advice has been sought for particular projects, for instance the fire alarm installation.

Risk Register

The Chapter maintains a Risk Register which details all of the principal risks the Cathedral faces in its day to day activities. This is reviewed in detail on a regular basis by both the Senior Management Team and the Chapter. The Chapter continues to review the structure of the Risk Register together with the Finance Risk Register to ensure it is relevant for the new Cathedrals Measure. The major financial risks are reviewed on a regular basis at the Finance Committee meeting, which is a sub-committee of Chapter. Chapter believe that maintaining reserves at current levels, combined with regular reviews of controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Chapter has also examined other operational and business risks faced and confirm that they have established systems to mitigate any significant risks.

Principal Risks and Uncertainties

Careful consideration is given to the major risks to which the Cathedral is exposed. Chapter is responsible for ensuring effective risk management and that internal controls are in place to appropriately manage the organisation's risk exposure. The Cathedral recognises that any risk management system can only manage risks and not eliminate them and can provide only reasonable, and not absolute, assurance against material misstatement and loss.

Risks are considered in a broad context and Chapter focuses on the significant matters that might prevent the Cathedral from achieving its vision.

The Cathedral's insurance cover is reviewed annually and as and when special circumstances arise. Cover is provided by Ecclesiastical Insurance, who conduct a comprehensive survey every five years (with such a survey being completed in 2018) and an annual visit to review relevant matters. The health and safety of visitors, staff and volunteers is very important and responsibilities for all are taken seriously. Any incidents are reviewed at Chapter meetings and actions taken straightaway, as appropriate.

Although restrictions have been lifted, the legacy of the pandemic and the financial risks arising from the pandemic continue to be the highest risk affecting the Chapter since the end of the reporting period.

Management and Mitigation

The Management and mitigation of all risks are considered by the management committee and reported regularly to Chapter.

- **Cashflow** – the 2022 budget was reviewed monthly to minimise year-end impact. Expenditure was closely monitored and there continued to be a freeze on non-essential spend. Financial support from the Church Commissioners for fully funded posts, provided support to the salary costs, together with advance receipts from Church Commissioners.
- **On going work to support service delivery** – the Senior Management Team meet on a regular basis to review service delivery and adjust as necessary.

Public Benefit Statement

Although the Cathedral is not yet regulated by the Charity Commission, Chapter has regard to the Public Benefit Guidance published by the Commission. Derby Cathedral serves the community every day in its religious and charitable work. The Cathedral is a resource of national importance in the promotion of religion, music, education, history and architecture.

Policies and Procedures

The Church Commissioners carry out training sessions for new members of Chapter and provide recommended procedures for their induction and the Cathedral follow these requirements.

As a result of the work currently in progress for the new Cathedrals Measure, a significant number of new policies are being written. There will be a roll out programme for the delivery of these new policies during 2023.

Pay and Remuneration

Pay and remuneration of new staff is set by reference to pay rates of equivalent members of staff at other cathedrals of similar nature. Annual reviews for existing staff are generally made at a set percentage for all staff, usually at the same rate as used for clergy stipends. The Cathedral continues to be a Living Wage Employer, which is the appropriate action as a responsible employer, but it has had an impact on salary costs.

Investment Policy

The investment powers of the Cathedral Chapter in relation to its general funds are those prescribed by the Trustee Investments Act 1961 as varied by the Charities Act 1993. In the case of the Cathedral's endowment, the powers are governed by Section 16 of the Cathedrals Measure 1999.

The Chapter aims to keep a balanced portfolio of investments that is risk averse and appropriate to the purposes of the funds that are represented by them.

The investment objectives given to our principal fund managers, CCLA Investment Management Ltd, are to protect the capital value of the funds, to provide an increasing income and to maximise the overall growth of the funds.

This should be achieved by investing in a portfolio of Investment Funds. The selection of the Funds will be made to reflect the benchmarks established for asset classes.

Investments in property are in the form of a managed property fund managed by CCLA Investment Management Ltd on behalf of the Central Board of Finance of the Church of England.

Chapter, in its stewardship of charitable funds, aims to achieve appropriate levels of investment return within an ethical framework. Its investments are chosen according to a policy of Socially Responsible Investment (SRI). The Chapter's SRI policy is based in turn on the social, environmental and ethical policies that are adopted by the Cathedral's principal Investment Managers, CCLA. Responsibility for the management of this policy rests with the Chapter, following advice from the Finance Committee.

Reserves Policy

Reserves are needed both to maintain the level of the Cathedral's current activities and to enable the completion of long-term projects. Maintaining unrestricted reserves protects the Cathedral against a sudden deterioration in its financial results. It is acknowledged that the great majority of the Cathedral's unrestricted reserves are tied up in property and so could not be realised into cash in the event of urgent need or a downturn in income. The Chapter's aim is that Free Reserves (being unrestricted reserves excluding property) should equate to not less than three months of ordinary expenditure (unrestricted expenditure other than that on raising funds, as shown in these accounts) to afford protection to the Cathedral's operations. At 31 December 2022 such reserves were £153,877 and unrestricted expenditure excluding the cost of raising funds was £313,828 so this represented 5.9 months of such expenditure. This is in line with the Reserves Policy.

The unrestricted reserves of the Cathedral chiefly comprise the land and buildings necessary for the Cathedral to fulfil its functions. These comprise: the Cathedral Centre offices for lay staff and clergy; the houses of the Dean and Commissioner Canons; and the Car Park, which is a source of income generation to finance the missionary work of the Cathedral.

Restricted reserves represent specific funds for specific projects and general funds for maintenance of the Cathedral fabric and for the support of music. The Chapter has a long-term view of work required to the building and seeks to maintain sufficient restricted reserves to cover anticipated projects. The music fund is maintained to cover specific projects for the year ahead.

Financial Review of the Year

Summary

Congregational giving increased compared to the prior year with the Cathedral returning to a normal level of services following the end to Covid restrictions experienced during 2020 and 2021.

This led to a 30% increase in income from collections, giving and donations when compared to the prior year. Fundraising income of £74,417 came from key installations including the Peace Doves and Gaia and an increase in income from events.

The funding received throughout the year supported not only core costs but designated projects to improve and sustain the cathedral during 2022 and future years.

The funds also supported the music department to enable them to continue and extend the Music in Schools Programme and provide singing tuition to develop Choristers, ensuring they reach their full potential.

The final position resulted in a **net income before gains and losses on investments on the unrestricted account of £38,512** (income for 2021 comparative of £67,970).

Statement of Financial Activities

- Funds balances are split into three categories: Unrestricted, Restricted and Endowment.

Income

- To 31 December 2022 total income and endowments were £961,194 split as follows: Unrestricted £462,853 and Restricted £498,341 (2021 total: £1,106,860).
- The largest proportion of income is achieved through Grants in support of the mission (£454,720), with a further large element coming from donations and legacies (£278,800). Income from Trading and fundraising (£116,832), and Investments (£25,478) make up the majority of the remaining income channels.
- Congregational collections and giving totalled £120,945 (2021 total: £92,539).

The Car Park on St Michaels Lane has improved for both contracted spaces and casual car park income.

A key project during the last quarter of 2022 was the installation of a pay and display system in the car park, which is already showing positive returns, capturing all weekend and out of hours income.

Restricted income in 2022 included the regular grants received from the Church Commissioners for clergy and lay salaries. The support of all our benefactors and of all those who remember the Cathedral in their will, is gratefully acknowledged.

Expenditure

- Expenditure to 31 December 2022 was £1,001,502 split as follows: Unrestricted £424,341 and Restricted £577,161 (2021 total: £988,918).

- The largest proportion of expenditure was on Ministry costs £360,037 (Clergy stipends and working expenses, Clergy housing costs and Services, music, and congregational costs), Cathedral and precinct upkeep £123,866 and administrative services £299,107 (Administration and finance, IT and Personnel and training).
- A contribution of £38,876 was made to the Diocese.

Within restricted costs, the Church Commissioners Section 23 grant continues to cover most of the lay salary costs and another grant from the Commissioners pays for the cost of the Dean and Commissioners' Canons.

Investment Gains

- 2022 ended in a negative year for stock markets. The war in Ukraine and lockdown measures in China during the first six months of 2022 exacerbated the supply constraints which led to soaring inflation. There was a total loss in investments of £116,767. The investment income received in the year was £25,478.

Statement of Financial Position

- Of the total funds of £3,577,985, tangible fixed assets account for £2,375,689, made up of Clergy properties, the Derby Cathedral Centre and the Derby Cathedral Car Park.
- Net assets are £2,529,566 on the unrestricted account, all but £153,877 of this is tied up in property and fixed assets. This gives for a very tight financial position.
- Intangible fixed assets (investments) relate to £892,008; the investments are split between in Endowment funds (£154,869), and Restricted funds (£737,139).
- Current assets net of creditors makes up the remaining £310,288, which are Unrestricted or Restricted Funds.

Statement of Cash Flows

- Cash inflow from investment received net of costs is in line with 2021 levels.
- An increase property, plant and equipment purchases in 2022 have resulted in higher cash outflows.
- Overall cash management resulted in a net outflow of £145,909 compared to an outflow of £85,480 in 2021.

The Enterprise Company (DCEL) reported a deficit of £1,822 (2021 £2,496). The Cathedral Centre at 18/19 Irongate closed as a retail shop and café in 2020. The Chapter are actively reviewing appropriate uses for the building.

Our budget for 2023 anticipates a deficit of (£75,573). The grant received from the Commissioners has been increased for 2023. Ongoing work is being done to secure further funding opportunities. With little in the way of historical endowments, this is a challenge. Control of costs remains of key importance. Monthly accounts are produced that highlight any cost variances and these are examined closely. Project coding is being utilised to monitor and report on projects to enable the management team to make increasingly informed decisions.

Imaginative ways of utilising our resources are being sought to generate the income needed to fund future maintenance of the Cathedral. A great deal of care is put into ensuring that the best possible use is made of our resources.

The Cathedral continues to be free of debt, but the financial position remains tight. The balance sheet shows net assets of approximately £2.5 million on the unrestricted account, but all but £153,877 of this is tied up in property and equipment and plant. The mission of the Cathedral remains reliant on tight financial management, creative ideas to generate income, the support of the Church Commissioners and the support of worshippers and benefactors in the City and Diocese.

The stipends of the Dean and Commissioners' Canons are paid direct by the Church Commissioners and are disclosed in note 6. Mark Titterton, who is a member of Chapter, is also Executive Chair of the Derby Diocesan Board of Finance.

Plans for the Future

Derby Cathedral faces challenges common with many other cathedrals. The Church Commissioners have given indication that their funding will be more closely directed to mission and specific initiatives rather than financial need. Derby Cathedral needs to remain relevant to serving the needs of the City and Diocese.

We have the opportunity to provide a place for prayer and reflection for all the people of our city, as we do day by day and have done during the pandemic crisis. We have the opportunity to gather people, to offer what still seems like a neutral space to many, for dialogue and discussion, for learning and education.

As society adapts to living alongside Covid-19 there is renewed hope of returning to pre-pandemic norms. However, cost of living pressure is not only impacting on the Cathedral directly through increased utility prices but also indirectly. We are conscious that the increased cost of living for individuals combined will have an impact on disposable income which may have a detrimental effect on giving donations.

We are monitoring this closely and implementing strategies to mitigate the situation through improved communications (digital marketing officer) and our new suite of promotional Cathedral leaflets.

One of the biggest challenges the Chapter face is the financial sustainability of the Cathedral Centre. This is a Grade II listed building, in a conservation area and is in need of substantial repairs and maintenance. The reduction in footfall in this area of the city is one of which the Chapter are only acutely aware. The Chief Operating Officer sits on the Board of the CQ Bid and plays an active part in the plans to regenerate and increase footfall into this area. Derby Cathedral Enterprises Ltd are working hard and strategically on plans for the Centre to ensure that whatever or whoever uses the building does so on a full cost recovery basis.

Strategic Development Plan

In December 2021, the Chapter approved the strategic development plan and significant consultation has taken place during 2022. This included workshops with the Cathedral community, College of Canons, the Cathedral Council, partners and stakeholders, including the City Council and the Cathedral Quarter Business Improvement District.

Six strategic focus areas have been identified:

- Inspirational worship and music.
- Learning.
- Conserve and develop our heritage.
- Partnership.
- Recovery, sustainability and growth.
- Arts and culture.

Each focus area has a number of key performance indicators to monitor progress, as well as critical projects to drive forward the overall strategic plan. A process to capture and record the data needed to fulfil the KPIs has been drafted and will be rolled out during 2023. This will be an exciting development period as the Cathedral begins to reimagine its vision and strategy for the next five years.

One of the focus areas is for the Cathedral to be an arts and culture hub.

Peace Doves was a major art installation which was delivered during April 2022, which displayed over 8,000 paper doves decorated by local communities, schools, multi-faith agencies, as well as the general public, for seven weeks. During this time, we welcomed over 25,000 people through our doors. This was closely followed by Gaia in October. Measuring over 7metres in diameter, Gaia was suspended from the nave and attracted over 35,000 visitors.

Another priority for the Chapter is the focus area: recovery, sustainability and growth. Two critical projects to enable recovery, sustainability and growth are around income generation and the external hire of the Cathedral and Centre, both of which are under utilised. The recruitment of a Commercial Manager is essential to the fulfilment of this area and is a priority for the Chapter in 2023.

The Chapter remain committed to the potential of installing solar panels on the Cathedral, with the aim to present the business plan to Chapter late Spring/early Summer of 2023. This installation will further support the ambition of the Cathedral to achieve Eco-Church Gold status, following the successful achievement of the silver award, proudly displayed in the entrance at the West end.

Significant progress has been made in developing three key documents which are essential to the Cathedral's suite of documents for future sustainability and growth; Liturgical Plan, Conservation Management Plan and Visitor Engagement Plan. All three documents are required in advance of any significant funding application to partners such as the National Lottery Heritage Fund. The completion of such documents is a priority for 2023.

Peter J. A. Robinson
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The Very Reverend Dr Peter Robinson, Dean of Derby

Carol Thomas
.....

Carol Thomas, Chief Operating Officer

THE CHAPTER OF DERBY CATHEDRAL CATHEDRAL STRUCTURE – THE CHAPTER

The Cathedral is an ecclesiastical corporation established for charitable purposes, with perpetual succession and a common seal, consisting of the members for the time being of the Cathedral Chapter, Cathedral Council and the College of Canons.

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that the Chapter shall govern the Cathedral and that membership shall, subject to the provisions of Section 4 of the Cathedrals Measure 1999, consist of:

- (a) The Dean;
- (b) All the Canons Residentiary of the Cathedral;
- (c) 4 other persons appointed by the Bishop after consultation with the Dean and the Bishop's Council subject always to the following provisos:
 - i. 3 of such persons must be lay people;
 - ii. 1 of the 4 shall represent the Cathedral community (being appointed from such community) and being either a past or present churchwarden of the Cathedral;
 - iii. 2 of such 4 persons shall represent the wider community of the City and County;
 - iv. 1 of such persons must have particular expertise in financial matters.

Provided always that such lay persons must be actual communicant members of the Church of England or of a church in communion with the Church of England and shall be resident in the diocese or have their names on the Church Electoral Roll of a parish in the diocese.

Such persons shall hold office for 3 years but shall be eligible for membership for further terms of office.

The Chief Operating Officer of the Cathedral (who shall act as Clerk to the Chapter) shall be entitled to be present at any meeting of the Chapter (except during any discussion concerning the Chief Operating Officer) and to speak but not vote.

The Dean shall be the Chairman and shall have a second or casting vote. In the absence of the Dean or of any person appointed to exercise the functions of the Dean under Article 2.6 of the Statutes, the Chapter shall elect one of its members to preside over it, but such person shall not have a second or casting vote.

The Chapter shall meet on at least 9 occasions in each calendar year.

Meetings of the Chapter shall be called by the Dean in accordance with a resolution of the Chapter, on his own motion, or on the written requisition of at least four members of the Chapter. Two weeks notice of meetings shall be given to members of the Chapter.

The quorum for the transaction of business at a meeting of the Chapter shall be 50% of its members of whom at least one must be a Lay person.

It shall be the duty of the Chapter to direct and oversee the administration of the Cathedral and in particular, to:

- (a) order the worship and promote the mission of the Cathedral;

- (b) formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- (c) provide for the pastoral care of the Cathedral congregation;
- (d) manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out;
- (e) prepare an annual budget for the Cathedral and submit it to the Council;
- (f) prepare in accordance with Section 27 of the Measure an annual report and audited accounts, and submit them to the Council and the College of Canons;
- (g) submit to the Council such other reports as may be requested by the Council on any matter concerning the Cathedral;
- (h) keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;
- (i) hold the common seal of the Cathedral and affix it when required;
- (j) exercise patronage where the Cathedral has the right to present to benefices.

THE CHAPTER OF DERBY CATHEDRAL CATHEDRAL STRUCTURE – THE COUNCIL

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a Cathedral Council and that membership shall consist of:

- (a) The Chairman appointed by the Bishop
- (b) The Dean
- (c) 3 further members of the Chapter chosen by it
- (d) 2 members of the College of Canons not being a member of the Chapter or an Archdeacon chosen by the College
- (e) 4 Lay persons from the Cathedral Community (who shall not be a member of the Chapter) elected at their Annual meeting (from Rolls as hereinafter defined) as follows:
 - i. 2 from Part 1 of the Cathedral Community Roll
 - ii. 1 from Part 2 of the Cathedral Community Roll
 - iii. 1 from Part 3 of the Cathedral Community Roll
- (f) 10 persons as follows:
 - i. The Archdeacons of Chesterfield and Derby
 - ii. The 2 Cathedral Churchwardens
 - iii. 1 Lay person from each Archdeaconry appointed by the Bishop's Council
 - iv. 1 Ecumenical Representative
 - v. 1 Representative of the City
 - vi. 1 Representative of the County
 - vii. 1 Representative from the University of Derby.
 - viii.

These last four persons representing the wider community shall be appointed by the Bishop in consultation with the Dean.

The Chairman shall be a Lay person, not being a member of the Chapter, appointed by the Bishop, who shall before making an appointment afford the Chapter an opportunity to express views both in general as to the appointment and as to any specific person proposed by the Bishop for appointment, and who shall in deciding whom to appoint have regard to those views.

The Bishop shall be entitled to be present and speak but cannot vote.

All persons who are not "ex officio" shall serve for three years and shall be eligible for re-appointment or re-election (as the case may be).

In the absence of the Chairman members shall choose a Chairman for the meeting who shall be a Lay person (other than a member of the Chapter).

The Council shall appoint its own Secretary from inside or outside its membership. If the latter, the Secretary (who may be the Cathedral Administrator) shall not thereby become a member of the Council.

The Council shall meet on at least two occasions in each calendar year.

Meetings of the Council shall be called by the Chairman, in accordance with a resolution of the Council, on his own motion, or on the written requisition of at least eight members of the Council.

The quorum for the transaction of business at a meeting of the Council shall be two fifths of its members.

It shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelical, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, without prejudice to the generality of the foregoing to:

- (a) consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter
- (b) receive and consider the annual budget of the Cathedral
- (c) receive and consider the annual report and audited accounts and financial projections
- (d) consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of the Measure.

The Council may:

- (a) request reports from the Chapter on any matter concerning the Cathedral
- (b) discuss and declare its opinion on any such matter
- (c) draw any matter to the attention of the Visitor or the Church Commissioners.

THE CHAPTER OF DERBY CATHEDRAL

CATHEDRAL STRUCTURE – THE COLLEGE OF CANONS

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a College of Canons and that membership shall consist of:

- (a) The Dean (who shall be Chairman)
- (b) Every Bishop Suffragan in the Diocese
- (c) Every full-time stipendiary assistant Bishop in the Diocese
- (d) Every Canon as provided for in Clauses 5 & 6 of the Constitution
- (e) Every Archdeacon in the Diocese.

In the event of a vacancy in the See, the College of Canons shall be summoned by the Dean to meet, and on receiving from Her Majesty a licence under the Great Seal with a letter missive as provided by the Appointment of Bishops Act 1533 shall proceed to the election of a Bishop in the manner laid down by that Act.

The College of Canons shall meet not less than twice a year and at least on one such occasion with the Bishop.

The College of Canons shall:

- (a) consider such matters relating to the Diocese or the Cathedral as the Bishop may determine
- (b) have a special care for the promotion of sound theological learning in the Cathedral and the Diocese
- (c) receive and consider the annual report, the audited accounts of the Cathedral and any financial projection relating to future policy of the Cathedral as determined by the Chapter
- (d) discuss such matters concerning the Cathedral as may be raised by any of its members
- (e) discuss such other matters as the Dean or the Chapter may refer to the College of Canons.

Members of the College of Canons shall seek to contribute to the corporate life of the Cathedral and to promote its mission and service in the diocese.

THE FINANCE COMMITTEE

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a Finance Committee having the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management (and the management of property belonging to the Cathedral).

The Finance Committee shall consist of:

- (a) The Member of Chapter appointed by the Bishop for financial expertise, who shall be Chairman of the Finance Committee
- (b) The Dean
- (c) The Chief Operating Officer
- (d) 1 other Member of the Chapter who shall hold office for a term of 3 years but shall be eligible for membership for further terms of office
- (e) 3 other persons, not being Members of the Chapter, but appointed by the Chapter for their expertise and experience in the field of financial and investment management who shall hold office for a term of 3 years but shall be eligible for membership for further terms of office.

**THE CHAPTER OF DERBY CATHEDRAL
STATEMENT OF RESPONSIBILITIES OF THE CHAPTER
FOR THE YEAR ENDED 31 December 2022**

The Cathedral Chapter is responsible for compliance with the provisions laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999 for;

- (a) Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its related entities. The report and accounts should comply in all material respects with the guidelines on the subject prepared by the Association of English Cathedrals
- (b) Stating that they have complied in all material respects with the guidelines or describing which recommendations have not been complied with and giving reasons for the non-compliance;
- (c) Selecting suitable accounting policies and then applying them consistently
- (d) Making judgements and estimates that are reasonable and prudent
- (e) Keeping proper accounting records, from which the financial position of the Cathedral can be ascertained at any time
- (f) Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Chapter on 20th April 2023

and signed on their behalf:

Peter J. A. Robinson

The Very Reverend Dr Peter Robinson, Dean of Derby

Mark Titterton

Canon Mark Titterton, Chair of Finance Committee

CHAPTER OF DERBY CATHEDRAL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF DERBY CATHEDRAL

Opinion

We have audited the financial statements of The Chapter of Derby Cathedral; (the 'parent entity') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Chapter balance sheet, the consolidated statement of cash flows 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 group's and parent entity's affairs as at 31 December 2022, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Material uncertainty relating to going concern

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

Other information

The other information comprises the information included in the Report of Chapter, other than the financial statements and our auditor's report thereon. Chapter are responsible for the other information contained within the Report of Chapter. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF DERBY CATHEDRAL - Continued

course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Chapter

As explained more fully in the Cathedral Chapter's responsibilities statement, the Chapter are responsible for the preparation of financial statements which 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 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 group or the parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF DERBY CATHEDRAL - Continued

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.

Auditor's responsibilities for the audit of the financial statements - continued

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF DERBY CATHEDRAL – Continued

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

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

Auditor's responsibilities for the audit of the financial statements - continued

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Jane Marshall (Senior Statutory Auditor)

For and on behalf of
BHP LLP, Statutory Auditor

One Waterside Place
Brimington Road
Chesterfield
S41 7FH

Date:

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

	Notes	Unrestricted £	Restricted £	Endowment £	2021 £	Unrestricted £	Restricted £	Endowment £	2021 £
INCOME AND ENDOWMENTS FROM:	2								
Donations and legacies		160,762	43,621	-	204,383	129,337	26,939	-	156,276
Grants in support of mission		19,438	454,720	-	474,158	19,913	785,156	-	805,069
Charges and fees arising in the course of mission		65,926	-	-	65,926	21,480	-	-	21,480
Trading and fundraising		191,249	-	-	191,249	86,005	13,500	-	99,505
Investments		25,478	-	-	25,478	24,530	-	-	24,530
Other income		-	-	-	-	-	-	-	-
Total Income		462,853	498,341	-	961,194	281,265	825,595	-	1,106,860
EXPENDITURE ON:	3								
Raising funds		110,513	31,603	-	142,116	38,660	22,699	-	61,359
Ministry		83,093	276,944	-	360,037	17,342	341,237	-	358,579
Cathedral and precincts upkeep		92,433	31,433	-	123,866	60,356	146,275	-	206,631
Education and outreach		5,054	-	-	5,054	4,249	-	-	4,249
Community, parish and congregation		38,876	-	-	38,876	32,427	4,633	-	37,060
Administrative services		61,926	237,181	-	299,107	40,133	256,614	-	296,747
Other expenditure		32,446	-	-	32,446	20,128	4,165	-	24,293
Total Expenditure		424,341	577,161	-	1,001,502	213,295	775,623	-	988,918
NET INCOME & EXPENDITURE BEFORE INVESTMENT GAINS		38,512	(78,820)	-	(40,308)	67,970	49,972	-	117,942
Net gains / (losses) on Investments	9	-	(96,104)	(20,663)	(116,767)	-	86,615	21,968	108,583
Net income / (expenditure)		38,512	(174,924)	(20,663)	(157,075)	67,970	136,587	21,968	226,525
Gross transfers between funds	7	15,152	(15,152)	-	-	56,171	(56,171)	-	-
Other recognised gains / (losses);									
Gain/loss on revaluation of fixed assets	11	83,423	-	-	83,423	122,000	-	-	122,000
Net movement in funds		137,087	(190,076)	(20,663)	(73,652)	246,141	80,416	21,968	348,525
Reconciliation of funds:									
Total funds brought forward		2,392,479	1,083,626	175,532	3,651,637	2,146,338	1,003,210	153,564	3,303,112
Total funds carried forward		2,529,566	893,550	154,869	3,577,985	2,392,479	1,083,626	175,532	3,651,637
All operations are continuing									

**THE CHAPTER OF DERBY CATHEDRAL
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted £	Restricted £	Endowment £	2022 £	Unrestricted £	Restricted £	Endowment £	2021 £
Fixed Assets									
Investment assets									
Investments	9	-	737,139	154,869	892,008	-	833,243	175,532	1,008,775
		-	737,139	154,869	892,008	-	833,243	175,532	1,008,775
Non Investment assets									
Property	11	2,313,600	-	-	2,313,600	2,147,000	-	-	2,147,000
Equipment and plant	13	62,089	-	-	62,089	58,946	-	-	58,946
		2,375,689	-	-	2,375,689	2,205,946	-	-	2,205,946
Total fixed assets		2,375,689	737,139	154,869	3,267,697	2,205,946	833,243	175,532	3,214,721
Current assets									
Stocks		1,863	-	-	1,863	3,346	-	-	3,346
Debtors	14	76,595	20,726	-	97,321	30,154	55,854	-	86,008
Cash at bank and in hand		158,242	169,691	-	327,933	248,391	225,451	-	473,842
		236,700	190,417	-	427,117	281,891	281,305	-	563,196
Liabilities due within one year									
Creditors	15	82,823	34,006	-	116,829	95,358	30,922	-	126,280
		82,823	34,006	-	116,829	95,358	30,922	-	126,280
Net current assets		153,877	156,411	-	310,288	186,533	250,383	-	436,916
Total assets less current liabilities		2,529,566	893,550	154,869	3,577,985	2,392,479	1,083,626	175,532	3,651,637
Net assets		2,529,566	893,550	154,869	3,577,985	2,392,479	1,083,626	175,532	3,651,637
Funds	20								
General fund		2,324,403	-	-	2,324,403	2,268,917	-	-	2,268,917
Revaluation Reserve		282,729	-	-	282,729	199,306	-	-	199,306
Derby Cathedral Enterprises Ltd (DCEL)		(77,566)	-	-	(77,566)	(75,744)	-	-	(75,744)
Restricted		-	893,550	-	893,550	-	1,083,626	-	1,083,626
Endowment		-	-	154,869	154,869	-	-	175,532	175,532
		2,529,566	893,550	154,869	3,577,985	2,392,479	1,083,626	175,532	3,651,637

The Cathedral Chapter approved the Annual Accounts for the year ended 31 December 2022 at its meeting held 20th April 2023.

Peter J. A. Robinson

The Very Reverend Dr Peter Robinson, Dean of Derby

Mark Titterton

Canon Mark Titterton, Chapter Member

THE CHAPTER OF DERBY CATHEDRAL
CHAPTER ONLY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted £	Restricted £	Endowment £	2022 £	Unrestricted £	Restricted £	Endowment £	2021 £
Fixed Assets									
Investment assets									
Investments	9	-	737,139	154,869	892,008	-	833,243	175,532	1,008,775
		-	737,139	154,869	892,008	-	833,243	175,532	1,008,775
Non investment assets									
Property	11	2,313,600	-	-	2,313,600	2,147,000	-	-	2,147,000
Equipment and plant	13	62,089	-	-	62,089	58,946	-	-	58,946
		2,375,689	-	-	2,375,689	2,205,946	-	-	2,205,946
Total fixed assets		2,375,689	737,139	154,869	3,267,697	2,205,946	833,243	175,532	3,214,721
Current assets									
Stocks		-	-	-	-	-	-	-	-
Debtors	14	94,381	20,726	-	115,107	31,500	55,854	-	87,354
Cash at bank and in hand		123,716	169,691	-	293,407	232,326	225,451	-	457,777
		218,097	190,417	-	408,514	263,826	281,305	-	545,131
Liabilities due within one year									
Creditors	15	78,909	34,006	-	112,915	93,804	30,922	-	124,726
		78,909	34,006	-	112,915	93,804	30,922	-	124,726
Net current assets		139,188	156,411	-	295,599	170,022	250,383	-	420,405
Total assets less current liabilities		2,514,877	893,550	154,869	3,563,296	2,375,968	1,083,626	175,532	3,635,126
Net assets		2,514,877	893,550	154,869	3,563,296	2,375,968	1,083,626	175,532	3,635,126
Funds									
General fund		2,232,148	-	-	2,232,148	2,176,662	-	-	2,176,662
Revaluation Reserve	20	282,729	-	-	282,729	199,306	-	-	199,306
Derby Cathedral Enterprises Ltd		-	-	-	-	-	-	-	-
Restricted	20	-	893,550	-	893,550	-	1,083,626	-	1,083,626
Endowment	20	-	-	154,869	154,869	-	-	175,532	175,532
		2,514,877	893,550	154,869	3,563,296	2,375,968	1,083,626	175,532	3,635,126

The Cathedral Chapter approved the Annual Accounts for the year ended 31 December 2022 at its meeting held 20th April 2023.

Peter J. A. Robinson
The Very Reverend Dr Peter Robinson, Dean of Derby

Mark Titterton
Canon Mark Titterton, Chapter Member

**THE CHAPTER OF DERBY CATHEDRAL
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Unrestricted £	Restricted £	Endowment £	2022 £	Unrestricted £	Restricted £	Endowment £	2021 £
Cash flows from operating activities								
Net cash provided by / (used in) operating activities	(24,506)	(40,608)	-	(65,114)	43,887	55,845	-	99,732
Cash flows from investing activities								
Investment income received net of costs	25,478	-	-	25,478	24,530	-	-	24,530
Transfer of investments between funds	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(106,273)	-	-	(106,273)	(59,742)	-	-	(59,742)
Transfer of fixed assets between funds	15,152	(15,152)	-	-	56,171	(56,171)	-	-
Purchase of investments	-	-	-	-	-	(150,000)	-	(150,000)
Net cash provided by / (used on) investing activities	(65,643)	(15,152)	-	(80,795)	20,959	(206,171)	-	(185,212)
Cash flows from financing activities:								
Repayments of borrowing	-	-	-	-	-	-	-	-
Cash inflows from new borrowing	-	-	-	-	-	-	-	-
Receipt of endowment	-	-	-	-	-	-	-	-
Net cash provided by / (used in) financing activities	-	-	-	-	-	-	-	-
Change in cash and cash equivalents in the reporting period	(90,149)	(55,760)	-	(145,909)	64,846	(150,326)	-	(85,480)
Cash and cash equivalents at the beginning of the reporting period	248,391	225,451	-	473,842	183,545	375,777	-	559,322
Cash & cash equivalents at the end of the reporting period	158,242	169,691	-	327,933	248,391	225,451	-	473,842
Reconciliation of net income / (expenditure) to net cash								
Net income/(expenditure) before investment gains (as per the SOFA)	38,512	(78,820)	-	(40,308)	67,970	49,972	-	117,942
Adjustments for:								
Depreciation charges	19,953	-	-	19,953	5,497	-	-	5,497
Transfers between funds	-	-	-	-	-	-	-	-
Income from property and investments	(25,478)	-	-	(25,478)	(24,530)	-	-	(24,530)
Decrease / (increase) in stocks	1,483	-	-	1,483	871	-	-	871
Decrease / (increase) in debtors	(46,441)	35,128	-	(11,313)	(12,802)	(19,452)	-	(32,254)
Increase / (decrease) in creditors	(12,535)	3,084	-	(9,451)	6,881	25,325	-	32,206
Net cash provided by / (used in) operating activities	(24,506)	(40,608)	-	(65,114)	43,887	55,845	-	99,732
Analysis of cash and cash equivalents								
Cash in hand	158,242	169,691	-	327,933	248,391	225,451	-	473,842
Total cash and cash equivalents	158,242	169,691	-	327,933	248,391	225,451	-	473,842

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

I. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the December 2018 guidelines on accounting and reporting by English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Chapter constitutes a public benefit entity as defined by FRS 102. The financial statements are presented in £ sterling which is the functional currency of the entity and rounded to the nearest £1.

(b) Group financial statements

The financial statements consolidate the results of the Chapter and its wholly owned subsidiary Derby Cathedral Enterprises Limited on a line-by-line basis. A summary of the Chapter and subsidiary results can be found in notes 23 and 24.

(c) Income recognition

Income is recognised when the Chapter has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Chapter has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the Chapter is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Chapter has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Chapter, or the Chapter is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised when the Chapter has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Chapter is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Chapter; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

CJRS income is recognised in the month it relates to.

(d) Expenditure recognition

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

Overheads have not been allocated against separate activities in these financial statements as it is considered that this would be an arbitrary and time-consuming exercise. Overheads are shown within Administrative costs. Irrecoverable VAT is shown separately under Other Expenditure.

(e) Repairs, restoration and maintenance

Expenditure on repairs, restoration and maintenance of the Cathedral is charged as incurred.

(f) Governance and support costs

Governance costs are not separately identified, and Support costs are not apportioned between departments as it is considered that no useful purpose would be served by this. Information technology costs are shown as a separate figure under Administrative Services and Governance costs, together with the cost of telephones, office upkeep and stationery are shown in Administration and finance costs.

(g) Pensions

The Church of England Church Workers Pension Scheme, which is controlled by the Church of England Pensions Board is operated to provide benefits relating to final earning and service. Contributions are charged as expenditure in the year in which they are paid. The Church of England Pensions Board is satisfied that conditions of FRS102 are met in relation to this scheme. Lay employees of the Chapter are eligible to join the Church of England Church Workers Defined Contributions Scheme. Contributions are charged as expenditure in the year in which they are paid.

(h) Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives, less residual value, on a straight line basis as follows:

- Building fixtures (where relevant) 2% per annum
- Fixtures and fittings 5% per annum
- Office equipment 25% per annum
- Computer equipment 33% per annum
- Kitchen equipment, shop fixtures & fittings 20% per annum

Property is valued at existing use value. In line with FRS 102, properties will be revalued on the basis of a full valuation at least every five years. In years with no full valuation, the Cathedral bases any valuation on the previous year's valuation adjusted for the average property price movement during the period.

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

I. ACCOUNTING POLICIES (continued)

(i) Cathedral building

No value is attributed in the balance sheet to either the Cathedral building (including fixtures therein) or to items included in the inventory which is being prepared under s13 (1) of the Care of Cathedrals Measure 1990. The Cathedral is insured at a value agreed with the Ecclesiastical Insurance Group.

(j) Investments

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

(k) Financial instruments

The Chapter only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(l) Stock

Stock is included at the lower of cost or net realisable value.

(m) Debtors

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

(n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term investments with a short maturity of three months or less.

(o) Creditors and provisions

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

(p) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of Chapter in furtherance of the general objectives of the Cathedral and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Cathedral for particular purposes. The cost of raising and administering such funds are charges against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements. Endowment funds represent those assets which must be held permanently by the Cathedral, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Cathedral and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

(q) Going concern

Chapter have prepared forecasts of income and expenditure for the period to 31 December 2024 and cash flow for the period to 31 December 2024 which shows that they have sufficient reserves and cash to be able to continue for the foreseeable future. These forecasts have been prepared based on a new strategy and the expectation that future plans to generate income are successful.

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

Chapter have concluded that the entity remains a going concern whilst such viable options are available to them and therefore continue to adopt the going concern basis of preparation for these financial statements.

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

2. INCOME

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Donations and legacies								
Congregational collections and giving	120,945	-	-	120,945	92,539	-	-	92,539
Donations	19,122	-	-	19,122	19,498	-	-	19,498
Income from appeals	-	17,154	-	17,154	-	8,405	-	8,405
Income from fund raising	-	-	-	-	-	-	-	-
Tax recoverable under Gift Aid	20,695	-	-	20,695	17,300	-	-	17,300
Income from Friends and local trusts	-	140	-	140	-	21	-	21
Legacies	-	26,327	-	26,327	-	18,513	-	18,513
	160,762	43,621	-	204,383	129,337	26,939	-	156,276
Grants in support of mission								
Church Commissioners	-	344,905	-	344,905	-	362,616	-	362,616
Derby Diocese	19,438	-	-	19,438	18,530	-	-	18,530
Allchurches Trust	-	25,000	-	25,000	-	25,000	-	25,000
Other revenue and capital grants	-	84,815	-	84,815	1,383	397,540	-	398,923
	19,438	454,720	-	474,158	19,913	785,156	-	805,069
Charges and fees arising in the course of mission								
Facility and other fees	65,926	-	-	65,926	21,480	-	-	21,480
	65,926	-	-	65,926	21,480	-	-	21,480
Trading and fundraising								
Charges to visitors	52,902	-	-	52,902	16,377	-	-	16,377
Gross income from shops	2,473	-	-	2,473	535	-	-	535
Gross income from other activities	61,457	-	-	61,457	69,093	13,500	-	82,593
Other income	74,417	-	-	74,417	-	-	-	-
	191,249	-	-	191,249	86,005	13,500	-	99,505
Investments								
Property	5,390	-	-	5,390	5,282	-	-	5,282
Investments	20,088	-	-	20,088	19,248	-	-	19,248
	25,478	-	-	25,478	24,530	-	-	24,530
Other income								
Interest receivable on short term deposits	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-
Gains on disposal of operating assets	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total income	462,853	498,341	-	961,194	281,265	825,595	-	1,106,860

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

3. EXPENDITURE

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Raising funds								
Costs of services directly recoverable	37,067	-	-	37,067	9,862	-	-	9,862
Gross costs of shops	4,295	-	-	4,295	3,031	-	-	3,031
General marketing costs	3,821	6,500	-	10,321	9,959	11,393	-	21,352
Cost of other income generating activities	65,330	25,103	-	90,433	15,808	11,306	-	27,114
	110,513	31,603	-	142,116	38,660	22,699	-	61,359
	£	£	£	£	£	£	£	£
Ministry								
Clergy stipends and working expenses	3,499	103,720	-	107,219	3,017	114,964	-	117,981
Clergy housing costs	10,077	9,079	-	19,156	12,175	7,207	-	19,382
Clergy support costs	-	-	-	-	-	-	-	-
Services, music and congregational costs	69,517	164,145	-	233,662	2,150	219,066	-	221,216
	83,093	276,944	-	360,037	17,342	341,237	-	358,579
Cathedral and precincts upkeep								
Maintenance and interior upkeep	67,024	31,433	-	98,457	40,604	130,842	-	171,446
Cathedral Insurance	25,409	-	-	25,409	10,208	13,064	-	23,272
Support costs	-	-	-	-	9,544	2,369	-	11,913
	92,433	31,433	-	123,866	60,356	146,275	-	206,631
Education and outreach								
Educational activities	-	-	-	-	-	-	-	-
Archives and library	-	-	-	-	-	-	-	-
Charitable and other giving	5,054	-	-	5,054	4,249	-	-	4,249
	5,054	-	-	5,054	4,249	-	-	4,249
Community, parish and congregation								
Contribution to Diocese	38,876	-	-	38,876	32,427	4,633	-	37,060
	38,876	-	-	38,876	32,427	4,633	-	37,060
Administrative services								
Administration and finance	46,531	114,584	-	161,115	31,082	113,687	-	144,769
Information technology	12,605	-	-	12,605	7,541	40,495	-	48,036
Personnel and training	2,790	122,597	-	125,387	1,510	102,432	-	103,942
	61,926	237,181	-	299,107	40,133	256,614	-	296,747
Other expenditure								
Interest and similar charges payable	1,162	-	-	1,162	605	-	-	605
Other items	31,284	-	-	31,284	19,523	4,165	-	23,688
	32,446	-	-	32,446	20,128	4,165	-	24,293
Total expenditure	424,341	577,161	-	1,001,502	213,295	775,623	-	988,918

THE CHAPTER OF DERBY CATHEDRAL
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. NET INCOME / (EXPENDITURE) FOR THE YEAR

	2022	2021
This is stated after charging:	£	£
Depreciation	19,953	5,497
Auditor's remuneration	12,760	9,735

5. AUDITOR'S REMUNERATION

	2022	2021
Services	£	£
Audit Services	12,760	8,675
Non audit services	-	1,060
	<u>12,760</u>	<u>9,735</u>

6. EMPLOYEES

STAFF NUMBERS

	2022	2021
Average number of paid employees working for the Cathedral during the year:		
Chapter Full time	8	5
Chapter Part time	11	10
Enterprise company full time	-	-
Enterprise company part time	-	-
	<u>19</u>	<u>15</u>

In addition the Chapter occasionally use casual staff to support events held during the year, including these casual staff the head count was 24 (2021: 17)

STAFF COSTS

	2022	2021
	£	£
Salaries, stipends and pensions	462,530	377,696
Employer national insurance	38,207	29,874
Employer pension contributions	43,566	41,636
	<u>544,303</u>	<u>449,206</u>

No employee or member of the Cathedral clergy received emoluments in excess of £60,000 (2021: nil).

The full time equivalent number of employees for the Chapter was 15 (2021: 13) and for the Enterprise company 0 (2021: 0).

REMUNERATION OF MEMBERS OF THE CHAPTER

	Gross	App. Levy	N.I.	Pension	2022 Total	2021 Total
Clerical members	£	£	£	£	£	£
Reverend Peter Robinson	37,955	176	3,782	11,677	53,590	54,008
Reverend Canon Dr Elizabeth Thomson	-	-	-	-	-	19,247
Reverend Canon Richard Andrews	29,619	127	2,390	9,342	41,478	41,729
Reverend Carla Vicencio Prior	6,242	27	480	1,903	8,652	-

The remuneration and pension provision for the above clerical members are not a cost to the Chapter. They are paid direct by the Church Commissioners in accordance with the scales laid down annually by the Archbishops' Council, the Church of England Pensions Board and the Church Commissioners.

The aggregate amount of expenses reimbursed by the Cathedral for travel and entertainment of 3 clerical members of chapter amounted to £3,619 (2 members 2021 - £3,027)

Lay members

No lay members of the Chapter received remuneration or expense allowances (2021: nil).

No Chapter member received payment for professional or other services to the charity (2021: nil).

Key Management

The key management personnel of the Group, comprise the Head of Operations, the Director of Music, the Head Verger the Finance Manager and the Business Development Officer. The total employee benefits (including employers' national insurance and pension) of the key management personnel of the Chapter were £219,811 (2021: £180,028).

7. TRANSFERS

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Transfers between funds	15,152	(15,152)	-	-	56,171	(56,171)	-	-
	<u>15,152</u>	<u>(15,152)</u>	<u>-</u>	<u>-</u>	<u>56,171</u>	<u>(56,171)</u>	<u>-</u>	<u>-</u>

Transfer of restricted income received for capital assets: Viscount Organ £48,727, Grand Piano £4,169, IT equipment CRF £3,275 where conditions of the grant have been fulfilled.

8. INVESTMENT IN SUBSIDIARY

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
At cost 1 January	50,000	-	-	50,000	50,000	-	-	50,000
Provision made against value of investment	(50,000)	-	-	(50,000)	(50,000)	-	-	(50,000)
At cost 31 December	-	-	-	-	-	-	-	-

The subsidiary company is Derby Cathedral Enterprises Ltd a company incorporated in England & Wales and is wholly owned by the Chapter.

In light of the deficit in reserves in the subsidiary it has been considered prudent to make full provision against the value of this investment in these accounts.

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

9. INVESTMENTS

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Group and Chapter	-	-	-	-	-	-	-	-
Market value brought forward at 1 January 2022	-	833,243	175,532	1,008,775	-	596,628	153,564	750,192
Add: additions to investments at cost	-	-	-	-	-	150,000	-	150,000
Transfers between funds	-	-	-	-	-	-	-	-
Disposals at carrying value	-	-	-	-	-	-	-	-
Add net gain/(loss) on revaluation	-	(96,104)	(20,663)	(116,767)	-	86,615	21,968	108,583
Market value as at 31 December 2022	-	737,139	154,869	892,008	-	833,243	175,532	1,008,775

INVESTMENTS (at market value) – Group and Chapter

	2022	2021
	£	£
M&G Charifund	25,511	27,016
CBF Investment Fund	758,438	859,336
CBF Property Fund	108,059	122,423
	892,008	1,008,775

Investments at fair value Comprised:

	2022	2021
	£	£
Equities	-	-
General investment funds	783,949	886,352
Fixed interest securities	-	-
Property fund	108,059	122,423
Total	892,008	1,008,775

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the market price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Chapter is considered in the financial review and investment policy and performance sections of the Chapter's Annual Report.

In addition The Chapter holds an investment in Derby Cathedral Enterprises Limited, this investment is carried at £nil and has a historical cost of £50,000

10. INVESTMENT INCOME

	2022	2021
	£	£
Dividends receivable	20,014	19,247
Property income distribution	5,390	5,282
Interest receivable	74	-
	25,478	24,529

11. NON INVESTMENT PROPERTY

	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Group and Chapter	-	-	-	-	-	-	-	-
At cost 1 January	2,147,000	-	-	2,147,000	2,025,000	-	-	2,025,000
Additions	83,177	-	-	83,177	-	-	-	-
Net increase / (decrease) on disposals and revaluation	83,423	-	-	83,423	122,000	-	-	122,000
At 31 December (valuation 2021)	2,313,600	-	-	2,313,600	2,147,000	-	-	2,147,000

Properties – Group and Chapter

The Cathedral Centre at 18 – 19 Iron Gate and the Car Park on St Michael's Lane were valued at an effective date of 31 December 2020 by David Brown Commercial at open market value for existing use basis. 27a Penny Long Lane was valued at an effective date of 31 December 2021 by Graham Webster DipSurv MRICS at open market value for existing use basis. The other two Clergy properties were valued at an effective date of 28th October 2021 by David Brown Commercial at open market value for existing use basis.

If the properties had been carried under the historical cost convention then the amount in the accounts would be £1,947,694 (2021 £1,947,694)

Schedule of Properties

Clergy houses:

22 Kedleston Road, Derby, DE22 1GU

24 Kedleston Road, Derby, DE22 1GU

27a Penny Long Lane, Derby, DE22 1AX

Other properties:

Derby Cathedral Centre, 18/19 Iron Gate, Derby, DE1 3GP

Derby Cathedral Car Park, St Michael's Lane, Derby, DE1 3DT

12. ALLOCATION OF PROPERTY & INVESTMENT INCOME

	Property		Investments	
	2022	2021	2022	2021
	£	£	£	£
Earned & Allocated				
Unrestricted	5,390	5,282	20,088	19,247
	5,390	5,282	20,088	19,247

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

13. EQUIPMENT & PLANT - Group

Unrestricted	Unrestricted	Restricted	Endowment	2022	2021
	£	£	£		
Cost	298,054	-	-	298,054	238,312
Depreciation	(239,108)	-	-	(239,108)	(233,611)
Net book value at 1 January	58,946	-	-	58,946	4,701
Additions	23,096	-	-	23,096	59,742
Depreciation for year	(19,953)	-	-	(19,953)	(5,497)
Cost of disposals	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-
Net book value at 31 December	62,089	-	-	62,089	58,946
Cost	321,150	-	-	321,150	298,054
Depreciation	(259,061)	-	-	(259,061)	(239,108)
Net book value at 31 December	62,089	-	-	62,089	58,946

EQUIPMENT & PLANT - Chapter

Unrestricted	Unrestricted	Restricted	Endowment	2022	Unrestricted	Restricted	Endowment	2021
	£	£	£	£	£	£	£	£
Cost	108,951	-	-	108,951	49,209	-	-	49,209
Depreciation	(50,005)	-	-	(50,005)	(44,508)	-	-	(44,508)
Net book value at 1 January	58,946	-	-	58,946	4,701	-	-	4,701
Additions	23,096	-	-	23,096	59,742	-	-	59,742
Depreciation for year	(19,953)	-	-	(19,953)	(5,497)	-	-	(5,497)
Cost of disposals	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-
Net book value at 31 December	62,089	-	-	62,089	58,946	-	-	58,946
Cost	132,047	-	-	132,047	108,951	-	-	108,951
Depreciation	(69,958)	-	-	(69,958)	(50,005)	-	-	(50,005)
Net book value at 31 December	62,089	-	-	62,089	58,946	-	-	58,946

14. DEBTORS - Group

	2022	2021
	£	£
Trade debtors	19,211	19,165
Other debtors	46,495	61,174
Prepayments and accrued income	31,615	5,669
	97,321	86,008

DEBTORS - Chapter

	2022	2021
	£	£
Trade debtors	18,709	18,663
Amounts owed from group undertakings	18,364	2,745
Other debtors	46,419	60,277
Prepayments and accrued income	31,615	5,669
	115,107	87,354

15. CREDITORS (amounts falling due within one year) - Group

	2022	2021
	£	£
Trade creditors	14,107	22,925
Other creditors	29,878	31,519
Accruals and deferred income	72,844	71,836
	116,829	126,280

CREDITORS (amounts falling due within one year) - Chapter

	2022	2021
	£	£
Trade creditors	13,135	22,431
Other creditors	26,936	30,459
Accruals and deferred income	72,844	71,836
	112,915	124,726

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

16 CAPITAL COMMITMENTS

	2022	2021
Fire Alarm	-	-
Sacristy Security	-	9,000
	-	<u>9,000</u>

17. CONNECTED ENTITIES AND RELATED PARTY TRANSACTIONS

Derby Cathedral Endowment Fund is a trust that stands separate to the Cathedral and which is not consolidated in these accounts. The Trust Deed requires the trustees to pay the income of the trust to the Cathedral for the maintenance and ministry of the Cathedral Church. The assets of the Fund at 31 December 2022 were £453,644 (2021 - £527,012) and the income for the year was £14,541 (2021 - £13,893). The amount paid to the Cathedral in the year was £Nil (2021 - £Nil).

The balance owed to the Chapter of Derby Cathedral Endowment Fund was £11,911 at both this and the previous year end.

Derby Cathedral Enterprises Ltd (DCEL) is a wholly owned subsidiary of The Chapter of Derby Cathedral. During the year The Chapter of Derby Cathedral purchased goods totalling £3,660 from DCEL and sold goods totalling £1,891 to DCEL. Cash transfers during the period totalled £17,387. The intercompany balance as at 31st December 2022 was £18,363.

Derby Diocesan Board of Finance (DDBF) is a related party of The Chapter of Derby Cathedral. During the year The Chapter of Derby Cathedral purchased goods totalling £3,015 (2021 - £18,455) from DDBF. Contributions to the Diocese totalled £38,876 (2021 - £37,060), contributions from the Diocese totalled £19,438 (2021 - £18,530).

18. TAXATION

The Chapter is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

19. PENSIONS

Derby Cathedral participates in the Pension Builder Scheme section of CWPf for lay staff. CWPf is administered by the Church of England Pensions Board, which holds the CWPf assets separately from those of the Employer and other participating employers.

CWPf has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, 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. Discretionary increases may also be added, depending on investment returns and other factors.

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 and that 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 (2022: £43,566, 2021: £41,636).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022. For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

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

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

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20. FUNDS

Summary of Fund Movements

	Balance b/f 1 January 2022	Income	Expenditure	Unrealised Gain / (loss) on Revaluation	Transfer	Balance c/f 31 December 2022
	£	£	£	£	£	£
Unrestricted Funds						
General Fund	2,268,917	460,380	(420,046)	-	15,152	2,324,403
Revaluation Reserve	199,306	-	-	83,423	-	282,729
DCEL	(75,744)	2,473	(4,295)	-	-	(77,566)
	2,392,479	462,853	(424,341)	83,423	15,152	2,529,566
Restricted Funds						
Harpur Crewe Fund	325,423	27	-	-	-	325,450
Leonard Childs Fund	181,830	-	-	-	-	181,830
Cathedral Fabric Funds	153,375	16,050	(25,542)	-	(15,152)	128,731
Choir & Music	81,778	16,044	(24,353)	-	-	73,469
Church Commissioners	95,259	426,220	(486,521)	-	-	34,958
Culture Recovery Fund	3,963	-	(2,245)	-	-	1,718
Other funds	40,215	40,000	(38,500)	-	-	41,715
Accumulated Rise/Fall in Investments	201,783	-	-	(96,104)	-	105,679
	1,083,626	498,341	(577,161)	(96,104)	(15,152)	893,550
Endowment Funds						
Choir Fund	12,000	-	-	-	-	12,000
Friends of Cathedral Music	61,000	-	-	-	-	61,000
Other funds	102,532	-	-	(20,663)	-	81,869
	175,532	-	-	(20,663)	-	154,869
Total Funds	3,651,637	961,194	(1,001,502)	(33,344)	-	3,577,985

Summary of Assets Per Fund

	Tangible Fixed Assets	Fixed Asset Investments	Current Assets	Creditors	Net Assets 31 December 2022
	£	£	£	£	£
Unrestricted Funds					
General Fund	2,375,689	-	27,623	(78,909)	2,324,403
Revaluation Reserve	-	-	282,729	-	282,729
DCEL	-	-	(73,652)	(3,914)	(77,566)
	2,375,689	-	236,700	(82,823)	2,529,566
Restricted Funds					
Harpur Crewe Fund	-	233,475	115,380	(23,405)	325,450
Leonard Childs Fund	-	224,447	(42,617)	-	181,830
Cathedral Fabric Funds	-	107,609	31,723	(10,601)	128,731
Choir & Music	-	46,575	26,894	-	73,469
Church Commissioners	-	-	34,958	-	34,958
Culture Recovery Fund	-	-	1,718	-	1,718
Other funds	-	19,354	22,361	-	41,715
Accumulated Rise/Fall in Investments	-	105,679	-	-	105,679
	-	737,139	190,417	(34,006)	893,550
Endowment Funds					
Choir Fund	-	12,000	-	-	12,000
Friends of Cathedral Music	-	61,000	-	-	61,000
Other funds	-	81,869	-	-	81,869
	-	154,869	-	-	154,869
Total Funds	2,375,689	892,008	427,117	(116,829)	3,577,985

Restricted Funds

Leonard Childs Fund
Cathedral Fabric Fund
Choir & Music
Church Commissioners
Other funds

Purpose

A legacy was received during 2013 from the Estate of Revd Canon Leonard Childs. This money was left for the maintenance of the Cathedral building.
The Fabric Fund exists to support major maintenance projects in the Cathedral building.
The Choir & Music Funds exist to support the provision of choir education and music within the Cathedral.
The funds held against Church Commissioners relate to S21 grant received or due at the balance sheet date for use by Chapter.
Various amounts have been donated to the Cathedral for restricted purposes. This includes grants from the Church Commissioners for the stipends of clergy and lay salary costs, which were expended during the year.

Harpur Crewe

Cultural Recovery Fund

A legacy was received during 2020 from the Estate of Harpur Crewe. This money was left to support the fabric costs of the Cathedral building.
The Cultural Recovery Fund was awarded during 2020 and 2021 and is to support the core operations of the Cathedral and improvements.

Endowment Funds

Choir Fund
Friends of Cathedral Music
Other funds

Purpose

This fund is for the provision of singing lessons for members of the choir.
The initial £21,000 of this fund is for the provision of music lessons to the choir girls and boys. The Friends of Cathedral Music made a further endowment grant of £40,000 in 2013 for the general support of the choir.
Various smaller funds have been endowed to the Cathedral in past years for a variety of purposes.

THE CHAPTER OF DERBY CATHEDRAL
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21. FUNDS (Prior Year)

Summary of Fund Movements

	Balance b/f 1 January 2021	Income	Expenditure	Unrealised Gain / (loss) on Revaluation	Transfer	Balance c/f 31 December 2021
	£	£	£	£	£	£
Unrestricted Funds						
General Fund	2,142,280	280,730	(210,264)	-	56,171	2,268,917
Revaluation Reserve	77,306	-	-	122,000	-	199,306
DCEL	(73,248)	535	(3,031)	-	-	(75,744)
	2,146,338	281,265	(213,295)	122,000	56,171	2,392,479
Restricted Funds						
Harpur Crewe Fund	323,021	2,402	-	-	-	325,423
Leonard Childs Fund	224,447	6,110	-	-	(48,727)	181,830
Cathedral Fabric Funds	131,369	117,849	(91,674)	-	(4,169)	153,375
Choir & Music	69,043	35,097	(22,362)	-	-	81,778
Church Commissioners	73,780	362,616	(341,137)	-	-	95,259
Culture Recovery Fund	31,450	251,521	(275,733)	-	(3,275)	3,963
Other funds	34,932	50,000	(44,717)	-	-	40,215
Accumulated Rise/Fall in Investments	115,168	-	-	86,615	-	201,783
	1,003,210	825,595	(775,623)	86,615	(56,171)	1,083,626
Endowment Funds						
Choir Fund	12,000	-	-	-	-	12,000
Friends of Cathedral Music	61,000	-	-	-	-	61,000
Other funds	80,564	-	-	21,968	-	102,532
	153,564	-	-	21,968	-	175,532
Total Funds	3,303,112	1,106,860	(988,918)	230,583	-	3,651,637

Summary of Assets Per Fund

	Tangible Fixed Assets	Fixed Asset Investments	Current Assets	Creditors	Net Assets 31 December 2021
	£	£	£	£	£
Unrestricted Funds					
General Fund	2,205,946	-	103,879	(40,908)	2,268,917
Revaluation Reserve	-	-	199,306	-	199,306
DCEL	-	-	(74,190)	(1,554)	(75,744)
	2,205,946	-	228,995	(42,462)	2,392,479
Restricted Funds					
Harpur Crewe Fund	-	233,475	91,948	-	325,423
Leonard Childs Fund	-	224,447	6,110	(48,727)	181,830
Cathedral Fabric Funds	-	107,609	49,935	(4,169)	153,375
Choir & Music	-	46,575	35,203	-	81,778
Church Commissioners	-	-	95,259	-	95,259
Culture Recovery Fund	-	-	34,885	(30,922)	3,963
Other funds	-	19,354	20,861	-	40,215
Accumulated Rise/Fall in Investments	-	201,783	-	-	201,783
	-	833,243	334,201	(83,818)	1,083,626
Endowment Funds					
Choir Fund	-	12,000	-	-	12,000
Friends of Cathedral Music	-	61,000	-	-	61,000
Other funds	-	102,532	-	-	102,532
	-	175,532	-	-	175,532
Total Funds	2,205,946	1,008,775	563,196	(126,280)	3,651,637

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22. FIVE YEAR SUMMARY

Key figures for the last five years are as follows:

Year Ending 31 December	2022	2021	2020	2019	(restated) 2018
	£	£	£	£	£
Total Incoming Resources					
Unrestricted	462,853	281,265	361,467	602,063	647,489
Restricted	498,341	825,595	910,860	424,962	464,306
Endowment	-	-	-	-	-
Net Incoming / (Outgoing) Resources					
Unrestricted	38,512	67,970	(31,973)	(54,086)	(4,687)
Restricted	(78,820)	49,972	382,798	(30,879)	925
Endowment	-	-	-	-	-
At 31 December	2022	2021	2020	2019	(restated) 2018
	£	£	£	£	£
Net Current Assets					
Unrestricted	153,877	186,533	116,637	5,592	84,695
Restricted	156,411	250,383	406,582	107,258	138,137
Endowment	-	-	-	-	-
Total Funds					
Unrestricted	2,529,566	2,392,479	2,146,338	2,194,212	2,214,145
Restricted	893,550	1,083,626	1,003,210	601,056	570,461
Endowment	154,869	175,532	153,564	143,683	121,042

23. FINANCIAL PERFORMANCE OF THE CHAPTER

The consolidated statement of financial activities includes the results of the Chapter's wholly owned subsidiary.

The summary financial performance of the Chapter alone is:

Statement of Financial Activities	2022	2021
	£	£
Income	958,721	1,106,325
Gift aid from subsidiary company	-	-
Expenditure on charitable activities	(997,207)	(985,887)
Net Income / (expenditure) before Investment Gains/(Losses)	(38,486)	120,438
Gain / (Losses) on investments in year	(116,767)	108,583
Gain / (Losses) on revaluation of fixed assets	83,423	122,000
Provision against balance owed by subsidiary	-	-
Net Income / (expenditure)	(71,830)	351,021
FUNDS		
Unrestricted income funds (adjusted)	2,514,877	2,375,968
Restricted income funds	893,550	1,083,626
Endowment income funds	154,869	175,532
	3,563,296	3,635,126

24. INCOME EARNED FROM OTHER ACTIVITIES

The wholly owned trading subsidiary Derby Cathedral Enterprises Limited is incorporated in the United Kingdom (company number 1860220) and pays all of its profits to the Chapter under the gift aid scheme. A summary of the trading results is shown below.

	2022	2021
	£	£
The summary financial performance of the subsidiary alone is:		
Turnover	2,473	535
Cost of sales and administration costs	(4,295)	(3,031)
Interest receivable	-	-
Net (loss) / profit	(1,822)	(2,496)
Amount gift aided to the charity	-	-
Retained in subsidiary	(1,822)	(2,496)
The assets and liabilities of the subsidiary were:		
Fixed assets	-	-
Current assets	36,967	20,810
Current liabilities	(64,533)	(46,554)
Total net assets / (liabilities)	(27,566)	(25,744)
Aggregate share capital and reserves	(27,566)	(25,744)

