



**2017**

**Annual Report and Accounts**

## THE CHAPTER OF YORK

### The Mission of York Minster

**York Minster, inviting everyone to discover God's love through our welcome, worship, learning and work.**

We have identified five key purposes; they will inform all we do;

- to play an active role, across the Diocese of York and the Northern Province of the Church of England supporting the work of the Archbishop, sharing our skills and knowledge and working with communities and partners to further our mission;
- to inspire people, through the story of Jesus Christ, through our worship, prayer and music and through the heritage and history of York Minster, onto a journey of personal and corporate transformation;
- to engage all our community in a participative and consultative way;
- to put learning and the transformation of ourselves and of others at the heart of all we do;
- to manage our business successfully, covering our costs and generating the funding necessary to further our mission and to sustain the Minster.

#### **Values:**

- Courage
- Trust
- Wisdom

#### Obituaries

- The Chairman of the Fabric Advisory Committee, The Rt. Revd M Perham, former Bishop of Gloucester, an Easter person to the end, died peacefully at home surrounded by his family on Easter Monday 2017.

**THE CHAPTER OF YORK**

**Annual Report and Accounts  
For the year ended 31 December 2017**

<b>INDEX</b>	<b>PAGE</b>
The Mission of York Minster & Obituaries	2
Administrative information	4 - 6
Dean's Review	7 – 14
Financial Review	15 - 20
Plans for Future Periods	20 - 21
Structure, Governance and Management	21 - 23
Statement of the Chapter's responsibilities, Risk Management and Investment Powers	24
Report of the Auditors	25-28
Consolidated Statement of Financial Activities	29
Consolidated Balance Sheet	30
Chapter Balance Sheet	31
Consolidated Cash Flow Statement	32
Notes to the Accounts	33 - 58

The Chapter presents its Annual Report and Accounts for the year ended 31 December 2017 which comprises: Dean's Review, Report of the Auditors, Consolidated Statement of Financial Activity (SoFA), Consolidated Balance Sheet of the group, Cathedral Balance Sheet, Consolidated Cash Flow Statement, Accounting Policies and Notes to the Financial Statements.

The Annual Report is prepared in accordance with the reporting requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (February 2015).

## THE CHAPTER OF YORK

### Administrative and reference details

<b>Full legal name of Cathedral</b>	Cathedral and Metropolitan Church of St. Peter in York
<b>Commonly used name</b>	York Minster
<b>Office Address</b>	Church House, 10-14 Ogleforth, York, YO1 7JN
<b>Visitor</b>	The Archbishop of York, the Most Revd and Rt Hon Dr John Tucker Mugabi Sentamu
<b>High Steward</b>	The Rt Hon The Earl of Halifax

### CHAPTER

The members during the year were:

<b>Dean</b>	The Very Revd Dr V F Faulk
<b>Canon Precentor</b>	The Revd Canon P J Moger
<b>Canon Chancellor</b>	The Revd Canon Dr C P Collingwood
<b>Canon Pastor</b>	The Revd Canon M D Smith
<b>Residentiary Canon</b>	The Ven D J Butterfield (to 29 June 2017)
<b>Interim Canon Treasurer</b>	The Revd Canon M D Smith (from 6 April 2017 until 25 January 2018)
<b>Canon Treasurer</b>	Canon Dr A S Green (until 6 April 2017) (from 25 January 2018)
<b>Lay Canon</b>	Canon Dr J E Winkley
<b>Lay Canon</b>	Canon N M Harkin (to 18 June 2017)
<b>Lay Canon</b>	Canon Dr R J Shephard

### THE CATHEDRAL COUNCIL

The members during the year were:

<b>Chairman</b>	Canon P N Collier
<b>Dean</b>	The Very Revd Dr V F Faulk

#### Members of Chapter:

The Revd Canon P J Moger  
The Revd Canon Dr C P Collingwood  
Canon Dr R J Shephard

#### Members Appointed by the Archbishop:

The Rt Hon The Earl of Halifax  
Mr S Galloway  
Dr J Grenville (to May 2017)  
Ms T Hunt (to May 2017)  
Rt Rev C Madden OSB  
Prof J Stern  
Sir W Worsley  
Mr H R Langham (to May 2017)

#### Members of the College of Canons:

The Revd Canon J C Weetman (to May 2017)  
The Ven S R Bullock  
The Revd Canon Dr N D Barnes (from June 2017)

#### Members of the Minster Community:

Mr T Plimmer (to May 2017)  
Mr C Rundle  
Ms S Thompson (to May 2017)  
Mrs C Funnell (from June 2017)  
Mrs R Hicks (from June 2017)  
Mr J Morley (from June 2017)  
Dr J Gillespie (from June 2017)  
Mr M Shepherd (from June 2017)

**THE CHAPTER OF YORK****Administrative and reference details (continued)****THE COLLEGE OF CANONS**

The members during the year, in order of installation:

The Chapter, as listed on the previous page

The Revd Canon T G Grigg

The Revd Canon I J Fox

The Revd Canon F J A Hewitt

The Revd Canon J D Purdy (to 7 October 2017)

The Revd Canon S Sheriff

The Revd Canon D A Walker

Canon P N Collier

The Revd Canon A Bailey

The Revd Canon J C Weetman

The Revd Canon E Wilson

The Revd Canon C H Goulder

Canon L Ali

Canon R Liversedge

Canon P J Warry

The Revd Canon E E Bielby

The Revd Canon R W Simpson

The Revd Canon S V Cope

The Revd Canon Dr N D Barnes

The Revd Canon D O Casswell (to 12 August 2017)

The Revd Canon W J Ford

The Rt Revd G H Webster EO

The Ven S R Bullock EO

The Rt Revd P J Ferguson EO

The Rt Revd J B Thomson EO

The Ven A C Broom EO

The Ven S J Rushton EO

The Rt Revd A M White EO

The Revd Canon Dr D M Green

The Revd Canon R E Harrison

The Revd Canon WM Macnaughton

The Revd Canon C Wilton

The Revd Canon M Baldock (29 June to 31 August 2017)

**Minor Canon Succentor****Reader****Honorary Minor Canon****Honorary Minor Canon****Honorary Minor Canon**

The Revd Catriona Cumming (from 8 October 2017)

Dr Diane Craven

The Revd Daniel Jones

The Revd David Mann

The Revd Dr Rowan Williams

**STAFF****Chapter Steward****Chapter Clerk****Director of Finance****Director of Music****The Master of the Minster School****Superintendent of Works****Interim Superintendent of Works****Director of People****Director of Communications****Director of Visitor Experience**

Kathryn Blacker

Andy Oates

Eve Hartrick FCCA

Robert Sharpe

Alex Donaldson

Alex McCallion (from 1 July 2017)

Paul Greene (until 30 June 2017)

Ruth Dunlop

Sharon Atkinson

Patricia Dunlop (from 1 August 2017)

**THE CHAPTER OF YORK**
**Administrative and reference details (continued)**
**FINANCE COMMITTEE**

The members during the year were:

<b>Canon Treasurer and Chairman</b>	Canon Dr A S Green (until 6 April 2017)(from 25 January 2018)
<b>Interim Chairman</b>	Graham Millar FCA (from 6 April 2017 until 25 January 2018)
<b>Interim Canon Treasurer</b>	The Revd Canon M D Smith (from 6 April 2017 until 25 January 2018)
<b>Dean</b>	The Very Revd Dr V F Faul
<b>Members</b>	Graham Millar FCA Philip Ashton FCA Paul Fox MRICS Neil Harkin Rodger Hobson (from 13 July 2017) Daniel Grew (from 7 December 2017)
<b>Chapter Steward</b>	Kathryn Blacker
<b>Director of Finance and Secretary</b>	Eve Hartrick FCCA

**AUDIT COMMITTEE**

The members during the year were:

<b>Chairman</b>	Graham Millar FCA Philip Ashton FCA
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**FABRIC ADVISORY COMMITTEE**

The membership of the Fabric Advisory Committee changed during the year, those members serving throughout the year are shown below:

<b>Chairman</b>	The Rt. Revd M Perham (R.I.P April 2017)
<b>Deputy Chairman</b>	Dr J Gough Mr M Stancliffe Mr C Cotton Ms T Hunt Ms S VanSnick Dr J Grenville Mr J McCosh Dr I Rauch Mr A Graham
<b>Secretary</b>	Mr D Demack

**ADVISERS TO CHAPTER**

Surveyor of the Fabric	Mr A Arrol, Arrol & Snell Ltd
Archaeologist	Mr S Harrison, Ryedale Archaeology Service Ltd
Bankers	HSBC Bank plc, 13 Parliament Street, York, YO1 8XS
Solicitors	Grays, Duncombe Place, York, YO1 7DY
Investment Managers	Rathbones Brothers Plc, 1 Curzon Street, London, W1J 5FB
Property Managers	Sanderson Weatherall LLP, 25 Wellington Street, Leeds, LS1 4WG

**INDEPENDENT AUDITOR**

JWPCreers LLP, Genesis 5, Heslington, York, YO10 5DQ

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts

#### **ACHIEVEMENTS AND PERFORMANCE**

2017 was the third year of Chapter's strategic plan 2015-2020 and much has been achieved during the first three years. Highlights of 2017 included: the final conserved panes of glass being returned to the Great East Window; the announcement of a twenty year partnership with the York Glaziers' Trust to protect the Minster's medieval stained glass; the resumption of regular bell-ringing and a 'short' Advent which saw some of the highest numbers on record participating in worship.

Numbers of people attending the Minster both for worship and for pilgrimage have increased, 18% more visitors and 12% more worshippers compared to 2016 levels. That additional footfall has also benefitted our retail operation, where the end of year figures showed a 20% increase of gross income. This excellent performance is down to the hard work and commitment of all those who work and volunteer on the floor of the Minster. Their dedication to inviting everyone to discover God's love is shown in the increasing number of people, in 2017 over 650,000, who have been welcomed into the Minster.

#### **Becoming outward looking**

In September we welcomed two Lay Ministry Assistants to live and pray alongside us until July 2018. These are two young people in their mid-twenties eager to discern God's call on their life. We are receiving some funding for the project (£4,000) from the national Church. We are also working in partnership with a local parish priest and her parish, St Luke's York, to ensure the Ministry Assistants gain experience from working in a normal parish setting. York Minster is providing the LMAs with accommodation, a small monthly payment and reasonable expenses. The aim of the project is to support the national Church in encouraging vocations among the young and also to sow the seeds of future Cathedral ministry.

We were delighted to welcome, in October, the Revd Catriona Cumming to join the clergy team as Succentor. The creation of this post marks Chapter's commitment to the future of cathedrals by making it possible for a priest to gain cathedral experience early in their ordained ministry. Catriona divides her time between two areas, working with the Precentor on worship (including the singing of Evensong) and the Pastor, within and beyond the Minster community. Much of her work has an outward-facing focus, and includes sharing in ministry among young families and younger adults, and oversight of the monthly alternative service Threshold. Catriona has already made a significant impact on our life, and we look forward to her continuing contribution in the years ahead.

Due to the enthusiasm, commitment and hard work of volunteers at the Minster we have continued to support Middlesbrough foodbank. There have been collections of food twice, once in Lent and once around Harvest time and a substantial amount of food has been delivered to the foodbank.

The work of the Social Action Group continued, with focus on supporting the three designated Minster Charities, York Neighbours, Homestart and Embrace.

Coffee mornings were run in the north transept between April and November by a collective which included Chapter staff, members of the Minster Community, the Friends of York Minster and the Chorister parents. These coffee mornings were a regular chance for staff, volunteers and visitors to meet and talk.

#### **Extending our Reach**

The Chapter members have shared in the support of parishes, ensuring wherever possible a Minster presence at the inductions of licensing of new incumbents.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### Extending our Reach (continued)

They have also contributed to the appointment of clergy in parishes for which Chapter acts as Patron.

The Dean is a member of the Archbishop's Leadership team and in addition contributed to the drafting of Diocesan Strategy. She chairs the national Deans' conference and is a member of the Association of English Cathedrals executive. In 2017 she was appointed Vice Chair of the national Cathedrals Working Group which was set the task of reviewing the finance and governance of English Anglican cathedrals and making recommendations for the future. She also led a study day at Wydale Hall on Christian Social Engagement. She is chairing the Community Forum for York Central, the largest brownfield development site in northern England, a city of York aspiration for more than 20 years which at last has momentum. Further afield, with the invitation and support of the High Steward, Lord Halifax, the Dean travelled to Belgium in March, and, with Fr Thomas Pott O.S.B and Dr Jamie Hawkey, Dean of Clare College Cambridge, conveners of the Malines Theological Conversations, were presented to both Cardinal Danneels and his successor Cardinal Joseph de Kesel. Friendships which have continued between York and Malines for nearly a century are now renewed.

The Precentor has continued to be involved in liturgical formation work within the Diocese and Region, teaching on the Reader training course, at Hild College (formerly the Yorkshire Ministry Course), with the College of the Resurrection at Mirfield, and contributing to the curate training programme. Within the wider church, he has served as Chair of the Trustees of the Hymn and Song Writers Foundation (Jubilate Hymns) and as a liturgical editor for Church House Publishing.

Canon Michael Smith attends Deanery Synod meetings and is also, after the recent review of the work of Deaneries, on the York Deanery Leadership Team. He also sits on the Diocesan Strategic Safeguarding Committee. Over the past year he has taken Sunday services in parishes in the wider diocese three times and he has spoken in neighbouring parishes twice. In June he welcomed and prayed with well over a thousand people who gathered for York Pride outside the Minster in preparation for the annual parade for the LGBTI community in York. In October, along with others from our community, he helped organize a very successful visit to the Minster from friends at York Mosque. Over twenty members of the mosque, including the Imam, came for refreshments and a tour of the Minster.

During the year members of the Minster staff team have supported the work of other cathedrals by offering advice, sharing best practice and supporting recruitment and projects for Durham, Lincoln, Bradford, Canterbury and Norwich cathedrals. The Dean sat on appointment panels for appointments of Deans for Peterborough and Liverpool cathedrals. Members of the staff team also presented at the Cathedral Archives, Libraries and Collections Association, Cathedrals Plus and the FAC Conference. The team has worked beyond the Cathedral network offering support and advice to the Old Royal Naval College and to Chatsworth.

Media interest in the Minster remained high throughout 2017. The Attestation Ceremony for our Cathedral Constables was a major news story with the Minster team starring in Country Life magazine's 120 year anniversary edition. The cathedral's architecture, history, music and glass attracted influential programme makers such as Australian Peter Beveridge whose series "Guardians of Time" – about Britain's great cathedrals and abbeys – will be distributed to global media companies later in 2018. In December, the BBC's One Show visited the Minster to make a film about the Advent Wreath. On the digital content front, #CathedralWorldCup was an unexpected bonus. An enthusiast launched the poll of English and Welsh cathedrals and the various social media teams joined in to highlight what makes cathedrals great.



## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Extending our Reach (continued)**

The debate went viral reaching more than 7.5 million people on Twitter and was picked up by mainstream media. Although York Minster was (controversially), edged into second place by Lincoln Cathedral, #CathedralWorldCup contributed to the increasing success of our digital networks as a place where our stories can stand out in a crowded news environment.

#### **Sharing God's love**

The daily and seasonal round of worship has continued throughout the year, engaging a wide range of people from across the world. Attendances at Choral Evensong continued to be high, particularly in the latter half of the year. An average of 1,599 attended the Minster during the week and a further 785 on Sundays. We hosted a double consecration – of the new bishops of Sheffield and Sodor and Man, the ordinations of 11 deacons and 10 priests for the Diocese of York, and the admission of 8 new Readers, alongside 87 special services for church and community organizations and the armed forces.

The Clergy team has begun several new initiatives during 2017. The York Minster Pilgrimage Group seeks to promote and nurture spirituality in various forms, not least an annual pilgrimage and quiet days. The Canon Chancellor led a pilgrimage to St Andrew's Abbey, Zevenkerken in Bruges in May, attended by more than 20 people. Another new venture was a pilot project, entitled 'Silence in the Minster'. From 1900-2100 one evening in July, the Minster was open to those who wanted to come and experience the Minster in almost complete silence. 100 people came and much appreciated the talk, guided silence, reading of poems to help sustain the silence, and Compline sung by the Ebor Singers. A second evening followed and a new tradition established for 2018. Lent talks were rescheduled from evening to lunchtime and gained larger audiences. Picking up the theme of 'Journeys', five local and national speakers were invited to come and share their own personal journeys of faith. Canon Christopher Collingwood, Canon Chancellor, provided the opportunity for members of the Minster Community to share their own faith stories. Spread over four weeks and involving regular worshippers, staff, volunteers and others, and based on the story of the Journey to Emmaus in the Gospel of Luke, 12 people gathered in May to pilot the project. A second was run in October and November and further courses are planned for 2018.

The daily round of worship is underpinned during term time by the Minster choir, supported by our team of musicians and the Grand Organ. At the start of the year, the choir made a new CD recording entitled Choral Evensong from York Minster which was released towards the end of the year and has already received very favourable reviews. It contains the complete service including bell, aisle prayers, readings and intercessions as well as music and is selling well in the Minster Shop. Daily services continued as usual until Easter and then the choir toured to York's twinned city, Münster, in Germany during the choir's Easter holiday. The choristers had the valuable opportunity to stay with German families and absorb local traditions and cuisine. During the summer term, we hosted at home the Northern Cathedral Festival (NCF) (Evensong sung by the combined choirs of York, Ripon and Durham Cathedrals) which was Dr James Lancelot's final NCF before retiring after 32 years' service as Master of the Choristers and Organist at Durham Cathedral. James wore Sir Edward Bairstow's Durham DMus robes for the service. In the final week of the summer term, the choir enjoyed performing a concert at Castle Howard as part of the Ryedale Festival. We read out our leaving choristers and choral scholars in July and then, after the summer break, began the new academic year in September with reading in of new choristers and scholars.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Sharing God's love (continued)**

In the Michaelmas term, as well as the daily round of services and, towards the end, the Christmas concerts and services, the choir marked the 100th birthday of Organist Emeritus Dr Francis Jackson at two special Evensongs with receptions afterwards as well as a whole week of services featuring his compositions. Performances of the Duruflé and Fauré Requiems within the liturgy were given and the now-customary annual performance of Handel's Messiah to a very large audience in December.

In June 2017, Angela Mitchell, a long-standing Minster bell-ringer, was appointed to the newly created role of Head of Bell Tower. Angela oversaw the resumption of regular bell ringing at the Minster in the autumn of 2017. Her tireless work to create a welcoming and safe environment for those visiting the tower deserves recognition and thanks. She and her team have welcomed several new ringers to the band, enabling novices to ring in other towers before allowing them to ring at the Minster. Chapter would like to record its thanks to Angela for her willingness to take this role on, and also to Angela's family who have supported her as she has managed this part time position over and above a demanding day job.

The Minster Community Roll was renewed during the early part of 2017, and now contains 329 names. Elections were duly held and the following members of the Minster Community were elected to the York Deanery Synod: Margaret Clegg, Diane Craven and Sammi Tooze; the Minster's Cathedral Council: Tina Funnell, Rachel Hicks, John Morley and Chris Rundle; and in addition to the seven people above, who all form the ex officio members of the Minster Community Committee: Louise Amende, Sarah Burland, Alison Forster, Ben Fuller, Marty Harwell, Ehren Mierau, Graham Titchener and Rob Tribe.

Chapter would like to record its thanks to the 19 people who were willing to stand for election. Chapter also records its thanks to those who stood down this year, Gareth Foster, Howard Langham, Heather Moger, Mary Percival, Trevor Plimmer and Sue Thompson, particularly acknowledging the hard work, commitment and enthusiasm that they contributed during their time as elected representatives. Chapter also records its thanks to Andy Oates, Chapter Clerk and Returning Officer.

The summer also brought beginnings of another kind. The Archdeacon for Generous Giving and Stewardship The Venerable David Butterfield retired in June and the gap both he and Irene left in the life of the Minster Community was profound. David challenged each of us to think about our faith deeply, was selfless in motivation and a wonderful colleague and friend. Irene brought passion and verve to Sunday School and Minster Mice. We wish them well in their retirement, they will be missed. We also bade a fond farewell to the curate, The Reverend Ellie Bangay. Ellie's significant contribution to the life of York Minster was her passionate support of accessible worship for young people. She initiated Minster Mice and breathed life into our youth work. That her farewell picnic was attended by so many young people and families demonstrated the extent of her impact.

#### **Putting Learning at the heart of all we do**

The Arts Council funded project to develop resilience and greater access to the Cathedral Collection which began in October 2016 gathered momentum. The additional staff recruited to the project Kirsty Mitchell, Rachael Bowers and Becca McGrath have supported new volunteers and delivered much needed work on cataloguing, updating the Inventory, writing digital content about objects in the Collection for the website, community engagement, and further research into what is housed in the Collection. For the first time we can also boast that it is possible to search our inventory online. The learning from this project has begun to inform our strategic thinking around the development of our own Collection and is being watched by many other cathedrals.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Putting Learning at the heart of all we do (continued)**

July 2017 saw the conclusion of the three year AHRC funded research project '*Pilgrimage and England's Cathedrals, Past and Present*'. The project was undertaken by the Centre for the Study of Christianity and Culture at the University of York and the Minster was one of four case studies, taken alongside Durham, Canterbury and Winchester. The profound findings confirm what many of those who work regularly on the floor of the Minster expected, that pilgrimage today is again significant and that many of those who enter into the Minster find themselves surprised by the emotional impact that visit has on them. The project is of national significance and will inform much of our thinking and planning in the years ahead. Presentations of this research were made to the national Cathedrals Plus Conference, which was hosted at York Minster in September 2017 and attended by representatives of some 80 cathedrals, and at Lambeth Palace.

Kirsty Mitchell, Collections Engagement Officer, curated the new exhibition in the Treasury, following the theme of "Journeys". A Pilgrim Passport, which is collected at the start of the exhibition, enables visitors to reflect personally on their own journeys through life and the exhibition linked to the Archbishop's concurrent Diocesan pilgrimage.

Known primarily for academic and musical excellence, The Minster School nevertheless strives to offer a broad, balanced curriculum in which outdoor learning figures strongly. The youngest pupils now have an award-winning building with an outdoor classroom and free-flow outdoor learning, and this is augmented by weekly visits to our 'Woodland Classroom'. Older pupils also benefit from taking their curriculum outside, be it using the woods to build wattle & daub structures, or learning about levers in a practical setting. These curriculum opportunities are augmented by outward bound activity weeks and camping weekends, all these experiences helping to make grounded, resilient students. It is on this broad base that the pinnacle of Year 8 leavers' successes stands, with 75% winning academic, music, sport and all-rounder scholarships to their next schools, proving that a Minster pupil is a rounded, independent person with a drive to succeed.

York Minster is a large organisation with 263 full and part-time staff on the payroll and 419 volunteers (filling 656 roles). An induction programme has been devised by the People team and includes introductions to future plans, to key members of the Minster team and mandatory safeguarding, health and safety and security training. Volunteers now have their own Learning and Sharing days and Guides meet regularly at Kaffeklatsch. A wider training programme has also been initiated particularly focusing on the middle management tier of the organisation, where coaching, mentoring and participation on the Next Generation course has been supported. This training is in addition to the regular support Chapter provides for the six apprentices at work in various roles across the organisation.

At long last plans to celebrate our volunteers became a reality. On a beautiful June day a service of Thanksgiving for staff and volunteers was held followed by a picnic in Dean's Park. This was followed in December by a carol concert which featured the first performance of the Minster Staff Choir, who rehearsed and performed under the careful direction of Robert Sharpe, Director of Music. Both of those occasions were enjoyed by those who attended and will be repeated during 2018.

There were various changes in the membership of the various governing and advisory bodies of the Minster. Canon Neil Harkin stepped down from Chapter after serving his term. His wise advice and pragmatic approach will be missed. The death of The Right Reverend Michael Perham, shortly after Easter, left a vacancy at the heart and in the chair of the Fabric Advisory Committee (FAC). Dr. John Gough filled that role ably, temporarily, until his formal election in September 2017.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Responsible stewardship**

Elsewhere, the senior team at the Minster was bolstered by the arrival of Alexander McCallion to the role of Director of Works and Precinct in July and of Patricia Dunlop to the role of Director of Visitor Experience in August. Both Alex and Pat bring considerable experience to the Minster and have made a successful start to their time at the Minster. Chapter would like to record its thanks to those who covered vacancies during the recruitment period, notably Paul Greene, Graeme Ward, Kate Whale and Kathryn Blacker.

During 2017 there was a considerable amount of management 'heavy lifting' behind the scenes. The project to replace our outdated ticketing and customer relationship management systems went live in September. This was a significant undertaking: building the new system; migrating data; configuring new hardware and training the entire host team. That the system went live on the planned date, having been suitably blessed by the Canon in Residence, is testament to the dedication and tenacity of the project team. Chapter records its thanks to Kate Whale, Becki Healey, Helen Batchelor, Emiliana Fois, Teresa Hughes, Jo Clarkson, Zoe Harrison and Neal McAdam for their successful delivery of the new system.

The financial performance of the visitor's team deserves recognition, with gross income (including gift aid) up £517,000 against 2016. Chapter ascribe those phenomenal figures to four things: the weak pound (53% of paying visitors were from overseas in 2017); the all-round attractiveness of York as a tourist destination; support from Visit Britain in national and international campaigns and, finally, the legacy of the increased publicity which surround the Mystery Plays. The upturn in visitor numbers began in Q4 2016 and continued right through 2017. These figures track ahead of other "visitor attractions" in the City and are ahead of peer Cathedrals, therefore we are cautious about anticipating this level of footfall and income in the future and are still seeking to diversify income opportunities.

Building on the success of the increase in visitor numbers, the retail team have seen the results of three years hard work bear fruit. The Minster shop now stocks a wider range of high quality Minster-specific ranges, and we are seeing a higher return on the shop and an increased profit margin. For the first time in 2017 a Christmas shopping evening was held for members of the wider Minster community featuring an opportunity to be some of the first people to buy the bespoke ceramics, jewellery, leather goods and fabrics the Minster shop now stocks. Chapter acknowledges the hard work of Graeme Ward, Retail Manager and Hannah Errington and Alison Mason, his deputies, in taking risks with new lines, displaying the stock carefully, while still maintaining margins on the stalwart fridge magnets.

The increase in footfall in 2017 was no coincidence. A great deal of hard work goes on behind the scenes to maintain York Minster's position as one of the North's best known destinations. In recent years, the Government has funded initiatives to help local, regional, and national authorities grow their domestic and international tourism. The Northern Tourism Growth Fund promoted the region through business visits, networking events, consumer leisure marketing, media, PR and travel trade activities. Visit York co-opted experienced colleagues from top York destinations to lead specific marketing and tourism initiatives.

The Minster's leadership role in these activities included negotiating marketing and promotional deals with tour companies, hotels, rail, ferry and airline operators and secured new business for the North. Hainan Airlines of China will launch a new direct flight from Beijing to Manchester later this year. Lengthy discussions with the airline and with officials from the Chinese Consulate in Manchester resulted in the city of York and the Minster featuring in Hainan's consumer campaign. We also run a regular programme of familiarisation visits for journalists, travel writers, bloggers and tour buyers – all of whom report back to their audiences and clients on every aspect of their visit to the Minster. Stacey Healey deserves recognition and thanks for her tireless work in this area.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Responsible stewardship (continued)**

Plans to develop and deliver a new website are well underway. Grapple, a Leeds and London based agency, won the competitive tender process, and the internal project team led superbly by Leanne Woodhurst has overseen changes to design, navigation and been through the rigors of audience testing and feedback. The new site is due for launch in spring 2018.

The Finance Team, led by Eve Hartrick specified and then procured a new accounting package, Sage 200. The system will allow greater control of our resources and crucially online procurement requisition. This will allow real time budget management for budget holders and aid with forecasting. Work to migrate to the new system began in November 2017 and will complete in early 2018.

Work on the Minster continued. On the South Quire Aisle, new grotesques were added, carved by Richard Bossons, Victoria Darley, Lee Godfrey and Dave Willets. Vic's carving, her first, was jointly awarded the Duke of Gloucester Award for Excellence in Stonemasonry. As our team of conservators move down the south side of the Minster, they have found far greater damage than they had first anticipated. Of particular concern are the 19<sup>th</sup> Century Ketton magnesian lime replacements which have worn badly. Consequently we have replaced and will need to replace more stones than we first anticipated, meaning progress along the quire aisle has been slower than projected. The poor state of the stone has also necessitated removing the glass from window S8 to protect it while repairs were underway. It is likely, as we move up the mini transept which houses the St. Cuthbert window, that we may need to do the same again.

Inside the Minster, the work to conserve the historic medieval stained glass continued. Chapter signed a 20 year partnership agreement with the York Glaziers Trust to conserve the 74 unprotected medieval stained glass windows. The first window to be protected, N25, in the north nave aisle, the Pilgrimage Window (often known as the Monkey window) was unveiled in autumn 2017 and the brilliance of the cleaned glass and the improved legibility of the window was plain for all to see. The glass work on N25 was generously funded by York Glaziers Trust. Work began in 2017 on, N27, in north nave aisle, this work is generously funded by the Friends of York Minster. The 20 year project will be jointly funded by Chapter and the York Minster Fund (YMF). YMF has established an Endowment Fund to underpin the 20 year scheme and they successfully applied for an Endowment grant from Heritage Lottery Fund (HLF).

After ten years the long project to conserve the east end of the Minster draws to a close. The final panes of conserved glass were returned to the Great East Window just before Christmas 2017. The brilliance of this expanse of stained glass is breathtaking, and will become more so as more is fully revealed as the scaffold comes down in early 2018. Planning is underway for the return of the Lady Chapel and St. Stephen's Chapel to their primary function, and the worshipping community will benefit immeasurably from having this space at the east-end available again from the middle of 2018.

While people come from far and wide to experience worship at the Minster, Chapter recognises that the current sound system is beyond repair. During 2017 various sound tests have been undertaken with a variety of companies and experts to try to determine the most appropriate system for such a vast building with so many different requirements. That work resulted in the creation of a sound system brief which was tendered in the autumn, with the successful company, Wigwam, appointed just before the end of the year. 2018 will see a temporary system in place while the detailed planning takes place for what we hope will be an installation during 2019.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2017 Annual Report and Accounts (continued)

#### **Responsible stewardship (continued)**

The most recent quinquennial inspection of the Grand Organ noted the need for urgent restoration work. Therefore, a project has also been underway for much of 2017 to understand the limitations of the current instrument both in terms of mechanical performance but also in terms of acoustic reach. A two-fold project has been developed and approved by Chapter: the project will restore those parts of the organ that are failing mechanically and also re-introduce stops that were removed during the 1960's so that the Grand Organ can again create a resonant sound that reaches to the very west-end of the Minster. The project has full FAC support and approval, with anticipated conditions, from The Cathedrals Fabric Commission for England. Work will begin on site in 2018.

The full project sum is subject to inflation and is likely to be £2Million and Chapter is grateful for the generous pledge of £1 Million towards the project from the Bramall Foundation Trust.

Work to update and care for the Minster's property portfolio has continued, with the White House at 7 Minster Yard being refurbished and extended to provide early years provision for the Minster School. The building was officially opened by His Grace The Archbishop of York at the beginning of the autumn term and the nursery intake of 2017 were the first cohort to benefit from the beautifully designed free flow learning space. Contractors have been engaged post year end to refurbish the flat at 48A Low Petergate and works are planned to begin in 4A Precentors Court in early 2018.

Around the precinct other work continues. The Works Department have led the work to renovate St. William's College, starting with making the building watertight by refurbishing the roof.

A feasibility study has been commissioned to understand the structural integrity of the 1941 water-tanks built in Dean's Park in response to the Baedaeker air-raids in World War 2. Chapter anticipates that this report will enable decisions to be taken about the future of the structures during 2018.

These two projects form important parts in the development of a precinct wide Masterplan.

A draft Masterplanning report was delivered to Chapter in autumn 2017. It is proposed that the plan is divided into three phases, concentrating on the eastern side of the precinct in the first instance and work to St. William's and Church House, with a second project focusing on projects within the Minster and the third element looking at growth beyond that and encompassing Dean's Park and the Old Palace complex within the precincts. The Masterplan will be supported by an estates strategy and a conservation management plan.

In the autumn of 2017 Chapter took the unprecedented decision to install protective stone blocks at the west-end of the Minster. This decision was as a direct result of advice from the Counter-Terrorism Unit as preventative measure to protect both the Minster and people outside from a vehicle attack. Retrospective permission was sought and gained from both City of York Council and the Cathedrals Fabric Commission for England. Chapter is clear that the blocks are merely a temporary solution and are working closely with a wider steering group to deliver a permanent and secure solution for Duncombe Place which will afford the Minster greater protection.

**The Very Revd Dr Vivienne Faull**  
**Dean of York**

## THE CHAPTER OF YORK

### 2017 Financial Review

These accounts have been prepared under the historical cost convention as modified by the revaluation of investments and property, in accordance with applicable accounting standards and follow the Accounting and Reporting Regulations for English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 as modified in February 2015 (the Regulations).

#### **Operating Financial Position**

The Chapter accounts for the year ended 31 December 2017 show a net surplus of £509,000 (2016 deficit of £391,000), before taking account of gains or losses on the valuation of investments and the defined benefit pension scheme. The increase in visitor admission income of £517,000 has been the most significant contributing factor to the surplus of £509,000 generated in the year.

Incoming resources amount to £9,071,000 (2016: £8,712,000). This is an increase of £359,000 on prior year, principally due to the increased visitor numbers and subsequent admission income.

Total resources expended on mission amount to £8,562,000 (2016: £9,103,000) which is a reduction of £541,000 on prior year. There were costs of £1,284,000 incurred in 2016 to produce the Mystery Plays, no such costs were incurred in 2017. There was an increase in expenditure on raising funds of £333,000 on 2016 levels, this increase was driven by increased visitor numbers in the year.

The cost of generating funds, excluding Mystery Plays, was £2,620,000 (2016: £2,287,000), resources expended on mission were £5,942,000 (2016: £5,532,000) including governance costs.

#### **Overall Financial Position**

The net increase to total funds for the year is £4,722,000 (2016: increase £2,082,000), following an uplift in the value of investments and property of £4,530,000 (2016: £2,501,000) an actuarial loss on the defined benefit pension scheme of £4,000 (2016: £28,000), and recognition of a provision in respect of the defined benefit pension scheme deficit of £313,000.

There have continued to be significant worldwide and political events during the year which have triggered further improvements in the Stock Market throughout 2017, resulting in an increase in the value of investments of £1,790,000 (2016: £2,501,000). These improvements have seen some correction in quarter one of 2018. The value at which the non-investment properties are carried in the accounts is historic cost, with the last professional re-valuation, carried out in 2012 by Carter Jonas having been taken as deemed cost in 2014. No depreciation has been charged against non-investment properties due to their high residual values based on current prices.

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Depreciation is not provided on investment properties, in line with revised Cathedral Accounting regulations. Investment properties require an independent formal professional valuation to be carried out at least every five years with material movements between valuations being included in the accounts. The latest professional valuation for investment property was carried out at 31 December 2017, this was undertaken by Sanderson Weatherall LLP, and resulted in a re-valuation upwards of £2,740,000 in the market value of investment properties since the last valuation in 2012.

## THE CHAPTER OF YORK

### 2017 Financial Review (continued)

#### **Overall Financial Position (continued)**

There was a net cash inflow of £293,000 in the year to £1,771,000, (2016: £1,478,000). The net cash outflow from operating activities was £758,000 (2016: £722,000) and income from investing activities was £1,051,000 (2016: £257,000). More detail is given on page 30.

The total funds as at 31 December 2017 are £50,901,000 (2016: £46,179,000) these consist of £34,908,000 (2016: £31,623,000) endowed, £1,152,000 (2016: £1,555,000) restricted and £14,841,000 (2016: £13,001,000) unrestricted funds.

The endowed funds are held for the permanent benefit of the Cathedral. The restricted funds are held for specific purposes. Given the net incoming unrestricted resources of £802,000, pre investment gains, £329,000 (2016: £nil) has been transferred to the designated fund for long term major fabric maintenance of the Minster. The balance on this designated fund has increased to £1,055,000 as at 31 December 2017. Further detail is provided in Note 17 to the accounts.

#### **Incoming Resources**

Detail to support the incoming resources summary in the Consolidated Statement of Financial Activities is provided in Note 3 to the Accounts. Items of particular note are:

Income from legacies increased by £75,000 in the year to £117,000. The Friends of York Minster, York Minster Fund and local trusts provided much valued financial support for various projects and for apprentices. Income from these sources increased by £331,000 to £997,000.

Income from visitors, including gift aid, increased by £517,000 to £3,372,000 (2016: £2,855,000) this reflects the trend which began in quarter four of 2016 of increasing visitor numbers, due to the various factors as set out in responsible stewardship on page 12. This initial increase in visitor numbers continued throughout the year resulting in a net increase of 64,353 non-worshipper visitors (14.8%) year on year, taking the total non-worshipper visitors in 2017 to 500,070, with total visitors reaching a record breaking 691,746 in the year.

Income from investment property has increased to £658,000 (2016: £517,000), this is partly due to timing differences as well as a movement towards the historic levels of rental income, principally due to several commercial properties having been re-let during the year.

A contingent asset is disclosed in note 13, this is in respect of a £1,000,000 donation pledged by the Bramall Foundation Trust in the year. This has not been recognised in the Statement of Financial Activities in the year.

#### **Expenditure on Generating Funds**

Further detail is provided in Note 4 to the Accounts. The cost of generating funds has decreased by £952,000 in the year to £2,620,000. The most significant driver to this reduction in costs was the Mystery Plays production which took place in 2016 but no such event took place in the year. The cost of producing of the Mystery Plays in the summer of 2016 was £1,284,000.

#### **Expenditure on Mission**

An analysis is provided in Note 4 to the accounts.



**THE CHAPTER OF YORK**
**2017 Financial Review (continued)**
**Investment properties**

The return on the investment portfolio was as follows:

	2017		2016	
	£'000	£'000	£'000	£'000
<b>Total return on investment property</b>				
Gross rents receivable		658		517
Repairs and maintenance	134		158	
Agents management fees	38		37	
Other agent fees	15		11	
Quinquennials	28		10	
Legal fees	12		20	
Utility and other costs	10		10	
Insurance	8		5	
		<b>(245)</b>		<b>(251)</b>
Net income from investment property		<b>413</b>		266
Property revaluation		<b>2,740</b>		-
Net income/gains from investment property in the year		<b>3,153</b>		266

The Cathedral Accounting Regulations require an independent formal professional valuation to be carried out at least every five years with material movements between valuations being included in the accounts. A formal valuation was carried out at 31 December 2017 by Sanderson Weatherall LLP. Further detail is provided in Note 7 and above.

**Cathedral and precincts upkeep**

Cathedral and precincts upkeep has increased by £104,000 to £2,631,000 (2016: £2,621,000). In addition to the general maintenance and running costs, this expenditure also includes the work done on the Great East Window phase II project, which completed in January 2018, continuing works to the South Quire Aisle project, refurbishment work to windows n25 and n27 in the North Nave Aisle and the Grand organ refurbishment project.

**Equity investments policy and performance**

The investment objective is to ensure the creation of sufficient income and capital growth to enable the Chapter to carry out its purposes consistently year by year with due and proper consideration of the future needs and maintenance and if possible enhancement of the invested funds.

The investments held by the Chapter were managed during the period by two investment managers, Rathbone Brothers Plc ("Rathbones") and CCLA Investment Management Limited ("CCLA").

**THE CHAPTER OF YORK**
**2017 Financial Review (continued)**
**Equity investments policy and performance (continued)**

Rathbones achieved a twelve month return of 12.8% (2016 16.7%) compared with the agreed benchmark of 11.1% (2016 18.3%). Funds held with CCLA in The CBF Church of England Property Fund produced a return of 5.46% (2016 2.6%) against the IPD Property Index of 11.0% (2016 2.8%).

<b>Total return on equity investments</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
Gross income from investments	<b>676</b>	621
Unrealised gains	<b>1,539</b>	2,425
Gains on disposals	<b>251</b>	76
Gains	<b>1,790</b>	2,501
	<b>2,466</b>	3,122
Investment management costs	<b>(104)</b>	( 101)
Net income/gain in the year	<b>2,362</b>	3,021

**Total return investment policy**

During the year the Finance Committee, Audit Committee and Chapter have reviewed the risks with respect to adopting a total return approach to permanent endowment funds. A resolution was passed at the meeting of Chapter in September 2017 adopting a total return approach to investments.

The Church of England (Miscellaneous Provisions) Measure 2014 received Royal Assent on 14<sup>th</sup> May 2014. This enabled Cathedrals to adopt a total return approach to investment. Chapter duly passed a total return resolution in accordance with the Measure and determined that the total unapplied return at 31 December 2016 amounted to £30,320,000. The trust for investment is determined at £1,303,000 being based on the 1996 book value of endowed assets. The income from the endowment's investments has been recognised as endowment income in the year and £999,000 of this income has been allocated out of the unapplied total return and applied for Cathedral purposes, this allocation is shown within unrestricted other income.

Other realised and unrealised gains and losses on the disposal and revaluations of investments and property amounted to a gain of £4,530,000 in the year. The endowed element of this gain, £3,336,000, is transferred to the endowment funds and does not affect the surplus for the year under the Cathedral Measure 1999.

## THE CHAPTER OF YORK

### 2017 Financial Review (continued)

#### **Reserves policy**

Chapter aims to hold unrestricted free reserves at a level that enables management of financial risk, preservation and maintenance of our assets and for fulfilment of the mission. The unrestricted free reserves are held to ensure that financial commitments can be met as they fall due, sustain optimal levels of investment in the fabric of the Minster and allow investment and preservation of property portfolio over the longer term. The unrestricted free reserves also provide financial protection against income uncertainty (e.g. investment market risk or change in operating context).

Reserves are an inherent part of the risk management process. The need for reserves will vary depending on our financial position and our assessment of the many risks we face at a particular time.

Reserves thresholds are assessed as part of our strategic planning process, currently on an annual basis. The need to maintain and strengthen reserves is also taken into account in the annual planning and budgeting process. The latest assessment of these requirements took place during the budgeting process in October 2017. As a result of this review, the target level of free unrestricted reserves is currently set at £7,500,000 (16: £7,500,000).

This threshold has been set by Chapter following an assessment of the following factors:

- The need to provide short-term protection against downward fluctuations in annual revenues, such as legacies;
- The need to provide long term strategic financial support to aid master-planning, fulfilment of our five year strategy and maintain our endowment property investment portfolio;
- The need to finance contingencies as and when required;
- The need to provide a financial cushion in the event of extreme circumstances affecting ability to operate;
- The need to protect Chapter from investment market risk.

The level of unrestricted reserves held as at 31 December 2017 is £14,841,000 (2016: £13,001,000) of which £1,055,000 (2016: £726,000) are designated for long term major fabric of the Minster, £570,000 (2016: £560,000) as a pension reserve and £1,649,000 (2016: £1,517,000) are held as fixed assets, leaving £11,567,000 (2016: £10,198,000) free unrestricted reserves. The level of these reserves is subject to volatility and under annual review.

#### **Designated funds**

When there are unrestricted net incoming resources generated, pre investment gains, Chapter has a policy to transfer unrestricted funds to the designated fund. Any transfer made represents 33% of the unrestricted net incoming resources (net of legacy income) plus total unrestricted legacy income. As at 31 December 2017 £1,055,000 (2016: £726,000) has been designated by Chapter for the long term major fabric maintenance of the Minster. There was a transfer of £329,000 (2016: £nil) into this designated fund in the year due to there being an unrestricted surplus of £802,000 pre gains and transfers generated.

#### **Principal risks and uncertainties**

Chapter maintains a risk register, this is a live document which is re-visited on a quarterly basis, with control procedures being identified for each risk and the risk likelihood and severity being assessed.

## THE CHAPTER OF YORK

### 2017 Financial Review (continued)

#### **Principal risks and uncertainties (continued)**

The uncertainty provoked by the current Brexit negotiations as well as other risks surrounding the Cathedral make it vital for the risk-register to be re-visited regularly. The register focuses on the risks that could impact upon organisational strategic aims and the uncertainties that may prevent achievement of the five year strategic plan. A number of the principal risks and uncertainties facing the Cathedral and its subsidiary undertaking, and Chapter's plans and strategies for managing these are set out in the Dean's report for the year in the 'Responsible Stewardship' section.

There is still uncertainty surrounding the full implications of Brexit and the financial risks associated with holding a significant amount of both equity and property investments in an uncertain economic climate. The reserves policy, which is stated above, was set with the risks of volatility of income and commitment to expenditure in mind. The current level of free reserves held enables Chapter to address any contingency as it arises.

One of the significant risks identified in the risk register is the Cathedral sector risk that there is insufficient state or church wide capital funding to ensure the conservation and restoration of medieval Cathedral fabric. The Chapter is lobbying various potential funding bodies to ensure that the need and impact of the Cathedral sector is more widely understood.

There is a risk of over-reliance upon visitor income streams, a master-planning project is currently underway in order to identify additional income streams and diversification potential in order to address this risk.

The Audit Committee is cognisant of the range of risks that the Minster must manage, both strategically and operationally; given the number and significance of events, changes and developments that have taken place during 2017, the Committee reviewed the processes for assessing and managing risk. The results of this review were discussed with the auditors as part of the review of the annual report and accounts. Based on this work, the Committee has concluded that the internal controls and management systems have taken into account the lessons learned from experiences in previous years, and are appropriate for the coming year.

#### **Going concern**

Chapter have considered the current financial position alongside the budget for 2018 and strategic plan which runs until 2020 and the associated risks and assumptions. There were no material uncertainties which may cast doubt about the ability of the Cathedral to continue as a going concern for at least twelve months from the approval of these financial statements identified as part of this process.

#### **Public Benefit**

As a Cathedral of the Church of England the Chapter's statutory responsibility under the Cathedrals Measure 1999 is to be the seat of the Diocesan Bishop and a centre of worship and mission. The Dean's Report sets out in detail how Chapter provides a benefit to the public through its support for the Archbishop of York and the Church of England throughout the Northern Province, its provision of worship of world class standard, and the increasing excellence of its welcome, conservation and learning work with opportunity provided for all. The Report gives details of particular achievements in 2017.

The Cathedral has had due regard to the guidance set by the Church Commissioners on public benefit and, although the Cathedral is not governed by the Charity Commission, the Church Commissioners guidance has had due regard to the Charity Commissions guidance on public benefit.

## THE CHAPTER OF YORK

### Plans for future periods

Chapter is keenly aware of the challenges and opportunities it faces: we know we must continue to fund the vital restoration to the historic stone and glass of the Minster; we need to find resources to continue to care for the properties which make up the Minster precinct; the school must develop, listening both to the feedback of parents and the Independent Schools Inspectorate; maintaining our strong musical tradition requires significant investment of time, money and intellect, we are determined to remain at the forefront of the Cathedral choral tradition; we couldn't sustain our operation without the support of some five hundred plus volunteers, and we must ensure we are able to retain and attract new people who wish to gift us their time and experience; we know we lack some of the core facilities we need to offer hospitality and welcome and so we must direct energy and effort to resolving this gap in our provision; we are mindful too of the fact that the Minster is an outward-facing institution, one which must respond to those who are coming through our doors, whatever their motivation, and that we must offer a consistently world-class welcome.

Although total net assets of £50,901,000 are held as at 31 December 2017, £49,625,000 of these are held in property and investments, which is a reflection of the long term strategy for ensuring financial stability. It is a priority for Chapter to focus on increasing and diversifying its operating and fundraised income to meet the tasks ahead of us which are manifold, complex and interconnected.

Chapter passed a resolution on 14<sup>th</sup> September 2017 to adopt a total return policy in respect of endowed funds. This approach allows any increase in the value of an investment to be used as income. Following this resolution the investment managers were instructed to remit income to Chapter based on this approach. Subsequently 4% is currently being applied to the funds in calculating the amount to be remitted to Chapter each month, this is subject to regular review. This aligns the total return accounting treatment with cash realisation from the investments. The decision was taken to ensure that Chapter invests in a way that has appropriate regard to the furtherance of its aims both now and in the future.

The creation of a masterplan which sequences the many projects which Chapter must attend to, provides guidelines on standards, demonstrated return on investment, handles risk and manages resources is a necessity. The masterplan will give Chapter confidence that it is managing its limited resources appropriately and providing sustainable stewardship for the generations to come.

## THE CHAPTER OF YORK

### Structure, Governance and Management

#### **Constitution and Statutes**

The Cathedral is an ecclesiastical corporation, governed by the Constitution and Statutes for the Cathedral and Metropolitan Church of St Peter in York, prepared in accordance with the Cathedrals Measure 1999, confirmed by Instrument made on 23 April 2000 and revised with effect from 1 June 2008 by Amendment Instruments dated 29 May 2008.

#### **Role in the Diocese**

The Chapter of York plays an active role, across the Diocese of York and the Northern Province of the Church of England supporting the work of the Archbishop, sharing our skills and knowledge and working with communities and partners to further our mission.

#### **Organisational Structure**

##### ***The Visitor***

The Visitor of the Cathedral Church is the Archbishop of York, the Most Revd and Rt Hon John Tucker Mugabi Sentamu. As Visitor, the Archbishop has the right to be present and to speak, but not vote, at any meeting of the Cathedral Council.

##### ***Body Corporate***

The members for the time being of the Chapter, the Council and the College of Canons of the Metropolitan Church of St Peter in York, shall be a body corporate with perpetual succession and a common seal.

##### ***The Chapter***

The Chapter consists of the Dean, up to six Residentiary Canons and up to six lay members. A full list is on page 4.

Members of the Chapter are appointed under the terms of the Constitution and Statutes of the Minster currently in force. They are appointed by the Archbishop of York with the exception of the Dean who is appointed by the Crown.

Under the terms of the Constitution and Statutes of the Minster, lay members of the Chapter are appointed for terms of three years, after consultation with the Dean. Members of Chapter must be actual communicants of the Church of England, and on admission to office swear an oath of allegiance to the Cathedral and its statutes.

The duty of the Chapter is to direct and oversee the administration of the Cathedral Church. It is required to meet on at least nine times in each calendar year. Each member of Chapter has one vote, the Dean as Chair having a second or casting vote.

New members of Chapter receive training externally through the Association of English Cathedrals (AEC). Chapter's arrangements for setting the pay and remuneration of key senior staff do not differ from the arrangements for appointing all lay staff.

## THE CHAPTER OF YORK

### Structure, Governance and Management (continued)

#### ***The Council***

The Cathedral Council consists of a lay Chairman appointed by the Archbishop, the Dean and up to eighteen other members appointed for three years. The membership includes up to five members of the Chapter and two members of the College of Canons. A full list is on page 4. The Council is required to meet at least twice a year to further and support the mission and work of the Minster by advising the Chapter. The Council also receives the annual Budget and the annual Accounts.

#### ***The College of Canons***

The College of Canons consists of the Dean (Chair), the Residentiary and the lay members of the Chapter, the Suffragan Bishops and Archdeacons of the Diocese of York and nominated persons (both clergy and lay) all appointed by the Archbishop. A full list is on page 5. The College meets at least twice a year to hear reports from the Chapter and to receive the annual Accounts.

#### ***The Finance Committee***

This Committee has the duty to advise Chapter in connection with its responsibilities in financial and investment management and in the management of property belonging to the Cathedral Church if required to do so. Members, listed on page 6, are selected for their financial or investment experience.

#### ***The Audit Committee***

This committee has responsibility to assess whether the risk management processes established and monitored by Chapter are appropriate to the circumstances of the Minster, and are responsive to changes in the operating and financial environment. Specifically, the Committee approves the scope of the external audit and reviews the audit findings prior to their being reported to the Finance Committee and Chapter.

#### **Statement of the responsibilities of the Chapter in respect of the financial statements**

Collectively members of Chapter are responsible under requirements laid down by the Church Commissioners under the powers given to it 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 connected subsidiary;
- b. stating that they have complied in all material respects with the regulations on the subject prepared by The Cathedrals Administration and Finance Association or describing which regulations have not been complied with and giving reasons for 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 with reasonable accuracy 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; and
- g. the maintenance and integrity of the corporate and financial information included on the Chapter's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## THE CHAPTER OF YORK

### Structure, Governance and Management (continued)

#### **Investment powers**

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

- land
- funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Limited
- investments in which trustees may invest in under the general powers of investment in the Trustee Act 2000
- The improvement or development of property belonging to the Cathedral except that endowment funds may not be used to improve or develop the Cathedral itself nor its auxiliary buildings.

On behalf of the Chapter:



.....  
The Very Revd Dr V F Faul 16<sup>th</sup> May 2018

**Dean**



## THE CHAPTER OF YORK

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF YORK

#### Opinion

We have audited the financial statements of The Cathedral and Metropolitan Church of St. Peter in York (the 'Cathedral') and its subsidiary (the 'group') for the year ended 31 December 2017 which comprise the statement of financial activities, the balance sheets, the cash flow statement and relates 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, the Cathedrals Measure 1999, Accounting and Reporting Regulations for English Anglican Cathedrals (February 2015), the Charities SORP (FRS102) and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our audit work has been undertaken so that we might state to the Chapter's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter of York and the Chapter's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and Cathedral's affairs as at 31 December 2017, 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 regulations made under Section 27 of the Cathedrals Measure 1999.

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chapter's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chapter have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or Cathedral's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## THE CHAPTER OF YORK

### INDEPENDENT AUDITORS' REPORT TO THE CHAPTER OF YORK (continued)

#### Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report of the Chapter, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 require us to report to you if, in our opinion:

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

#### Responsibilities of Chapter

As explained more fully in the Statement of Responsibilities of the Chapter set out on page 23, the Chapter members 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 Chapter is responsible for assessing the group's and Cathedral'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 Chapter either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

## THE CHAPTER OF YORK

### INDEPENDENT AUDITORS' REPORT TO THE CHAPTER OF YORK (continued)

#### Auditor's responsibilities for the audit of the financial statements (continued)

We have been appointed as auditor under section 27(1) of the Cathedral Measure 1999 and report in accordance with regulations made under section 27 of the Measure.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chapter.
- Conclude on the appropriateness of the Chapter's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or Cathedral's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## THE CHAPTER OF YORK

## INDEPENDENT AUDITORS' REPORT TO THE CHAPTER OF YORK (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*A. J. Clark*  
.....

*18/5/18*  
.....  
Date

JWP Creers LLP, Statutory Auditor  
Genesis 5  
Church Lane  
Heslington York  
YO10 5DQ

**THE CHAPTER OF YORK**
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
<b>Income and endowments from:</b>						
Donations and legacies		505	176	-	681	706
Grants in support of mission		-	1,419	-	1,419	1,213
Charges and fees arising in the course of mission		1,199	-	-	1,199	1,809
Trading and fundraising		4,432	-	-	4,432	3,844
Investments		315	20	999	1,334	1,138
Other income		1,005	-	(999)	6	2
<b>Total income</b>	3	<u>7,456</u>	<u>1,615</u>	<u>-</u>	<u>9,071</u>	<u>8,712</u>
<b>Expenditure on:</b>						
Raising funds		(2,566)	(3)	(51)	(2,620)	(3,571)
Ministry		(925)	(163)	-	(1,088)	(1,007)
Cathedral and precincts upkeep		(1,131)	(1,594)	-	(2,725)	(2,621)
Education and outreach		(2,032)	(97)	-	(2,129)	(1,904)
<b>Total expenditure</b>	4	<u>(6,654)</u>	<u>(1,857)</u>	<u>(51)</u>	<u>(8,562)</u>	<u>(9,103)</u>
<b>Net incoming/ (outgoing) resources before investment gains</b>		<u>802</u>	<u>(242)</u>	<u>(51)</u>	<u>509</u>	<u>(391)</u>
Net gains on Investments	7	1,117	77	3,336	4,530	2,501
<b>Net income</b>		<u>1,919</u>	<u>(165)</u>	<u>3,285</u>	<u>5,039</u>	<u>2,110</u>
Gross transfers between funds		238	(238)	-	-	-
		<u>2,157</u>	<u>(403)</u>	<u>3,285</u>	<u>5,039</u>	<u>2,110</u>
<b>Other recognised losses:</b>						
Actuarial losses on defined benefit pension schemes (DBS)	14	(4)	-	-	(4)	(28)
Provision on DBS	14	(313)	-	-	(313)	-
<b>Net movement in funds</b>		<u>1,840</u>	<u>(403)</u>	<u>3,285</u>	<u>4,722</u>	<u>2,082</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		13,001	1,555	31,623	46,179	44,097
<b>Funds carried forward</b>	17	<u>14,841</u>	<u>1,152</u>	<u>34,908</u>	<u>50,901</u>	<u>46,179</u>

**THE CHAPTER OF YORK**
**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2017 £'000	Total funds 2016 £'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	7	550	-	12,775	<b>13,325</b>	11,235
Investments	7	11,625	739	11,243	<b>23,607</b>	22,212
		<u>12,175</u>	<u>739</u>	<u>24,018</u>	<b>36,932</b>	<u>33,447</u>
<b>Non-investment assets</b>						
Property	8	922	-	11,594	<b>12,516</b>	11,566
Equipment and plant	8	177	-	-	<b>177</b>	270
<b>Total fixed assets</b>		<u>13,274</u>	<u>739</u>	<u>35,612</u>	<b>49,625</b>	<u>45,283</u>
<b>CURRENT ASSETS</b>						
Stocks	9	173	-	-	<b>173</b>	150
Debtors	10	1,676	197	-	<b>1,873</b>	1,029
Cash at bank and on deposit		1,472	287	12	<b>1,771</b>	1,478
		<u>3,321</u>	<u>484</u>	<u>12</u>	<b>3,817</b>	<u>2,657</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,184)	(71)	(716)	<b>(1,971)</b>	(1,201)
<b>NET CURRENT ASSETS</b>		<u>2,137</u>	<u>413</u>	<u>(704)</u>	<b>1,846</b>	<u>1,456</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,411</u>	<u>1,152</u>	<u>34,908</u>	<b>51,471</b>	<u>46,739</u>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(257)	-	-	<b>(257)</b>	(560)
Provisions for liabilities & charges	12	(313)	-	-	<b>(313)</b>	-
<b>TOTAL NET ASSETS</b>		<u>14,841</u>	<u>1,152</u>	<u>34,908</u>	<b>50,901</b>	<u>46,179</u>
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general		13,216	-	-	<b>13,216</b>	11,715
Unrestricted designated		1,055	-	-	<b>1,055</b>	726
Restricted fabric fund		-	20	-	<b>20</b>	244
Restricted other funds		-	1,132	-	<b>1,132</b>	1,311
Endowment funds		-	-	34,908	<b>34,908</b>	31,623
Pension reserve		570	-	-	<b>570</b>	560
<b>Total Cathedral funds</b>	17	<u>14,841</u>	<u>1,152</u>	<u>34,908</u>	<b>50,901</b>	<u>46,179</u>

The financial statements were approved by the Chapter on 16<sup>th</sup> May 2018 and signed on their behalf by:



The Very Revd Dr V F Faulk  
Dean



The Revd Canon M D Smith

**THE CHAPTER OF YORK**
**BALANCE SHEET AS AT 31 DECEMBER 2017**

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2017	Total funds 2016
		£'000	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	7	550	-	12,775	<b>13,325</b>	11,235
Investments	7	11,625	739	11,243	<b>23,607</b>	22,212
		<u>12,175</u>	<u>739</u>	<u>24,018</u>	<u><b>36,932</b></u>	<u>33,447</u>
<b>Non-investment assets</b>						
Property	8	922	-	11,594	<b>12,516</b>	11,566
Equipment and plant	8	177	-	-	<b>177</b>	270
		<u>13,274</u>	<u>739</u>	<u>35,612</u>	<u><b>49,625</b></u>	<u>45,283</u>
<b>TOTAL fixed assets</b>						
<b>CURRENT ASSETS</b>						
Stocks	9	12	-	-	<b>12</b>	13
Debtors	10	2,051	197	-	<b>2,248</b>	1,344
Cash at bank and on deposit		1,199	286	12	<b>1,497</b>	1,241
		<u>3,262</u>	<u>483</u>	<u>12</u>	<u><b>3,757</b></u>	<u>2,598</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,140)	(70)	(716)	<b>(1,926)</b>	(1,157)
		<u>2,122</u>	<u>413</u>	<u>(704)</u>	<u><b>1,831</b></u>	<u>1,441</u>
<b>NET CURRENT ASSETS</b>						
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		<u>15,396</u>	<u>1,152</u>	<u>34,908</u>	<u><b>51,456</b></u>	<u>46,724</u>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(257)	-	-	<b>(257)</b>	(560)
Provisions for liabilities & charges	12	(313)	-	-	<b>(313)</b>	-
		<u>14,826</u>	<u>1,152</u>	<u>34,908</u>	<u><b>50,886</b></u>	<u>46,164</u>
<b>TOTAL NET ASSETS</b>						
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general fund		13,201	-	-	<b>13,201</b>	11,700
Unrestricted designated fund		1,055	-	-	<b>1,055</b>	726
Restricted fabric fund		-	20	-	<b>20</b>	244
Restricted other funds		-	1,132	-	<b>1,132</b>	1,311
Endowment funds		-	-	34,908	<b>34,908</b>	31,623
Pension reserve		570	-	-	<b>570</b>	560
		<u>14,826</u>	<u>1,152</u>	<u>34,908</u>	<u><b>50,886</b></u>	<u>46,164</u>
<b>Total Cathedral funds</b>	<b>17</b>	<u><b>14,826</b></u>	<u><b>1,152</b></u>	<u><b>34,908</b></u>	<u><b>50,886</b></u>	<u><b>46,164</b></u>

The financial statements were approved by the Chapter on 16<sup>th</sup> May 2018 and signed on their behalf by

  
The Very Revd Dr V F Faul  
Dean

  
The Revd Canon M D Smith

**THE CHAPTER OF YORK**
**CONSOLIDATED CASH FLOW STATEMENT AND SUPPORTING NOTES  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £'000	2016 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	1	(758)	(721)
<b>Cash flows from investing activities:</b>			
Rents received net of costs		413	266
Investment income received net of costs		572	520
Purchase of property, plant and equipment		(329)	(572)
Proceeds from sale of investments		5,400	2,069
Purchase of investments		(5,005)	(2,027)
		—	—
Net cash provided by financing activities		1,051	256
		—	—
<b>Change in cash and cash equivalents in the year</b>		<b>293</b>	<b>(465)</b>
Cash and cash equivalents at the beginning of the reporting year		1,478	1,943
		—	—
<b>Cash and cash equivalents at the end of the reporting year</b>		<b>1,771</b>	<b>1,478</b>

**1. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2017 £'000	2016 £'000
Net income/(expenditure) in the year	509	(391)
<b>Adjustments for:</b>		
Depreciation charges	122	119
Pension scheme contributions paid	(324)	(323)
Pension scheme interest cost	18	24
Income added to Endowment capital	-	-
Income from property and investments	(1,334)	(1,138)
Property management costs, rental collection fees and investment management costs	349	352
(Increase)/decrease in stocks	(23)	28
(Increase)/decrease in debtors	(845)	572
Increase in creditors	770	36
	—	—
Net cash used in operating activities	(758)	(721)



## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 1. ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention as modified by the revaluation of investments and investment property, in accordance with applicable accounting standards and follow, with one exception, the Accounting and Reporting Regulations for English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 (the Regulations) as modified in February 2015.

##### **Basis of Consolidation**

The group financial statements consolidate the accounts of the Chapter of York, its subsidiary undertaking, York Minster Enterprises Limited and the Minster School. Transactions between group entities are eliminated on consolidation. No Statement of Financial Activities (SOFA) is presented for the Chapter of York alone as permitted by the Regulations.

##### **Incoming Resources**

All incoming resources, including legacies, are included in the SOFA when the Chapter is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. Since 1 April 2002 assets given for use by the Chapter are recognised as incoming resources when receivable at an estimate of their open market value. Prior to the adoption of this policy, no value was attributed to donated assets.

##### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure on repairs, restoration and maintenance of the Cathedral is charged as incurred. Expenditure on Investment property is charged against revenue unless the work results directly in a substantial increase in the value of the property and also an increase in rental income when it is capitalised. Irrecoverable VAT has been added to the item of expenditure giving rise to it.

##### **Allocation of support costs**

The Accounting and Reporting Regulations require allocation of the support costs to those activities which they directly support. In the case of shared costs, these have been allocated in proportion to either the numbers of staff involved, their time or salary costs; whichever is most applicable to that category of expenditure. Audit and legal fees are allocated to governance costs which are included within support costs.

##### **Cathedral**

The Cathedral is not valued in the financial statements on the grounds that it is historic and inalienable and being held for the continuing use and mission of the Cathedral. The Cathedral is a priceless asset and is insured at a value agreed with the Ecclesiastical Insurance Group, representing the cost of restoration and repair in the event of a serious loss but not complete rebuilding.

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 1. ACCOUNTING POLICIES (continued)

##### Heritage Assets

Heritage assets held by the Chapter are of historical or artistic importance and are held and maintained principally for their contribution to knowledge and culture or held to advance preservation or conservation objectives.

The Chapter considers that the cost of obtaining a valuation of the historic heritage assets in its care would be disproportionate when compared with the benefit derived by the users of the accounts. No value is attributed to items included in the Cathedral Inventory as, being of architectural, archaeological, artistic or historic interest; they are for Cathedral use and cannot be measured at a monetary value with sufficient reliability. Going forwards any additional Heritage Assets acquired will be brought into the accounts at an independently determined valuation, and a record of movements maintained. Acquisitions of Heritage Assets are largely by donation. The Heritage Assets are deemed to have indeterminate lives and the Chapter do not therefore consider it appropriate to charge depreciation on future acquisitions. Expenditure which is required to preserve or prevent deterioration of the Heritage Assets is recognised in the Statement of Financial Activities when it is incurred.

##### Tangible Fixed Assets and Depreciation

The Cathedral Accounting Regulations require an independent formal professional valuation of investment properties to be carried out at least every five years with material movements between valuations being included in the accounts. Each year the properties are reviewed to ensure that the value is not significantly different from the last formal valuation.

The investment properties were valued at 31 December 2017 by Sanderson Weatherall LLP, Chartered Surveyors. Investment properties are included at fair value at the reporting date, depreciation is not provided on investment property.

Non investment properties, which are occupied by clergy and lay employees of the Cathedral, the offices, library, school and Stoneyard are included at historical cost. On transition to Cathedrals regulations 2015 the previous professional revaluation, undertaken by Carter Jonas in 2012 has been used as the deemed cost on the non-investment properties, as permitted by section 7.3.4 of the regulations. Depreciation is calculated by reference to unexpired lives and estimated residual values based on current prices. For those properties whose unexpired life is estimated at more than 50 years, an annual impairment review is carried out. Depreciation has not been charged on non-investment property due to the high residual value based on current prices. There is a policy and practice of regular maintenance of these properties and the property is unlikely to suffer obsolescence.

Since 1 January 2013, tangible fixed assets, other than property, costing more than £5,000 on acquisition (1 April 2002 to December 2012 £2,000) are capitalised and included at cost, including any incidental expenses of acquisition. These assets are depreciated to write off the cost over their expected useful lives at the following rates:

Computer and telephone equipment	3 years
All other equipment and plant	5 years

The Chapter consider that the properties need not be depreciated due to the policy of maintaining these assets to such a standard that they retain a high residual value.

Capitalised assets arising from expenditure at the East End and in the Undercroft on the YMR project have been written off over the life of the project, which ended in 2016.

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 1. ACCOUNTING POLICIES (continued)

##### Stock

Stock is valued at the lower of cost and net realisable value.

##### Listed Investments

The funds managed by Rathbone Investment Management Limited have been valued at the last traded price. The holdings in the CCLA Investment Fund are valued at the mid-market price. The valuation of holdings in the CCLA Property Fund is based on the net asset value of a share. Realised and unrealised gains or losses are shown on the SOFA.

##### Total return approach to investments

The Chapter of York passed a resolution on 14<sup>th</sup> September 2017 to adopt a total return policy in respect of personally endowed funds. This approach allows any increase in the value of an investment to be used as income. The decision was taken to ensure that Chapter invests in a way that has appropriate regard to the furtherance of its aims both now and in the future.

All endowed investment returns are designated as unapplied total return until Chapter decide how it is to be used. At the discretion of Chapter, some of the unapplied total return may be allocated to the income fund to be spent on its aims. They may also allocate a limited amount of the unapplied total return to the investment funds and a limited amount of the investment fund to the income fund.

Chapter identified the relevant fund and apportioned it into the value of the original endowment (which forms the Investment Fund) and the unapplied investment return (which forms the unapplied total return). Chapter used their best endeavour to arrive at the value of the original endowment but acknowledge the inherent uncertainty caused by lack of records documenting ancient endowments.

##### Fund Accounting

Endowment funds are funds which are held for the permanent benefit of the Cathedral.

Chapter has adopted a total return approach to investments, the permanently endowed funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. Gains and losses on the sale of properties and investments and changes in the value of properties and investments, together with any related costs, are transferred to the Endowment Fund which has been designated as a separate fund not available for allocation as part of the surplus for the year. Chapter may, however, determine which part of the unapplied total return may be applied for the purposes of the Cathedral and which part should be available for accumulation as part of investments.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the Cathedral. Restrictions arise when specified by the funder or when funds are raised for a specific purpose.

Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the Chapter. Designated funds are funds set aside by the Chapter out of the unrestricted common fund for specific purposes or projects.

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

**1. ACCOUNTING POLICIES (continued)**

**Pensions**

The Chapter participates in four contributory pension schemes for employees: the Church of England Funded Pension Scheme, the Church of England Defined Benefit Scheme (based on final salary, and which has been closed to new members as from 31 March 2002), the Church of England Pension Builder Scheme and the Teachers' Pension Defined Benefit Scheme. Contributions are paid to approved funds and are charged as expenditure in the year in which they accrue. Chapter also participates in the Church of England Funded Pensions Scheme, on behalf of one member of the clergy. Further details are provided in Note 14.

**2. EMPLOYEES**

	<b>2017</b>	2016
<b>The average number of employees (full time equivalents) was:</b>		
Chapter	<b>123</b>	117
York Minster Enterprises Limited	<b>8</b>	8
The Minster School	<b>33</b>	29
	<hr/> <b>164</b> <hr/>	<hr/> 154 <hr/>

As at 31 December 2017, there were 263 full and part time employees (245 at 31 December 2016).

**Gender pay gap reporting:**

The gender pay gap shows the difference in the average pay between all men and women in a workforce. Gender pay gap reporting as at date of collection of data, 5<sup>th</sup> April 2017, when there were 258 full and part time employees (including those who are self-employed):

	Male	Female	Gender Pay gap
Workforce numbers	131 (50.78%)	127 (49.22%)	
Mean average hourly rate	£13.13	£12.97	1.25%
Median average hourly rate	£12.47	£11.38	8.73%
Bonuses paid	£nil	£nil	
	<hr/>	<hr/>	<hr/>

The Chapter of York has a mean gender pay gap of 1.25%. It is 16.75% points lower than the national average of 18% as stated on the UK Government website. We are proud of our commitment to equity of pay as well as to the Accredited Living wage and this figure for 1.25% reinforced our commitment to all forms of equality including gender equality. Nevertheless, it is our aim to maintain this level of gender pay equality and commit to conducting regular reviews of policies and procedures to further promote equality and inclusivity for all.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**2. EMPLOYEES (continued)**

	Male	Female
<b>Proportion of males and females in each quartile:</b>		
Lower	41%	59%
Lower middle	52%	48%
Upper middle	64%	36%
Upper	46%	54%
	=====	=====
<b>The total cost of all paid staff of the Cathedral was:</b>	<b>£'000</b>	<b>£'000</b>
Salaries and stipends	4,168	3,922
Redundancy payments	-	26
Employer's National Insurance costs	336	320
Employer's pension costs (including DBS deficit)	752	744
	=====	=====
	<b>5,256</b>	<b>5,012</b>
	=====	=====

There was one employee (2016: one) whose earnings fell in the band between £60,000 and £70,000 and one employee (2016: nil) whose earnings fell in the band between £70,000 and £80,000. Employer pension contributions of £18,999 (2016 £11,466) were paid in the year in respect of these employees.

The members of Chapter received the following remuneration for the year ended 31 December 2017

	Stipend	Pension Contributions	Total
	£	£	£
The Very Revd Dr V F Faull	39,557	11,668	51,225
The Revd Canon P J Moger	29,945	9,334	39,279
The Revd Canon Dr C P Collingwood	29,945	9,334	39,279
The Revd Canon M D Smith	30,069	9,334	39,403

The Ven D Butterfield and the Lay Canons Green, Winkley, Harkin and Shephard received no remuneration for their voluntary work.

The Dean and Residentiary Canons receive stipends in accordance with the scales laid down by the Church Commissioners, the Archbishops Council and the Church of England Pensions Board. In addition, in line with a number of other cathedrals, Residentiary Canons may receive augmentation payments in respect of their responsibilities.

Four (2016 four) members of Chapter were reimbursed a total of £15,374 (2016 £7,953) in respect of travel and subsistence whilst carrying out the business of the Chapter. One member of Chapter received payment of £2,329 (2016 £1,950) in respect of services rendered as a deputy songman during the course of 2017.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**3. INCOMING RESOURCES**

	Unr. Funds funds	Rest. funds	End. funds	Total funds	Unr. funds	Rest. funds	End. funds	Total funds
	<b>2017</b>				<b>2016</b>			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Donations and legacies:</b>								
Congregational collections and giving	244	-	-	<b>244</b>	236	-	-	236
Donations	129	55	-	<b>184</b>	102	246	-	348
Tax recoverable under Gift Aid								
On voluntary donations	35	-	-	<b>35</b>	33	-	-	33
Income from Friends and local Trusts	1	100	-	<b>101</b>	-	47	-	47
Legacies	96	21	-	<b>117</b>	-	42	-	42
	<u>505</u>	<u>176</u>	<u>-</u>	<u><b>681</b></u>	<u>371</u>	<u>335</u>	<u>-</u>	<u>706</u>
<b>Grants in support of mission:</b>								
Church commissioners	-	144	-	<b>144</b>	-	138	-	138
York Minster Fund	-	896	-	<b>896</b>	-	619	-	619
Other revenue and capital grants	-	379	-	<b>379</b>	-	456	-	456
	<u>-</u>	<u>1,419</u>	<u>-</u>	<u><b>1,419</b></u>	<u>-</u>	<u>1,213</u>	<u>-</u>	<u>1,213</u>
<b>Charges arising in course of mission:</b>								
Facility and other fees	146	-	-	<b>146</b>	128	1	-	129
Mystery Plays Income	-	-	-	<b>-</b>	657	-	-	657
Gross income of the Minster school 16	1,053	-	-	<b>1,053</b>	1,023	-	-	1,023
	<u>1,199</u>	<u>-</u>	<u>-</u>	<u><b>1,199</b></u>	<u>1,808</u>	<u>1</u>	<u>-</u>	<u>1,809</u>
<b>Trading and fundraising:</b>								
Charges to visitors	3,154	-	-	<b>3,154</b>	2,697	-	-	2,697
Gift aid on entrance charges	218	-	-	<b>218</b>	158	-	-	158
Shop income	959	-	-	<b>959</b>	862	-	-	862
Other activities	101	-	-	<b>101</b>	127	-	-	127
	<u>4,432</u>	<u>-</u>	<u>-</u>	<u><b>4,432</b></u>	<u>3,844</u>	<u>-</u>	<u>-</u>	<u>3,844</u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**3. INCOMING RESOURCES**

	Unr. Funds funds	Rest. funds	End. funds	Total funds 2017 £'000	Unr. funds	Rest. funds	End. funds	Total funds 2016 £'000
<b>Investments:</b>								
Investment property income	-	-	658	<b>658</b>	517	-	-	517
Investment income	315	20	341	<b>676</b>	596	25	-	621
Interest on cash deposits	-	-	-	-	-	-	-	-
	<u>315</u>	<u>20</u>	<u>999</u>	<u><b>1,334</b></u>	<u>1,113</u>	<u>25</u>	<u>-</u>	<u>1,138</u>
<b>Other income:</b>								
Other income	6	-	-	<b>6</b>	2	-	-	2
Allocation of endowment income	999	-	(999)	-	-	-	-	-
	<u>1,005</u>	<u>-</u>	<u>-</u>	<u><b>6</b></u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>Total incoming resources</b>	<u><b>7,456</b></u>	<u><b>1,615</b></u>	<u>-</u>	<u><b>9,071</b></u>	<u>7,138</u>	<u>1,574</u>	<u>-</u>	<u>8,712</u>

**4. EXPENDITURE**

	Unr. funds	Rest. funds	End. funds	Total funds 2017 £'000	Unr. funds	Rest. funds	End. funds	Total funds 2016 £'000
<b>Expenditure on raising funds:</b>								
Facilities for visitors	1,264	-	-	<b>1,264</b>	919	-	-	919
Mystery Plays expenditure	-	-	-	-	1,284	-	-	1,284
Shop expenditure	712	-	-	<b>712</b>	660	-	-	660
Investment property expenses	245	-	-	<b>245</b>	251	-	-	251
Investment management fees	50	3	51	<b>104</b>	50	4	47	101
Defined benefit scheme deficit interest	18	-	-	<b>18</b>	24	-	-	24
Allocated support costs	277	-	-	<b>277</b>	332	-	-	332
	<u>2,566</u>	<u>3</u>	<u>51</u>	<u><b>2,620</b></u>	<u>3,520</u>	<u>4</u>	<u>47</u>	<u>3,571</u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**4. EXPENDITURE (continued)**
**Ministry:**

Clergy stipends and working expenses	52	145	-	<b>197</b>	42	138	-	180
Clergy housing costs	48	-	-	<b>48</b>	43	-	-	43
Clergy support costs	64	4	-	<b>68</b>	66	-	-	66
Services, music & congregational costs	579	14	-	<b>593</b>	526	14	-	540
Allocated support costs	182	-	-	<b>182</b>	178	-	-	178
	<u>925</u>	<u>163</u>	<u>-</u>	<u><b>1,088</b></u>	<u>855</u>	<u>152</u>	<u>-</u>	<u>1,007</u>

**Cathedral and precincts upkeep:**

Major repairs and restoration	271	1,594	-	<b>1,865</b>	443	1,308	-	1,751
Maintenance and interior upkeep	158	-	-	<b>158</b>	170	-	-	170
Cathedral insurance	112	-	-	<b>112</b>	102	-	-	102
Precincts, security and gardens upkeep	299	-	-	<b>299</b>	252	-	-	252
Other costs	86	-	-	<b>86</b>	88	-	-	88
Allocated support costs	205	-	-	<b>205</b>	258	-	-	258
	<u>1,131</u>	<u>1,594</u>	<u>-</u>	<u><b>2,725</b></u>	<u>1,313</u>	<u>1,308</u>	<u>-</u>	<u>2,621</u>

**Education and outreach:**

Minster school costs	16	1,396	-	-	<b>1,396</b>	1,287	-	-	1,287
Educational activities	155	-	-	-	<b>155</b>	201	1	-	202
Archives and library	234	94	-	-	<b>328</b>	176	3	-	179
Charitable and other giving	126	3	-	-	<b>129</b>	113	8	-	121
Allocated support costs	121	-	-	-	<b>121</b>	115	-	-	115
	<u>2,032</u>	<u>97</u>	<u>-</u>	<u>-</u>	<u><b>2,129</b></u>	<u>1,892</u>	<u>12</u>	<u>-</u>	<u>1,904</u>
<b>Total expenditure</b>	<u>6,654</u>	<u>1,857</u>	<u>51</u>	<u><b>8,562</b></u>	<u>7,580</u>	<u>1,476</u>	<u>47</u>	<u>9,103</u>	



**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**5. GOVERNANCE AND SUPPORT COSTS**

	Unr. funds	Restricted funds	Total funds 2017	Total funds 2016
	£'000	£'000	£'000	£'00
<b>Support costs</b>				
Governance costs	21	-	21	12
Staff costs	424	-	424	536
Information technology	148	-	148	133
Training and recruitment	49	-	49	46
Insurance	23	-	23	19
Health and safety	35	-	35	27
General office costs	85	-	85	129
	<u>785</u>	<u>-</u>	<u>785</u>	<u>902</u>
	<u><u>785</u></u>	<u><u>-</u></u>	<u><u>785</u></u>	<u><u>902</u></u>
<b>Support costs allocated</b>			<b>2017</b>	<b>2016</b>
			<b>£'000</b>	<b>£'000</b>
Cost of generating funds			277	332
Ministry			182	178
Cathedral and precincts upkeep			205	258
Education and outreach			121	115
York Minster Revealed			-	19
			<u>785</u>	<u>902</u>
			<u><u>785</u></u>	<u><u>902</u></u>

**6. YORK MINSTER REVEALED**

Income and expenditure relating to York Minster Revealed was shown separately on the face of the SoFA until the current year. The project completed in March 2016.

	Unr. funds	Rest. funds	Total funds 2017	Unr. funds	Rest. funds	Total funds 2016
	£'000	£000	£'000	£'000	£'000	£'000
<b>Incoming resources</b>						
HLF grants	-	-	-	-	188	188
YMF grants	-	-	-	-	158	158
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346</u>	<u>346</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>346</u></u>	<u><u>346</u></u>
<b>Expenditure on raising funds</b>						
Support costs allocation	-	-	-	-	(19)	(19)
Project costs	-	-	-	-	(327)	(327)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(346)</u>	<u>(346)</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(346)</u></u>	<u><u>(346)</u></u>
<b>Net outgoing sources</b>	-	-	-	-	-	-
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**7. INVESTMENT FIXED ASSETS**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Property - at valuation</b>				
At 1 January 2017	325	-	10,910	11,235
Transfer of property to Non-Investment	-	-	(650)	(650)
Revaluation	225	-	2,515	2,740
	—	—	—	—
<b>At 31 December 2017</b>	<b>550</b>	<b>-</b>	<b>12,775</b>	<b>13,325</b>
	==	==	==	==

The transfer in the year is in respect of 2A Minster Court which is being utilised for clergy use in 2017 so has been transferred to non-investment, own use, property.

The investment properties were valued at 31 December 2017 by Sanderson Weatherall LLP, Chartered Surveyors. The Cathedral Accounting Regulations require the investment properties to be carried at fair value at the reporting date.

An independent formal professional valuation is carried out at least every five years with material movements between valuations being included in the accounts. Each year the properties are reviewed to ensure that the value is not significantly different from the last formal valuation.

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Investments</b>				
<b>Consolidated accounts</b>				
Investments at market value 1 January 2017	10,799	927	10,486	22,212
Additions	2,073	181	2,751	5,005
Proceeds from disposals	(2,377)	(208)	(2,815)	(5,400)
Net increase on disposals and revaluation	892	77	821	1,790
Transfers between funds	238	(238)	-	-
	—	—	—	—
<b>Investments at market value 31 December 2017</b>	<b>11,625</b>	<b>739</b>	<b>11,243</b>	<b>23,607</b>
	==	==	==	==
			<b>2017</b>	<b>2016</b>
<b>Analysed as follows:</b>			<b>£'000</b>	<b>£'000</b>
UK equities			<b>13,171</b>	12,253
Overseas equities			<b>7,486</b>	7,047
Fixed interest			<b>2,374</b>	2,170
Deposits by investment managers			<b>576</b>	742
			—	—
			<b>23,607</b>	22,212
			==	==

The additional £1 investment in the entity balance sheet is in respect of its wholly owned subsidiary, York Minster Enterprises Limited.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**7. INVESTMENT FIXED ASSETS (continued)**

<b>Total net gain on investment</b>	<b>2017</b>	2016
	<b>£'000</b>	£'000
Property revaluation	<b>2,740</b>	-
Investment disposal and revaluation	<b>1,790</b>	2,501
	<hr/>	<hr/>
	<b>4,530</b>	2,501
	<hr/> <hr/>	<hr/> <hr/>

**8. NON-INVESTMENT FIXED ASSETS**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Property</b>				
At 1 January 2017	922	-	10,644	11,566
Additions	-	-	300	300
Transfer from Investment properties at cost	-	-	650	650
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	<b>922</b>	<b>-</b>	<b>11,594</b>	<b>12,516</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The transfer in the year is in respect of 2A Minster Court which is being utilised for clergy use in 2017 so has been transferred from investment to non-investment, own use, property. All non-investment properties are freehold re-stated in 2015, (in line with the revised cathedrals regulations 2015) to be carried at deemed historic cost. They were valued at existing use value as at 31 December 2012 by Carter Jonas, Chartered Surveyors and this value has been used as deemed cost. Depreciation has not been charged on non-investment property due to the high residual value based on current prices. There is a policy and practice of regular maintenance of these properties and the property is unlikely to suffer obsolescence.

	<b>2017</b>	2016
	<b>£'000</b>	£'000
<b>These properties are designated as follows:</b>		
Clergy housing	<b>5,675</b>	4,725
Administration	<b>922</b>	922
Stoneyard	<b>740</b>	740
Staff housing	<b>1,304</b>	1,304
School	<b>3,075</b>	3,075
Library	<b>800</b>	800
	<hr/>	<hr/>
	<b>12,516</b>	11,566
	<hr/> <hr/>	<hr/> <hr/>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**8. NON-INVESTMENT FIXED ASSETS (continued)**

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Equipment and plant</b>			
Cost at 1 January 2017	1,383	1,493	2,876
Additions	28	-	28
Disposals	-	-	-
<b>At 31 December 2017</b>	<b>1,411</b>	<b>1,493</b>	<b>2,904</b>
<b>Depreciation</b>			
As at 1 January 2017	1,113	1,493	2,606
Charge for the year	121	-	121
On Disposals	-	-	-
<b>At 31 December 2017</b>	<b>1,234</b>	<b>1,493</b>	<b>2,727</b>
<b>Net book value – 31 December 2017</b>	<b>177</b>	<b>-</b>	<b>177</b>
Net book value - 31 December 2016	270	-	270

**9. STOCKS**

	Chapter 2017 £'000	Consolidated 2017 £'000	Chapter 2016 £'000	Consolidated 2016 £'000
Goods for resale	-	161	-	137
Consumables	12	12	13	13
	<b>12</b>	<b>173</b>	<b>13</b>	<b>150</b>

**10. DEBTORS**

	Chapter 2017 £'000	Consolidated 2017 £'000	Chapter 2016 £'000	Consolidated 2016 £'000
Trade debtors	518	518	445	445
Other debtors	951	951	82	82
Prepayments and accrued income	379	385	489	496
Amounts due from subsidiary undertakings	381	-	322	-
Tax recoverable	19	19	6	6
	<b>2,248</b>	<b>1,873</b>	<b>1,344</b>	<b>1,029</b>

Trade debtors include school fees (for the spring term) which are shown as deferred income in Note 11.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

11. CREDITORS	Chapter 2017 £'000	Consolidated 2017 £'000	Chapter 2016 £'000	Consolidated 2016 £'000
Trade creditors	297	308	360	368
Other creditors	814	814	76	76
Accruals	274	280	191	203
Deferred income	360	360	353	353
Taxes and social security	181	209	177	201
	—	—	—	—
	<b>1,926</b>	<b>1,971</b>	<b>1,157</b>	<b>1,201</b>
	=====	=====	=====	=====

Deferred income as at 31 December 2017 and 2016 relates to school fees invoiced in advance for the spring term.

**12. DEFINED BENEFIT SCHEME LIABILITY AND PROVISIONS**

Liabilities due after one year	Chapter 2017 £'000	Consolidated 2017 £'000	Chapter 2016 £'000	Consolidated 2016 £'000
Church of England funded pension scheme	24	24	23	23
Church workers pension fund 'DBS' deficit	233	233	537	537
	—	—	—	—
	<b>257</b>	<b>257</b>	<b>560</b>	<b>560</b>
	=====	=====	=====	=====

The latest valuations of the pension schemes are detailed in Note 14 to the financial statements.

The last Church of England funded pension scheme (CEFPS) valuation was carried out as at 31 December 2015, and the next full actuarial valuation is due as at 31 December 2018. Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable by The Chapter of York were set out as being £24,000 as at 31 December 2017.

The draft actuarial valuation for the Church Workers Pension Fund defined benefit scheme as at 31 December 2016 was issued in late 2017. As at 31 December 2017 this valuation was not yet signed off as final, accordingly the liability of £233,000 is based on the 2013 valuation. Chapter will cease to make contributions to this scheme from 1 January 2019 and the 2016 actuarial valuation has been prepared on this basis.

The projected total deficit of the scheme as at 31 December 2016 per this draft valuation is £849,500 which translates to an under provision of £312,800 as at 31 December 2016. A provision has been made in these financial statements to recognise this liability.

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

**12. DEFINED BENEFIT SCHEME LIABILITY AND PROVISIONS (continued)**

	Chapter 2017 £'000	Consolidated 2017 £'000
<b>Provision in respect of defined benefit scheme</b>		
Provision at 1 January 2017	-	-
Church workers pension fund 'DBS' provision	313	313
	—	—
Provision at 31 December 2017	313	313
	==	==

**13. CONTINGENT ASSETS, LIABILITIES AND FUTURE COMMITMENTS**

**Contingent asset**

A restricted donation of £1m has been pledged by the Bramall Foundation Trust in the year. This was not received at the year end and did not satisfy the entitlement criteria so has not been recognised within the results for the year. This donation is to help fund the Grand organ project which commenced in April 2017 and is due to complete in 2020.

**Commitments and contingent liabilities**

As at 31 December 2017 there is a commitment in respect of the Grand organ refurbishment project. An element of this work is to be done in house and total project costs are anticipated to be £2m. The contract was signed to instruct the organ builders, Harrison & Harrison, in April 2017. The contract sum is £1.5m, this is subject to inflation over the term of the contract to 2020. Additional contracts amounting £70,000 have also been committed to in the year to instruct a consultant, works to the organ blower and also case-pipe refurbishment and redecoration as part of the project. Given the organ is part of the fabric of the Cathedral, this project is a major repair and restoration, with expenditure being charged as incurred, in line with the accounting policy.

**Commitments under operating leases**

The Chapter's commitments to make payments under operating leases in the coming year can be analysed between the years in which the commitments expire as follows:

	2017 £'000	2016 £'000
<b>Expiry</b>		
Under one year	1	1
Two to five years	10	14
	—	—
	11	15
	==	==

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 14. PENSIONS

The Chapter of York participates in Church Workers Pension Fund (CWPF) for lay staff, the Teacher's Pension Defined Benefit Scheme for teachers at the Minster school, and the Church of England Funded Pension scheme (CEFPS) on behalf of the clergy.

The CWPF has three sections, a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The CWPF Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. At 31 December 2017, the Chapter had 13 (2016: 15) active members and 28 (2016: 28) deferred pensioner members in the Fund.

#### **Defined Benefits Scheme section of the CWPF**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. This Scheme was closed to new members with effect from 31 March 2002 and contributions to this scheme will cease with effect from 1 January 2019.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single Trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2017: £82,207, 2016: £86,922), in addition to this any impact of deficit contributions (see below) are also paid, giving a total cost of £393,507 for 2017 (2016: £398,222).

If, following an actuarial valuation of the Life Risk Pool for all employees of the scheme, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2013. In this valuation, the Life Risk Section was shown to be in deficit by £4.9m and £4.3m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m for all participating employees.

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

**14. PENSIONS (continued)**

**Defined Benefits Scheme of the CWPf (continued)**

Following the valuation, the Chapter of York has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 23.7% of pensionable salary and expenses of £12,800 per year. In addition deficit payments of £311,300 per year have been agreed for 3.5 years from 1 April 2015 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Chapter of York's financial statements. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The draft 2016 actuarial valuation shows an increase in deficit as at December 2016, to £549,200. This potential under-provision at 31 December 2016 of £312,800 is reflected on the balance sheet and note 12.

The movement in the provision is set out below:

	2017 £'000	2016 £'000
Balance sheet liability at 1 January	537	831
Deficit contribution paid	-311	-311
Interest cost (recognised in SoFA)	4	11
Remaining change to the balance sheet liability*(recognised in SoFA)	3	6
Balance sheet liability at 31 December	233	537

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	December 2017	December 2016	December 2015
Discount rate	0.00%	1.00%	1.60%

The next valuation of the scheme is being carried out as at December 2016.

The above scheme was replaced with a Defined Contribution Scheme, which is also part of the Church Workers Pension Fund. Although called a Defined Contribution Scheme (DCS), it is not a true DCS as it operates on a "with profits deferred annuity basis" which comes under the "hybrid" pension scheme. The deferred annuity basis means that the scheme has an element of defined benefit and the advice is that it should be treated as such.



## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 14. PENSIONS (continued)

Following the introduction of Auto enrolment, effective from the 1 July 2014 for the Chapter of York, the members of the DCS and new members were enrolled into the Church of England Pension Builder Scheme (PBS) within the Church Workers Pension Fund.

##### **Church of England Pension Builder Scheme section of CWPF**

The Pension Builder Scheme (PB 2014) section of CWPF for lay staff is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of this employer and the other participating employers.

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

At 31 December 2016, the Chapter of York had no active members, 26 deferred members and 33 pensioners in the Pension Builder Classic section and 149 active members, 25 deferred members and 2 pensioners in the Pension Builder 2014 section.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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 means 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 (17: £ 319,241; 2016: £292,846).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at 31 December 2016.

Chapter contributes at rates between 4% and 22% of basic salary and the employees are required to contribute 3%.

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

**14. PENSIONS (continued)**

**Church of England funded pension scheme (CEFPS)**

The Chapter of York also participates in the Church of England Funded Pensions Scheme, on behalf of the clergy, there are two (2016: one) members of the scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the 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 of £6,334 (2016:£6,231) are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below) giving a total charge of £9,334 (2016: £9,231).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. The 2015 actuarial report revealed a deficit of £236m based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
  - For investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
  - A 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below.

<b>% of pensionable stipends</b>	<b>January 2016 to December 2017</b>	<b>January 2018 to December 2025</b>
Deficit repair contributions	14.1%	11.9%

As at December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025. As at December 2016 and December 2017 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**14. PENSIONS (continued)**
**Church of England funded pension scheme (CEFPS) (continued)**

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2017 £	2016 £
Balance sheet liability at 1 January	23,000	28,000
Deficit contribution paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)	0	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	4,000	(3,000)
Balance sheet liability at 31 December	24,000	23,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2017	December 2016	December 2015
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to total pensionable payroll	1.5% pa	1.6% pa	0.9% pa

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

Contributions are paid to approved funds and charged as expenditure in the year in which they accrue.

**Minster School**

The Minster School contributes to the Church Workers Pension Fund as detailed above, and the Teachers' Pension Defined Benefit Scheme. The contribution to the Teachers' Pension Defined Benefit Scheme are at rates set by the scheme actuary at 16.48% (2016 16.48%) and advised to the board by the scheme administrator. This scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school.

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

#### 15. ASSOCIATED ENTITIES AND RELATED PARTIES

##### **Controlled by the Chapter**

York Minster Enterprises Limited, a wholly owned subsidiary, undertakes trading activities on behalf of the Chapter and transfers profits back to the Chapter through Gift Aid.

St William's College is a registered charity, administered by the Chapter of York as Trustee. The management of the charity is carried out by a committee comprising members of the Chapter of York and officers employed by the Chapter. St William's College Enterprises Limited is its wholly owned trading subsidiary.

St William's College used the services of the Stoneyard of the Chapter during the year to the value of £221,000 (2016 £147,000). The Chapter paid rents to the value of £18,650 (2016 £17,500), in respect of offices occupied by departments of the Chapter.

Included in debtors is an amount of £69,700 (2016 £11,000) settled shortly following the year end and, £7,200 of creditors (2016 £4,400) relating to St William's College and St William's College Enterprises Limited.

##### **Not controlled by the Chapter**

The Friends of York Minster, income received in the year amounted to £100,000 (2016 £47,000).

York Minster Fund, income received in the year amounted to £896,000 (2016 £619,000).

Whilst both these charities give substantial support to York Minster the powers of both of these charities as regards distribution of income are discretionary.

##### **The York Glaziers' Trust**

This charity has a close relationship with the Chapter which is one of the principal clients and which also has the power to nominate one half of the trustees. A partnership agreement was entered into in July 2017 setting out the arrangements for working together to safeguard and sustain the highest standard for the maintenance, restoration and conservation of historic stained glass at the cathedral. There is no direct financial exchange between partners in relation to the agreement, contract works are paid upon receipt of monthly invoices for agreed work done. Work carried out by the Trust in the year ended 31 December 2017 for the Chapter amounted to £578,000 (2016 £655,000). The Chapter invoiced the Trust £25,000 for services provided in the year (2016 £11,000). As at 31 December 2017 amounts totalling £4,000 (2016 £6,000) are shown as owing from the Trust to Chapter and amounts totalling £54,800 (2016 £42,000) shown as owing to the Trust by Chapter.

#### 16. THE MINSTER SCHOOL

Whilst the ultimate responsibility for the School rests with the Chapter, the day to day operation is managed by the Committee of the Governors. The finances of the School are consolidated in the Chapter's accounts.

Contributions from the Chapter towards the fees of the choristers, which are eliminated on consolidation, amounted to £302,000 (2016 £299,000).

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

17. <b>STATEMENT OF FUNDS</b>	<b>Consolidated funds</b>				
	At 01 Jan 17 £'000	Movement in resources		Gains on Investments/ Transfers £'000	At 31Dec 17 £'000
		Incoming £'000	Outgoing £'000		
<b>Endowment</b>					
General	30,884	-	(47)	3,277	<b>34,114</b>
Fabric	92	-	-	7	<b>99</b>
School – Milner White	168	-	(1)	14	<b>181</b>
Pattison fund	22	-	-	2	<b>24</b>
Richardson fund	92	-	(1)	7	<b>98</b>
Development Music	254	-	(1)	20	<b>273</b>
Eric Rothwell	111	-	(1)	9	<b>119</b>
	<u>31,623</u>	<u>-</u>	<u>(51)</u>	<u>3,336</u>	<u><b>34,908</b></u>
<b>Restricted</b>					
Fabric fund	244	1,326	(1,549)	-	<b>21</b>
School	877	14	(7)	(177)	<b>707</b>
Hore Pension	147	3	(1)	9	<b>158</b>
Vestments	1	-	-	-	<b>1</b>
Church Commissioners	-	144	(144)	-	<b>-</b>
Development office	19	-	-	-	<b>19</b>
Bigelow	98	3	-	7	<b>108</b>
Arts Council England	57	50	(90)	-	<b>17</b>
Minster community outreach	-	7	-	-	<b>7</b>
Archbishops Council	112	-	-	-	<b>112</b>
Grand organ refurbishment project	-	44	(44)	-	<b>-</b>
Other	-	24	(22)	-	<b>2</b>
	<u>1,555</u>	<u>1,615</u>	<u>(1,857)</u>	<u>(161)</u>	<u><b>1,152</b></u>
<b>Unrestricted</b>					
Common fund	12,275	7,456	(6,654)	709	<b>13,786</b>
Designated	726	-	-	329	<b>1,055</b>
	<u>13,001</u>	<u>7,456</u>	<u>(6,654)</u>	<u>1,038</u>	<u><b>14,841</b></u>
<b>Total funds</b>	<u>46,179</u>	<u>9,071</u>	<u>(8,562)</u>	<u>4,213</u>	<u><b>50,901</b></u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**17. STATEMENT OF FUNDS (continued)**  
**Chapter funds**

The total consolidated funds held are £50,901,000 (2016 £46,179,000) the individual entity funds held by the Chapter are £50,886,000 (2016 £46,164,000) these exclude £15,000 of York Minster Enterprises Limited reserves which are included within the consolidated unrestricted total funds above.

**Endowment funds**

The endowment funds represent those funds, which must remain invested or continue to be used by the Chapter. A resolution was passed by Chapter on 14<sup>th</sup> September 2017 that a policy of total return approach to permanently endowed funds be adopted, as allowed under The Church of England (Miscellaneous Provisions) Measure 2014 which received Royal Assent on 14<sup>th</sup> May 2014. The trust for investment was established to be £1,303,000 this is based on the 1996 historic book value of permanently endowed funds. The unapplied total return at this date was £30,320,000. Only the income generated by the permanently endowed assets in the year has been allocated to unrestricted income, this has been allocated through the other income line of the SoFA.

	Endowment £'000	Unapplied Total Return £'000	Total £'000
<b>Total relevant fund at 1 January 2017:</b>	-	-	-
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<b>At resolution date 14 September 2017:</b>			
Trust for investment	1,303	-	1,303
Unapplied investment return	-	30,320	30,320
<b>Total relevant fund</b>	<b>1,303</b>	<b>30,320</b>	<b>31,623</b>
<b>Movements in the year:</b>			
Investment return: dividends & interest	-	341	341
Investment return: property rental income	-	658	658
Investment return: realised & unrealised gains	-	3,336	3,336
Less: investment management costs	-	(51)	(51)
<b>Total</b>	<b>-</b>	<b>4,284</b>	<b>4,284</b>
Unapplied total return allocated to income in the year	-	(999)	(999)
<b>Net movements in the year:</b>	<b>-</b>	<b>3,285</b>	<b>3,285</b>
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<b>At 31 December 2017:</b>			
Trust for investment	1,303	-	1,303
Unapplied total return	-	33,605	33,605
	<b>1,303</b>	<b>33,605</b>	<b>34,908</b>

**THE CHAPTER OF YORK****NOTES TO THE ACCOUNTS - 31 DECEMBER 2017****17. STATEMENT OF FUNDS (continued)****Endowment funds (continued)**

Chapter has determined that £999,000 of the total unapplied return should be made available for application for the purposes of the Cathedral and the remaining unapplied total return at 31 December 2017 amounting to £33,605,000 should be allocated for accumulation as part of investments.

The endowment fabric fund represents a single gift where the capital should remain invested and the income spent on the fabric.

The Milner – White fund originated in 1955 when the original gift of capital was made by the then Dean, Eric Milner-White. The income from the fund is to be used for the general purposes of the school so long as the school is under the full and unrestricted control of The Chapter of York. If the school is discontinued or ceases to be under the control of The Chapter of York then the income is to be used for the general purposes of such one or more other Church of England choir schools as the Dean and Residentiary Canons of York shall determine, with a preference to a choir school in the Province of York.

The Pattison Endowment fund represents a donation in the form of accumulation units in The Equities Investment Fund for Charities. The Capital and Income is to be held as Endowment until 1 March 2050 when it becomes unrestricted.

The Richardson fund represents a single gift of £66,000 in 2009, the capital should remain invested and the income spent on fabric.

The Development Music fund represents gifts of £167,000 in 2006 and £17,000 in 2007, the capital should remain invested and the income spent on music.

The Eric Rothwell fund represents a single legacy where the capital of £100,000, gifted in 2015 should remain invested and the income applied for the maintenance of standards of choral music in the Cathedral.

**Restricted funds****Fabric fund**

The fabric fund comprises all revenues from property or capital sums given, granted or bequeathed to the Chapter expressly for the maintenance, repair or restoration of the Minster. In 2017 the following amounts were received,

- £846,000 York Minster Fund grant income in respect of Great East Window phase II and the South Quire Aisle fabric restoration projects;
- £324,000 from the First World War Centenary Cathedral Repairs Fund, in respect of the works to the South Quire Aisle;
- £4,000 restricted fabric donations made during the year;

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**
**17. STATEMENT OF FUNDS (continued)**
**Restricted Funds (continued)**

- £99,000 Friends of York Minster funding towards the Great East Window phase II project and North Nave Aisle window n27 restoration project;
- £21,000 legacy income, restricted for fabric;
- £32,000 All Churches Trust Limited grant income in respect of the work to the South Quire Aisle;

**School funds**

The School funds represent six funds, these funds are held by Chapter and restricted for school use.

The movement within these funds is shown below:

	At 01 Jan 17 £'000	Movement in resources		Gains on Investments/ Transfers £'000	At 31Dec 17 £'000
		Incoming £'000	Outgoing £'000		
Duncombe	244	1	-	(220)	25
Noble	37	-	-	3	40
Broadhurst	26	-	-	3	29
GP Brown Chorister	46	1	-	3	50
Hollings Music	265	6	(4)	17	284
Fox	259	6	(3)	17	279
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	877	14	(7)	(177)	707
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Duncombe fund is restricted for use by the school, there was a transfer of £238,000 (2016: £120,000) from this fund to unrestricted funds in the year. This was done in order to part fund the refurbishment of 7 Minster Yard, the 'White House' for use as a nursery facility by the school. The total refurbishment costs incurred in the year to 31 December 2017 in respect of 7 Minster Yard were £238,000 (2016: £304,000). This is an endowed property which has been refurbished for school use.

The Noble fund is restricted for musical instruments for use by the pupils at the school. Broadhurst, Brown, and Hollings Music funds are restricted for boy choristers and the income from these funds is currently used to fund bursary requests and musical education.

The Fox fund is restricted for school use and has been set aside to fund girls and non-chorister bursary applications.

**Hore Pension fund**

The Hore Pension fund concerns pension provisions for Songmen.



## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2017

## 17. STATEMENT OF FUNDS (continued)

**Restricted Funds (continued)****Vestments fund**

The Vestments fund represents a legacy with specific restrictions for use on vestments costs.

**Church Commissioners fund**

The Church Commissioner fund represents the standard grant paid to each cathedral. An application to use the surplus in 2017 for the salary costs of a non-Commissioner Canon was approved by the Church Commissioners.

**Development office fund**

The Development Office funds represent monies raised by the Development Office to be spent in accordance with the purposes specified by the donor.

**Bigelow fund**

The Bigelow fund relates to fabric.

**Arts Council England fund**

The Arts Council England fund represents a grant received from the Museum Resilience Fund towards the 'Cathedral Collections: Unlocking Spiritual Capital' project. This was initially an eighteen month project which was due to complete in March 2018 but has now been extended to complete in June 2018.

**Minster Community Outreach fund**

This fund represents money raised by the Minster Community in previous years towards community outreach by the learning team.

**Archbishop's Council fund**

£112,000 was received from the Archbishop's Council in 2016 towards the costs of a new sound system in the Minster, work is anticipated to start in 2018 on this project.

**Grand organ refurbishment fund**

This represents restricted donations received in the year in respect of the Grand organ refurbishment project. This project involves the removal, refurbishment and subsequent replacement of the Grand organ. The project commenced in 2017 and is anticipated to complete in 2020.

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2017**

**17. STATEMENT OF FUNDS (continued)**

**Restricted Funds (continued)**

**Other restricted funds**

Other restricted funds represent the following restricted donations received, all but £2,000 of these have been expensed in the year:

- £4,000 received from Friends of Cathedral Music;
- £1,750 received from Friends of York Minster for music;
- £1,500 received from Friends of York Minster for the library;
- £4,900 received from the Choir Association of York Minster;
- £6,600 received from York Minster Fund;
- £1,000 received from the Diocese of York; and
- £4,000 received from Church of England Ministry Experience Scheme.

**Unrestricted funds**

The Common fund comprises all other revenues, which shall be expended upon the general purposes of the Minster.

The Designated fund represents funds designated out of the Common fund for long term major fabric maintenance of the Minster. Due to there being a net unrestricted surplus of £802,000 in 2017, £329,000 (2016 £nil), being 33% of the unrestricted surplus prior to unrestricted legacies, plus any unrestricted legacy income, was designated in the period.

**18. AUDITORS REMUNERATION**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
For audit services	<b>12</b>	12
For other services	-	-
	<hr/>	<hr/>