



YORK  
MINSTER

**2019**

**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

THE CHAPTER OF YORK  
Annual Report and Accounts  
For the year ended 31 December 2019

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The Chapter presents its Annual Report and Accounts for the year ended 31 December 2019 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 (December 2018).

**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 Right Revd Dr J H Frost (from 2 February 2019)
<b>Canon Precentor &amp; Acting Dean</b>	The Revd Canon P J Moger (Acting Dean until 2 February 2019) (Canon Precentor until 31 October 2019)
<b>Canon Chancellor</b>	The Revd Canon Dr C P Collingwood
<b>Canon Pastor</b>	The Revd Canon M D Smith
<b>Canon Missioner</b>	The Revd Canon M A McLean (from 17 November 2019)
<b>Canon Precentor</b>	The Revd Canon Dr V Johnson (from 11 January 2020)
<b>Lay Canon &amp; Canon Treasurer</b>	Canon Dr A S Green (until 27 February 2020)
<b>Interim Canon Treasurer</b>	The Revd Canon M D Smith (from 27 February 2020)
<b>Lay Canon</b>	Canon Dr R J Shephard
<b>Lay Canon</b>	Canon J K Hattam
<b>Lay Canon</b>	Canon Sir W R Worsley

**THE CATHEDRAL COUNCIL**

The members during the year were:

<b>Chairman</b>	Canon P N Collier
<b>Dean</b>	The Right Revd Dr J H Frost (from 2 February 2019)
<b>Acting Dean</b>	The Revd Canon P J Moger (until 2 February 2019)

**Members of Chapter:**

The Revd Canon P J Moger (until 31 October 2019)  
The Revd Canon Dr C P Collingwood  
Canon Dr R J Shephard

**Members of the College of Canons:**

The Ven S R Bullock (until 30 June 2019)  
The Revd Canon Dr N D Barnes (until 12 July 2019)  
The Ven A C Broom (from 9 October 2019)  
The Revd Canon C Wilton (from 9 October 2019)

**Members Appointed by the Archbishop:**

The Rt Hon The Earl of Halifax  
Mr S Galloway  
Rt Rev C Madden OSB  
Prof J Stern  
Canon Sir W R Worsley  
Dr J Gillespie  
Mr M Shepherd

**Members of the Minster Community:**

Mr C Rundle  
Mrs C Funnell  
Mrs R Hicks  
Mr J Morley

## 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 F J A Hewitt  
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 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

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

The Revd Canon Dr N D Barnes (until 12 July 2019)  
The Revd Canon W J Ford  
The Rt Revd G H Webster EO  
The Ven S R Bullock EO (until 30 June 2019)  
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 W M Macnaughton  
The Revd Canon C Wilton

The Revd Catriona Cumming  
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**  
**Head teacher of the Minster School**  
**Interim Head teacher of the Minster School**  
**Director of Works & Precinct**  
**Director of People**  
**Director of Communications**  
**Director of Visitor Experience**

Kathryn Blacker  
Andy Oates LL.B. (Hons)  
Eve Hartrick FCCA  
Robert Sharpe MA, FRCO, FRSA, Hon FGCM  
Angela Mitchell (from 1 September 2019)  
Sophie Schoukroun (until 1 September 2019)  
Alex McCallion FRICS  
Ruth Dunlop FCIPD  
Sharon Atkinson  
Patricia Dunlop MA, AMA

## 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
<b>Dean</b>	The Right Revd Dr J H Frost (from 2 February 2019)
<b>Acting Dean</b>	The Revd Canon P J Moger (until 2 February 2019)
	Graham Millar FCA
	Philip Ashton FCA
	Paul Fox MRICS
	Rodger Hobson
	Daniel Grew
<b>Chapter Steward</b>	Kathryn Blacker

Non-member but in attendance:

<b>Director of Finance and Secretary</b>	Eve Hartrick FCCA
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## AUDIT &amp; RISK COMMITTEE

The members during the year were:

<b>Chairman</b>	Graham Millar FCA
	Philip Ashton FCA
	Neil Harkin

## FABRIC ADVISORY COMMITTEE

<b>Chairman</b>	Dr J Gough
<b>Deputy Chairman</b>	Mr M Stancliffe
	Mr C Cotton
	Ms T Hunt
	Ms S VanSnick
	Dr J Grenville
	Mr J McCosh
	Dr I Rauch
	Mr A Graham
	The Very Revd M Tavinor
<b>Secretary</b>	Mr D Demack

## THE CHAPTER OF YORK

Administrative and reference details (continued)**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 Solicitors LLP, Duncombe Place, York, YO1 7DY Langleys Solicitors LLP, Queens House, Micklegate, York YO1 6WG
Investment Managers	Rathbones Brothers Plc, 1 Curzon Street, London, W1J 5FB CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Property Managers	Sanderson Weatherall LLP, 25 Wellington Street, Leeds, LS1 4WG

**INDEPENDENT AUDITOR**

BHP LLP, Rievaulx House, 1 St Mary's Court, York, YO24 1AH

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2019 Annual Report and Accounts

#### OBJECTS AND ACTIVITIES

The Metropolitan Church of St Peter in York, York Minster is first and foremost the seat of the Archbishop and a centre for worship and mission. This responsibility sits at the heart of Chapter's five year plan 2015-2020 and is witnessed through a clear articulation of Chapter's Mission "Inviting everyone to discover God's Love"

Chapter's plan is articulated through five key purposes:

- Playing 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;
- Inspiring 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 shared transformation;
- Engaging all our community in a participative and consultative way;
- Putting learning and the transformation of ourselves and others at the heart of all we do;
- Managing our business successfully, covering our costs and generating the funding necessary to further our mission and to sustain the Minster.

Key priorities for 2019 surrounded the arrival of significant new appointments and the recruitment of new residentiary Canons. Time and effort was also expended on completing many of the objectives of the penultimate year of Chapter's strategic plan. Chapter oversees this work at its nine meetings throughout the year, but delegates the operation of the Minster to its Senior Leadership Team via a business plan and terms of reference and the oversight of The Minster School to the School SLT via the School Board and a scheme of delegation.

#### **Ministry**

The arrival of the new Dean, The Right Reverend Jonathan Frost, in February 2019, provided the focus to regroup on relationships across the wider Minster community. At various welcome meetings Jonathan was able to meet members of the community from near and far and establish his Ministry and reaffirm that of the Minster as welcoming, generous and with a clear ambition to walk alongside partners and friends. The Minster hosted its regular pattern of worship, welcome various groups from across the Diocese and province.

#### **Cathedral and Precincts Upkeep**

Work continued both in and on the Minster and around the Precinct. Audibility and warmth are two of the perennial problems for any medieval cathedral and Chapter made progress on both during 2019. A new sound system was installed in the Minster in early 2019. The improvement to audibility for those attending for worship and for events has been highly welcomed. The project was made possible with generous financial support from the Archbishop and also from the Friends of York Minster, to whom Chapter extends its thanks. Six modern boilers replaced the eight existing boilers during the summer of 2019. Emissions of nitrogen oxide from the new boilers are 2/3 less than the previous boilers and fuel consumption has halved. This is a significant next step in Chapter's aim to achieve Eco-Gold Status during 2020. The two million pound project to restore the Victorian Organ continued, with most of the pipework being located at Harrison and Harrison for the duration of the year. In autumn the first pipes were returned to site and visitors to the Minster could watch the pipes being decorated in the temporary workshop of St. John's Chapel. Work to the medieval fabric of the Cathedral continued with significant financial support from the York Minster Fund, for which Chapter is grateful. As part of the ongoing project with York Glaziers Trust windows protective glazing was added to the windows at N26, S9, S10 and S11. Work on the south quire aisle continued, with attention focussing on the quire transept and the "St. Cuthbert" window. Around the precinct, The Deanery, 5 Minster Yard, 2A Minster Yard and 2 Minster Court all received attention prior to the arrival of their new residents. Chapter also continued work to the roofs at Minster Gates, and began the refurbishment of 50 Low Petergate.

## THE CHAPTER OF YORK

Dean's Review of the Year for the 2019 Annual Report and Accounts**OBJECTS AND ACTIVITIES (continued)**

Significant investment was realised in the School Estate, with a new Science Lab unveiled for the autumn term 2019 and new windows to the rear of the Minster Yard properties. Responding to safeguarding and health and safety concerns a new pedestrian gate was created from the Red House Playground onto College Green, rather than directly out onto Deangate.

There were no property disposals or acquisitions during the period. There were no additions to the FAC held inventory or disposals from it during the year.

**Education and Outreach**

Much of the focus on education and outreach during 2019 has been on The Minster School. Chapter had dedicated time and resource to ensuring the School has the best opportunity of flourishing.

On a wider note the Learning Team welcomed 32,400 pupils during the year. Our informal activities attracted 11,177 and the Collections team welcomed 5,252 into the Old Palace. Of particular note is the Seldom Heard project, driven through the Collections Team, enabling Chapter staff to develop relationships with community groups who might not think of the Minster as a place for them, through a series of outreach visits and special events held in and around the precinct.

**Community and Congregation**

We welcomed our new Dean in February and held several social evenings to enable him to meet a large cross section of our community. In addition to the 28 statutory services we hold each week, we celebrated 9 baptisms, 10 weddings and hosted 13 funerals and memorial services. 12 people attended preparation classes and were Confirmed. We welcomed many from the diocese and province to additional services including 2 ordinations and a consecration. As we seek to lower the average age of our worshipping community we have committed significant resource to our once fortnightly, now weekly, toddler service (Minster Mice). We have two homegroups which meet regularly. Members of the Community Committee attended a conference about growth in Cathedrals and have since set up a group to develop plans for us to grow in faith and in numbers.

**Responsible Stewardship**

There was a great deal of heavy lifting behind the scenes during 2019. Work continued on preparing an intranet to share information with staff and volunteers: Chapter could not sustain the life of the Minster without the some 500 volunteers who gift their time to the cathedral and this new tool will enable us to communicate with that body in a sophisticated and timely fashion. Other projects included the specification and search for a system to manage the Minster's complicated diary and booking arrangements and the adoption of a new EPOS system in the Minster shop. Staff developed new models to generate much needed income, looking at new tours and hire of certain spaces around the precinct. Work continued to increase Chapter's understanding of those who come through the doors, and what motivates them. A developing audience segmentation model is in place enabling more effective decisions to be made to allocate resources.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2019 Annual Report and Accounts

#### ACHIEVEMENTS AND PERFORMANCE

It is good to reflect on a solid out-turn in terms of key organisational and performance indicators.

A year of political negotiations in relation to Brexit, culminating in a December General Election, provided a somewhat uncertain socio-political back-drop to the work of York Minster in 2019. Together with other institutions in the City and the UK, Chapter and its Senior Leadership Team kept a watching brief on developments and received regular updates on possible implications for its investment portfolio.

In 2019, the outlook of staff, volunteers, congregations and communities remained positive and outward facing. Chapter undertook a people engagement survey for the first time during the year. The standard, 58% initial response rate demonstrated 92% of respondents understood the Minster's Mission and 91% felt their team was committed and took pride in doing their best for the Minster. Lower indicators across other questions suggest focussed work on internal communications and performance development reviews over the years to come.

Visitor numbers grew in 2019 with totals, including worshippers, exceeding 700,000. This is good news as visitor income remains the key contributor to the Minster's overall financial sustainability. In the development of its Strategic Plan (2015-20) the Chapter of York acknowledged the risk of potential over dependence on visitor income and the need to diversify income streams.

In 2019 Chapter has therefore continued to develop a ground-breaking Neighbourhood Plan which approaches a final stage in stakeholder consultation. The fruit of close working with the City of York and key stakeholders locally and nationally, the Neighbourhood Plan provides a framework for the development of the Minster Precincts over the next 25 years.

It is intended that future developments will enable, *inter alia*: the diversification of income streams; an expansion of existing outreach activities in education and music; enhanced visitor experience through the development of a café; and the greater facilitation of the Minster's convening, inspiring and animating role in the City, Diocese and Province of York. The work of Kathryn Blacker, Chapter Steward, and her Senior Leadership Team – perhaps most notably Alex McCallion in taking forward work on the Neighbourhood Plan - is to be commended and a significant organisational strength.

In 2019 Chapter invested significantly in the Minster School (established 627), its Musical Foundation (for example, through the Grand Organ Project due to complete in Autumn 2020) and in key partnerships to deliver large scale events of extraordinary quality: for example, the fruitful partnership with York Minster Fund to deliver a re-run of the award winning 'Northern Lights' for 22,000 visitors.

2019 was a year of farewells with the departure of Peter Moger and Vicky Harrison who gave outstanding contributions to Liturgy and Collections respectively. After years of devoted service the Minster School community bade farewell to Jane Donaldson and Andrew Wray.

During 2019 the Minster community welcomed Angela Mitchell (Head teacher, The Minster School), Maggie Maclean (Canon Missioner), Vicky Johnson (installed as Canon Precentor in early January 2020) and Jonathan Frost (Dean of York). It is anticipated that new Lay Canons will be appointed to Chapter in 2020.

A highlight within year was the announcement of Stephen Cottrell, Bishop of Chelmsford, as Archbishop-designate of York. It is anticipated Bishop Stephen will succeed Archbishop Sentamu in summer 2020. The appointment of a new Diocesan Bishop is a significant moment for any Cathedral Church.

## THE CHAPTER OF YORK

Dean's Review of the Year for the 2019 Annual Report and Accounts

## ACHIEVEMENTS AND PERFORMANCE (continued)

However it has particular significance in the context of York Minster as the Diocesan Bishop of York is also the Archbishop – or Metropolitan Bishop – of the Church of England's Northern Province. One of two 'Metropolitan Cathedrals' in the Church of England (the second being Canterbury) York Minster serves as the 'seat' of the Metropolitan Bishop and as a focal point of prayer and support for the Archbishops' ministry across Diocese, Province and Anglican Communion. As a consequence of this almost unique role, York Minster (as it is better known) has an existing, but arguably *under-developed* part to play in serving, encouraging and enabling the Christian ministry and mission of the 600 churches of the Diocese of York, the twelve Anglican Cathedrals and Dioceses of the North of England and the churches of the global Anglican Communion. Exploring how York Minster can grow into, more fully inhabit, its rich Christian and ecclesial identity - primarily through prayer, building friendships, ministry in the public square and support of its Archbishop - will be a major focus in the development of a new Strategic Plan (2021-2026) through 2020.

We are all aware of the impact the ongoing COVID-19 (Coronavirus) pandemic is having on the life of our communities, families, loved ones, colleagues and workplaces; an impact which is felt at York Minster. The Minster was temporarily closed on 17 March, following government advice, which had a sudden and dramatic impact on income. It is not anticipated that this income will return to 2019 levels in the immediate future, as a result of this Chapter have had to actively address the need to restructure its staff and reprioritise work to reduce costs while focussing on our core purpose: worship and welcome. The first phase of Chapter's plans to re-balance its finances culminated in the announcement made on 3 June about proposals for The Minster School to close at the end of the summer term. Prior to the pandemic, the School was the subject of a concerted effort by Chapter to turn it around with plans to invest £750k each year for the next three years to give the School breathing space to rise out of its financial deficit and to start recruiting new pupils. The loss of our visitor income means that Chapter cannot afford to continue to fund the School. As part of the development of a new Strategic Plan, the impact of COVID-19 post year end is at the forefront of all our minds.



The Right Revd Jonathan Frost  
Dean of York

## THE CHAPTER OF YORK

### 2019 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 December 2018 (the Regulations).

The Chapter accounts for the year ended 31 December 2019 show a net surplus of £332,000 (2018: surplus of £119,000), before taking account of gains or losses on the valuation of investments and the defined benefit pension scheme. Chapter have continued to make significant investments in the fabric of the Minster and endowed property portfolio during the year, and the receipt of a generous legacy towards fabric, has enabled a surplus to be achieved.

Incoming resources amount to £10,355,000 (2018: £9,814,000). This is an increase of £541,000 on prior year, principally due to increased revenue from our visitor operation in addition to the receipt of the above mentioned legacy.

Total resources expended on mission amount to £10,023,000 (2018: £9,695,000) which is an increase of £328,000 on prior year. There was a reduction in expenditure on raising funds of £143,000 due to reduced employment and legal costs in 2019. Cathedral and precinct upkeep increased by £558,000 on 2018 levels, £406,000 of this is due to major repairs and restoration including the Grand Organ refurbishment project. Education and outreach reduced by £83,000, £69,000 of this is due to reduced archives and library costs following completion of the Arts Council project in 2018.

The expenditure on raising funds was £2,664,000 (2018: £2,807,000), resources expended on mission were £7,359,000 (2018: £6,888,000) including governance costs.

### **Overall Financial Position**

Following net gains on investments, of £2,980,000 (2018: net losses of £1,627,000) the increase to total funds for the year is £3,327,000 (2018: decrease of £1,591,000). There was an actuarial gain on the defined benefit pension scheme of £15,000 (2018: loss of £83,000). In 2019 the provision which was recognised in respect of the defined benefit pension scheme deficit has reduced to £367,000 of which £251,000 is due after one year.

Most major equity markets were buoyant in 2019, with the reduction of Brexit uncertainty, and the negative returns experienced in 2018 were recovered resulting in an increase in the value of investments of £2,980,000 (2018: decrease of £1,667,000). Global economic growth is forecast to slow in 2020, with UK economy expected to grow by only 0.8%. It is also unclear how severe or long-lasting the global health emergency caused by coronavirus will be.

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 CHAPTER OF YORK

2019 Financial Review (continued)**Overall Financial Position (continued)**

The latest full 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 next valuation is due in 2022.

There was a net cash inflow of £404,000 (2018: £1,881,000) in the year bringing total cash and cash equivalents to £4,056,000, (2018: £3,652,000). The net cash outflow from operating activities was £685,000 (2018: £801,000) and income from investing activities was £1,089,000 (2018: £2,642,000). More detail is given on page 29.

The consolidated funds of the Cathedral as at 31 December 2019 are £52,637,000 (2018: £49,310,000) these consist of £34,961,000 (2018: £33,890,000) endowed, £1,518,000 (2018: £1,408,000) restricted and £16,158,000 (2018: £14,012,000) unrestricted funds.

The endowed funds are held for the permanent benefit of the Cathedral. The restricted funds are held for specific purposes. Given there are net incoming unrestricted resources of £274,000 pre investment losses and gains (2018: outgoing unrestricted resources of £81,000), £96,000 (2018: £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 £1,151,000 (18: £1,055,000) as at 31 December 2019. Further detail is provided in Note 17 to the accounts.

**Income**

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:

Net income from donations and legacies has reduced in the year by £59,000. Donation income has reduced by £967,000, there was a generous donation of £1,000,000 received in 2018 in respect of the Grand Organ project. In 2019 legacy income has increased by £781,000 more detail is given in Note 17. The Friends of York Minster, York Minster Fund and local trusts provided much valued financial support for various projects, including the sound system, and for apprentices. Income from these sources amounted to £1,544,000 (2018: £990,000). Other capital grants reduced by £70,000 to £25,000. We were in receipt of funding from the Friends of Cathedral Music and Arts Council England in 2018, no such funding was available in 2019.

Income from visitors, excluding gift aid, increased by £296,000 to £3,545,000 (2018: £3,249,000) this reflects a full year's impact of the price increase which was implemented part way through 2018, paying visitor numbers have remained largely consistent with 2018 levels. The initial increase in total visitor numbers that commenced in quarter four of 2016 and throughout 2017 and 2018 has continued into 2019. This has resulted in a net increase of 13,209 (2018: 10,896) non-worshipper visitors (2.43%) year on year, taking the total non-worshipper visitors in 2019 to 556,121 (2018: 542,912). Total visitors, including worshippers, continued to grow and exceeded the 2018 record breaking level, with 706,484 (2018: 694,429) being welcomed in the year.

**Expenditure**

Further detail is provided in Note 4 to the accounts. There has been a reduction in support costs of £297,000 in the year to £1,016,000. These support costs are split between expenditure categories, as shown in Note 5. The reduction in support costs is due to reduced legal fees and staff costs. Within support costs, staff costs have reduced by £145,000 and governance costs reduced by £100,000 in the year.

**THE CHAPTER OF YORK**
**2019 Financial Review (continued)**
**Expenditure on Raising Funds**

The cost of raising funds has reduced by £143,000 in the year to £2,664,000 (2018: £2,807,000), £108,000 of this reduction is in relation to support costs allocated. Visitor experience expenditure has also reduced in the year, whilst shop expenditure has increased, reflecting the increased trade during 2019.

**Investment properties**

The return on the investment portfolio was as follows:

	2019		2018	
	£'000	£'000	£'000	£'000
<b>Total return on investment property</b>				
Gross rents receivable		689		571
Repairs and maintenance	182		143	
Agents management fees	19		28	
Other agent fees	21		27	
Quinquennials	37		51	
Legal fees	11		13	
Utility and other costs	7		17	
		<b>(277)</b>		<b>(279)</b>
<b>Net income from investment property</b>		<b>412</b>		<b>292</b>
Property revaluation		-		40
<b>Net income/gains from investment property in the year</b>		<b>412</b>		<b>332</b>

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 6 and above.

**Charitable activities**

Ministry costs have decreased by £4,000, to £1,179,000. Support costs allocated to Ministry have reduced by £80,000, stipend and working costs have increased by £33,000 and housing costs have increased by £42,000. The increase in housing costs is largely due to refurbishment work carried at the Deanery during 2019. £19,000 has been incurred in additional stipends during 2019 and £14,000 increase in working costs due to the arrival of the Dean and two residentiary Canons during the year.

**THE CHAPTER OF YORK**
**2019 Financial Review (continued)**
**Cathedral and Precincts Upkeep**

Cathedral and precincts upkeep has increased by £558,000 to £3,833,000 (2018: £3,275,000). £249,000 of this increase is due to works undertaken in the year on the Grand Organ refurbishment project. In addition to the general maintenance and running costs, this expenditure also includes continuing works to the South Quire Aisle project, refurbishment work to windows s9, s10 and s11 in the South Quire Clerestory and n5 in the Chapter House Vestibule. Included within precincts upkeep is work amounting to £92,000 in respect of the endowment property portfolio, of this expenditure, £58,000 is in respect of the school occupied properties and £34,000 on other own use properties.

**Education and Outreach**

Expenditure on education and outreach has decreased by £83,000 to £2,347,000 (2018: £2,430,000). £55,000 of this reduction is attributable to support costs allocated to education and outreach which have reduced to £302,000 (2018: £357,000). Costs of the Minster school have increased by £35,000 to £1,497,000 (18: £1,462,000). Archives and library costs have reduced by £69,000 due to the completion of the Arts Council project in 2018.

**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"). Rathbones achieved a twelve month return of 18.5% (2018 -5.0%) compared with the agreed benchmark of 17.6% (2018 -4.96%). Funds held with CCLA in The CBF Church of England Property Fund produced a return of 5.46% (2018 5.31%) against the IPD Property Index of 2.2% (2018 7.3%).

	<b>Total 2019 £'000</b>	<b>Total 2018 £'000</b>
<b>Total return on equity investments</b>		
Gross income from investments	<b>647</b>	672
Unrealised gains/(losses)	<b>2,926</b>	(1,613)
Gains/(losses) on disposals	<b>54</b>	(54)
	<hr/>	<hr/>
Gains/(losses)	<b>2,980</b>	(1,667)
	<hr/>	<hr/>
Investment management costs	<b>(103)</b>	(92)
	<hr/>	<hr/>
Net surplus/(deficit) in the year	<b>3,524</b>	(1,087)
	<hr/>	<hr/>

## THE CHAPTER OF YORK

### 2019 Financial Review (continued)

#### **Total return investment policy**

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. In September 2017 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.

At the time of resolution, the trust for investment was determined at £1,303,000 being based on the 1996 book value of endowed assets, this is adjusted for inflation each year. As at 1 January 2019 the trust for investment was £1,410,000, £18,000 has been allocated to the trust for investment from the unapplied total return in the year. The trust for investment as at 31 December 2019 is £1,428,000.

The income from the endowment's investments has been recognised as endowment income in the year and £991,000 of this income has been allocated out of the unapplied total return and applied for Cathedral purposes, this allocation is shown within unrestricted and restricted other income. Chapter made an allocation of £239,000 (2018: £204,000) from unapplied total return for Cathedral purposes, this was to enable essential repairs and refurbishment to endowed investment properties in the year. Chapter consider that this is a prudent distribution of the available endowment funds.

Other realised and unrealised gains and losses on the disposal and revaluations of investments and property amounted to a gain of £2,980,000 (2018: loss of £1,627,000) in the year. The endowed element of this gain, £1,358,000, (2018: loss of £812,000) was transferred to the endowment funds and does not affect the surplus for the year under the Cathedral Measure 1999.

#### **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 autumn 2019. As a result of this review, and in recognition of the number of significant contractual projects which have been committed to during the year, the target level of free unrestricted reserves has remained unchanged at £12,500,000 (2018: £12,500,000).

## THE CHAPTER OF YORK

2019 Financial Review (continued)**Reserves policy (continued)**

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 2019 is £16,158,000 (2018: £14,012,000), net of the pension reserve held of £367,000 (2018: £491,000). £1,151,000 (2018: £1,055,000) has been designated by Chapter for long term major fabric of the Minster and £2,010,000 (2018: £1,091,000) are held as tangible fixed assets and property, leaving £12,997,000 (2018: £11,866,000) free unrestricted reserves.

The level of free unrestricted reserves as at 31 December 2019, as described above, excluding designated amounts and fixed assets, is in excess of the target level. The level of these reserves includes unrealised gains and is subject to volatility and under annual review and monitoring.

Post year end, the impact of the COVID-19 (Coronavirus) pandemic has had a negative impact on our reserves. The significant fall in the stock markets experienced in 2020 is reflected in a reduction of our investment portfolios of 11.3% as at May, therefore reducing the unrestricted element of investments, and free reserves. In addition, the reduced number of visitors, and therefore income, experienced due to the flooding in January and February, along with reducing overseas visitor numbers has also had a negative impact on free reserves. The temporary closure of York Minster on 17 March meant an immediate loss of all visitor income, including retail, in its entirety for the period of closure. The current reserves policy sets free reserves at a level of £12.5m. This was set in order to cover unexpected events and shortfalls in income, but no-one expected the cessation of all income, even if only for a finite time. The visitor numbers will take time to recover at York Minster, the recent work done by the Association of Leading Visitor Attractions (ALVA) indicates that recovery of home-grown tourism will be quicker than overseas visitors and we may return to levels of visitors experienced in 2014/15 by 2022. The reserves policy will be reviewed in 2020 in light of the re-modelling work that is being undertaken, this work sets out to minimise the impact on Chapter reserves and ensure protection of these reserves in order enable us to flourish once operations are resumed with the focus being on long term sustainability. The approach to setting the reserves policy remains unchanged, and based on risks.

**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 2019 £1,151,000 (2018: £1,055,000) has been designated by Chapter for the long term major fabric maintenance of the Minster. There was a transfer of £96,000 (2018: £nil) into this designated fund in the year due to there being an unrestricted surplus of £274,000 pre gains and transfers generated.

## THE CHAPTER OF YORK

### 2019 Financial Review (continued)

#### 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 uncertainty provoked by the current political and economic climate 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.

There is currently significant uncertainty surrounding the full implications of the COVID-19 Coronavirus pandemic, and the financial risks associated with holding a significant amount of both equity and property investments in an uncertain economic climate, as well as the loss of income due to closure. 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, although significantly reduced since the year end, continues to enable Chapter to address these contingencies as they arise.

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. This lobbying of potential funding bodies has become more ardent following the outbreak of the pandemic, we are assured that additional funding will be available through the furlough scheme which was announced by the Chancellor on 20 March and are hoping for support from the National Church Institutions.

The risk of over-reliance upon visitor income streams, which led us to start a master-planning project which is currently still underway, became very real on March 17 when the Cathedral was temporarily closed. The master plan will enable us to diversify our income streams and generate additional revenue so that the mission can continue in the long term.

Audit and Risk committee carried out a review of risk during the year and reported to Chapter. The following is an extract from the conclusion of their report to Chapter; "No organisation runs without risk and that is certainly true for the Minster's overall operations. However, it is encouraging to see that its risk evaluation, mitigation and process are done well and taken very seriously. A recent good example is the reaction to the Coronavirus Crisis where quick action and evaluation of the possible implications both operationally and financially are being assessed with short term mitigating action being urgently brought into effect. It is clear that, depending on the amount of time the crisis continues, the 'going concern' status of the Minster could be threatened. These areas of high and longer term risk are being addressed but will take time for financial operations to be brought back into line. The ARC recognises that controls across the Chapter's operations are working satisfactorily, an assessment confirmed by the auditors."

## THE CHAPTER OF YORK

2019 Financial Review (continued)**Going concern**

Post year end, following the outbreak of the COVID-19 pandemic, the budgets for 2020 have been re-visited. Chapter considered the current financial position at the time of approval of these financial statements, alongside the revised budget for 2020 and the associated risks and assumptions as part of the year end procedures. The temporary closure which took place on 17 March had a devastating impact on our income, with visitor income, gift aid, donations, plate collections, retail turnover, event income, learning group income, tourist group income, investment income and property rental income all being negatively impacted. Whilst there is a significant threat to income streams, Chapter are satisfied that the steps that are being put in place to limit exposure to this reduction in income are appropriate and the Cathedral has the ability 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 2019.

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 remains well aware of the both the challenges and opportunities ahead. The uncertainty of the COVID-19 pandemic could impact on Chapter's business interests in several ways, with impact on investments and also the stream of tourists who make up a large proportion of our visitors.

This reducing income has meant that Chapter have had to look at the cost base, all non-essential work was ceased on 17 March and Chapter were able to utilise the Government Job Retention Scheme and those employees who could no longer work due to the closure were able to be retained on the payroll when they agreed to become 'furloughed'. This scheme will enable Chapter to recover some of the costs arising out of the current crisis.

The need for support and funding from the National Church Institutions has also been brought to the forefront as a result of the pandemic. Conversations are ongoing with respect to future funding possibilities.

The real need to diversify income streams identified in the strategic plan 2015-2020 becomes even more pressing. Work on catering opportunities and generating higher return from our property portfolio will be a key thread during the next years, hard-wired into the developing precinct-wide Masterplan. The Masterplan itself is designed to afford Chapter a clear sequence of projects to enable a sustainable future.

This priority sat alongside the need to finish the Grand Organ Project, to continue with our partnership with the York Glaziers Trust to protect our fragile medieval glass and the obligation to finish work to the South Quire Aisle.

Following the outbreak of the pandemic, and the resultant dramatic reduction in free reserves, all of these key priorities are being re-visited by Chapter. 2020 was the year in which Chapter anticipated authoring the next five year plan, 2021-2026, however given the dramatic change in global circumstances a short term strategic plan mid 2020-2023 is being drawn up based upon our level of free reserves and future income projections. Responsible stewardship sits at the heart of these plans in order to protect and secure the future of the core mission of the Chapter.

Although total net assets of £52,637,000 are held as at 31 December 2019, £49,136,000 of these are fixed assets; £26,016,000 of which are held as property and £22,582,000 equity investments. This 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, whilst protecting the value of the original gift, or trust for investment. 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 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.

A detailed review of the Constitution and the Statutes, undertaken on behalf of Cathedral Council in autumn 2017, identified several provisions that required updating revision. A wide ranging package of proposed revisions was subsequently produced, discussed with Chapter and the Archbishop, and put out to public consultation in April 2018. A key priority was the modernisation of Chapter as a governing executive to ensure that it was fit for purpose, in particular by removing the multi-layered restrictions (none of which were required by the 1999 Measure) that severely restricted the Archbishop's power to appoint the appropriate number of lay members onto Chapter. The proposed revisions also created new non-residentiary and non-canonical classes of Chapter member, enabling new members to be drawn from a far broader pool of talent and expertise than had previously been possible.

The revision proposals took due note of the helpful assessments of cathedral governance structures and management issues that were produced during this period for General Synod by the Church of England Cathedrals Working Group.

The revision process required by Part II of the 1999 Measure was completed in June 2018. The updated Constitution and Statutes were formally adopted by Amendment Instruments dated 8 June 2018 and came into force on 29 June 2018.

#### **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; this was the Most Revd and Rt Hon John Tucker Mugabi Sentamu until 7<sup>th</sup> June 2020, then the Most Revd and Rt Hon Stephen Cottrell from 9<sup>th</sup> July 2020. 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 OF YORK

### Structure, Governance and Management (continued)

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

The Chapter consists of the Dean, up to six Residentiary Canons and up to seven non-residentiary 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, non-residentiary members of the Chapter are appointed for terms of three years, after consultation with the Dean. Members of Chapter will normally 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 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 non-residentiary 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 and Risk 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.

## THE CHAPTER OF YORK

Structure, Governance and Management (continued)**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

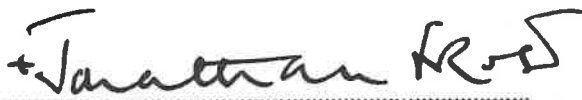
- a. preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected subsidiary;
- b. stating that they have 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.

**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 Right Revd Dr JH Frost    16 July 2020

*Dean of York*

## THE CHAPTER OF YORK

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

**Opinion**

We have audited the financial statements of The Chapter of York (the 'parent entity') and its subsidiary (the 'group') for the year ended 31 December 2019 which comprise the statement of financial activities, the consolidated balance sheet, the Chapter balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent entity's affairs as at 31 December 2019, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

**Basis for opinion**

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

**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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent entity'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 MEMBERS OF THE CHAPTER OF YORK (continued)

**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the financial statements is inconsistent in any material respect with the Chapter's Annual Report; or
- sufficient accounting records have not been kept; or
- the parent entity'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 Chapter's responsibilities statement, the Chapter are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and parent entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent entity or to cease operations, or have no realistic alternative but to do so.

## THE CHAPTER OF YORK

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

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

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

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

**Use of our report**

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



Jane Marshall (Senior Statutory Auditor)

For and on behalf of  
BHP LLP

Rievaulx House  
1 St Mary's Court  
Blossom Street  
York  
YO24 1AH

Date: 4 August 2020

THE CHAPTER OF YORK

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

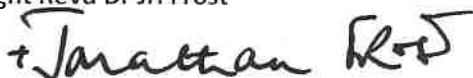
	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2019	Total funds 2018
		£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and legacies		354	1,156	-	1,510	1,569
Grants		-	1,436	-	1,436	1,073
Charitable activities		1,089	-	-	1,089	1,282
Other trading activities		4,979	-	-	4,979	4,623
Investments		325	20	991	1,336	1,243
Other income		972	24	(991)	5	24
<b>Total income</b>	3	<b>7,719</b>	<b>2,636</b>	<b>-</b>	<b>10,355</b>	<b>9,814</b>
<b>Expenditure on:</b>						
Raising funds		(2,466)	(4)	(194)	(2,664)	(2,807)
Charitable activities:						
Ministry		(1,007)	(171)	(1)	(1,179)	(1,183)
Cathedral and precincts upkeep		(1,654)	(2,087)	(92)	(3,833)	(3,275)
Education and outreach		(2,318)	(29)	-	(2,347)	(2,430)
<b>Total expenditure</b>	4	<b>(7,445)</b>	<b>(2,291)</b>	<b>(287)</b>	<b>(10,023)</b>	<b>(9,695)</b>
<b>Net income/ (expenditure) before investment gains</b>		<b>274</b>	<b>345</b>	<b>(287)</b>	<b>332</b>	<b>119</b>
Net gains/(losses) on Investments	6	1,515	107	1,358	2,980	(1,627)
<b>Net income/(expenditure)</b>		<b>1,789</b>	<b>452</b>	<b>1,071</b>	<b>3,312</b>	<b>(1,508)</b>
Gross transfers between funds		342	(342)	-	-	-
		<b>2,131</b>	<b>110</b>	<b>1,071</b>	<b>3,312</b>	<b>(1,508)</b>
<b>Other recognised losses:</b>						
Actuarial gains/(losses) on defined benefit pension schemes (DBS)	12	15	-	-	15	(83)
<b>Net movement in funds</b>		<b>2,146</b>	<b>110</b>	<b>1,071</b>	<b>3,327</b>	<b>(1,591)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		14,012	1,408	33,890	49,310	50,901
<b>Funds carried forward</b>	17	<b>16,158</b>	<b>1,518</b>	<b>34,961</b>	<b>52,637</b>	<b>49,310</b>

**THE CHAPTER OF YORK**
**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2019**


	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	6	550	-	13,255	13,805	13,805
Investments	6	11,244	769	10,569	22,582	20,388
		<u>11,794</u>	<u>769</u>	<u>23,824</u>	<u>36,387</u>	<u>34,193</u>
<b>Non-investment assets</b>						
Property	7	922	-	11,289	12,211	12,211
Equipment and plant	7	538	-	-	538	169
<b>Total fixed assets</b>		<u>13,254</u>	<u>769</u>	<u>35,113</u>	<u>49,136</u>	<u>46,573</u>
<b>CURRENT ASSETS</b>						
Stocks	9	148	-	-	148	153
Debtors	10	904	297	-	1,201	974
Cash at bank and on deposit		3,253	595	(152)	3,696	3,187
		<u>4,305</u>	<u>892</u>	<u>(152)</u>	<u>5,045</u>	<u>4,314</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,150)	(143)	-	(1,293)	(1,203)
<b>NET CURRENT ASSETS</b>		<u>3,155</u>	<u>749</u>	<u>(152)</u>	<u>3,752</u>	<u>3,111</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,409</u>	<u>1,518</u>	<u>34,961</u>	<u>52,888</u>	<u>49,684</u>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(251)	-	-	(251)	(374)
<b>TOTAL NET ASSETS</b>		<u>16,158</u>	<u>1,518</u>	<u>34,961</u>	<u>52,637</u>	<u>49,310</u>
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general		15,374	-	-	15,374	13,448
Unrestricted designated		1,151	-	-	1,151	1,055
Restricted fabric fund		-	448	-	448	452
Restricted other funds		-	1,070	-	1,070	956
Endowment funds		-	-	34,961	34,961	33,890
Pension reserve		(367)	-	-	(367)	(491)
<b>Total Cathedral funds</b>	17	<u>16,158</u>	<u>1,518</u>	<u>34,961</u>	<u>52,637</u>	<u>49,310</u>

The financial statements were approved by the Chapter on 16 July 2020 and signed on their behalf by:

The Right Revd Dr JH Frost  
Dean



The Revd Canon M D Smith  
Interim Canon Treasurer

  
 16/07/20

**THE CHAPTER OF YORK**
**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2019 £'000	Total funds 2018 £'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	6	550	-	13,255	13,805	13,805
Investments	6	11,244	769	10,569	22,582	20,388
		<u>11,794</u>	<u>769</u>	<u>23,824</u>	<u>36,387</u>	<u>34,193</u>
<b>Non-investment assets</b>						
Property	7	922	-	11,289	12,211	12,211
Equipment and plant	7	530	-	-	530	169
<b>Total fixed assets</b>		<u>13,246</u>	<u>769</u>	<u>35,113</u>	<u>49,128</u>	<u>46,573</u>
<b>CURRENT ASSETS</b>						
Stocks	9	8	-	-	8	9
Debtors	10	1,145	297	-	1,442	1,364
Cash at bank and on deposit		3,086	595	(152)	3,529	2,883
		<u>4,239</u>	<u>892</u>	<u>(152)</u>	<u>4,979</u>	<u>4,256</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,098)	(143)	-	(1,241)	(1,160)
<b>NET CURRENT ASSETS</b>		<u>3,141</u>	<u>749</u>	<u>(152)</u>	<u>3,738</u>	<u>3,096</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		<u>16,387</u>	<u>1,518</u>	<u>34,961</u>	<u>52,866</u>	<u>49,669</u>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(251)	-	-	(251)	(374)
<b>TOTAL NET ASSETS</b>		<u>16,136</u>	<u>1,518</u>	<u>34,961</u>	<u>52,615</u>	<u>49,295</u>
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general fund		15,352	-	-	15,352	13,433
Unrestricted designated fund		1,151	-	-	1,151	1,055
Restricted fabric fund		-	448	-	448	452
Restricted other funds		-	1,070	-	1,070	956
Endowment funds		-	-	34,961	34,961	33,890
Pension reserve		(367)	-	-	(367)	(491)
<b>Total Cathedral funds</b>	17	<u>16,136</u>	<u>1,518</u>	<u>34,961</u>	<u>52,615</u>	<u>49,295</u>

The financial statements were approved by the Chapter on 16 July 2020 and signed on their behalf by

The Right Revd Dr JH Frost  
Dean

*Jonathan Frost*

The Revd Canon M D Smith  
Interim Canon Treasurer

*Michael Smith*  
16/07/20

**THE CHAPTER OF YORK**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	1	(685)	(801)
<b>Cash flows from investing activities:</b>			
Rents received net of costs		412	292
Investment income received net of costs		544	580
Purchase of property, plant and equipment		(548)	(249)
Proceeds from sale of investments		3,149	3,903
Purchase of investments		(2,468)	(1,884)
Net cash provided by investing activities		1,089	2,642
<b>Cash flows from financing activities:</b>			
Receipt of endowment		-	40
<b>Change in cash and cash equivalents in the year</b>		<b>404</b>	<b>1,881</b>
Cash and cash equivalents at the beginning of the reporting year		3,652	1,771
<b>Cash and cash equivalents at the end of the reporting year</b>		<b>4,056</b>	<b>3,652</b>

**1. Reconciliation of net income to net cash flow from operating activities**

	2019 £'000	2018 £'000
Net income in the year	332	119
<b>Adjustments for:</b>		
Depreciation charges	179	121
Pension scheme contributions paid	(127)	(172)
Pension scheme interest cost	18	10
Income added to Endowment capital	-	(40)
Income from property and investments	(1,336)	(1,243)
Property and investment management costs	380	371
Profit on sale of fixed assets	-	(1)
Decrease in stocks	5	20
(Increase)/decrease in debtors	(226)	899
Increase/(decrease) in creditors	90	(885)
<b>Net cash used in operating activities</b>	<b>(685)</b>	<b>(801)</b>

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

	At 1 January £'000	Cash flows £'000	Other non- cash changes £'000	At 31 December £'000
Cash at bank and in hand	3,187	509	-	3,696
Cash held with investment managers for reinvestment	465	(105)	-	360
<b>Total cash and cash equivalents</b>	<b>3,652</b>	<b>404</b>	<b>-</b>	<b>4,056</b>

Included within cash held with investment managers £115,000 (2018: £271,000) relates to the endowment fund, which is unavailable for use until it is applied to the income fund.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 1. ACCOUNTING POLICIES

**Basis of preparation**

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 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 December 2018.

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

**Basis of consolidation**

The group financial statements consolidate the accounts of the Chapter of York and its subsidiary undertaking, York Minster Enterprises Limited. 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.

In addition, the cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided in note 15.

**Going concern**

The Chapter has considered whether the use of the going concern basis of preparation is appropriate. In doing this they have considered whether there are any material uncertainties which would prevent the cathedral's ability to continue as a going concern. One of the most significant events which has impacted upon this assessment is the outbreak of the COVID-19 (Coronavirus) pandemic post year end causing the subsequent temporary closure of York Minster on 17 March. The greater economic impact of the pandemic has also been taken into account, this impact has been evidenced by the sharp reduction in investment values in Quarter 1 of 2020. The assessment has been carried out for a period of at least twelve months from the date of approval of the financial statements. Chapter has satisfied itself that with careful cost cutting measures and committed funding support from York Minster Fund, the cathedral has the necessary free reserves to continue for at least the next twelve months and the cathedral is a going concern.

**Income**

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.

For donations to be recognised, Chapter will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of Chapter and it is probable that they will be fulfilled.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 1. ACCOUNTING POLICIES (continued)

**Income (continued)**

For legacies, entitlement is the earliest of Chapter being notified of an impending distribution or the legacy being received. At this point the income is recognised. On occasion legacies will be notified to Chapter however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

School fee income is recognised in the term in which the invoice is due. Any amounts invoiced in advance of the term are deferred on the balance sheet.

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.

**Expenditure**

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

Support costs are those functions that assist the work of the cathedral but do not directly undertake either charitable or fundraising activities. 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.

**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. Heritage assets include the cathedral and items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

1. **ACCOUNTING POLICIES (continued)**

**Heritage Assets (continued)**

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.

With effect from 1 January 2019, 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.

**Investment properties**

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.

**Tangible Fixed Assets and Depreciation**

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.

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 OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 1. ACCOUNTING POLICIES (continued)

**Tangible Fixed Assets and Depreciation (continued)**

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 and the property is unlikely to suffer obsolescence therefore any element of depreciation would be immaterial.

**Stock**

Stock is valued at the lower of cost and net realisable value. Cost includes all costs of purchase.

**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 and allocated to the relevant fund.

**Total return approach to investments**

The Chapter of York passed a resolution on 14 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.

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.

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.

Chapter may also allocate a limited amount of the unapplied total return to the investment funds. The amount that can be allocated to the investment fund is capped. The cap is calculated by using the rise in inflation from a particular date, being either the date of resolution if no previous allocation has been made, or date of the last allocation to the investment fund.

**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.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 1. ACCOUNTING POLICIES (continued)

**Funds accounting (continued)**

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.

**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.

These four contributory pension schemes are multi-employer pension schemes whereby it is not possible to attribute the schemes assets and liabilities to specific employers.

Further details are provided in Note 14.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when Chapter is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**2. EMPLOYEES**

	2019	2018
<b>The average number of employees (full time equivalents) was:</b>		
Chapter	132	131
York Minster Enterprises Limited	10	10
The Minster School	25	29
	<b>167</b>	<b>170</b>

As at 31 December 2019, there were 267 full and part time employees, including Church Commissioner funded clergy (263 at 31 December 2018).

	£'000	£'000
<b>The total cost of all paid staff of the Cathedral was:</b>		
Salaries and stipends	4,485	4,400
Redundancy & Settlement payments	87	168
Employer's National Insurance costs	359	354
Employer's pension costs (including DBS deficit)	482	641
	<b>5,413</b>	<b>5,563</b>

There was one employee (2018: one) whose earnings fell in the band between £60,000 and £70,000, no employees (2018: one) whose earnings fell in the band between £180,000 and £190,000. Employer pension contributions of £6,110 (2018 £52,460) were paid in the year in respect of these employees.

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

	Stipend	Pension Contributions	Total
	£	£	£
The Right Reverend Dr J H Frost	36,972	10,962	47,934
The Revd Canon P J Moger	26,661	9,640	36,301
The Revd Canon Dr C P Collingwood	30,964	9,640	40,604
The Revd Canon M D Smith	30,964	9,640	40,604
The Revd Canon M McLean	5,073	-	5,073

The Lay Canons Green, Shephard, Hattam and Worsley 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.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

2. **EMPLOYEES (continued)**

Five (2018: four) members of Chapter were reimbursed a total of £23,017 (2018: £10,050) in respect of travel and subsistence whilst carrying out the business of the Chapter. No members of Chapter received payment in respect of services to music (2018: One member received £500). No members received payment in respect of services rendered as a deputy songman during the course of 2019 (2018: one member received £2,545).

**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 2019, when there were 269 full and part time employees (including those who are self-employed):

	Male	Female	Gender Pay gap
Workforce numbers	147 (54.6%)	122 (45.4%)	
Mean average hourly rate	£13.21	£14.09	-6.63%
Median average hourly rate	£12.78	£12.54	1.90%
Bonuses paid	£nil	£nil	

**Proportion of males and females in each quartile:**

	Male	Female
Lower	52%	48%
Lower middle	49%	51%
Upper middle	66%	34%
Upper	40%	60%

The Chapter of York has a mean gender pay gap of -6.63% (down from 0.53% in 2018), which means that the average pay of female employees is higher than the average pay of male employees. It is 24% points lower than the national average of 17.3% as stated on the UK Government website.

The median average hourly rate for 2019 (which is sometimes perceived to be a more consistent measure as it isn't so readily distorted by one or two individuals on high salaries) is 1.9%. This is a fall of 10.3 percentage points on the 2018 rate of 12.22%.

This is due to a realignment of the gender representation across the quartiles, particularly in the lower and lower middle quartiles as a result of recruitment into our visitor host roles, many of which are seasonal. This is simply the result of the comparative make-up of this year's pool of applicants and is no reflection of any changes in recruitment processes.

We are proud of our commitment to equity of pay as well as to the Accredited Living wage and this figure for 2019 reinforces 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 2019**
**3. INCOME**

	Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2019 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2018 £'000
<b>Donations and legacies:</b>									
Congregational collections and giving		239	-	-	239	241	-	-	241
Donations		74	101	-	175	111	1,031	-	1,142
Tax recoverable under Gift Aid on voluntary donations		34	-	-	34	25	-	-	25
Income from Friends and local Trusts		-	281	-	281	-	161	-	161
Legacies		7	774	-	781	-	-	-	-
		<b>354</b>	<b>1,156</b>	<b>-</b>	<b>1,510</b>	<b>377</b>	<b>1,192</b>	<b>-</b>	<b>1,569</b>
<b>Grants:</b>									
Church Commissioners		-	148	-	148	-	149	-	149
York Minster Fund		-	1,263	-	1,263	-	829	-	829
Other revenue and capital grants		-	25	-	25	1	54	40	95
		<b>-</b>	<b>1,436</b>	<b>-</b>	<b>1,436</b>	<b>1</b>	<b>1,032</b>	<b>40</b>	<b>1,073</b>
<b>Charitable activities:</b>									
Facility and other fees		154	-	-	154	194	-	-	194
Gross income of the Minster school		935	-	-	935	1,088	-	-	1,088
		<b>1,089</b>	<b>-</b>	<b>-</b>	<b>1,089</b>	<b>1,282</b>	<b>-</b>	<b>-</b>	<b>1,282</b>
<b>Other trading activities:</b>									
Charges to visitors		3,545	-	-	3,545	3,249	-	-	3,249
Gift aid on entrance charges		273	-	-	273	247	-	-	247
Shop income		1,050	-	-	1,050	1,004	-	-	1,004
Other activities		111	-	-	111	123	-	-	123
		<b>4,979</b>	<b>-</b>	<b>-</b>	<b>4,979</b>	<b>4,623</b>	<b>-</b>	<b>-</b>	<b>4,623</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**3. INCOME (continued)**

	Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2019 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2018 £'000
<b>Investments:</b>									
Investment property income		13	-	676	689	7	-	564	571
Investment income		312	20	315	647	321	21	330	672
		<b>325</b>	<b>20</b>	<b>991</b>	<b>1,336</b>	<b>328</b>	<b>21</b>	<b>894</b>	<b>1,243</b>
<b>Other income:</b>									
Other income		5	-	-	5	24	-	-	24
Allocation of endowment income		967	24	(991)	-	871	23	(894)	-
		<b>972</b>	<b>24</b>	<b>(991)</b>	<b>5</b>	<b>895</b>	<b>23</b>	<b>(894)</b>	<b>24</b>
<b>Total income</b>		<b>7,719</b>	<b>2,636</b>	<b>-</b>	<b>10,355</b>	<b>7,506</b>	<b>2,268</b>	<b>40</b>	<b>9,814</b>

**4. EXPENDITURE**

<b>Expenditure on raising funds:</b>									
Facilities for visitors		1,186	-	-	1,186	1,252	-	-	1,252
Shop expenditure		772	-	-	772	759	-	-	759
Investment property expenses		131	-	146	277	75	-	204	279
Investment management fees		51	4	48	103	46	3	42	91
Defined benefit scheme deficit interest and expenses		18	-	-	18	10	-	-	10
Allocated support costs		308	-	-	308	416	-	-	416
		<b>2,466</b>	<b>4</b>	<b>194</b>	<b>2,664</b>	<b>2,558</b>	<b>3</b>	<b>246</b>	<b>2,807</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**4. EXPENDITURE (continued)**

	Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2019 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2018 £'000
<b>Charitable activities - Ministry:</b>									
Clergy stipends and working expenses		83	148	-	231	49	149	-	198
Clergy housing costs		138	-	1	139	97	-	-	97
Clergy support costs		51	-	-	51	64	-	-	64
Services, music & congregational costs		581	23	-	604	570	20	-	590
Allocated support costs		154	-	-	154	234	-	-	234
		<b>1,007</b>	<b>171</b>	<b>1</b>	<b>1,179</b>	<b>1,014</b>	<b>169</b>	<b>-</b>	<b>1,183</b>
<b>Charitable activities – Cathedral and precincts upkeep:</b>									
Major repairs and restoration		578	2,087	-	2,665	652	1,607	-	2,259
Maintenance and interior upkeep		265	-	-	265	190	-	-	190
Cathedral insurance		133	-	-	133	128	-	-	128
Precincts, security and gardens upkeep		330	-	92	422	307	-	-	307
Other costs		96	-	-	96	85	-	-	85
Allocated support costs		252	-	-	252	306	-	-	206
		<b>1,654</b>	<b>2,087</b>	<b>92</b>	<b>3,833</b>	<b>1,668</b>	<b>1,607</b>	<b>-</b>	<b>3,275</b>
<b>Charitable activities – Education and outreach:</b>									
Minster school costs	16	1,473	24	-	1,497	1,457	5	-	1,462
Educational activities		182	-	-	182	194	4	-	198
Archives and library		227	5	-	232	227	74	-	301
Charitable and other giving		134	-	-	134	112	-	-	112
Allocated support costs		302	-	-	302	357	-	-	357
		<b>2,318</b>	<b>29</b>	<b>-</b>	<b>2,347</b>	<b>2,347</b>	<b>83</b>	<b>-</b>	<b>2,430</b>
<b>Total expenditure</b>		<b>7,445</b>	<b>2,291</b>	<b>287</b>	<b>10,023</b>	<b>7,587</b>	<b>1,862</b>	<b>246</b>	<b>9,695</b>

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**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**5. GOVERNANCE AND SUPPORT COSTS**

	Cost of raising funds £'000	Charitable activities £'000	2019 £'000	Cost of raising funds £'000	Charitable activities £'000	2018 £'000
Governance costs	10	31	41	39	102	141
Staff costs	198	472	670	246	569	815
Information technology	32	51	83	67	102	169
Training and recruitment	15	31	46	14	25	39
Insurance	7	13	20	3	5	8
Health and safety	7	14	21	10	21	31
General office costs	39	96	135	37	73	110
	<b>308</b>	<b>709</b>	<b>1,016</b>	<b>416</b>	<b>897</b>	<b>1,313</b>

Support costs, stated after audit fees charged of £15,000 (2018: £14,500), are allocated on the basis of headcount of staff engaged in each activity.

**6. INVESTMENT FIXED ASSETS**  
**Chapter and consolidated**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Property – at valuation</b>				
At 1 January 2019	550	-	13,255	13,805
Additions	-	-	-	-
Net movement in market value	-	-	-	-
<b>At 31 December 2019</b>	<b>550</b>	<b>-</b>	<b>13,255</b>	<b>13,805</b>

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. The next professional valuation is due to take place in the year ended 31 December 2022.

Three investment properties, being 4A Precentors Court, 48A Low Petergate and the front section of 7 Minster Yard, were refurbished during 2018. These were valued by Sanderson Weatherall LLP, Chartered Surveyors as at 31 December 2018.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**6. INVESTMENT FIXED ASSETS (continued)**  
**Chapter and consolidated**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Investments</b>				
<b>Consolidated accounts</b>				
At 1 January 2019	10,060	673	9,655	20,388
Additions	1,693	114	661	2,468
Proceeds from disposals	(2,332)	(125)	(797)	(3,254)
Net movement in market value	1,515	107	1,358	2,980
Transfers between funds	308	-	(308)	-
<b>At 31 December 2019</b>	<b>11,244</b>	<b>769</b>	<b>10,569</b>	<b>22,582</b>

	2019 £'000	2018 £'000
<b>Analysed as follows:</b>		
UK equities	10,655	9,768
Property/other assets	680	698
Overseas equities	8,785	7,142
Fixed interest	2,102	2,315
Cash held for reinvestment	360	465
	<b>22,582</b>	<b>20,388</b>

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

	2019 £'000	2018 £'000
<b>Total net gain/(loss) on investment:</b>		
Property revaluation	-	40
Investment disposal and revaluation	2,980	(1,667)
	<b>2,980</b>	<b>(1,627)</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**7. NON-INVESTMENT FIXED ASSETS**

<b>Chapter and consolidated</b>	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Endowment funds £'000</b>	<b>Total funds £'000</b>
<b>Property</b>				
<b>At 1 January and 31 December 2019</b>	<b>922</b>	<b>-</b>	<b>11,289</b>	<b>12,211</b>

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>2019 £'000</b>	<b>2018 £'000</b>
<b>These properties are designated as follows:</b>		
Clergy housing	<b>6,151</b>	5,675
Administration	<b>922</b>	922
Stoneyard	<b>740</b>	740
Staff housing	<b>590</b>	1,304
School	<b>3,008</b>	2,770
Library	<b>800</b>	800
	<b>12,211</b>	12,211

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total funds £'000</b>
<b>Consolidated - Equipment and plant</b>			
At 1 January 2019	1,492	1,493	2,985
Additions	548	-	548
<b>At 31 December 2019</b>	<b>2,040</b>	<b>1,493</b>	<b>3,533</b>
<b>Depreciation</b>			
At 1 January 2019	1,323	1,493	2,816
Charge for the year	179	-	179
<b>At 31 December 2019</b>	<b>1,502</b>	<b>1,493</b>	<b>2,995</b>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>538</b>	<b>-</b>	<b>538</b>
At 31 December 2018	169	-	169

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**7. NON-INVESTMENT FIXED ASSETS (continued)**

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Chapter - Equipment and plant</b>			
At 1 January 2019	1,492	1,493	2,985
Additions	538	-	538
<b>At 31 December 2019</b>	<b>2,030</b>	<b>1,493</b>	<b>3,523</b>
<b>Depreciation</b>			
At 1 January 2019	1,323	1,493	2,816
Charge for the year	177	-	177
<b>At 31 December 2019</b>	<b>1,500</b>	<b>1,493</b>	<b>2,993</b>
<b>Net book value</b>			
<b>At 31 December 2019</b>	<b>530</b>	<b>-</b>	<b>530</b>
At 31 December 2018	169	-	169

**8. HERITAGE ASSETS**

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

The Care of Cathedrals Measure 2011 requires cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the cathedral church. Primarily this consists of the cathedrals collection of 300,000 objects, from textiles to silver, books to archaeology. No additions to the inventory in the last four years have met the definition of a heritage asset and there have been no transactions involving heritage assets in the same time period.

**9. STOCKS**

	Chapter 2019 £'000	Consolidated 2019 £'000	Chapter 2018 £'000	Consolidated 2018 £'000
Goods for resale	-	140	-	144
Consumables	8	8	9	9
	<b>8</b>	<b>148</b>	<b>9</b>	<b>153</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**10. DEBTORS**

	Chapter 2019 £'000	Consolidated 2019 £'000	Chapter 2018 £'000	Consolidated 2018 £'000
Trade debtors	282	282	268	268
Other debtors	319	319	283	283
Prepayments and accrued income	562	580	391	400
Amounts due from subsidiary undertakings	259	-	399	-
Tax recoverable	20	20	23	23
	<b>1,442</b>	<b>1,201</b>	<b>1,364</b>	<b>974</b>

**11. CREDITORS**

	Chapter 2019 £'000	Consolidated 2019 £'000	Chapter 2018 £'000	Consolidated 2018 £'000
Trade creditors	263	270	418	426
Other creditors	55	55	97	97
Accruals	319	329	270	275
Deferred income	378	378	89	89
Pension scheme creditors	116	116	116	116
Taxes and social security	110	145	170	200
	<b>1,241</b>	<b>1,293</b>	<b>1,160</b>	<b>1,203</b>

Deferred income as at 31 December 2019 relates to school fees invoiced in advance for the spring term and deferred commercial rent income. 2018 relates to deferred commercial rent income, school fees were not invoiced in advance.

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

	Chapter 2019 £'000	Consolidated 2019 £'000	Chapter 2018 £'000	Consolidated 2018 £'000
<b>Liabilities due after one year</b>				
Church of England Funded Pension Scheme	8	8	34	34
Church Workers Pension Fund 'DBS' deficit	243	243	340	340
	<b>251</b>	<b>251</b>	<b>374</b>	<b>374</b>

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

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

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 2018. Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable by The Chapter of York were set out as being £39,000 as at 31 December 2018. The liability outstanding at 31 December 2019 is £13,000 (2018: £39,000) with £5,000 (2018: £5,000) of these liabilities due within one year.

A valuation of the Church Workers Pension Fund DBS is carried out once every three years. The most recent valuation was carried out as at 31 December 2016. A valuation as at 31 December 2019 is currently underway but the results are yet to be determined. Chapter ceased to make contributions to this scheme from 1 January 2019 and the 2016 actuarial valuation has been prepared on this basis, the balance sheet liability as at 31 December 2019 is £354,000 (2018: £451,000). £111,698 (2018: £111,698) of this liability is due within one year.

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

**Commitments and contingent liabilities**

**Grand Organ Project**

As at 31 December 2019 there is a commitment in respect of the Grand Organ refurbishment project. An element of this work is being 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 were also committed to in 2017 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 can be analysed between the years in which the commitments expire as follows:

	2019 £'000	2018 £'000
<b>Expiry</b>		
Under one year	9	11
Two to five years	8	17
	17	28

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 14. PENSIONS

The Chapter of York participates in the 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 ("DBS"), 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. On 1 January 2019, other than deficit funding, contributions to the DBS section of the Fund ceased and all active members were transferred to the Pension Builder section. At 31 December 2019, the Chapter had no (2018: 12) active members and 32 (2018: 29) deferred pensioner members in the DBS section of 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 ceased 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 (2019: £nil, 2018: £92,475), in addition to this any impact of deficit contributions (see below) are also paid, giving a total charge of £111,698 for 2019 (2018: £254,475).

If, following an actuarial valuation of the Life Risk Pool, 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.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**14. PENSIONS (continued)**

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m for all participating employees.

Following the valuation, the Chapter of York has entered into an agreement with the Church Workers Pension Fund to pay deficit payments of £111,698 and expenses of £9,800 per year for 5 years from 1 April 2018 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 movement in the provision is set out below.

The movement in the provision is set out below:

	<b>2019</b>	2018
	<b>£'000</b>	£'000
Balance sheet liability at 1 January	<b>452</b>	233
Deficit contribution paid	<b>-112</b>	-162
Interest cost (recognised in SoFA)	<b>8</b>	0
Remaining change to the balance sheet liability* (recognised in SoFA)	<b>6</b>	381
<b>Balance sheet liability at 31 December</b>	<b>354</b>	452

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

£111,698 (2018: £111,698) of this balance sheet liability is due within one year and included within current liabilities.

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:

	<b>December</b>	December	December
	<b>2019</b>	2018	2017
Discount rate	<b>1.20%</b>	1.90%	0.00%

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.

The next valuation of the scheme is currently being carried out as at December 2019.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 14. PENSIONS (continued)

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

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.

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 multi-employer defined benefit schemes.

At 31 December 2019, the Chapter of York had no active members (2018: none), 21 (2018: 22) deferred members and 39 (2018: 37) pensioners in the Pension Builder Classic section and 153 (2018: 161) active members and 47 (2018: 36) deferred members. Chapter contributes at a rate of 9.5% (2018: rates between 4% and 22%) of basic salary and the employees are required to contribute 3%.

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 (2019: £331,819, 2018: £353,586).

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 2016.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 14. PENSIONS (continued)

**Church of England Pension Builder Scheme section of CWPF (continued)**

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

**Church of England Funded Pension Scheme (CEFPS)**

The Chapter of York also participates in the Church of England Funded Pensions Scheme, a defined benefit pension scheme, on behalf of the clergy. There are two (2018: two) 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 and it is not possible to attribute the Scheme's assets and liabilities to specific employers. The CEFPS is therefore treated as defined contribution scheme for accounting purposes. The pensions costs charged to the SoFA in the year of £14,135 (2018: £16,423) are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below) giving a total charge of £19,135 (2018: £26,334).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 actuarial report revealed a deficit of £50m (2015: £236m) based on assets of £1,818m (2015: £1,308m) and a funding target of £1,868m (2015: £1,544m), assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**14. PENSIONS (continued)**
**Church of England Funded Pension Scheme (CEFPS)**

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

<b>% of pensionable stipends</b>	<b>January 2018 to December 2020</b>	<b>January 2021 to December 2022</b>
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

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

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

	<b>2019</b>	2018
	<b>£</b>	£
Balance sheet liability at 1 January	<b>39,000</b>	24,000
Deficit contribution paid	<b>(6,000)</b>	(5,000)
Interest cost (recognised in SoFA)	<b>1,000</b>	0
Remaining change to the balance sheet liability* (recognised in SoFA)	<b>(21,000)</b>	20,000
Balance sheet liability at 31 December	<b>13,000</b>	39,000

\*Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends. £5,000 (2018: £5,000) of this balance sheet liability is due within one year and included within current liabilities.

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:

	<b>December 2019</b>	December 2018	December 2017
Discount rate	<b>1.1% pa</b>	2.1% pa	1.4% pa
Price inflation	<b>2.8% pa</b>	3.1% pa	3.0% pa
Increase to total pensionable payroll	<b>1.3% pa</b>	1.6% pa	1.5% pa

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

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 14. PENSIONS (continued)

**Minster School**

The Minster School contributes to the Church Workers Pension Fund as detailed above, and the Teachers' Pension Defined Benefit Scheme (TPS). The contribution to the TPS are at rates set by the scheme actuary at 23.6% (2018: 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 TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The pension costs charged to the SoFA in the year of £107,941 (2018: £110,425) are contributions payable towards benefits and expenses accrued in that year in respect of the TPS.

## 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, under the Deed of Covenant dated 27<sup>th</sup> March 1998.

St William's College Trust is a registered charity, administered by the Chapter of York as sole 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 the wholly owned trading subsidiary of St William's College Trust. The Chapter invoiced the Trust for services provided during the year to the value of £53,656 (2018: £163,750). The Chapter paid rents to the value of £25,107 (2018: £36,150), in respect of offices occupied by departments of the Chapter to St William's College and fees to the value of £nil (2018: £900) in respect of hire of venue space to St William's College Enterprises Limited. Included in debtors is an amount of £16,652 (2018: £95,000) settled shortly following the year end and £5,242 of creditors (2018: £8,700) relating to St William's College and St William's College Enterprises Limited. The charitable objects of St William's College Trust are not concurrent with the purposes of the Chapter of York and their results are therefore not consolidated.

**Not controlled by the Chapter**

The Friends of York Minster, income received in the year amounted to £262,989 (2018: £161,200). York Minster Fund, income received in the year amounted to £1,290,321 (2018: £829,400). 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.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 15. ASSOCIATED ENTITIES AND RELATED PARTIES (continued)

**The York Glaziers' Trust (continued)**

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 2019 for the Chapter amounted to £491,865 (2018: £374,000).

Goods purchased from the Trust by York Minster Enterprises Limited amounted to £8,640 (2018: £8,600). The Chapter invoiced the Trust £12,067 for services provided in the year (2018: £13,400). As at 31 December 2019 amounts totalling £4,143 (2018: £2,900) are shown as owing from the Trust to Chapter and amounts totalling £45,220 (2018: £14,200) shown as owing to the Trust by Chapter.

## 16. THE MINSTER SCHOOL

Whilst the ultimate governance responsibility for the School rests with the Chapter, the day to day matters of finance and operation are delegated to the School Management Committee whose members are appointed by Chapter. 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 £314,000 (2018: £293,000).

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**17. STATEMENT OF FUNDS**
**Current year movement:**

	At 1 Jan 2019 £'000	Movement in resources			At 31 Dec 2019 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
<b>Consolidated funds</b>					
<b>Endowment</b>					
General	33,123	-	(283)	1,256	<b>34,096</b>
Fabric	91	-	(1)	11	<b>101</b>
School – Milner White	166	-	(1)	23	<b>188</b>
Pattison fund	22	-	-	6	<b>28</b>
Richardson fund	90	-	-	12	<b>102</b>
Development Music	289	-	(2)	36	<b>323</b>
Eric Rothwell	109	-	-	14	<b>123</b>
	<b>33,890</b>	<b>-</b>	<b>(287)</b>	<b>1,358</b>	<b>34,961</b>
<b>Restricted</b>					
Fabric fund	-	2,351	(1,290)	(287)	<b>774</b>
School	682	20	(25)	<b>78</b>	<b>755</b>
Hore Pension	153	3	(1)	<b>16</b>	<b>171</b>
Church Commissioners	-	148	(148)	-	<b>-</b>
Development office	19	-	-	-	<b>19</b>
Bigelow	103	2	-	<b>13</b>	<b>118</b>
Minster Community Outreach	6	-	-	-	<b>6</b>
Archbishops Council	41	-	-	(41)	<b>-</b>
Grand organ refurbishment project	403	69	(797)	-	<b>(325)</b>
Other	1	43	(30)	(14)	<b>-</b>
	<b>1,408</b>	<b>2,636</b>	<b>(2,291)</b>	<b>(235)</b>	<b>1,518</b>
<b>Unrestricted</b>					
Common fund	12,957	7,719	(7,445)	1,776	<b>15,007</b>
Designated	1,055	-	-	96	<b>1,151</b>
	<b>14,012</b>	<b>7,719</b>	<b>(7,445)</b>	<b>1,872</b>	<b>16,158</b>
<b>Total funds</b>	<b>49,310</b>	<b>10,355</b>	<b>(10,023)</b>	<b>2,995</b>	<b>52,637</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**17. STATEMENT OF FUNDS (continued)**
**Prior year movement:**

	At 1 Jan 2018 £'000	Movement in resources			At 31 Dec 2018 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
<b>Consolidated funds</b>					
<b>Endowment</b>					
General	34,114	-	(243)	(748)	33,123
Fabric	99	-	(1)	(7)	91
School – Milner White	181	-	-	(15)	166
Pattison fund	24	-	-	(2)	22
Richardson fund	98	-	-	(8)	90
Development Music	273	40	(1)	(23)	289
Eric Rothwell	119	-	(1)	(9)	109
	<b>34,908</b>	<b>40</b>	<b>(246)</b>	<b>(812)</b>	<b>33,890</b>
<b>Restricted</b>					
Fabric fund	21	1,015	(1,036)	-	-
School	707	21	(9)	(37)	682
Hore Pension	158	3	-	(8)	153
Vestments	1	-	(1)	-	-
Church Commissioners	-	149	(149)	-	-
Development office	19	-	-	-	19
Bigelow	108	3	-	(8)	103
Minster Community Outreach	7	-	(1)	-	6
Archbishops Council	112	-	(23)	(48)	41
Grand organ refurbishment project	-	1,000	(548)	(49)	403
Arts Council England	17	40	(57)	-	-
Other	2	37	(38)	-	1
	<b>1,152</b>	<b>2,268</b>	<b>(1,862)</b>	<b>(150)</b>	<b>1,408</b>
<b>Unrestricted</b>					
Common fund	13,786	7,506	(7,587)	(748)	12,957
Designated	1,055	-	-	-	1,055
	<b>14,841</b>	<b>7,506</b>	<b>(7,587)</b>	<b>(748)</b>	<b>14,012</b>
<b>Total funds</b>	<b>50,901</b>	<b>9,814</b>	<b>(9,695)</b>	<b>(1,710)</b>	<b>49,310</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**17. STATEMENT OF FUNDS (continued)**
**Chapter funds**

The total consolidated funds held are £52,637,000 (2018: £49,310,000) the individual entity funds held by the Chapter are £52,615,000 (2018: £49,295,000) 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 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 Chapter agreed that the base value of the endowment should be the 1996 historic book value of permanently endowed funds uplifted by inflation. The base value of the endowment, trust for investment, was established to be £1,303,000 at the time the resolution was passed.

The unapplied total return at the date of adoption was £30,320,000. Only the income generated by the permanently endowed assets in the year has been allocated to restricted and unrestricted income, this has been allocated through the other income line of the SoFA.

	Trust for Investment £'000	Unapplied Total Return £'000	<b>2019 Total £'000</b>
<b>Total relevant fund at 1 January 2019:</b>	1,410	32,480	<b>33,890</b>
<b>Movements in the year:</b>			
Allocation to Capital	18	(18)	-
Investment return: dividends & interest	-	315	<b>315</b>
Investment return: property rental income	-	676	<b>676</b>
Investment return: realised & unrealised gains	-	1,358	<b>1,358</b>
Less: investment management costs	-	(48)	<b>(48)</b>
Less: Allocation for Cathedral purposes	-	(239)	<b>(239)</b>
Total before application of income	1,428	34,524	<b>35,952</b>
Unapplied total return allocated to income in the year	-	(991)	<b>(991)</b>
<b>Total relevant fund at 31 December 2019</b>	<b>1,428</b>	<b>33,533</b>	<b>34,961</b>

In addition to the £991,000 (2018: £894,000) investment income allocated from endowment and made available for application for the purposes of the Cathedral, Chapter has determined that £239,000 (2018: £204,000) of the total unapplied return is available for allocation for the purposes of the Cathedral.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**17. STATEMENT OF FUNDS (continued)**
**Endowment funds (continued)**

This allocation to the Cathedral was to enable continuing essential repairs and refurbishment to endowed investment properties, carried out in 2019, and has been disclosed as a payment from the endowment fund. Chapter consider that this is a prudent distribution of the available endowment funds. The remaining unapplied total return at 31 December 2019 amounting to £33,533,000 (2018: £32,480,000) should be allocated for accumulation as part of investments.

	Trust for Investment £'000	Unapplied Total Return £'000	<b>2018 Total £'000</b>
<b>Total relevant fund at 1 January 2018:</b>	1,303	33,605	<b>34,908</b>
<b>Movements in the year:</b>			
Gift of endowment funds	40	-	<b>40</b>
Allocation to Capital	67	(67)	-
Investment return: dividends & interest	-	330	<b>330</b>
Investment return: property rental income	-	564	<b>564</b>
Investment return: realised & unrealised losses	-	(812)	<b>(812)</b>
Less: investment management costs	-	(42)	<b>(42)</b>
Less: Allocation for Cathedral purposes	-	(204)	<b>(204)</b>
Total before application of income	1,410	33,374	<b>34,784</b>
Unapplied total return allocated to income in the year	-	(894)	<b>(894)</b>
<b>Total relevant fund at 31 December 2018</b>	<b>1,410</b>	<b>32,480</b>	<b>33,890</b>

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. This is to be held as Endowment until 1 March 2050 when it becomes unrestricted.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 17. STATEMENT OF FUNDS (continued)

**Endowment funds (continued)**

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, £17,000 in 2007, and £40,000 from the Friends of Cathedral Music in 2018. The capital should remain invested and the income spent on music, the income from the element received from Friends of Cathedral Music gift of £40,000 is restricted to support boy choristers.

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 2019 the following amounts were received,

- £1,257,000 grant income from York Minster Fund towards the South Quire Aisle fabric project, twenty year glass protection project, research & development project and apprenticeship funding;
- £734,000 legacy income from the estate of B. D. Bearne restricted for the sole purpose of building repairs and maintenance of the fabric of the cathedral;
- £40,000 legacy income from the estate of A. Deane for the fabric fund of the cathedral;
- £240,000 grant from Friends of York Minster towards the sound system;
- £21,000 Friends of York Minster grant for lighting and railings in the cathedral;
- £25,000 All Churches Trust Limited grant income in respect of fabric;
- £27,000 restricted fabric donations made during the year;
- £6,000 income transfer from the fabric and Richardson endowment funds for fabric work.

**School funds**

The School funds represent funds which are held by Chapter and restricted for school use,

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2019**
**17. STATEMENT OF FUNDS (continued)**
**Restricted Funds (continued)**

The Duncombe fund is restricted for use by the school. Dean Duncombe died in 1880 and a memorial fund was started, which was used to attract choristers. Part of this original fund was given to help with the running and development of the school.

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. Milner-White is an endowed fund with the income being restricted for school use.

The movement within these restricted school funds is shown below:

	Movement in resources				At 31 Dec 2019 £'000
	At 1 Jan 2019 £'000	Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
<b>Restricted school funds</b>					
Duncombe	25	1	-	5	31
Noble	39	1	-	3	43
Broadhurst	27	-	-	4	31
GP Brown Chorister	48	1	-	6	55
Hollings Music	274	6	(5)	30	305
Fox	269	6	(15)	30	290
Milner-White endowed	-	5	(5)	-	-
	<b>682</b>	<b>20</b>	<b>(25)</b>	<b>78</b>	<b>755</b>

**Hore Pension fund**

The Hore Pension fund concerns pension provisions for Songmen.

**Church Commissioners fund**

The Church Commissioners fund represents the Section 21 grant made towards the stipend and other costs of a dean and two residentiary canons of the cathedral. An application to use the surplus in 2019 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.

## THE CHAPTER OF YORK

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

## 17. STATEMENT OF FUNDS (continued)

**Restricted Funds (continued)****Bigelow fund**

The Bigelow fund relates to fabric.

**Minster Community Outreach fund**

This fund represents money raised by the Minster Community in previous years towards community outreach by the learning team, £6,000 is carried forward for future use.

**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 started in 2018 and the balance brought forward on this fund in 2019 was £41,000. The sound system was fully completed and capitalised in 2019 so this fund balance has been transferred to unrestricted fixed assets.

**Grand Organ refurbishment fund**

This represents restricted income received 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 York Minster Fund have under-written £500,000 of the cost of this project which has enabled a deficit fund balance to be carried forward into 2020.

**Other restricted funds**

Other restricted funds represent the following restricted donations received, and endowed income transferred in the year. These have been fully expensed in the year:

- £20,000 received from the Friends of York Minster for blinds and carpet at the Old Palace;
- £2,400 received from York Minster Choristers Association – Francis Jackson Choral Fund;
- £5,400 received from York Minster Fund for music recording;
- £2,100 received from chorister parents towards the choir tour;
- £1,000 restricted music donations;
- £1,000 endowed income from Friends of Cathedral Music for boy chorister bursary;
- £8,000 endowed income from development music fund for music; and
- £3,100 endowed income from Eric Rothwell endowment fund for music.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2019

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

**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 £274,000 (2018: deficit of £81,000), £96,000 (2018: £nil), was designated in the period. The closing balance of the designated fund is £1,151,000 (2018: £1,055,000).

18. **AUDITOR'S REMUNERATION**

	2019 £'000	2018 £'000
For audit services	15	14
For other services	-	-

19. **POST BALANCE SHEET EVENTS**

The outbreak of the COVID-19 (Coronavirus) pandemic in early 2020 is a significant non-adjusting post balance sheet event. The crash in worldwide stock markets saw 20% wiped off the investment value in the first quarter of 2020. The income arising through our visitor activity was initially adversely impacted due to the flooding. When the first case of COVID-19 was discovered in York on 31 January this had a further detrimental effect, with visitor income being below target for the full period up until the temporary closure was announced on 17 March.

The full temporary closure halted all of our visitor led income streams, such as admission income, gift aid on admissions, service collections, donations, candle donations and retail operation. We set about modelling the scenarios for income for the period from closure to the end of quarter 1 in 2022. We worked on a best case, expected case and worst case scenario. The research work undertaken by the Association of Leading Visitor Attractions (ALVA) was used in order to work through the various scenarios.

The likely scenario, upon which our forecasting work has been prepared, is assuming a recession which is as deep and long as the one that followed the 2008 crash, with domestic visitors likely to make up the majority of our visitor base in 2021 and a return to welcoming overseas visitors from the likes of China and North America in 2022. Chapter feel confident that the level of free reserves held at the year-end will enable operation to continue for at least the next twelve months from the date of approval of these financial statements.

With the focus being on mission critical areas of operation, costs have been able to be cut in other areas and project start dates delayed. The continued support of York Minster Fund is extremely welcome, having initially been set up in the 1960's when the central tower started to subside and that disaster needed funding, the Fund have agreed to provide disaster funding support to Chapter at this time.

