



2021

Annual Report and Accounts

THE CHAPTER OF YORK

The Mission of York Minster

York Minster is the Archbishop of York's cathedral church, a community of communities bound together in common purpose and mission which can be stated thus:

“We are called to live Christ's story through prayer, hospitality, service and stewardship”.

The way we journey together is as significant as any destinations to which we move. In all our ways we will cherish the following as our key values:

- Humility
- Wisdom
- Trust
- Courage

LIVING CHRIST'S STORY

What we hope to have achieved, together, by 2026.

- By 2026, each member of our Community will understand the contribution they make to Living Christ's Story through prayer, service, hospitality or stewardship (expressions of core purpose).
- By 2026, our values of wisdom, trust, courage and humility will underpin all our decision making and will be evidenced in our shared life together.
- By 2026 we will have prioritised three areas in our decision making
 - i. Sustainability
 - ii. Championing the under-represented
 - iii. Developing our welcome/offer for children, families and young people
- By 2026 we will participate more fully in the life and mission of the Diocese and Province and will be clearly identified as the Archbishop's cathedral church, a well spring for his ministry.

THE CHAPTER OF YORK

Annual Report and Accounts

For the year ended 31 December 2021

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The Chapter presents its Annual Report and Accounts for the year ended 31 December 2021 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

Full legal name of Cathedral	Cathedral and Metropolitan Church of St. Peter in York
Commonly used name	York Minster
Office Address	8-9 Minster Yard, York, YO1 7HH
Visitor	The Archbishop of York, The Most Revd and Rt Hon Stephen Geoffrey Cottrell
High Steward	The Rt Hon The Earl of Halifax

CHAPTER

The members during the year were:

Dean*	The Right Revd Dr J H Frost (until 18 January 2022)
Acting Dean*	The Revd Canon M D Smith (from 18 January 2022)
Canon Pastor*	The Revd Canon M D Smith
Canon Missioner*	The Revd Canon M A McLean
Canon Precentor*	The Revd Canon Dr V L Johnson
Lay Canon & Canon Treasurer	Canon A D Dunsmore
Lay Canon	Canon J K Hattam (until 6 September 2021)
Lay Canon	Canon Sir W R Worsley
Lay Canon	Canon L E Tembey
Lay Canon	Canon C A Townson
Lay Canon	Canon P J S Thompson
Lay Canon	Canon L Ali (from 27 June 2021)

* Members of Chapter's Senior Executive Team

THE CHAPTER OF YORK**Administrative and reference details (continued)****THE CATHEDRAL COUNCIL**

The members during the year were:

Chairman Canon P N Collier
Dean The Right Revd Dr J H Frost (until 18 January 2022)
Acting Dean The Revd Canon M D Smith (from 18 January 2022)

Members of Chapter:

The Revd Canon M A McLean
Canon A D Dunsmore
Canon L E Tembey
Canon P J S Thompson

Members of the College of Canons:

The Ven A C Broom
The Revd Canon C Wilton

Members Appointed by the Archbishop:

The Rt Hon The Earl of Halifax
Mr S Galloway
Rt Rev C Madden OSB (until 5 January 2021)
Prof J Stern
Dr J Gillespie
Mr M Shepherd

Members of the Minster Community:

Mr C Rundle
Mrs C Funnell (until 5 May 2021)
Mrs R Hicks (until 5 May 2021)
Mr J V Morley
Mr R J Boulton (from 5 May 2021)
Mr E Mierau (from 5 May 2021)

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 R Liversedge
Canon P J Warry
The Revd Canon E E Bielby
The Revd Canon S V Cope
The Rt Revd G H Webster EO (until 8 January 2022)
The Rt Revd P J Ferguson EO
The Rt Revd J B Thomson EO
The Ven A C Broom EO

The Rt Revd A M White EO (until 25 February 2022)
The Revd Canon Dr D M Green (until 28 February 2021)
The Revd Canon W M Macnaughton (until 14 April 2021)
The Revd Canon C Wilton
The Ven S J Rushton EO
The Ven A E Bloor EO (from 25 April 2021)
The Revd Canon N W R Bird (from 25 April 2021)
The Revd Canon D P Black (from 25 April 2021)
The Revd Canon R C Carew (from 25 April 2021)
The Revd Canon G Holland (from 25 April 2021)
The Revd Canon A Richards (from 25 April 2021)
Canon R P A Brewer (from 25 April 2021)
The Revd Canon T J Robinson (from 25 April 2021 until 6 September 2021)

**Minor Canon Succentor
Cathedral Reader**

**Honorary Minor Canon
Honorary Minor Canon
Honorary Minor Canon**

The Revd Catriona Cumming
Canon P N Collier (from 26 September 2021)
The Revd Daniel Jones
The Revd David Mann
The Revd Jane Speck (from 11 July 2021)
The Revd Canon Catherine Reid (from 26 September 2021)

THE CHAPTER OF YORK
Administrative and reference details (continued)
STAFF

Chapter Steward*	Kathryn Blacker MA
Director of Corporate Services*	Jo Clarkson FCA (until 30 September 2021)
Chief Finance Officer*	Jo Clarkson FCA (from 01 October 2021)
Director of Works & Precinct*	Alex McCallion FRICS
Director of Visitor Experience & Operations*	Patricia Dunlop MA, AMA (until 15 October 2021)
Director of Visitor Experience & Operations*	Barbara George MA (from 7 February 2022)
Chapter Clerk	Andy Oates LL.B. (Hons)
Director of Music	Robert Sharpe MA, FRCO, FRSA, Hon FGCM

FINANCE COMMITTEE

The members during the year were:

Canon Treasurer and Chairman	Canon A D Dunsmore
Dean	The Right Revd Dr J H Frost (until 18 January 2022)
Acting Dean	The Revd Canon M D Smith (from 18 January 2022)
	Graham Millar FCA
	Philip Ashton FCA
	Paul Fox MRICS
	Rodger Hobson (until 01 November 2021)
	Daniel Grew
	Mark Calvert
	Andrew Green
	Joanne Lake (from 29 April 2021 to 2 December 2021)
Chapter Steward	Kathryn Blacker

Non-member but in attendance:

Chief Finance Officer and Secretary	Jo Clarkson FCA
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AUDIT & RISK COMMITTEE

The members during the year were:

Chairman	Graham Millar FCA
	Philip Ashton FCA
	Canon J K Hattam (from 21 January 2021 until 6 September 2021)

*** Members of Chapter's Senior Executive Team**

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

Chairman	Dr J Gough
Deputy Chairman	Mr M Stancliffe Mr C Cotton (until 30 April 2021) Ms T Hunt Ms S VanSnick Dr J Grenville Mr J McCosh Dr I Rauch (until 30 April 2021) Mr A Graham The Very Revd M Tavinor (until 30 April 2021) The Revd Canon Dr S Jones (from 1 May 2021) Prof J Strawbridge (from 1 May 2021) Mr S Vickers (from 1 May 2021)
Secretary	Mr D Demack

ADVISERS TO CHAPTER

Surveyor of the Fabric	Mr O Caroe, Caroe Architecture
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 Group Plc, 8 Finsbury Circus, London, EC2M 7AZ 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

Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

ACHIEVEMENTS AND PERFORMANCE

For much of 2020 we had hoped for a better 2021, but, as it happened, the first months of 2021 were spent as much of 2020 had been, in lockdown. The agility with which we turned round again, took worship entirely online, flexi-furloughed all our staff and supported those who were also home schooling as well as working, demonstrated the hard lessons learnt during 2020. For the Minster to be closed again to those seeking worship, prayer, solace or sanctuary was painful and frustrating but less out of the ordinary than it had been in 2020. Our ability, as a community, to deal with relentless change demonstrated the flexibility and purpose that has kept this place and the communities that have served it alive for nearly 1,400 years.

Despite the pandemic, much has been achieved during the year. A year on from significant restructuring the new structure has bedded in and the SET is working closely together, having benefitted from a programme of individual and group coaching. The new strategic plan has been developed, and shared. The Neighbourhood Plan has been externally examined and we are now preparing for referendum. We are on site at the Old School, in readiness to hand the building over for restaurant fit-out during summer 2022. We have moved out of the offices at Church House and into the old school building at 8-10 Minster Yard, in readiness for work to convert Church House into residential accommodation. Preparation is well underway to submit planning applications for the Centre of Excellence and Welcome Centre during 2022. All this work on capital projects was of course over and above our regular cycle of fabric maintenance and precinct upkeep. Work to prepare for Charity Commission registration under the Cathedral Measure 2021 has taken place, with the first stage of registration complete in February 2022. The regular pattern of in-person worship has been resumed, with clear programmes in place to develop and nurture new disciples focussing particularly on families and young people. The choristers are into their second year at St. Peter's School and the partnership is flourishing.

Much of the stability of the last two years has been provided by careful stewarding of Chapter's investments, funds built up over hundreds of years, and of course, the continued generosity and support of the York Minster Fund. Director Neil Sanderson and Chair Richard Shaw deserve Chapter's heartfelt thanks for continuing to work alongside us during this period and to enabling Chapter to realise the ambitions of the Strategic and Neighbourhood Plan. The last two years have also required Chapter to review its own reserves, and accordingly a new reserves policy was set in late 2021, enabling Chapter to " earmark" some funds using its powers of designation to realise future ambitions.

Given this progress, earned so carefully against such change and uncertainty, the Community experienced both shock and sadness when it received the news in early October that our Dean, Jonathan Frost was to leave us in January 2022 to become the 10th Bishop of Portsmouth. Those who have worked closely with Jonathan, will know how his skill and pastoral ability will enable him to excel in this new ministry, but we will miss his sense of humour, his drive towards good governance and his unflinching ability to tackle difficult issues head on. Jonathan acknowledged that each member of our Community was a whole person, and whatever their work or service here, they brought the whole person with them. His guidance to us all, to recognise that in one another, to acknowledge that we are all work in progress, has enabled, in particular, the staff community to be more honest with one another about each of our own stresses, pressures and vulnerabilities. That gift is perhaps Jonathan's greatest legacy within this community and is borne out in our continued promotion of wellbeing and resilience and in the future development of a policy specifically focussing on wellbeing.

THE CHAPTER OF YORK

Acting Dean's Review of the Year for the 2021 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. During the first half of the year work took place to develop, share and prepare the next version of the Minster's strategic plan 2021-2026. This work building on the foundations laid during lockdowns 1 and 2 to restructure for growth and in response to the Archbishop's call for us all to "Live Christ's Story".

The introduction of that plan states the following: "The Chapter of York would like to congratulate members of the Senior Executive Team for the collaborative, relational and imaginative endeavour that so clearly underpins the production of this Strategic Plan 2021-2026. The Plan reflects the work of many hands, conversations and a dynamic sense of common purpose. Particular thanks should go to Kathryn Blacker, our Chapter Steward, for her enabling role in bringing the plan to this point; and to the Community Committee for its assistance and wisdom in helping to shape and facilitate a remarkably effective journey of consultation through Lent 2021. Furthermore the introduction goes on to affirm that the plan is a living document designed to facilitate effective delivery of shared organisational objectives and to facilitate collegial values-led team work. To misquote one of our Chapter members: rather like the values we esteem so highly, the Plan is to be lived and not laminated. The Plan has changed and evolved to this point; it is anticipated that it will continue to do so. The Plan will be on the agenda at each Senior Executive Team meeting; parts of it will be reviewed and monitored at each meeting of the Chapter of York; its objectives will form a crucial component in performance development review. The financial planning which underpins the Plan is underway, in some sections more developed than others, and will be kept under review."

That it was possible to deliver this plan against a continued backdrop of the pandemic, ongoing uncertainty, lockdowns, the furloughing of many of our staff and the absence of worship in the Minster is testament to Chapter's vision and the resilience and agility of the Senior Executive Team.

However the relentless uncertainty of the last two years has taken its toll on all our community. It was clear by the autumn of 2021 that resilience and energy were low for everyone. The Senior Executive Team (SET), with Chapter's full support, initiated a wellbeing and resilience programme, which included offering resilience and mental health awareness training for all staff during Q4 2021 and some 20 staff being trained as mental health first aiders in the first month of 2022. Furthermore, all staff were given five time out days to recharge in early January and the Minster was closed for all but statutory services, those working allocated the days immediately after. This downtime has created the break our team so badly needed and we now look out and into 2022 with renewed energy and enthusiasm.

Ministry

The beginning of 2021 started as much of 2020 had occurred, with services moved entirely online and continued adaptability was key. The daily and weekly round of services continued unabated with services for just one or two people present to larger services carried out within the restrictions in place at the time. One of the biggest achievements across the worship team, was transitioning to a live-stream offer of worship week by week. This was a huge technological challenge both in terms of logistics and in terms of learning and developing new skills. Thanks to the verger team who rose to the challenge and to our musicians who adapted quickly and supportively, we were able to regularly transmit worship from the building to a growing weekly audience and share our Christmas and Easter offers with thousands of people worldwide. We know this shift is permanent and now cannot conceive of being a community who only comes together in person, and online worship continued and will continue.

Singing was permissible again, and the choir returned, socially distanced, for services in Holy Week culminating the service for the dedication of the newly refurbished Grand Organ on Easter Day, and in memory of Richard Shephard, the choir performed a world premiere of the new commissioned Missa Brevis by the world famous composer, John Rutter.

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Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

In addition, thanks must go to the whole music team as they continued to help to settle the Minster Choristers into their second academic year at their new school, St Peter's York. This was the most challenging part of the pandemic for the team but the inevitable difficulties surrounding the transition were made possible by the dedication of both the Minster team and the team from St Peter's. It has been a pleasure to work with St Peter's as our new Choir School and we are sure that relationship will continue to develop and flourish.

The usual solemn Eucharist was held on All Souls Day, but the Clergy team also led a "Day to remember all those who have died this year" enabling people to come into the cathedral and light a candle or say a prayer, acknowledging the profound losses affecting many this year, but also that the normal pattern of celebrating life and grieving loss had not been possible.

SET elected to keep a cap in numbers in place throughout the Advent and Christmas period, in expectation of yet further restrictions. Despite omicron, these restrictions did not materialise, and therefore numbers, in person, at services decreased from previous years. However, those reduced numbers were more than made up for by the large number of people joining our services either via live stream or via catch up on the Minster's you-tube channel.

The return to worship in person gave the opportunity to deal with the backlog of weddings and baptisms held over from the three national lockdowns and it was a delight to be able to celebrate those occasions with so many. Similarly, given that attendance at funerals had been limited for such a long period, there was opportunity to commemorate those who had died during the period of the pandemic in a series of memorial services. Notable amongst these was that held for Canon Dr Richard Shephard in late September.

Minster Mice, which had met online during the pandemic returned to the Minster over the summer, and by the end of the year Sunday School was re-established as an integral part of Sunday morning worship. Reverend Catriona Cumming has also started to develop a new opportunity for young people and families to worship together in creative, new ways on occasional Saturday mornings. At the moment these happen once a term and around major festivals but the hope is that they will become more frequent over time. Plans were also agreed for the recommencement of post-service hospitality for members of our regular Sunday morning congregation. This worked well for the farewell services for Dean Jonathan and Bishop Glyn in early January 2022.

During the last year the Equip Group has developed a number of courses On-Line. These have been focused on people new to Christianity and Faith but also we have developed opportunities for those with more experience to dig a little deeper into the Bible. On-Line has its limitations but it has been a very useful way of bringing people together in a safe way. Alongside these we have been able to experiment with more outward facing webinars and inviting people with particular expertise to contribute. A very successful series on creation took place during September and October which had presentations from theologians across the globe. This is a model that we intend to continue and develop.

Throughout the year, as worship was carefully reintroduced into the building, services have been refreshed and adaptations made to respond to the new situation in which we find ourselves as we look to the future in terms of developing the worship and prayer life of York Minster and connecting our worship with our wider mission.

THE CHAPTER OF YORK

Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

Cathedral and Precincts Upkeep

Much of the early months of 2021 continued with the pattern of juggling project plans and completion dates. Alex McCallion's tireless leadership of the team during this period, not just to maintain the status quo but to develop exciting plans for the future needs special mention.

Projects continued across the Precinct, with work on the south quire aisle continuing, with protective glazing completed to windows S8, S9, S10 and CHn5. A significant scaffold was erected in the south quire aisle for work to continue on the project, focussing particularly on the St Cuthbert window. This scaffolding providing the home for an exhibition "*Light,*

Glass & Stone: Conserving the St Cuthbert Window" which opened to the public on 25th June, and runs for the duration of the work to conserve the window (around 3-5 years). The exhibition features original stained glass panels, an animation and a soundscape, with major themes exploring the life of St Cuthbert, the creation of the window in the 15th century, alterations to it over time, and the current conservation work to the glass and stonework. The exhibition was co-curated by Dr Helen Rawson and Dr Katie Harrison, the leading expert on the window. Dr Harrison and Professor Sarah Brown of the University of York and York Glaziers Trust delivered public talks on the window and the conservation, available via the exhibition homepage. The AV points in the exhibition, providing access to The York Glaziers Trust's acclaimed Stained Glass Navigator, are also proving popular with visitors.

Helen also led the project to ensure two significant polychrome sculptures in the Crypt were sent for specialist conservation in the studio of conservator Graciela Ainsworth in December 2021. 'The Virgin and Child', thought to date from the 12th century, and 'St Anne and the Virgin', circa mid-15th century are of both 'outstanding' importance. Both sculptures have suffered damage and losses, especially to the important remnants of polychrome paintwork, exacerbated by unsuitable conditions in the Crypt, particularly high relative humidity and fluctuations in these levels. The conservation work will stabilise them and prevent further damage. On their return, the sculptures will be temporarily displayed in the Undercroft Museum, to engage visitors with this important project, before being relocated to a suitable environment in the Minster with reference to the developing Liturgical Plan.

Notable mention needs to be made of the detailed work of mason Richard Bossons supported by a field of experts drawn from across the UK, to design and then carve a statue of Her Majesty the Queen to go onto the west-front of the Minster to mark her Platinum Jubilee. Richard's design was machined on a saw and will be finished by Richard prior to its installation on the Minster.

The Neighbourhood Plan was sent for external examination, and the resulting report heartily endorsed the proposals. The Plan continues its journey to referendum, likely in June 2022, when, if adopted it will become the first such plan for a heritage estate. Projects underway within the auspice of this plan include the transformation of part of the Old School into a Refectory, and during the autumn scaffold was erected around the building to repair stone and glass. If plans continue at the current pace, then the Refectory will be open at the end of 2022. A key milestone within this project was securing planning permission and listed building consent for our first solar tiles after extensive negotiation with the City Council and Historic England, and this is also a key milestone in moving to a low carbon estate.

The following team members deserve particular mention for their achievements during the year. James Digger won the Duke of Gloucester award for stone carving. Trevor Foots and James Digger both graduated from the CWF with a merit.

The Fabric Advisory Committee began a new Quinquennium on May 1st. Three members of the previous committee stepped down and Chapter should like to take this opportunity to afford thanks to Christopher Cotton, Dr Ivo Rauch and The Very Reverend Michael Tavinor.

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Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

Given the objectives of the strategic plan and Neighbourhood Plan, the three new members of the FAC approved by CFCE and who attended their first meeting in July 2021 are, Revd Canon Simon Jones, Revd Canon Professor Jennifer Strawbridge both to add rigour and experience to our work to develop a new liturgical plan, and Stephen Vickers, CEO of Devonshire Estates, to bring his experience to bear on our Neighbourhood Plan and estates strategy.

Education and Outreach

The learning programme was affected by loss of staff and freezing of posts, with just one part-time Heritage and Participation Officer working for much of 2021. However, the merging of the Heritage and Learning departments facilitated agile and collaborative working. Self-guided school visits were welcomed back, supported by revised resources. The summer programme of interactive craft workshops, birds of prey sessions and self-led learning activities in Dean's Park, aimed at children and families, was well-received. Activities in the busy Advent programme of informal learning activities included highly popular wreath-making workshops, family craft activities, schools' participation in the Christmas Tree festival, Christmas-themed 'Little Explorer' backpacks for our youngest visitors, and a reflective and participatory 'Experience Christmas' trail for adults and families based loosely on the Easter 'Stations of the Cross' offering, supporting Mission.

The Undercroft Museum was closed for the first half of the year, due to the challenges of the relatively confined space and ventilation beneath the Minster. It reopened in July 2021. The opportunity was taken to refresh displays and clean and repair interactives (including the digital offer). Support was provided from the Culture Recovery Fund for the reopening of the Undercroft and the relaunch of learning and engagement programmes. Visitor feedback since reopening indicates that the Undercroft Museum remains of significant interest to visitors, and is often identified as a highlight of their experience.

In addition to the St. Cuthbert Exhibition in the south-quire aisle, three other exhibitions were staged during 2021.

The exhibition '*Grinling Gibbons: Monuments to Glory*' went on display in the North Transept from 1st August 2021 to 31 July 2022. It marks the tercentenary of the death of Grinling Gibbons, the pre-eminent English woodcarver of the 17th century. It is part of the national celebrations of Gibbons' life and work, '*Grinling Gibbons 300: Carving a Place in History*'. The exhibition focuses on three stone monuments that Gibbons produced for the cathedral, of Archbishops Dolben, Lamplugh and Sterne, placing these in the context of his life and wider work. A special Evensong with an address by HRH The Prince of Wales, Patron of both York Minster Fund and Grinling Gibbons 300, was held in York Minster on 1 August to mark the start of the tercentenary year.

'*Kibo Cranes*'. A craft exhibition, of nearly 2000 paper cranes, was hung from the Advent wreath frame from 1st-31st August. In Japanese culture, the birds symbolise health, and paper cranes are often given to an ill person to wish for their recovery. 'Kibo' means hope: the cranes were created by local schoolchildren, with thoughts of hope, recovery and the future during the pandemic.

'*The Heart of Yorkshire: Creativity and Culture in York Minster's Collections*' ran in the Chapter House from September 2020, to provide an 'exhibition' offering to visitors during the Covid-related closure of the Undercroft.

Featuring library, archival and museum material associated with York and Yorkshire it was developed with financial support from Museum Development Yorkshire and received good press coverage, including Radio York, ITV Calendar, the Yorkshire Post, and The Times, valued at £591,222 in terms of audience reach. Inevitably, it closed early due to the November 2020 and January 2021 lockdowns, but was redeveloped for display in the Treasury from autumn 2021, where it runs until April 2022, with the addition of new content including textiles.

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Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

Community and Congregation

At the beginning of the year, the community once again migrated to Zoom, benefitting from the learning of lockdowns 1 and 2. In addition to the regular round of online worship, during February and March members of the Minster's Community (congregations, staff and volunteers) were invited to participate in a series of online conversations prompted by the key purposes identified in the strategic plan, Prayer, Hospitality, Service and Stewardship. Each session was hosted by a lay member of the SET and a member of the Community Committee and the theme led by a member of the Clergy team, drawing on the sermon they had preached the previous weekend. The use of technology (in this instance Zoom chat rooms and instant messaging) enabled a Q&A session to take place and the material gathered in those sessions informed the development of the Strategic Plan.

The regular pattern established in 2020 of zoom home groups, regular telephone calls and correspondence continued, but it was a relief to all when it was possible to meet again in person either to attend worship or for pastoral visits.

Elections had been due in 2020 but had been held over due to the pandemic. It was agreed they should be held this year and Andy Oates, as returning officer, led an inclusive process based largely online, but with the ability for those who were paper based to contribute. Turn-out was higher than in previous years, up to 42% of those listed on the Community Roll exercising their right. This has provided food for thought about future elections. The results were as follows.

Margaret Clegg, Conal Gregory and Ehren Mierau were elected to serve on York Deanery Synod until June 2023. Roger Boulton, Ehren Mierau, John Morley and Chris Rundle were all elected to serve on Cathedral Council until May 2023, or whenever the Council ceases to exist as Chapter's new Constitution and Statutes come into effect. Those four serve ex-officio on the Community Committee alongside Rachel Barber, Jo Holland, Ben Fuller, Alison Norman, Tina Funnell, Sammi Tooze, Rebecca Hoath and Michael Winter. Ben Fuller was duly voted in as chair of the Committee. Chapter would like to take this opportunity to thank those who were elected during 2017 and were willing to "hold-over" for a year during the pandemic, and in particular Rachel Hicks for chairing the Community Committee during this period.

The entire community benefitted from the completion of a catering cupboard in the North Transept, funded by the Friends of York Minster. This facility makes it possible to cater in the Minster without the need to trundle large urns of water around the building, and for the first time gives us hot and cold water, a fridge and a sink on the floor of the Minster. This is a much needed addition to our shared life together and thanks must go to Patricia Dunlop for leading the process and the Friends of York Minster for providing the funding.

During the year The Social Action group were able to reform. Three Charities were chosen for the Community to support: Practical Action; MIND and City of Sanctuary. Three important charities which pick up on some of the important needs and issues in our post pandemic world. We intend to support these charities financially but will also find ways to engage and understand them and educate others. Inviting Charities and Seldom Heard Groups to participate in an inaugural Christmas Tree Festival proved to be very popular with a number of visiting groups then also attending Choral Evensong during Advent.

THE CHAPTER OF YORK

Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

Responsible Stewardship

Changes in Chapter during the year included the appointment of Canon Linda Ali in June. A long serving member of the College of Canons and a member of General Synod, Linda brought a fresh diocesan perspective to Chapter. Canon John Hattam stepped down in September. John's immense experience in the field of school governance brought rigour and determination to Chapter's oversight of the Minster School and the transition of the choristers to St. Peter's School. His commitment to excellence in governance and in the board room will be missed by his Chapter and SET colleagues.

As in previous years, changes in personnel continued. Head of Security Mark Sutcliffe stepped down in April. In his five years at the Minster, Mark had transformed the Minster Police team and ensured a culture of vigilance was in operation across the precinct. He leaves Sergeant Kadir Turcan with a capable and well-trained team to oversee the safety and security of the Precinct.

Susan Mason, the Minster's longstanding Volunteering Manager retired in August. Susan was well loved by all who worked and served alongside her and will be hugely missed. Her patience and diligence in setting up and the overseeing the Minster's substantial volunteering operation was recognised both from within the cathedral network but also beyond into other heritage and cultural organisation. Susan handed the baton onto Molly Forbes.

Patricia Dunlop, Director of Visitor Experience and Operations retired in October. Pat had held that portfolio since 2017, developing in particular VE, catering and publication initiatives. Her leadership of the operation during the continued change of the pandemic was measured, unflappable and predicted changes with reliable accuracy. Pat will be hugely missed by her SET colleagues and her team, who knew when to turn to her to champion their cause at SET or Chapter level. Barbara George, Director of the Yorkshire Air Museum was recruited to start in post in February 2022, the interim post of VE Director being covered adeptly by Kate Whale.

In March, Jane Coope joined us as Head of HR. A new position created during the 2020 restructure, Jane's significant experience, both across staff and volunteers, gained at, amongst others, Guide Dogs for the Blind, National Trust and Marlborough College brought both knowledge and experience to the SET. Her pragmatic approach and effective delivery prompting a step change in the management of staff and volunteers. One of the first projects Jane delivered was the creation of a Staff Consultative Forum. The nominations process closed in early 2022 with the first of four annual meetings having taken place in April 2022.

Having laid down the complexities of restructuring for growth the SET team turned their attention to the production of the Strategic Plan 2021-2026 and also to preparation for registration with the Charity Commission. The strategic plan was approved by Chapter in July 2021 and a business plan and budget for 2022 drawn from it.

Further to the adoption of the Cathedral Measure 2021, York Minster was chosen as one of four pilot cathedrals to go through a dummy registration with the Charity Commission. A small team comprising Andy Oates, Chapter Clerk, Dee Cooley, Cathedral Safeguarding Advisor (CSA), Jane Coope, Head of HR, Jo Clarkson, Chief Finance Officer and Kathryn Blacker, Chapter Steward, met regularly to update policies and procedure and complete the registration form. This dummy registration process resulted in changes to the process all cathedrals will now go through from January 2022.

Alongside this "due diligence" work, Peter Collier, Chair of Cathedral Council, chaired a small group, including Nimble Thompson, Chris Rundle and Chris Wilton, to review the changes to the Constitution and Statutes the new measure demands. As ever, the work of this group was made possible only by the diligence and thoughtful hard work of Andy Oates.

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Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

The real process began in earnest in autumn, with the same small team preparing material for Chapter to review and approve in readiness for the formal registration process. Chapter submitted an application in early 2022 and anticipate being under the joint regulation of the Church Commissioner and the Charity Commission by the end of Q2 2022.

Following the winter lockdown restrictions, the Old Palace Library and Archive Services resumed in-person access to the collections from week commencing 17th May (the same date that government regulations permitted sightseers to return to the Minster). Public access to the reading room remained appointment only, with robust risk assessments in place including limiting visitor numbers to ensure social distancing, Track and Trace compliance and increased cleaning: user feedback recorded high levels of satisfaction with the service and reassurance provided by the Covid security measures. Operating arrangements were kept under regular review: by the year-end both the number of reader places and sessions had expanded to three days per week to meet gradually increasing 'in-person' demand, with some users continuing to prefer ordering images of material remotely, for a fee. We anticipate opening four days per week from April 2022, reserving the fifth day for collections work, including research, digitisation and integration of material into learning sessions and exhibitions, to make the collections more accessible to a wider audience, including international users, than can visit the Reading Room in person.

The Friends of York Minster funded a project to enhance the catalogue records of the Minster's incunabula collection of 114 books printed before 1501. Freelance library consultant Ed Potten conducted research that has enabled identification of the books that were at the Minster during the medieval period and who their donors were, and which is also supporting a forthcoming programme of conservation.

To the delight of researchers, a long-awaited digital record has now been created of James Torre's *The Antiquities of York Minster*, 1690-91 – with thanks to Nick Teed and YGT for donating time and photographic equipment during lockdown. Further work is needed before the images can be made available on a digital platform, but having high quality photographs adds to the security of information in the event of any loss or damage to this unique and invaluable source on the Minster's history and fabric.

Use of archival sources has supported planning for a number of capital projects in the Precinct, including the Centre for Excellence and the Refectory.

Elsewhere around the Precinct refresher safeguarding training for all staff and volunteers was delivered, led by CSA Dee Cooley, members of the Senior Executive Team and Chapter also completed the Church of England's, National Safeguarding Team, Senior Leadership training. Chapter received a report from the CSA at each of their meetings, noting anonymised case-work, reviewing policies and procedures. The Minster has also been appointed to be a pathfinder Cathedral in the work to implement the findings of the Independent Inquiry into Child Sexual Abuse, (IICSA). A Safeguarding Strategy and Action Plan 2020-2023, building on the actions from the 2018 SCIE Audit, and embedding the recommendations of IICSA was received at Chapter and updated for 2022. The objectives are also embedded in the strategic plan 2021-2026.

Other training involved regular critical incident training for all colleagues and volunteers, both those office/home based and those on the floor. The Police Team continued with their regular programme of training including working closely alongside the local emergency and counter-terrorism services. The Minster contributed to the consultation on Duty to Protect legislation.

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Acting Dean's Review of the Year for the 2021 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

That the internal staff team were able to deliver so much regular business and drive so much change in a year of so much uncertainty and complexity is a mark of the agility, ability and commitment of that team. With life beginning to return to a new normal, with a new strategic plan to deliver and the prospect of an approved Neighbourhood Plan later this year, the team are energised and excited about the future, and are a community ready to welcome a new Dean as and when she or he arrives.



The Revd Canon M D Smith

2021 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 2021 show a net deficit of £805,000 (2020: deficit of £2,304,000), before taking account of gains or losses on the valuation of investments and the defined benefit pension scheme. The ongoing impacts of the Covid-19 pandemic remain evident for a second year running with a significant deficit, as we were required to close our doors yet again to sightseeing visitors for a significant portion of the year.

Incoming resources amount to £7,143,000 (2020: £6,484,000). This is an increase of £659,000 on prior year, principally due to a moderate recovery to income from our visitor operation offset by reduced Covid support funds through the government furlough scheme and other forms of support.

Total resources expended on mission amount to £7,948,000 (2020: £8,788,000) which is a decrease of £840,000 on prior year. This is largely due to a £1,584,000 decrease in expenditure on education & outreach arising from the absence of any Minster School costs in the 2021 accounts. There was an increase in expenditure on raising funds of £553,000 due to increased variable costs of visitor and retail operations arising from the improved income levels in the latter half of 2021. Ministry costs have increased by £235,000 mainly as a result of a full year of St Peter's chorister fees in 2021. Cathedral and precinct upkeep decreased by £124,000 on 2020 levels, largely as result of the end of the organ project in Q1 2021, while work completed on other major projects remained largely consistent on 2020 levels.

The expenditure on raising funds was £2,557,000 (2020: £2,004,000), resources expended on mission were £5,391,000 (2020: £6,784,000) including governance costs and the actuarial gain/loss on the pension deficit contribution of £67,000 (2020: gain of £13,000). In 2021 the provision which was recognised in respect of the defined benefit pension scheme deficit has reduced to £205,000 of which £89,000 is due after one year.

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2021 Financial Review (continued)

Overall Financial Position

The investment markets largely proved strong in the course of 2021, so Chapter's equity investments have seen a gain of £3,280,000 (2020: gain of £335,000). However, early 2022 demonstrates the ongoing volatility of the market with stock markets falling across the world in response to challenges including rising inflation, geopolitical instabilities – not least the Russian invasion of Ukraine, energy price shocks, the lingering impact of the Covid pandemic and a Chinese economic slowdown. At time of reporting, a significant portion of this gain recorded in 2021 was still to be recovered.

Following the net gains on investments the increase in total funds for the year is £2,475,000 (2020: decrease of £1,969,000).

The value at which the non-investment properties are carried in the accounts is historic cost, with the last professional re-valuation, carried out in 2012 by Carter Jonas having been taken as deemed cost in 2014. No depreciation has been charged against non-investment properties due to their high residual values based on current prices.

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Depreciation is not provided on investment properties, in line with revised Cathedral Accounting regulations. Investment properties require an independent formal professional valuation to be carried out at least every five years with material movements between valuations being included in the accounts.

The latest 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.

Two properties moved from own use assets to investment assets in the course of 2021, this being Church House, Ogleforth and 1 Chapter House Street. Church House was vacated by the administrative functions of the Chapter in the summer of 2021 in anticipation of the plan to convert the property to residential flats. This project has not yet commenced due to planning considerations but the property has been moved into investment assets as it is no longer occupied as an own use asset. 1 Chapter House Street was vacated by an employee of Chapter during 2021, it is planned to be marketed as a holiday let once a full refurbishment has been completed in early 2022. Neither property has been revalued at the point of transfer, given the full portfolio valuation is due at the end of 2022, and the planned changes in uses.

There was a net cash inflow of £3,299,000 (2020: outflow of £2,145,000) in the year bringing total cash and cash equivalents to £5,210,000 (2020: £1,911,000). The net cash outflow from operating activities was £1,436,000 (2020: £3,355,000) and income from investing activities was £2,235,000 (2020: £1,210,000). In addition there was a cash inflow of £2,500,000 (2020: nil) in respect of the Coronavirus Business Interruption Loan received. More detail is given on page 36.

The consolidated funds of the Cathedral as at 31 December 2021 are £53,143,000 (2020: £50,668,000) these consist of £36,118,000 (2019: £34,815,000) endowed, £2,130,000 (2020: £2,133,000) restricted, £5,343,000 designated (2020: £1,493,000 reported within unrestricted funds) and £9,552,000 (2020: £12,227,000 exclusive of designated funds) 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 outgoing unrestricted resources of £408,000 pre investment losses and gains (2020: outgoing unrestricted resources of £2,725,000), £nil (2020: £nil) has been transferred to the designated fund for long

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2021 Financial Review (continued)

term major fabric maintenance of the Minster under the standard mechanism Chapter uses for designating from unrestricted surpluses where they arise. However, Chapter decided to designate a further £1,849,000 of general funds in November 2021 to the fabric designated fund. The balance on this designated fund has therefore increased to £3,000,000 as at 31 December 2021 from £1,151,000 at 31 December 2020. The designated fund of £343,000 in respect of chorister fee amounts due to St Peter's School on an annual basis remains as it was at the end of 2020. Further designated funds to the value of £2,000,000 have also been created as result of Chapter decisions in November 2021. Further detail is provided in Note 18 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 set out below.

Net income from donations and legacies has reduced in the year by £173,000. Congregational collections and giving is largely in line with 2020 levels, which were a notable decrease on 2019; this reflects the ongoing limited opportunities for giving at services, as cash was only accepted again towards the end of 2021. Donation income has increased by £31,000; this includes online giving, some of which will have been made during live streaming of services and thus offsets the lack of income from in-person service collections. Legacy income has reduced by £207,000 as only one legacy has been received during 2021 – this is the main cause of the variance on the whole category of income. The Friends of York Minster continued to provide much valued financial support for various projects, including work on the Incunables in the collection and the restoration of the Chapter House Floor.

Income from grants amounted to £2,349,000 (2020: £2,285,000). Church Commissioners grant income has decreased by £23,000 on 2020 due to emergency funding received during 2020. The funding here is to cover the stipend and other employment costs of the Dean and two residentiary canons. York Minster funding reduced overall by £255,000, this is due to emergency funding of £1,000,000 for the Grand Organ refurbishment project being present in 2020 figures. After removing this, funding for ongoing major fabric projects plus masterplan professional fees and other smaller projects has increased by over £700,000. Other revenue and capital grants received increased by £342,000 to £578,000. £270,000 of this is a Culture Recovery Fund round 2 grant received in Spring 2021 to support the reopening of the cathedral after the 2021 lockdown. It provided for staffing, event and operational costs for the first three months of reopening. Also included here is £147,000 of funding received from Cathedral Workshop Fellowship in respect of costs of training mason apprentices.

Income from Charitable activities is much reduced to £33,000 (2020: £518,000) as a result of the closure of the Minster School. The only remaining income here is in respect of our learning offer, which was almost non-existent in 2021, and other fees associated with events and services, again much reduced with the restrictions in place for large parts of 2021.

Income from visitors, excluding gift aid, increased by £1,157,000 to £2,025,000 (2020: £868,000). This reflects a year where, although we spent four and a half months closed to sightseeing visitors, the increasing relaxation of restrictions and the appetite for holidaying closer to home for UK citizens enabled an ever improving picture over the second half of the year. This was also reflected in the notable improvement in shop income to £726,000 (2020: £344,000). However the full recovery of the visitor business still has a long way to go. Non-worshipper visitors increased by 109,744 (2020: decrease of 409,291) to 226,707 but are still over 60% behind 2019 levels. Total visitors, including worshippers, increased in a similar muted fashion, with 266,183 (2020: 147,439) being welcomed in the year.

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2021 Financial Review (continued)
Expenditure

Further detail is provided in Note 4 to the accounts. There has been a decrease in support costs of £211,000 in the year to £859,000. These support costs are split between expenditure categories, as shown in Note 5. The decrease in support costs is due to decreased staff and governance costs offset by increases in information technology and general office costs. Governance costs have decreased due to legal and professional fees associated with the staff consultations, restructure and school closure being present in the 2020 figures with no similar levels incurred in 2021. Staff costs in 2020 also include costs of redundancy which are not present in 2021. Information technology costs have increased due to costs of new backup servers installed in 2021. General office costs have increased with the impact of a return to on site working, and costs associated with the move of the main Chapter offices from Church House, Ogleforth to 8-10 Minster Yard.

Expenditure on Raising Funds

The cost of raising funds has increased by £553,000 in the year to £2,557,000 (2020: £2,004,000). Visitor facilities expenditure has increased in the year by £405,000 and shop expenditure has increased by £160,000, reflecting the increased trading opportunities in 2021 compared to 2020, particularly in the latter part of the year. Investment property expenses and management fees are up £5,000 due to the increased investment portfolio value in 2021. Support costs allocated are down £5,000.

Investment properties

The return on the investment portfolio was as follows:

	2021		2020	
	£'000	£'000	£'000	£'000
Total return on investment property				
Gross rents receivable		706		673
Repairs and maintenance	134		125	
Agents management fees	35		34	
Other agent fees	-		18	
Quinquennials	-		-	
Legal fees	11		30	
Utility and other costs	27		11	
		(207)		(218)
Net income from investment property		499		455
Property revaluation		-		(318)
Net income/gains from investment property in the year		499		137

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.

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2021 Financial Review (continued)

Charitable activities

Ministry costs have increased by £235,000 to £1,438,000. Support costs allocated to Ministry have decreased by £20,000, but service, music and congregational costs have increased by £234,000 mainly due to the costs of a full year of education of the choristers at St Peter's School in the 2021 accounts. Clergy housing costs have increased by £48,000 on 2020 due to works on 1a Minster Court in the year.

Cathedral and Precincts Upkeep

Cathedral and precincts upkeep has decreased by £124,000 to £3,229,000 (2020: £3,353,000). There was a £270,000 decrease arising from reduced costs of major repairs and restoration with the completion of the Grand Organ refurbishment in the first quarter of 2021, this project was responsible for over £800,000 of costs in 2020. Expenditure on other areas of restoration increased to slightly offset this decrease overall. Included within precincts upkeep is work amounting to £94,000 in respect of the endowment property portfolio. Support costs allocated have increased by £35,000.

Education and Outreach

Expenditure on education and outreach has decreased by £1,584,000 to £657,000 (2020: £2,241,000). This is largely due to the absence of Minster school costs in the 2021 accounts, but there has also been a fall in educational activities cost from £116,000 to £60,000 as a result of reduced staffing costs while the Minster's learning activities have been largely dormant through the pandemic. Archives and library costs have increased by £185,000 in the year due mainly to £50,000 costs of the St Cuthbert's Window exhibition (funded by YMF), £52,000 for reopening exhibitions and activities as part of Culture Recovery Fund supported activity and also an accrual of £64,000 for cost of the constructive obligation to treat the mould outbreak identified in the Upper Hall of the Old Palace in November 2021. Support costs allocated have decreased by £221,000.

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 17.4% (2020 5.7%) compared with the agreed benchmark of 14.6% (2020 2.3%). Funds held with CCLA in The CBF Church of England Property Fund produced a return of 19.7% (2020 -0.5%) against the IPD Property Index of 17.9% (2020 -0.8%).

Total return investment policy

The Church of England (Miscellaneous Provisions) Measure 2014 received Royal Assent on 14th 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.

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2021 Financial Review (continued)

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 2021 the trust for investment was £1,439,000, £78,000 has been allocated to the trust for investment from the unapplied total return in the year. The trust for investment as at 31 December 2021 is £1,517,000.

The income from the endowment's investments has been recognised as endowment income in the year and £833,000 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 £194,000 (2020: £122,000) 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 £3,280,000 (2020: gain of £335,000) in the year. The endowed element of this gain, £1,541,000, (2020: gain of £2,000) 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 target level of free unrestricted reserves was revised by Chapter in November 2021 to between £6,000,000 and £8,000,000, representing 10-12 months of operating expenditure at current levels (2020: £12,500,000).

This threshold set by Chapter takes account 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.

Many of the financial commitments which demanded an increase of the free reserves target to £12.5m in 2018 from a previous target of £7.5m have now been met including the organ project and sound system installation. During the course of 2021, the required target free unrestricted reserves were reviewed to arrive at an appropriate value in the light of future commitments alongside the need to hold a baseline amount to provide for contingencies and financial support. The experience of the pandemic in 2020 and its impact on our reserves provided welcome context for these

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2021 Financial Review (continued)

considerations. The decision to revise to a target based on levels of operating expenditure enables a more flexible approach to our target free reserves and means that the threshold moves with changes in operating expenditure levels.

The level of unrestricted reserves (including designated funds) held as at 31 December 2021 is £14,895,000 (2020: £13,720,000), net of the pension reserve held of £205,000 (2020: £255,000). £5,343,000 (2020: £1,494,000) has been designated by Chapter for long term major fabric needs of the Minster, Chorister fees at St Peter's School and other Chapter strategic plan objectives, and £1,772,000 (2020: £1,858,000) are held as tangible fixed assets and property, leaving £7,780,000 (2020: £10,368,000) free unrestricted reserves.

The level of free unrestricted reserves as at 31 December 2021, as described above, excluding designated amounts and fixed assets, is within the current target window of between £6,000,000 and £8,000,000. The level of these reserves includes unrealised gains and is subject to volatility, therefore it is under annual review and subject to ongoing monitoring.

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. While there was no transfer (2020: £nil) into this designated fund in the year by the mechanism described above due to there being an unrestricted deficit of £408,000 pre gains and transfers generated, Chapter elected to transfer a further £1,849,000 into the designated fabric fund. Therefore, as at 31 December 2021 £3,000,000 (2020: £1,151,000) has been designated by Chapter for the long term major fabric maintenance of the Minster

The designated fund created during 2020 in respect of the annual Chorister fee bursary payable to St Peter's School in respect of the education of the York Minster Choristers remains and the balance on this fund continues at £343,000, representing 60% fee bursary cost for our 40 choristers.

Further funds were designated by Chapter in 2021 in respect of strategic plan and masterplan objectives. The total value of these designations totals £2,000,000 at 31 December 2021.

Principal risks and uncertainties

At the time of budget setting for 2021 there was no certainty in what might be possible during that year, and certainly as the year began, under lockdown again, we were already revisiting the financial projections we had made for the year. Our risk register, a document we re-visited quarterly pre-pandemic, was reviewed on a daily basis as the cornerstone of our daily operation, at the daily briefing, reviewed what had happened the day before and made decisions day by day on how we should manage the operation. This level of operational risk management continued at SET, with a review of operational risk, particularly related to Covid on each agenda. As the year progressed and it became clear the vaccination programme offered a way out of restrictions and lockdown, it became possible to focus on the mid to long term and began to plan against some of the backdrop of perennial uncertainty we had all been handling since March 2020.

The agility and resilience demonstrated by the team during the pandemic encouraged us to review our regular risk management tool in Q4 of 2021. Hitherto, our risk register had been overly long, and with the benefit of the risks addressed and mitigated during the pandemic we were able to streamline the document to identify only a handful of overarching organisational risks which can then be sensibly mitigated across all departments with real focus and attention. Each of these risks then has a departmental subset which is owned by the relevant Director.

THE CHAPTER OF YORK

2021 Financial Review (continued)

The principal uncertainties are many, and at time of writing, include not only the impact of Brexit, inflation, living with Covid but also unfolding events in Ukraine and the knock on global instability: this already having a detrimental impact on Chapter's financial investments.

Closer to home, Chapter have attempted to reduce uncertainty by devising and then sharing a Strategic Plan 2021-2026, which built upon the foundations of its predecessor 2015 – 2020, a key plank of which was the diversification of income streams to de-risk Chapter's financial model. Alongside the strategic plan, the development of the Neighbourhood Plan, which was independently examined in autumn 2021 is likely to move towards formal adoption later this summer. The independent examiner commenting.

"It (the Plan) is distinctive in addressing a specific set of issues that have been identified and refined by the wider community. It is a very impressive Plan in its own right and it positively overlaps with other strategic documents produced by the Minster. Following the independent examination of the Plan I have concluded that the Minster Precinct Neighbourhood Development Plan meets the basic conditions for the preparation of a neighbourhood plan subject to a series of recommended modifications." The examiner also identified that: "The Plan has been underpinned by community support and engagement. It is clear that all sections of the community have been actively engaged in its preparation." He concluded: "Subject to a series of recommended modifications set out in this report I have concluded that the Minster Precinct Neighbourhood Plan meets all the necessary legal requirements and should proceed to referendum."

These clear ambitions, which are underpinned by financial support drawn from Chapter's free reserves and also with significant support from the York Minster Fund give some certainty to the outlook of the next four years.

However, a clear risk and uncertainty which has been thrown into even sharper focus by the impact of the pandemic is the health and wellbeing of Chapter's current cohort of staff and volunteers. The relentlessness of uncertainty during the pandemic took its toll on our community, and by the end of 2021 it was apparent that resilience was low and our team were beyond tired. Responding to this Chapter approved SET's proposal to give all staff time out in early January and then have invested in resilience training and a programme of mental health first aid training. We are in the process of learning the lessons of these sessions and developing an updated wellbeing policy and a regular wellbeing and resilience programme. This focus and change another clear positive to come from the experience of the pandemic.

Going concern

While Covid-19 has by no means disappeared, and remains a matter of ongoing consideration for Chapter particularly with regards to its operational impacts, the threat to key income streams from visitors and retail operations is reduced as we look forward to 2022 and beyond. While there will be a longer recovery period for international tourism, domestic tourism has held up sufficiently and continues to provide a reliable and increasing source of income, plus other income streams arising from the masterplan developments will come online in the next 18 months to 2 years. Budgets and cash flow forecasts have been prepared to December 2023 and based on these Chapter are confident that the Cathedral has the ability to continue as a going concern for at least twelve months from the approval of these financial statements.

The Audit and Risk Committee reported to Chapter on the 2021 year as follows:

"The ARC recognises that controls across the Chapter's operations are working satisfactorily, an assessment confirmed by the auditors. 2021 has been something of a recovery year and is certainly not as bad as had been foreseen in the Budget. The Management Team is to be commended on how it has taken up the opportunity to start moving projects forward again. The Minster is now in a better place to go forward but the next few years will need good planning and forecasting, flexible management and leadership."

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2021 Financial Review (continued)

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 2021.

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

Plans for future periods

The pandemic has provided both complexity but also the opportunity to reframe. 2020 saw a necessary retrenchment of Chapter's commitments and an associated reduction in headcount. As we began to contemplate a new post Covid future we began to plan for measured growth, certain we had pruned in places to enable future flourishing. However, we were also acutely aware the world had changed around us.

Domestic tourism held up remarkably well during the summer of 2021, and York was one of the UK destinations where staycations benefitted the local economy. Our income in this area was only limited by the cap on visitors which we set to ensure that we remained Covid safe. Income during the summer and Christmas period exceeding that per head from the same period in 2019. How 2022 unfolds, with international travel now a possibility for the domestic market, but with perhaps hesitancy around the inbound market, remains to be seen and we have taken a prudent approach to our visitor and income forecasting.

Work for the next few years will be shaped by two interlinking documents the Strategic Plan 2021-2026 and the Neighbourhood Plan. The Strategic Plan, commissioned by Chapter, and shaped by the Senior Executive Team following extensive consultation sets out areas for growth and consolidation against four key purposes, prayer, service, hospitality and stewardship. An annual set of business priorities will continue to be drawn from this plan, as has been customary for the last 9 years. The Plan itself will be reviewed by Chapter regularly and is very much designed as a living document which will need to adapt and change during the period of its operation.

Key objectives include capital projects to deliver; a Refectory and new City Park on part of the former Minster School site; plans to re-locate the entrance to the Minster to the south-side with associated external ticketing, new vestibules to the south door and liturgical re-ordering in the Minster; a commitment to the continued development of the facilities enjoyed by our Works Department, including the creation of a new Centre of Excellence on the site currently occupied by the Deanery Garages and the redevelopment of the existing site as a Technology Hub and continued investment in Chapter's endowed property portfolio is envisaged to secure both financial and environmental sustainability.

Away from capital asset enhancement and development, Chapter also intend to invest in people and systems to improve business resilience and agility. A light touch review of the new structure was undertaken in autumn 2021 and a staffing plan put in place for the delivery of the new strategic plan, this has meant a modest increase in numbers linked to an increase in income and the creation of a handful of project specific roles recruited to deliver specific projects e.g. HR System delivery, Records Management support, digital media production and project management support for capital projects.

THE CHAPTER OF YORK

Plans for future periods (continued)

Chapter also intend to focus on developing the offer for those who visit, irrespective of their motivation, to ensure all those who encounter the Minster, are enabled to be pilgrims and participate in their own journey of faith. Furthermore, Chapter has identified that developing a consistent public facing programme, drawn from and overlaid against the liturgical calendar is a clear way of developing, engaging and sustaining an audience of local visitors, who will return again and again. Chapter has confirmed it wishes to focus its efforts here predominantly on children, families and young people, and it will be with these audiences in mind we develop programmes, look at interpretation methods and develop a brief for the redevelopment of the Old Palace complex, a project we anticipate scoping in the lifetime of this strategic plan, but delivering within the parameters of the next.

Although total net assets of £53,143,000 are held as at 31 December 2021, £51,614,000 of these are fixed assets; £25,698,000 of which are held as property and £25,616,000 as equity investments. This reflects the long-term strategy for ensuring financial stability. It remains 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 14th 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. During the course of 2021, the annual drawdown from investments was £750,000 (2020: £780,000) which is equivalent to just under 4% (2020: 4%) based on current yields & portfolio value. This drawdown percentage 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.

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.

THE CHAPTER OF YORK

Structure, Governance and Management (continued)

Role in the Diocese

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

Organisational Structure

The Visitor

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

Body Corporate

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

The Chapter

The Chapter consists of the Dean, up to six Residentiary Canons and up to 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 5. 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 CHAPTER OF YORK

Structure, Governance and Management (continued)

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

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. preparing the accounts on the going concern basis unless it is inappropriate to presume that the Cathedral will continue in business

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 Revd Canon M D Smith 26 May 2022

Acting Dean of York

THE CHAPTER OF YORK

INDEPENDENT AUDITOR'S 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 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Chapter balance sheet, the consolidated cash flow statement and notes to the financial statements, including 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:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 December 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. 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

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

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

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

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

THE CHAPTER OF YORK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF YORK (continued)

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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 requires us to report to you if, in our opinion:

1. adequate and sufficient accounting records have not been kept by the parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
2. the parent entity's financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of Chapter Members' remuneration specified by law are not made; or
4. 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, Chapter are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as Chapter 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, Chapter 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 Chapter either intend to liquidate the group or parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

THE CHAPTER OF YORK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF YORK (continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

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

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

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

THE CHAPTER OF YORK

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF YORK (continued)

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

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

Use of our report

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



Jane Marshall (Jun 9, 2022 15:21 GMT+1)

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 Jun 9, 2022

**THE CHAPTER OF YORK
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Donations and legacies		200	-	47	-	247	420
Grants		98	-	2,251	-	2,349	2,285
Charitable activities		33	-	-	-	33	518
Other trading activities		2,976	-	-	-	2,976	1,321
Investments		300	-	18	833	1,151	1,116
Other income		1,211	-	9	(833)	387	824
Total income	3	4,818	-	2,325	-	7,143	6,484
Expenditure on:							
Raising funds		(2,140)	-	(273)	(144)	(2,557)	(2,004)
Charitable activities:							
Ministry		(1,246)	-	(192)	-	(1,438)	(1,203)
Cathedral & precincts upkeep		(1,127)	-	(2,008)	(94)	(3,229)	(3,353)
Education & outreach		(646)	-	(11)	-	(657)	(2,241)
Actuarial gains/(losses) on pension deficit contribution	14	(67)	-	-	-	(67)	13
Total expenditure	4	(5,226)	-	(2,484)	(238)	(7,948)	(8,788)
Net income/ (expenditure) before investment gains		(408)	-	(159)	(238)	(805)	(2,304)
Net gains/(losses) on Investments	6	1,512	-	227	1,541	3,280	335
Net income/(expenditure)		1,104	-	68	1,303	2,475	(1,969)
Gross transfers between funds	18	(3,778)	3,849	(71)	-	-	-
Net movement in funds		(2,674)	3,849	(3)	1,303	2,475	(1,969)
Reconciliation of funds:							
Total funds brought forward		12,226	1,494	2,133	34,815	50,668	52,637
Funds carried forward	18	9,552	5,343	2,130	36,118	53,143	50,668

**THE CHAPTER OF YORK
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021**

	Note	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
FIXED ASSETS							
Investment assets							
Property	6	1,472	-	-	15,415	16,887	15,775
Investments	6	6,857	5,000	1,783	11,976	25,616	22,786
		<u>8,329</u>	<u>5,000</u>	<u>1,783</u>	<u>27,391</u>	<u>42,503</u>	<u>38,561</u>
Non-investment assets							
Property	7	-	-	-	8,811	8,811	9,923
Equipment and plant	7	300	-	-	-	300	386
Heritage assets	8	-	-	-	-	-	-
Total fixed assets		<u>8,629</u>	<u>5,000</u>	<u>1,783</u>	<u>36,202</u>	<u>51,614</u>	<u>48,870</u>
CURRENT ASSETS							
Stocks	9	117	-	-	-	117	155
Debtors	10	1,022	-	699	-	1,721	1,413
Cash at bank and on deposit		3,641	343	(319)	(84)	3,581	1,277
		<u>4,780</u>	<u>343</u>	<u>380</u>	<u>(84)</u>	<u>5,419</u>	<u>2,845</u>
LIABILITIES DUE WITHIN ONE YEAR							
Creditors	11	(1,685)	-	(33)	-	(1,718)	(909)
NET CURRENT ASSETS		<u>3,095</u>	<u>343</u>	<u>347</u>	<u>(84)</u>	<u>3,701</u>	<u>1,936</u>
TOTAL ASSETS LESS CURRENT LIABILITIES							
		<u>11,724</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>55,315</u>	<u>50,806</u>
LIABILITIES DUE AFTER ONE YEAR							
Defined benefit scheme liability	12	(89)	-	-	-	(89)	(138)
Loans due in more than one year	12	(2,083)	-	-	-	(2,083)	-
TOTAL NET ASSETS		<u>9,552</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>53,143</u>	<u>50,668</u>
THE FUNDS OF THE CATHEDRAL							
Unrestricted general		9,757	-	-	-	9,757	12,481
Unrestricted designated		-	5,343	-	-	5,343	1,494
Restricted fabric fund		-	-	918	-	918	1,029
Restricted other funds		-	-	1,212	-	1,212	1,104
Endowment funds		-	-	-	36,118	36,118	34,815
Pension reserve		(205)	-	-	-	(205)	(255)
Total Cathedral funds	18	<u>9,552</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>53,143</u>	<u>50,668</u>

The financial statements were approved by the Chapter on 26 May 2022 and signed on their behalf by:



**The Revd Canon M D Smith
Acting Dean**



**Alan Dunsmore
Canon Treasurer**

**THE CHAPTER OF YORK
BALANCE SHEET AS AT 31 DECEMBER 2021**

	Note	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total funds 2021	Total funds 2020
		£'000	£'000	£'000	£'000	£'000	£'000
FIXED ASSETS							
Investment assets							
Property	6	1,472	-	-	15,415	16,887	15,775
Investments	6	6,857	5,000	1,783	11,976	25,616	22,786
		<u>8,329</u>	<u>5,000</u>	<u>1,783</u>	<u>27,391</u>	<u>42,503</u>	<u>38,561</u>
Non-investment assets							
Property	7	-	-	-	8,811	8,811	9,923
Equipment and plant	7	293	-	-	-	293	375
Heritage assets	8	-	-	-	-	-	-
		<u>293</u>	<u>-</u>	<u>-</u>	<u>8,811</u>	<u>9,104</u>	<u>10,298</u>
Total fixed assets		<u>8,622</u>	<u>5,000</u>	<u>1,783</u>	<u>36,202</u>	<u>51,607</u>	<u>48,859</u>
CURRENT ASSETS							
Stocks	9	6	-	-	-	6	9
Debtors	10	1,327	-	699	-	2,026	1,630
Cash at bank and on deposit		3,373	343	(319)	(84)	3,313	1,171
		<u>4,706</u>	<u>343</u>	<u>380</u>	<u>(84)</u>	<u>5,345</u>	<u>2,810</u>
LIABILITIES DUE WITHIN ONE YEAR							
Creditors	11	(1,626)	-	(33)	-	(1,659)	(819)
		<u>(1,626)</u>	<u>-</u>	<u>(33)</u>	<u>-</u>	<u>(1,659)</u>	<u>(819)</u>
NET CURRENT ASSETS		<u>3,080</u>	<u>343</u>	<u>347</u>	<u>(84)</u>	<u>3,762</u>	<u>1,991</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,702</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>55,293</u>	<u>50,850</u>
LIABILITIES DUE AFTER ONE YEAR							
Defined benefit scheme liability	12	(89)	-	-	-	(89)	(138)
Loans due after one year	12	(2,083)	-	-	-	(2,083)	-
		<u>(2,172)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,172)</u>	<u>(138)</u>
TOTAL NET ASSETS		<u>9,530</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>53,121</u>	<u>50,712</u>
THE FUNDS OF THE CATHEDRAL							
Unrestricted general fund		9,735	-	-	-	9,735	12,525
Unrestricted designated fund		-	5,343	-	-	5,343	1,494
Restricted fabric fund		-	-	918	-	918	1,029
Restricted other funds		-	-	1,212	-	1,212	1,104
Endowment funds		-	-	-	36,118	36,118	34,815
Pension reserve		(205)	-	-	-	(205)	(255)
		<u>9,530</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>53,121</u>	<u>50,712</u>
Total Cathedral funds	18	<u>9,530</u>	<u>5,343</u>	<u>2,130</u>	<u>36,118</u>	<u>53,121</u>	<u>50,712</u>

The financial statements were approved by the Chapter on 26 May 2022 and signed on their behalf by



**The Revd Canon M D Smith
Acting Dean**



**Alan Dunsmore
Canon Treasurer**

THE CHAPTER OF YORK
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities:			
Net cash used in operating activities	1	(1,436)	(3,355)
Cash flows from investing activities:			
Rents received net of costs		498	136
Investment income received net of costs		346	360
Proceeds from sale of property, plant and equipment		24	-
Purchase of property, plant and equipment		(78)	(9)
Proceeds from sale of investments		4,865	7,879
Purchase of investments		(3,420)	(7,156)
Net cash provided by investing activities		<u>2,235</u>	<u>1,210</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		2,500	-
Change in cash and cash equivalents in the year		<u>3,299</u>	<u>(2,145)</u>
Cash and cash equivalents at the beginning of the reporting year		1,911	4,056
Cash and cash equivalents at the end of the reporting year		<u>5,210</u>	<u>1,911</u>

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

	2021 £'000	2020 £'000
Net (expenditure)/income in the year	(805)	(2,317)
Adjustments for:		
Depreciation charges	158	161
Pension scheme contributions paid	(123)	(119)
Pension scheme interest cost	8	20
Pension scheme deficit provision	67	-
Income from property and investments	(1,151)	(1,116)
Property and investment management costs	307	620
Profit on disposal of property, plant and equipment	(18)	-
(Increase)/decrease in stocks	38	(7)
(Increase)/decrease in debtors	(308)	(213)
Increase/(decrease) in creditors	391	(384)
Net cash used in operating activities	<u>(1,436)</u>	<u>(3,355)</u>

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	1,277	2,304	-	3,581
Cash held with investment managers for reinvestment	134	(5)	-	129
Cash held on reserve by investment managers	500	1,000	-	1,500
Total cash and cash equivalents	1,911	3,299	-	<u>5,210</u>

Included within cash held with investment managers, £55,500 (2020: £68,000) 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 2021

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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Chapter constitutes a public benefit entity as defined by FRS 102.

The 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. Budgeting and cash flow forecasting has been undertaken for the period to 31 December 2023 which shows that the Chapter has sufficient cash and reserves to enable it to continue for this period and beyond. Forecasting and cash flow is being reviewed and monitored on a regular basis giving assurance to Chapter that the Cathedral remains a going concern for at least the next 12 months from the approval of the accounts.

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 2021

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.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Heritage Assets

Heritage assets held by the Chapter are of historical or artistic importance and are held and maintained principally for their contribution to knowledge and culture or held to advance preservation or conservation objectives. Heritage assets include the cathedral and items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

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 are 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 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.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Tangible Fixed Assets and Depreciation (continued)

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

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

The Chapter consider that the properties need not be depreciated due to the policy of maintaining these assets to such a standard that they retain a high residual value 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 after allowance for obsolete and slow moving items. 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.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Fund Accounting

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

Chapter has adopted a total return approach to investments, the permanently endowed funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation.

Gains and losses on the sale of properties and investments and changes in the value of properties and investments, together with any related costs, are transferred to the Endowment Fund which has been designated as a separate fund not available for allocation as part of the surplus for the year.

Chapter may, however, determine which part of the unapplied total return may be applied for the purposes of the Cathedral and which part should be available for accumulation as part of investments.

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

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

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.

The following judgments have had the most significant effect on amounts recognised in the financial statements:

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

1. ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement (continued)

Non-investment fixed assets

Tangible fixed assets are depreciated to their residual value over their useful life. The useful life is based on the management's estimate of the period that the assets will generate revenue and will be reviewed annually for continued appropriateness. For non-investment properties the residual value is based on the management's assessment of current prices. The carrying values will be tested for impairment when there is an indication that the value of an asset might be impaired.

Investment property

Investment properties are subject to an external professional valuation every 5 years. Between the external valuations the management assess whether there have been any material changes to the valuation.

Total return

On passing the resolution to adopt a total return policy in 2017, 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.

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.

2. EMPLOYEES

	2021	2020
The average number of employees (full time equivalents) was:		
Chapter	103	120
York Minster Enterprises Limited	7	8
The Minster School	-	16
	<hr/>	<hr/>
	110	144
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2021, there were 175 full and part time employees, including Church Commissioner funded clergy (167 at 31 December 2020).

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
2. EMPLOYEES (continued)

The total cost of all paid staff of the Cathedral was:

	Clergy £'000	Lay £'000	2021 Total £'000	Clergy £'000	Lay £'000	2020 Total £'000
Salaries and stipends	151	2,907	3,058	170	3,679	3,849
Redundancy & Settlement payments	-	-	-	-	1,019	1,019
Employer's National Insurance costs	15	230	245	17	335	352
Employer's pension costs (including DBS deficit)	51	267	318	58	422	480
	217	3,404	3,621	245	5,455	5,700

There were two employees (2020: three) whose earnings fell in the band between £60,000 and £70,000, zero employees (2020: two) whose earnings fell in the band between £70,000 and £80,000, zero employees (2020: one) whose earnings fell in the band between £80,000 and £90,000 and zero employees (2020: one) whose earnings fell in the band between £90,000 and £100,000. Employer pension contributions of £12,310 (2020: £62,937) 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	37,670	12,539	50,209
The Revd Canon M D Smith	28,978	10,005	38,983
The Revd Canon V Johnson	28,978	10,031	39,009
The Revd Canon M McLean	28,978	10,031	39,009

The Lay Canons Hattam, Worsley, Temby, Dunsmore, Thompson, Townson and Ali received no remuneration for their voluntary work. The Dean and Residentiary Canons receive stipends in accordance with the scales laid down by the Church Commissioners, the Archbishops Council and the Church of England Pensions Board. In addition, in line with a number of other cathedrals, Residentiary Canons may receive augmentation payments in respect of their responsibilities.

Four (2020: four) members of Chapter were reimbursed a total of £2,503 (2020: £10,431) in respect of travel and subsistence whilst carrying out the business of the Chapter.

Chapter owned properties were occupied by employees for parts of the year at a market rent. The total rent received during the year in respect of these was £16,900 (2020: £16,900).

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
3. INCOME

Note	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2021 £'000	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2020 £'000
Donations and legacies:										
Congregational collections and giving	93	-	-	-	93	99	-	-	-	99
Donations	78	-	2	-	80	41	-	8	-	49
Tax recoverable under Gift Aid on voluntary donations	22	-	-	-	22	17	-	-	-	17
Income from Friends and local Trusts	-	-	45	-	45	-	-	41	-	41
Legacies	7	-	-	-	7	185	-	29	-	214
	200	-	47	-	247	342	-	78	-	420
Grants:										
Church Commissioners	-	-	135	-	135	-	-	158	-	158
York Minster Fund	-	-	1,636	-	1,636	-	-	1,891	-	1,891
Other revenue and capital grants	98	-	480	-	578	1	-	235	-	236
	98	-	2,251	-	2,349	1	-	2,284	-	2,285
Charitable activities:										
Facility and other fees	33	-	-	-	33	28	-	-	-	28
Gross income of the Minster school	-	-	-	-	-	490	-	-	-	490
	33	-	-	-	33	518	-	-	-	518
Other trading activities:										
Charges to visitors	2,025	-	-	-	2,025	868	-	-	-	868
Gift aid on entrance charges	87	-	-	-	87	70	-	-	-	70
Shop income	726	-	-	-	726	344	-	-	-	344
Other activities	138	-	-	-	138	3	-	36	-	39
	2,976	-	-	-	2,976	1,285	-	36	-	1,321

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
3. INCOME (continued)

Note	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2021 £'000	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2020 £'000
Investments:										
Investment property income	16	-	-	690	706	26	-	-	647	673
Investment income	284	-	18	143	445	209	-	14	220	443
	300	-	18	833	1,151	235	-	14	867	1,116
Other income:										
Other income	27	-	-	-	27	8	-	-	-	8
Furlough income	360	-	-	-	360	816	-	-	-	816
Allocation of endowment income	824	-	9	(833)	-	851	-	16	(867)	-
	1,211	-	9	(833)	387	1,675	-	16	(867)	824
Total income	4,818	-	2,325	-	7,143	4,056	-	2,428	-	6,484

4. EXPENDITURE
Expenditure on raising funds:

Facilities for visitors	1,103	-	270	-	1,373	932	-	36	-	968
Shop expenditure	555	-	-	-	555	395	-	-	-	395
Investment property expenses	108	-	-	99	207	119	-	-	99	218
Investment management fees	51	-	3	45	99	43	-	3	37	83
Defined benefit scheme deficit interest and expenses	8	-	-	-	8	20	-	-	-	20
Allocated support costs	315	-	-	-	315	320	-	-	-	320
	2,140	-	273	144	2,557	1,829	-	39	136	2,004

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
4. EXPENDITURE (continued)

Note	Unr.	Des.	Rest.	End	Total	Unr.	Des.	Rest.	End.	Total
	Fund	Fund	Fund	Fund	2021	Fund	Fund	Fund	Fund	2020
	£'000									
Charitable activities - Ministry:										
Clergy stipends and working expenses	85	-	135	-	220	96	-	158	-	254
Clergy housing costs	93	-	-	-	93	45	-	-	-	45
Clergy support costs	69	-	-	-	69	62	-	-	-	62
Services, music & congregational costs	860	-	57	-	917	635	-	48	-	683
Allocated support costs	139	-	-	-	139	159	-	-	-	159
	1,246	-	192	-	1,438	997	-	206	-	1,203
Charitable activities – Cathedral and precincts upkeep:										
Major repairs and restoration	16	-	2,008	-	2,024	707	-	1,587	-	2,294
Maintenance and interior upkeep	236	-	-	-	236	235	-	-	-	235
Cathedral insurance	130	-	-	-	130	134	-	-	-	134
Precincts, security and gardens upkeep	354	-	-	94	448	340	-	-	12	352
Other costs	103	-	-	-	103	85	-	-	-	85
Allocated support costs	288	-	-	-	288	253	-	-	-	253
	1,127	-	2,008	94	3,229	1,754	-	1,587	12	3,353

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

Note	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2021 £'000	Unr. Fund £'000	Des. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2020 £'000
Charitable activities –										
Education and outreach:										
Minster school costs	-	-	-	-	-	1,475	-	18	-	1,493
Educational activities	60	-	-	-	60	116	-	-	-	116
Archives and library	373	-	11	-	384	190	-	9	-	199
Charitable and other giving	96	-	-	-	96	95	-	-	-	95
Allocated support costs	117	-	-	-	117	338	-	-	-	338
	646	-	11	-	657	2,214	-	27	-	2,241
Charitable activities										
Actuarial (gains)/losses on pension deficit contribution	67	-	-	-	67	(13)	-	-	-	(13)
	67	-	-	-	67	(13)	-	-	-	(13)
Total expenditure	5,226	-	2,484	238	7,948	6,781	-	1,859	148	8,788

5. GOVERNANCE AND SUPPORT COSTS

	Cost of raising funds £'000	Charitable activities £'000	2021 £'000	Cost of raising funds £'000	Charitable activities £'000	2020 £'000
Governance costs	15	24	39	32	82	114
Staff costs	163	302	465	228	545	773
Information technology	33	51	84	22	37	59
Training and recruitment	3	4	7	6	13	19
Insurance	12	19	31	8	15	23
Health and safety	5	8	13	2	4	6
General office costs	84	136	220	22	54	76
	315	544	859	320	750	1,070

Support costs, stated after audit fees charged of £19,760 (2020: £15,000), are allocated on the basis of headcount of staff engaged in each activity.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
6. INVESTMENT FIXED ASSETS
Chapter and consolidated

	Unrestricted funds £'000	Designated Funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Property – at valuation					
At 1 January 2021	550	-	-	15,225	15,775
Additions	-	-	-	-	-
Transfers from non-investment property	922	-	-	190	1,112
Net movement in market value	-	-	-	-	-
At 31 December 2021	1,472	-	-	15,415	16,887

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.

The transfer of £1,112,000 is in respect of Church House, 10-14 Ogleforth (£922,000) and 1 Chapter House Street (£190,000) from non-investment property to investment assets. Chapter plans to convert Church House to residential apartments on receipt of planning permission. 1 Chapter House Street was vacated by Chapter employees in the course of 2021 and following refurbishment, will be rented out on the open market. They have been transferred into investment assets at 31 December 2021 fair value.

An independent formal professional valuation of the full portfolio 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.

	Unrestricted funds £'000	Designated Funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Investments					
Consolidated accounts					
At 1 January 2021	10,556	-	1,588	10,642	22,786
Additions	1,992	-	305	2,118	4,415
Proceeds from disposals	(2,203)	-	(337)	(2,325)	(4,865)
Net movement in market value	1,512	-	227	1,541	3,280
Transfers between funds	(5,000)	5,000	-	-	-
At 31 December 2021	6,857	5,000	1,783	11,976	25,616

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
6. INVESTMENT FIXED ASSETS (continued)
Chapter and consolidated

	2021	2020
	£'000	£'000
Analysed as follows:		
UK equities	12,074	11,049
Property/other assets	718	646
Overseas equities	9,675	8,512
Fixed interest	1,520	1,945
Cash held for reinvestment	129	134
Cash held on reserve	1,500	500
	<hr/> 25,616	<hr/> 22,786
	<hr/> <hr/> 25,616	<hr/> <hr/> 22,786

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

	2021	2020
	£'000	£'000
Total net gain/(loss) on investment:		
Property revaluation	-	(318)
Investment disposal and revaluation	3,280	653
	<hr/> 3,280	<hr/> 335
	<hr/> <hr/> 3,280	<hr/> <hr/> 335

7. NON-INVESTMENT FIXED ASSETS
Chapter and consolidated

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Property				
At 1 January 2021	922	-	9,001	9,923
Transfer to investment property	(922)	-	(190)	(1,112)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	-	8,811	8,811
	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> 8,811	<hr/> <hr/> 8,811

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.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
7. NON-INVESTMENT FIXED ASSETS (continued)

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.

The transfer of £1,112,000 is in respect of Church House, 10-14 Ogleforth (£922,000) and 1 Chapter House Street (£190,000) from non-investment property to investment assets.

	2021	2020
	£'000	£'000
These properties are designated as follows:		
Clergy housing	6,151	5,226
Administration	720	922
Stoneyard	740	740
Staff housing	400	1,515
School	-	720
Library	800	800
	8,811	9,923

	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
Consolidated - Equipment and plant			
At 1 January 2021	2,049	1,493	3,542
Additions	78	-	78
Disposals	(63)	-	(63)
At 31 December 2021	2,064	1,493	3,557
Depreciation			
At 1 January 2021	1,663	1,493	3,156
Charge for the year	158	-	158
On disposals	(57)	-	(57)
At 31 December 2021	1,764	1,493	3,257
Net book value			
At 31 December 2021	300	-	300
At 31 December 2020	386	-	386

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
7. NON-INVESTMENT FIXED ASSETS (continued)

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
Chapter - Equipment and plant			
At 1 January 2021	2,030	1,493	3,523
Additions	78	-	78
Disposals	(63)	-	(63)
At 31 December 2021	2,045	1,493	3,538
Depreciation			
At 1 January 2021	1,656	1,493	3,149
Charge for the year	153	-	153
On disposals	(57)	-	(57)
At 31 December 2021	1,752	1,493	3,245
Net book value			
At 31 December 2021	293	-	293
At 31 December 2020	375	-	375

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 2021 £'000	Consolidated 2021 £'000	Chapter 2020 £'000	Consolidated 2020 £'000
Goods for resale	-	111	-	146
Consumables	6	6	9	9
	6	117	9	155

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
10. DEBTORS

	Chapter 2021 £'000	Consolidated 2021 £'000	Chapter 2020 £'000	Consolidated 2020 £'000
Trade debtors	76	76	48	48
Other debtors	355	355	321	321
Prepayments and accrued income	1,260	1,277	1,034	1,043
Amounts due from subsidiary undertakings	322	-	226	-
Tax recoverable	13	13	1	1
	2,026	1,721	1,630	1,413

11. CREDITORS

	Chapter 2021 £'000	Consolidated 2021 £'000	Chapter 2020 £'000	Consolidated 2020 £'000
Trade creditors	457	465	228	245
Other creditors	202	204	48	50
Accruals	274	285	280	340
Deferred income	117	117	93	93
Loans repayable within one year	417	417	-	-
Pension scheme creditors	116	116	116	116
Taxes and social security	76	114	54	65
	1,659	1,718	819	909

Deferred income as at 31 December 2021 and 31 December 2020 relates to deferred rent income.

Included within accruals is a £63,800 provision arising from a constructive obligation to treat a severe mould outbreak in the Upper Hall at the Old Palace which is threatening the condition of Chapter's significant library collection of 11,000 books including 114 works of 'Outstanding' value on the cathedral inventory, and presenting potential risks to human health.

The amount of loans due within one year of £417,000 is in respect of a Coronavirus Business Interruption Loan drawn down in February 2021. The first year of the loan required no repayments and the interest was covered by a Government-provided Business Interruption Payment. Repayments of £41,667 a month commence in March 2022.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
12. DEFINED BENEFIT SCHEME LIABILITY, LOANS AND PROVISIONS

	Chapter 2021 £'000	Consolidated 2021 £'000	Chapter 2020 £'000	Consolidated 2020 £'000
Liabilities due after one year				
Church of England Funded Pension Scheme	-	-	-	-
Church Workers Pension Fund 'DBS' deficit	89	89	138	138
Loans repayable after one year	2,083	2,083	-	-
	2,172	2,172	138	138

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 2021 is £4,000 (2020: £2,000) with £4,000 (2020: £2,000) 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 2019. Chapter ceased to make contributions to this scheme from 1 January 2019 and the 2019 actuarial valuation has been prepared on this basis, the balance sheet liability as at 31 December 2021 is £201,000 (2020: £250,000). £111,698 (2020: £111,698) of this liability is due within one year.

The £2,083,000 of loans repayable after one year is the balance of the Coronavirus Business Interruption Loan of £2,500,000 drawn down in February 2021. The total balance will be repaid by February 2027.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

13. CONTINGENT ASSETS, LIABILITIES AND FUTURE COMMITMENTS

Commitments and contingent liabilities

Minster Refectory Project

As at 31 December 2021 there is a capital commitment in respect of the development of 2 Deangate, the former school hall, as the Chapter's new restaurant, due to open later in 2022. Chapter started work in the final quarter of 2021 on making the building good in preparation for the internal works to fit out for the restaurant facilities during the course of 2022. £91,000 had been spent as at 31 December on these capital works and capital commitments of £137,000 for solar tiles and glass work existed at the balance sheet date.

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:

	2020	2020
	£'000	£'000
Expiry		
Under one year	3	7
Two to five years	11	1
	<hr/>	<hr/>
	14	8
	<hr/>	<hr/>

14. PENSIONS

The Chapter of York participates in the Church Workers Pension Fund (CWPF) for lay staff and the Church of England Funded Pension scheme (CEFPS) on behalf of the clergy. Until 31st December 2020 it also participated in the Teacher's Pension Defined Benefit Scheme for teachers at the Minster school.

The CWPF has two sections, a section known as the Defined Benefits Scheme ("DBS"), and the Pension Builder Scheme which has two subsections: 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 2021, the Chapter had no (2020: no) active members, 30 (2020: 30) deferred pensioner members and 87 active pensioner members (2020: 93) in the DBS section of the Fund.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

14. PENSIONS (continued)

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 (2021: £nil, 2020: £nil), in addition to this any impact of deficit contributions (see below) are also paid, giving total payments of £111,698 for 2021 (2020: £111,698).

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.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m 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 £11.3m for all participating employees. The next actuarial valuation is due at 31 December 2022.

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 £10,800 per year for 2.58 years from 1 April 2021 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.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
14. PENSIONS (continued)

The movement in the provision is set out below:

	2021	2020
	£'000	£'000
Balance sheet liability at 1 January	250	354
Deficit contribution paid	-112	-112
Interest cost (recognised in SoFA)	1	4
Remaining change to the balance sheet liability*(recognised in SoFA)	62	4
Balance sheet liability at 31 December	201	250

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

£111,698 (2020: £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:

	December 2021	December 2020	December 2019
Discount rate	1.30%	0.30%	1.20%

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 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.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

14. PENSIONS (continued)

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 2021, the Chapter of York had no active members (2020: none), 21 (2020: 20) deferred members and 39 (2020: 37) pensioners in the Pension Builder Classic section and 146 (2020: 132) active members and 74 (2020: 84) deferred members in the Pension Builder 2014 section. Chapter contributes at a rate of 9.5% 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 (2021: £267,737, 2020: £285,427).

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 2019.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose 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 £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

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 (2020: 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 £19,987 (2020: £25,593) are contributions payable towards benefits and expenses accrued in that year. Including the impact of deficit contributions (see below), payments totalling £29,347 (2020: £34,593) have been made.

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.

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.

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

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force at that time were as set out in the above table.

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

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
14. PENSIONS (continued)
Church of England Funded Pension Scheme (CEFPS) (continued)

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021	2020
	£'000	£'000
Balance sheet liability at 1 January	2	13
Deficit contribution paid	(3)	(9)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	5	(2)
Balance sheet liability at 31 December	4	2

*Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends. £4,000 (2020: £2,000) 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:

	December 2021	December 2020	December 2019
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% 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 2021

14. **PENSIONS (continued)****Minster School**

The Minster School contributed 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% (2020: 23.6%) 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 £nil (2020: £136,658) are contributions payable towards benefits and expenses accrued in that year in respect of the TPS.

Contributions to the TPS ceased at 31st December 2020 when the final employees in the scheme left Chapter's employment.

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 27th 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 £63,762 (2020: £67,437). The Chapter paid rents to the value of £5,900 (2020: £125), in respect of spaces occupied by departments of the Chapter to St William's College and fees to the value of £nil (2020: £nil) in respect of hire of venue space to St William's College Enterprises Limited. Included in debtors is an amount of £27,586 (2020: £48,306) settled shortly following the year end and £nil of creditors (2020: £nil) 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 £45,000 (2020: £40,500). York Minster Fund: income received in the year amounted to £1,711,886 (2020: £1,926,638). 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 CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2021****15. ASSOCIATED ENTITIES AND RELATED PARTIES (continued)****The York Glaziers' Trust**

This charity has a close relationship with the Chapter which is one of the principal clients and which also has the power to nominate one half of the trustees. A partnership agreement was entered into in July 2017 setting out the arrangements for working together to safeguard and sustain the highest standard for the maintenance, restoration and conservation of historic stained glass at the cathedral.

There is no direct financial exchange between partners in relation to the agreement, contract works are paid upon receipt of monthly invoices for agreed work done. Work carried out by the Trust in the year ended 31 December 2020 for the Chapter amounted to £376,674 (2020: £316,844).

Goods purchased from the Trust by York Minster Enterprises Limited amounted to £nil (2020: £nil). The Chapter invoiced the Trust £13,171 for services provided in the year (2020: £15,300). As at 31 December 2021 amounts totalling £4,725 (2020: £5,388) are shown as owing from the Trust to Chapter and amounts totalling £12,626 (2020: £36,728) shown as owing to the Trust by Chapter.

16. AGENCY ARRANGEMENTS

During the year the Chapter received income of £1,033,916 (2020: £117,937), where the Chapter acted as agent for the Cathedral Workshop Fellowship. As a result, none of this income is included in turnover. The payments made by the Chapter in relation to this during the year were £883,030 (2020: £89,602). As at the year-end a balance of £164,350 (2020: £13,464) is being held within Other Creditors on the Balance Sheet and represents funds held as Agent.

17. THE MINSTER SCHOOL

Whilst the ultimate governance responsibility for the School rested with the Chapter, the day to day matters of finance and operation were delegated to the School Management Committee whose members were appointed by Chapter. The finances of the School are consolidated in the Chapter's accounts. The school was closed at the end of the 2019-20 academic year as part of Chapter's response to the impact of Covid-19 losses on the financial health of the organisation, with the choristers being educated at St Peter's School York from September 2020.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
18. STATEMENT OF FUNDS
Current year movement:

	At 1 Jan 2021 £'000	Movement in resources			At 31 Dec 2021 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
Consolidated funds					
Endowment					
General	33,932	-	(234)	1,415	35,113
Fabric	104	-	(1)	15	118
School – Milner White	193	-	(1)	27	219
Pattison fund	24	-	-	5	29
Richardson fund	105	-	-	14	119
Development Music	331	-	(1)	47	377
Eric Rothwell	126	-	(1)	18	143
	34,815	-	(238)	1,541	36,118
Restricted					
Fabric fund	860	1,304	(1,362)	116	918
School	765	16	(18)	81	844
Hore Pension	175	3	(1)	16	193
Church Commissioners	-	135	(135)	-	-
Development office	19	-	-	-	19
Bigelow	123	2	-	14	139
Minster Community Outreach	6	-	-	-	6
Friends of York Minster – Old Palace	-	11	(11)	-	-
Minster School Parents Association	4	-	-	-	4
Grand organ refurbishment project	170	-	(170)	-	-
Cathedral Sustainability Fund	11	-	(11)	-	-
AllChurches Hope Beyond	-	59	(11)	(41)	7
Other	-	795	(765)	(30)	-
	2,133	2,325	(2,484)	156	2,130
Unrestricted					
Common fund	12,226	4,818	(5,226)	(2,266)	9,552
Designated – fabric	1,151	-	-	1,849	3,000
Designated – chorister fees	343	-	-	-	343
Designated – other strategic projects	-	-	-	2,000	2,000
	13,720	4,818	(5,226)	1,583	14,895
Total funds	50,668	7,143	(7,948)	3,280	53,143

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
18. STATEMENT OF FUNDS (continued)
Prior year movement:

	At 1 Jan 2020 £'000	Movement in resources			At 31 Dec 2020 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
Consolidated funds					
Endowment					
General	34,096	-	(145)	(19)	33,932
Fabric	101	-	-	3	104
School – Milner White	188	-	(1)	6	193
Pattison fund	28	-	-	(4)	24
Richardson fund	102	-	-	3	105
Development Music	323	-	(1)	9	331
Eric Rothwell	123	-	(1)	4	126
	34,961	-	(148)	2	34,815
Restricted					
Fabric fund	774	958	(896)	24	860
School	755	14	(20)	16	765
Hore Pension	171	2	(1)	3	175
Church Commissioners	-	159	(159)	-	-
Development office	19	-	-	-	19
Bigelow	118	2	-	3	123
Minster Community Outreach	6	-	-	-	6
Friends of York Minster – Vestments	-	3	(3)	-	-
Minster School Parents Association	-	4	-	-	4
Grand organ refurbishment project	(325)	1,036	(541)	-	170
Cathedral Sustainability Fund	-	196	(185)	-	11
Other	-	54	(54)	-	-
	1,518	2,428	(1,859)	46	2,133
Unrestricted					
Common fund	15,007	4,056	(6,781)	(56)	12,226
Designated – fabric	1,151	-	-	-	1,151
Designated – chorister fees	-	-	-	343	343
	16,158	4,056	(6,781)	287	13,720
Total funds	52,637	6,484	(8,788)	335	50,668

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2021
18. STATEMENT OF FUNDS (continued)
Chapter funds

The total consolidated funds held are £53,143,000 (2020: £50,668,000) the individual entity funds held by the Chapter are £53,121,000 (2020: £50,711,000), these exclude £22,000 of York Minster Enterprises Limited reserves (2020: £43,000 of net liabilities) 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 14th 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	2021 Total £'000
Total relevant fund at 1 January 2021:	1,439	33,376	34,815
Movements in the year:			
Allocation to Capital	78	(78)	-
Investment return: dividends & interest	-	143	143
Investment return: property rental income	-	690	690
Investment return: realised & unrealised gains	-	1,541	1,541
Less: investment management costs	-	(45)	(45)
Less: Allocation for Cathedral purposes	-	(193)	(193)
Total before application of income	1,517	35,434	36,951
Unapplied total return allocated to income in the year	-	(833)	(833)
Total relevant fund at 31 December 2021	1,517	34,601	36,118

In addition to the £833,000 (2020: £867,000) investment income allocated from endowment and made available for application for the purposes of the Cathedral, Chapter has determined that £78,000 (2020: £11,000) 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 2021
18. 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 2021, 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 2021 amounting to £34,600,000 (2020: £33,376,000) should be allocated for accumulation as part of investments.

	Trust for Investment £'000	Unapplied Total Return £'000	2020 Total £'000
Total relevant fund at 1 January 2020:	1,428	33,533	34,961
Movements in the year:			
Allocation to Capital	11	(11)	-
Investment return: dividends & interest	-	220	220
Investment return: property rental income	-	647	647
Investment return: realised & unrealised gains	-	14	14
Less: investment management costs	-	(38)	(38)
Less: Allocation for Cathedral purposes	-	(122)	(122)
Total before application of income	1,439	34,243	35,682
Unapplied total return allocated to income in the year	-	(867)	(867)
Total relevant fund at 31 December 2020	1,439	33,376	34,815

Both the general and fabric endowment funds represents single gifts where the capital should remain invested and the income spent on general Chapter expenditure and the fabric respectively.

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 2021

18. 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 2021 the following amounts were received,

- £1,107,400 grant income from York Minster Fund towards the South Quire Aisle fabric project, twenty year glass protection project, research & development projects and apprenticeship funding;
- £24,600 grant income from the Friends of York Minster for the restoration of the Chapter House Floor;
- £147,000 Cathedral Workshop Fellowship funding towards costs of stonemason apprenticeship training.
- £25,000 All Churches Trust Limited grant income in respect of fabric;
- £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 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.

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18. STATEMENT OF FUNDS (continued)
Restricted Funds (continued)

Subsequent to the school's closure in 2020, the restrictions on these funds are being reviewed to enable their application to chorister and musical education under the new arrangements with St Peter's School, York.

The movement within these restricted school funds is shown below:

	Movement in resources				At 31 Dec 2021
	At 1 Jan 2021	Incoming	Outgoing	Gains on investments / transfers	
	£'000	£'000	£'000	£'000	£'000
Restricted school funds					
Duncombe	28	1	-	4	33
Noble	44	1	-	4	49
Broadhurst	32	-	-	3	35
GP Brown Chorister	57	1	-	7	65
Hollings Music	310	5	(6)	32	341
Fox	294	5	(10)	32	321
Milner-White endowed	-	3	(3)	-	-
	765	16	(19)	82	844

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 2020 for the salary costs of a non-Commissioner Canon was approved by the Church Commissioners.

Development office fund

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

Bigelow fund

The Bigelow fund relates to fabric.

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18. STATEMENT OF FUNDS (continued)

Restricted Funds (continued)**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.

Minster School Parent's Association

At the time of the closure of the school in July 2020, the Minster School Parent's Association held £4,000 in a separate bank account. It was agreed with the officers that this account would be closed and the balance transferred to Chapter to be held as a restricted fund for the purposes of an event to celebrate and commemorate the school at such a time as Covid restrictions will allow.

Friends of York Minster – Old Palace

£11,000 has been received from the Friends of York Minster during the course of 2021 and spent on a project to enhance the catalogue records of the Minster's incunabula collection of 114 books printed before 1501.

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 was anticipated to complete in 2020. The York Minster Fund agreed in 2019 to underwrite £500,000 of the cost of this project which enabled a deficit fund balance to be carried forward into 2020. With the onset of the Covid-19 pandemic, emergency funding was agreed with York Minster Fund which included the funding of all the remaining expenditure on the Grand Organ refurbishment. These funds were paid over in full in 2020 in anticipation of the outstanding costs of the project to be incurred, some of which fell in the first quarter of 2021 as the programme has been slightly delayed by the pandemic. The fund has now been entirely spent during the course of 2021.

Cathedral Sustainability Fund

In response to the impacts of the Covid-19 pandemic, the National Church Institutions made additional funding available to Cathedrals via the pre-existing Cathedral Sustainability Fund. The Chapter of York received two grants from this fund during the course of 2020, one of which for £150,000 for heritage craftspeople salaries was fully expensed in the year and the other of which for £45,363 for choir costs had £10,146 remaining to spend at start of 2021. This fund is now fully expensed.

Allchurches Trust - Hope Beyond

£21,300 was received from Allchurches Trust during 2021 from their Hope Beyond grants programme, supplemented by a further £37,400 in match funding from York Minster Fund towards costs of the digital upgrades needed to support high quality live streaming. £51,800 of this was spent in 2021, of which £40,700 was capitalised, leaving £7,000 to be spent in 2022.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2021

18. STATEMENT OF FUNDS (continued)

Restricted Funds (continued)**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:

- £461,500 from York Minster Fund towards cost of fees associated with the Chapter of York Masterplan developments.
- £269,500 from Culture Recovery Fund towards costs of reopening in spring 2021
- £9,400 from the Friends of York Minster to fund the purchase of Duncombe badges for graduating choristers.
- £30,000 from York Minster Fund as a contribution towards the cost of a marquee purchase by Chapter
- £12,000 received from Cathedral Music Trust for costs of Assistant Organist;
- £4,400 endowed income from development music fund for music; and
- £1,700 endowed income from Eric Rothwell endowment fund for music.

Unrestricted funds

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

The Designated fabric 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 deficit of £408,000 (2020: deficit of £2,738,000), £nil (2020: £nil), was designated in the period under the standard designation mechanism employed by Chapter. However as part of Chapter's separate exercise to designate additional funds at the end of 2021, a further £1,849,000 has been added to the fund. The closing balance of the fabric designated fund is £3,000,000 (2020: £1,151,000).

The chorister fee designated fund exists to fulfil contractual requirements of the agreement with St Peter's School to educate the York Minster choristers. The balance on this fund remains £343,000 at 31 December 2021.

A further designated fund has been created to set aside funds for other costs of Minster mission and activities, agreed by Chapter in November 2021. The balance transferred to this fund is £2,000,000.

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19. AUDITOR'S REMUNERATION

	2021	2020
	£'000	£'000
For audit services	19	15
For other services	-	-
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20. POST BALANCE SHEET EVENTS

The events that have unfolded in Ukraine since the start of 2022 have had a measurable impact on the Chapter of York accounts as presented in this report. The fall in global stock markets arising from the events themselves and the sanctions and other measures exercised by the US, UK and EU meant that Chapter's investment portfolio value fell by over 10% in the first quarter of 2022. Some of that value has since been recovered, however Chapter will continue to closely monitor the market performance and work with their investment managers, Rathbones, to offset and minimise the impact as far as possible.