

REPORT OF THE INDEPENDENT AUDITORS TO THE DEAN AND CHAPTER OF CHICHESTER

We have audited the financial statements of the Dean and Chapter of Chichester for the year ended 31 March 2013 on pages 44 to 63. The financial reporting framework that has been applied in their preparation is applicable law, Cathedrals Measure and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Chapter in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Administrative Body and Auditors

The Cathedrals Measure 1999 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) requires the Administrative Body to prepare financial statements for each financial year. The Guidelines on English Anglican Cathedral Accounts prescribed by the Church Commissioners require the Administrative Body to prepare and publish audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its related entities. In preparing those accounts the Administrative Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have complied in all material respects with the Guidelines, or describe which recommendations have not been complied with and the reasons therefore.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Cathedrals Measure 1999 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the Dean and Chapter's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Administrative Body; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements;

- give a true and fair view of the state of affairs of the Dean and Chapter of Chichester as at 31 March 2013, of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Cathedrals Measures 1999.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

**REPORT OF THE INDEPENDENT AUDITORS TO THE DEAN AND CHAPTER OF
CHICHESTER**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Cathedrals Measures 1999 requires us to report to you if, in our opinion: the information given in the Annual Report is inconsistent in any material respect with the financial statements; or sufficient accounting records have not been kept; or the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

Sheen stickland LLP

**SHEEN STICKLAND LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CHICHESTER**

Dated 9th September 2013

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2013

BASIS OF PREPARATION

The financial statements have been prepared in accordance with fundamental accounting principles and under the Guidelines on English Anglican Cathedral Accounts prescribed by the Church Commissioners.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise those of the Chapter and of its wholly owned subsidiary company Chichester Cathedral Enterprises Limited.

FUNDS

A fund is a pool of expendable resources, held and maintained separately from other pools because of the circumstances in which the resources were originally received and the way in which they have subsequently been treated.

Funds are divided into:-

- (a) Endowment funds – those where there is no power to spend the capital
- (b) Restricted funds – those where there are specific conditions attached to the expenditure of either capital or income or both
- (c) Unrestricted funds – those where both capital and income may be spent at the discretion of the Dean and Chapter.

THE CATHEDRAL, ITS ANCILLARY BUILDINGS AND THE INVENTORY

In accordance with the Guidelines on English Anglican Cathedral Accounts, no value is attributed in the balance sheet to the cathedral and its ancillary buildings as it is an inalienable and historic building for which no reliable cost information or conventional valuation basis is available.

No value is attributed to items included in the Cathedral inventory which comprises items of architectural, archaeological, artistic or historic interest.

PROPERTIES

Investment properties are included at an open market valuation of the freehold and lease investments.

The non-investment properties are included at a nominal value.

INVESTMENTS

Investments are included in the financial statements as follows:

- (a) Investments are shown at their middle market value on 31st March 2013.
- (b) Realised gains and losses are calculated as the difference between their market value on the date of disposal and their market value on the previous balance sheet date.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2013

EQUIPMENT AND PLANT

Chapter:-

Plant, machinery, office equipment, furniture and fittings and other assets not included in the inventory have been written off.

The policy is to write such items off on acquisition.

The costs associated with automation are written off as incurred due to changing technology and the need to regularly update.

Chichester Cathedral Enterprises Limited:-

Assets are capitalised and depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:-

Furniture	10%
Equipment	20%
Office equipment	25%

STOCKS

Shop and refectory stocks are stated at the lower of cost and net realisable value.

VALUE ADDED TAX

A group registration for the Dean and Chapter and Chichester Cathedral Enterprises Ltd is in operation. Irrecoverable VAT is included in the cost of the items reported in the financial statements.

GRANTS AND LEGACIES

These are treated as income as received and charged to expenditure when paid.

REPAIRS, RESTORATION AND MAINTENANCE OF THE CATHEDRAL

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

CONTRIBUTIONS TO PENSION SCHEMES

The pension costs charged to the accounts represent the amount of the contributions in respect of the accounting period.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2013

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
		£	£	£	£	£
Incoming resources						
	1					
(I) Voluntary income		460,459	55,505	-	515,964	913,661
(ii) Grants receivable		29,559	139,325	-	168,884	183,410
(iii) Charges and fees arising in the course of mission		50,539	-	-	50,539	91,020
(iv) Income from activities generating funds		1,195,341	-	-	1,195,341	1,202,770
(v) Income from property and investments		769,193	78,820	57,234	905,247	884,552
(vi) Other income		640	976	-	1,616	2,505
Total incoming resources		2,505,731	274,626	57,234	2,837,591	3,277,918
Costs of generating funds	2	1,275,353	17,526	2,435	1,295,314	1,277,289
Net incoming resources available for mission		1,230,378	257,100	54,799	1,542,277	2,000,629
Expenditure on mission						
	3					
(I) Ministry		437,189	136,160	41,631	614,980	581,127
(ii) Cathedral and precincts upkeep		356,371	79,658	-	436,029	489,857
Cathedral restoration		-	4,715	-	4,715	109,366
Hussey Commission		1,138	-	-	1,138	9,030
(iii) Education and outreach		102,620	143	-	102,763	99,246
(iv) Community parish and congregation		1,007	-	-	1,007	-
(vi) Other services		41,782	-	-	41,782	4,575
Total resources expended on mission		940,107	220,676	41,631	1,202,414	1,293,201
Governance costs						
(v) Administrative services	4	394,063	25,765	-	419,828	361,316
Total expenditure on generating funds, mission and governance		2,609,523	263,967	44,066	2,917,556	2,931,806
Net incoming / (outgoing) resources		(103,792)	10,659	13,168	(79,965)	346,112
Other recognised gains / (losses)						
Exceptional Item - Pension deficit		-	-	-	-	(515,300)
Investments		3,560	178,427	126,010	307,997	826
		3,560	178,427	126,010	307,997	(514,474)
Gross transfers between funds	20/21/22	(47,268)	60,436	(13,168)	-	-
Net movement in funds		(147,500)	249,522	126,010	228,032	(168,362)
Funds brought forward		7,978,742	2,600,749	3,536,772	14,116,263	14,284,625
Funds carried forward		7,831,242	2,850,271	3,662,782	14,344,295	14,116,263

(Annex 1) (Annex 2) (Annex 3)

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
		£	£	£	£	£
Fixed Assets						
Investment assets						
Property	5	8,225,000	767,848	-	8,992,848	8,992,848
Investments	6	33,623	1,691,322	1,137,877	2,862,822	2,534,823
		<u>8,258,623</u>	<u>2,459,170</u>	<u>1,137,877</u>	<u>11,855,670</u>	<u>11,527,671</u>
Non investment assets						
Property	7	-	-	2,500,000	2,500,000	2,500,000
Equipment and plant	8	24,198	-	-	24,198	35,632
		<u>24,198</u>	<u>-</u>	<u>2,500,000</u>	<u>2,524,198</u>	<u>2,535,632</u>
Total fixed assets		8,282,821	2,459,170	3,637,877	14,379,868	14,063,303
Current assets						
Stocks	9	50,228	-	-	50,228	52,245
Debtors	10	174,644	3,672	28	178,344	171,525
Interfund debtors		196,035	166,200	-	362,235	356,853
Short term deposits		89,999	264,244	-	354,243	184,659
Cash at bank and in hand		146,313	81,246	112,668	340,227	612,484
		<u>657,219</u>	<u>515,362</u>	<u>112,696</u>	<u>1,285,277</u>	<u>1,377,766</u>
Liabilities due within one year						
Creditors	11	(513,409)	(21,848)	-	(535,257)	(486,199)
Interfund creditors		(172,031)	(102,413)	(87,791)	(362,235)	(356,853)
		<u>(685,440)</u>	<u>(124,261)</u>	<u>(87,791)</u>	<u>(897,492)</u>	<u>(843,052)</u>
Net current assets		(28,221)	391,101	24,905	387,785	534,714
Total assets less current liabilities		8,254,600	2,850,271	3,662,782	14,767,653	14,598,017
Liabilities due after one year						
St Faith's Loan		(6,923)	-	-	(6,923)	(13,847)
Pension deficit		(416,435)	-	-	(416,435)	(467,907)
	11	<u>(423,358)</u>	<u>-</u>	<u>-</u>	<u>(423,358)</u>	<u>(481,754)</u>
Net assets		7,831,242	2,850,271	3,662,782	14,344,295	14,116,263
Funds						
Unrestricted	20	7,831,242	-	-	7,831,242	7,978,742
Restricted	21	-	2,850,271	-	2,850,271	2,600,749
Endowment	22	-	-	3,662,782	3,662,782	3,536,772
		<u>7,831,242</u>	<u>2,850,271</u>	<u>3,662,782</u>	<u>14,344,295</u>	<u>14,116,263</u>

(Annex 1) (Annex 2) (Annex 3)

The financial statements were approved by the Dean and Chapter on 5th September 2013 by


N A Frayling - Dean


T W Maynard - Communar

CHICHESTER CATHEDRAL

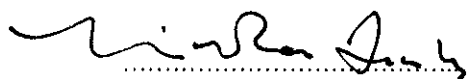
ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013


BALANCE SHEET AS AT 31ST MARCH 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 31-Mar-13 £	Total Funds 31-Mar-12 £
Fixed Assets						
Investment assets						
Property	5	8,225,000	767,848	-	8,992,848	8,992,848
Investments	6	33,625	1,691,322	1,137,877	2,862,824	2,534,825
		<u>8,258,625</u>	<u>2,459,170</u>	<u>1,137,877</u>	<u>11,855,672</u>	<u>11,527,673</u>
Non investment assets						
Property	7	-	-	2,500,000	2,500,000	2,500,000
		<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total fixed assets		<u>8,258,625</u>	<u>2,459,170</u>	<u>3,637,877</u>	<u>14,355,672</u>	<u>14,027,673</u>
Current assets						
Debtors	10	219,745	3,672	28	223,445	247,024
Interfund debtors		196,035	166,200	-	362,235	356,853
Short term deposits		8,722	264,244	-	272,966	183,911
Cash at bank and in hand		432	81,246	112,668	194,346	398,820
		<u>424,934</u>	<u>515,362</u>	<u>112,696</u>	<u>1,052,992</u>	<u>1,186,608</u>
Liabilities due within one year						
Creditors	11	(316,017)	(21,848)	-	(337,865)	(320,139)
Interfund creditors		(172,031)	(102,413)	(87,791)	(362,235)	(356,853)
		<u>(488,048)</u>	<u>(124,261)</u>	<u>(87,791)</u>	<u>(700,100)</u>	<u>(676,992)</u>
Net current assets		<u>(63,114)</u>	<u>391,101</u>	<u>24,905</u>	<u>352,892</u>	<u>509,616</u>
Total assets less current liabilities		<u>8,195,511</u>	<u>2,850,271</u>	<u>3,662,782</u>	<u>14,708,564</u>	<u>14,537,289</u>
Liabilities due after one year						
St Faith's Loan		(6,923)	-	-	(6,923)	(13,847)
Pension deficit		(416,435)	-	-	(416,435)	(467,907)
	11	<u>(423,358)</u>	<u>-</u>	<u>-</u>	<u>(423,358)</u>	<u>(481,754)</u>
Net assets		<u>7,772,153</u>	<u>2,850,271</u>	<u>3,662,782</u>	<u>14,285,206</u>	<u>14,055,535</u>
Funds						
Unrestricted	20	7,772,153	-	-	7,772,153	7,918,014
Restricted	21	-	2,850,271	-	2,850,271	2,600,749
Endowment	22	-	-	3,662,782	3,662,782	3,536,772
		<u>7,772,153</u>	<u>2,850,271</u>	<u>3,662,782</u>	<u>14,285,206</u>	<u>14,055,535</u>

(Annex 1) (Annex 2) (Annex 3)

The financial statements were approved by the Dean and Chapter on 9th September 2013 by


..... N A Frayling - Dean


..... A T W Maynard - Communar

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

1 Incoming resources

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
	£	£	£	£	£
(i) Voluntary income					
Congregational collections and giving	177,919	2,953	-	180,872	185,007
Donations	192,491	4,878	-	197,369	235,469
Tax recoverable under Gift Aid	35,822	892	-	36,714	36,868
Income from Chichester Cathedral Restoration & Development Trust	-	20,277	-	20,277	359,366
Income from Friends of Chichester Cathedral	54,227	-	-	54,227	92,302
Legacies	-	26,505	-	26,505	4,649
	460,459	55,505	-	515,964	913,661
(ii) Grants receivable					
Church Commissioners	29,066	119,325	-	148,391	154,110
Grant from Allchurches Trust (EIG)	493	20,000	-	20,493	20,000
The Ouseley Trust	-	-	-	-	2,300
Other revenue and capital grants	-	-	-	-	7,000
	29,559	139,325	-	168,884	183,410
(iii) Charges and fees arising in the course of mission					
Facility and other fees	50,539	-	-	50,539	91,020
(iv) Income from activities generating funds					
Gross income of shop, refectory and other activities	1,195,341	-	-	1,195,341	1,202,770
	1,195,341	-	-	1,195,341	1,202,770
(v) Income from property and investments					
Property	765,912	-	5,250	771,162	758,684
Investments	3,281	78,820	51,984	134,085	125,868
	769,193	78,820	57,234	905,247	884,552
(vi) Other income					
Interest receivable on short term deposits	640	976	-	1,616	2,505
	2,505,731	274,626	57,234	2,837,591	3,277,918

The Church Commissioners grant consists of £119,325 for stipends of the Dean and two canons and £29,066 as a contribution to administration costs.

2 Costs of generating funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
	£	£	£	£	£
Costs of facilities for visitors	87,999	14,957	-	102,956	99,148
Gross costs of shop, refectory and other activities	1,123,049	-	-	1,123,049	1,099,789
General marketing costs	3,182	-	-	3,182	5,489
Investment property costs	61,123	2,569	2,435	66,127	72,863
	1,275,353	17,526	2,435	1,295,314	1,277,289

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

3 Expenditure on mission

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
	£	£	£	£	£
(I) Ministry					
Clergy stipends and working expenses	27,960	119,325	-	147,285	142,850
Clergy housing costs	9,994	-	-	9,994	13,213
Clergy support costs	33,933	-	-	33,933	29,350
Services, music and congregational costs	365,302	16,835	41,631	423,768	395,714
	<u>437,189</u>	<u>136,160</u>	<u>41,631</u>	<u>614,980</u>	<u>581,127</u>
(ii) Cathedral and precincts upkeep					
Maintenance and interior upkeep	184,046	2,376	-	186,422	238,590
Cathedral insurance	-	31,270	-	31,270	30,499
Precincts, security and gardens upkeep	160,123	21,609	-	181,732	183,777
Support costs	12,202	24,403	-	36,605	36,991
	<u>356,371</u>	<u>79,658</u>	<u>-</u>	<u>436,029</u>	<u>489,857</u>
Cathedral restoration	-	4,715	-	4,715	109,366
Hussey Memorial Commission	1,138	-	-	1,138	9,030
	<u>357,509</u>	<u>84,373</u>	<u>-</u>	<u>441,882</u>	<u>608,253</u>
(iii) Education and outreach					
Educational activities	58,254	83	-	58,337	57,074
Archives and library	680	60	-	740	324
Charitable and other giving	43,686	-	-	43,686	41,848
	<u>102,620</u>	<u>143</u>	<u>-</u>	<u>102,763</u>	<u>99,246</u>
(iv) Community parish and congregation	<u>1,007</u>	<u>-</u>	<u>-</u>	<u>1,007</u>	<u>-</u>
(vi) Other expenditure					
Interest and similar charges payable	41,782	-	-	41,782	4,575
	<u>940,107</u>	<u>220,676</u>	<u>41,631</u>	<u>1,202,414</u>	<u>1,293,201</u>
4 Governance costs					
Administrative services					
Administration and finance	349,185	25,021	-	374,206	339,311
Information technology	44,878	744	-	45,622	22,005
	<u>394,063</u>	<u>25,765</u>	<u>-</u>	<u>419,828</u>	<u>361,316</u>

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

5 Investment property

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Consolidated and Chapter				
Freehold				
At valuation 1 April 2012 and 31 March 2013	7,700,000	767,848	-	8,467,848
Long leasehold				
At valuation 1 April 2012 and 31 March 2013	525,000	-	-	525,000
At 31st March 2013	8,225,000	767,848	-	8,992,848
At 31st March 2012	8,225,000	767,848	-	8,992,848

The property value used for 2007 and 2006 is based on an open market valuation of freehold and long leasehold properties carried out by Tod Miller Thomas (Chartered Surveyors) at 31st March 2006. At that date the freehold properties were valued at £7,700,000 and the leasehold property at 14 Terminus Road was valued at £525,000.

The Trustees have instructed Henry Adams to undertake a full valuation of the Cathedral properties and this will be included in the 2014 accounts.

6 Investments

Consolidated

Investments at market value 1 April 2012	30,063	1,492,892	1,011,868	2,534,823
Additions	-	20,000	-	20,000
Net (decrease) increase on revaluation	3,560	178,430	126,009	307,999
Investments at market value 31 March 2013	33,623	1,691,322	1,137,877	2,862,822
Total				
At 31st March 2013	33,623	1,691,322	1,137,877	2,862,822
At 31st March 2012	30,063	1,492,892	1,011,868	2,534,823

Chapter

Investments at market value 1 April 2012	30,063	1,492,892	1,011,868	2,534,823
Additions	-	20,000	-	20,000
Net (decrease) increase on revaluation	3,560	178,430	126,009	307,999
Investments at market value 31 March 2013	33,623	1,691,322	1,137,877	2,862,822
Investment in subsidiary				
At 1 April 2012 and 31 March 2013	2	-	-	2
Total				
At 31st March 2013	33,625	1,691,322	1,137,877	2,862,824
At 31st March 2012	30,065	1,492,892	1,011,868	2,534,825

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

7 Non investment property

Consolidated and Chapter	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
At valuation 31 March 2012 and 31 March 2013	-	-	2,500,000	2,500,000

All non investment properties are freehold.

A nominal value of £2,100,000 has been included for the non investment properties which are in Cathedral use. The insurance valuation for these properties amounted to £15,492,244 excluding three buildings which are insured as part of the Cathedral itself. The minimum Council Tax Value on relevant properties amounts to £1,660,015.

A nominal value of £300,000 has been included for the non investment properties associated with the Wiccarnical Prebends and £100,000 representing 57.8% share of 49 West Street belonging to the Highleigh Prebend. The Wiccarnical Prebends hold the freehold of 1 and 2 St Richard's Walk. Insured for £2,903,487 the minimum Council Tax Value amounts to £276,003. The Prebend rental income paid by Chapter amounts to £5,250.

The Highleigh Prebend owns 57.8% of 49 West Street with the remainder being owned by the Prebendal School. The house is occupied by the Head Master. Maintained and insured by the school, its insurance value is £554,720 and its minimum Council Tax Value is £160,001. The Highleigh Prebend's proportionate shares being £311,831 and £92,481 respectively.

8 Equipment and plant

Consolidated	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 31-Mar-13 £	Total Funds 31-Mar-12 £
Cost 1st April	79,333	-	-	79,333	78,495
Depreciation at 1st April	(43,701)	-	-	(43,701)	(31,949)
Net book value at 1st April	35,632	-	-	35,632	46,546
Additions	-	-	-	-	838
Depreciation for year	(11,434)	-	-	(11,434)	(11,752)
Losses on disposals	-	-	-	-	-
Net book value at 31st March	24,198	-	-	24,198	35,632
Cost	79,333	-	-	79,333	79,333
Depreciation	(55,135)	-	-	(55,135)	(43,701)
Net book value at 31st March	24,198	-	-	24,198	35,632

All equipment and plant is held in the trading company.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
	£	£	£	£	£
9 Stocks					
Consolidated					
Goods for resale	32,081	-	-	32,081	35,983
Consumable items	18,147	-	-	18,147	16,262
	50,228	-	-	50,228	52,245

All stocks are held by the trading company.

10 Debtors

Consolidated

Other debtors	147,276	3,672	28	150,976	146,748
Tax recoverable	27,368	-	-	27,368	24,777
	174,644	3,672	28	178,344	171,525

Chapter

Other debtors	192,377	3,672	28	196,077	222,247
Tax recoverable	27,368	-	-	27,368	24,777
	219,745	3,672	28	223,445	247,024

11 Creditors

Consolidated

Other creditors	433,751	21,848	-	455,599	399,902
Rents in advance	56,038	-	-	56,038	58,610
Tax and social security	16,697	-	-	16,697	20,764
	506,486	21,848	-	528,334	479,276
St Faith's Loan (Note 12)	13,846	-	-	13,846	20,770
Pension scheme deficit contributions	416,435	-	-	416,435	467,907
	936,767	21,848	-	958,615	967,953

Shown as:-

Liabilities due within one year	535,257	486,199
Liabilities due after one year	423,358	481,754
	958,615	967,953

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31-Mar-13	Total Funds 31-Mar-12
	£	£	£	£	£
11 Creditors - continued					
Chapter					
Other creditors	236,359	21,848	-	258,207	233,842
Rents in advance	56,038	-	-	56,038	58,610
Tax and social security	16,697	-	-	16,697	20,764
	<u>309,094</u>	<u>21,848</u>	<u>-</u>	<u>330,942</u>	<u>313,216</u>
St Faith's Loan (Note 12)	13,846	-	-	13,846	20,770
Pension scheme deficit contributions	416,435	-	-	416,435	467,907
	<u>739,375</u>	<u>21,848</u>	<u>-</u>	<u>761,223</u>	<u>801,893</u>
Shown as:-					
Liabilities due within one year				337,865	320,139
Liabilities due after one year				423,358	481,754
				<u>761,223</u>	<u>801,893</u>

Pension scheme deficit contribution of £162,258 is falling due over 5 years.

12 Borrowings

St Faiths Loan

A £90,000 loan was entered into by Chapter during 2002 in connection with the buy-back of the leasehold interest in St Faith's House.

The loan is due to be repaid in equal monthly instalments over 13 years at an interest rate of 6.25% per annum.

At 31st March 2013 the outstanding loan was £13,846 which is repayable as follows:-

	31-Mar-13 £	31-Mar-12 £
Within one year	6,923	6,923
Between one and two years	6,923	6,923
Between two and five years	-	6,924
	<u>13,846</u>	<u>20,770</u>

The trading company has no third party borrowings.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

13 Investment in subsidiary

Chichester Cathedral Enterprises Limited is a wholly owned subsidiary, trading as a Refectory and Gift Shop. The investment in this Company has been consolidated in these accounts on a line by line basis as set out in FRS2.

Chichester Cathedral Enterprises Limited Balance Sheet as at 31st March

	31-Mar-13		31-Mar-12	
	£	£	£	£
Fixed assets		24,198		35,632
Current assets				
Stock	50,228		52,245	
Debtors	24,664		28,754	
Cash deposits	145,881		748	
Cash at bank and in hand	81,276		213,663	
	<u>302,049</u>		<u>295,410</u>	
Creditors: amounts falling due within one year	(267,157)		(270,313)	
Net current assets		<u>34,892</u>		<u>25,097</u>
		<u>59,090</u>		<u>60,729</u>
Financed by:-				
Share capital		2		2
Profit and loss account		59,088		60,727
		<u>59,090</u>		<u>60,729</u>

14 Associated entities

Not controlled by the Dean and Chapter:-

The Friends of Chichester Cathedral
The Chichester Cathedral Restoration & Development Trust
The Chichester Cathedral Millennium Endowment Trust

The powers of these charities as regards to distribution of income are discretionary.

Controlled by the Dean and Chapter:-

The Hospital of the Blessed Mary, Chichester
The Morse-Boycott Bursary Fund
The Traditional Choir Trust

The Dean and Chapter are Trustees of these funds but these are separate charities with separate objectives not for the benefit of the Dean and Chapter although administered by them.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

	31-Mar-13	31-Mar-12
	£	£
15 Funds for the benefit of choristers		
See Annex 4		
These are funds that are administered by the Chapter for the benefit of choristers and ex-choristers. These funds have not been consolidated into the accounts as neither the income nor the capital of these funds is for the benefit of the Chapter.		
The value of the funds at 31st March are as follows:-		
K Bailey Scholarship Fund	17,997	15,962
J Birch Scholarship Fund	1,356	1,232
Choristers Endowment Fund A	75,154	67,087
Friends of Cathedral Music II	30,012	24,485
Choristers Endowment B	171,415	142,444
Choristers Endowment B Morgan	195,870	168,171
Mortlock Prize Fund	22,109	19,854
J B Somerville	492,432	458,896
Yorke Prize Fund	1,504	1,372
A Thurlow Prize Fund	1,504	1,325
Choristers Leaving Scholarships	481,560	426,321
The John Birch Scholarship	52,953	-
	1,543,866	1,327,149
16 Auditors' remuneration		
The total remuneration of Sheen Stickland was as follows:-		
Audit services		
The Dean and Chapter of Chichester	6,200	6,150
Chichester Cathedral Enterprises Limited	4,210	2,600
Non audit services		
The Dean and Chapter of Chichester	1,379	3,925
Chichester Cathedral Enterprises Limited	925	-
	12,714	12,675
17 Employees		
Staff costs during the year were as follows:-		
Wages and salaries	1,199,079	1,149,341
Social security costs	94,224	93,565
Other pension costs	88,932	79,886
	1,382,235	1,322,792
Employees earning over £60,000 and less than £70,000 per annum	1	1

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

17 Employees - continued

	31-Mar-13	31-Mar-12
The average number of employees during the year was as follows:-		
Clergy	2	2
Administration	7	7
Education	2	2
Liturgy and music	9	10
Maintenance	7	7
Vergers	4	4
Visitors services	2	2
Shop and refectory	21	20
	<u>54</u>	<u>54</u>

The remuneration of the members of the Chapter during the year was as follows:-

	Stipend / Salary £	Social Security £	Pension Contributions £	Total 31-Mar-13 £	Total 31-Mar-12 £
The Very Reverend N A Frayling	33,170	3,291	10,204	46,665	45,966
The Reverend Canon Dr A W N S Cane	25,660	2,507	8,163	36,330	35,370
The Reverend Canon N T Schofield	25,660	2,507	8,163	36,330	35,370
Colonel A W T Maynard	<u>67,632</u>	<u>8,300</u>	<u>5,411</u>	<u>81,343</u>	<u>78,126</u>
	<u>152,122</u>	<u>16,605</u>	<u>31,941</u>	<u>200,668</u>	<u>194,832</u>

Volunteers

Over 300 volunteers offer time and talents to the cathedral in numerous capacities in varying degrees.

18 Pensions

Clergy pensions are the liability of the Church Commissioners who pay contributions to the Church of England Funded Pensions Scheme.

The Dean and Chapter participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pensions Fund, for employees who joined the staff before 31st December 2002 and the Church of England Contribution Scheme (DCS). At 31st March 2012 the Dean and Chapter had 28 active members and 13 deferred pension members in the Fund.

The assets of the fund are held separately from those of the Dean and Chapter.

The Defined Benefits scheme was the subject of a full valuation as at 31 December 2010. The fund as it related to Dean and Chapter was shown to be in deficit. The total deficit was assessed to be £515,300. Subsequent to the valuation it has been agreed that Dean and Chapter will make deficit recovery payments of £88,316 per year, paid monthly including interest, over a period of eight years commencing on 1 April 2012.

Dean and Chapter have agreed to pay the share of this deficit as it relates to the one employee of the scheme who is employed by the subsidiary Chichester Cathedral Enterprises Limited.

Full provision has been made in these financial statements for the deficit as noted above.

In addition contribution rates have increased from 1 April 2012 to a total of 35.9% (employers 22.7% and employees 13.2%).

The Dean and Chapter also participates in a stakeholder defined contribution scheme. Contributions to this scheme are charged to the Statement of Financial Activities as they arise.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013**

19 Expenses of members of the Chapter

During the year 6 members of Chapter had expenses reimbursed by the Dean and Chapter. The analysis is as follows:-

	31-Mar-13	31-Mar-12
	£	£
Travel	3,092	3,184
Hospitality	1,175	664
Miscellaneous	483	238
	<u>4,750</u>	<u>4,086</u>

**20 Unrestricted funds
Consolidated**

	At 1st April 2012 £	Net surplus/ (deficit) for the year £	Transfers £	At 31st March 2013 £
General revenues	7,968,828	(99,094)	(47,268)	7,822,466
Hussey Memorial Commission Designated Fund	9,914	(1,138)	-	8,776
	<u>7,978,742</u>	<u>(100,232)</u>	<u>(47,268)</u>	<u>7,831,242</u>

Chapter

	At 1st April 2012 £	Net surplus/ (deficit) for the year £	Transfers £	At 31st March 2013 £
General revenues	7,908,100	(97,455)	(47,268)	7,763,377
Hussey Memorial Commission Designated Fund	9,914	(1,138)	-	8,776
	<u>7,918,014</u>	<u>(98,593)</u>	<u>(47,268)</u>	<u>7,772,153</u>

**21 Restricted funds
Consolidated and Chapter**

	At 1st April 2012 £	Net surplus/ (deficit) for the year £	Transfers £	At 31st March 2013 £
Fabric Fund	1,101,569	160,588	(22,500)	1,239,657
Cathedral Restoration Fund	104,318	(35,646)	45,000	113,672
Library Fund	86,233	(6,226)	-	80,007
Music Fund	42,020	(3,861)	-	38,159
Hussey Music Commission	19,559	1,322	-	20,881
Bell Tower Project	10,709	22	-	10,731
Bishop Eric Kemp Fund	16,118	(16,118)	-	-
Hussey Memorial Commission Fund	609	-	-	609
CPIRR	348,860	76,695	20,000	445,555
George Bell House	845,319	12,310	-	857,629
Sailors' Chapel Fund Creditor	43,371	-	-	43,371
Bishop's Palace	(17,936)	-	17,936	-
	<u>2,600,749</u>	<u>189,086</u>	<u>60,436</u>	<u>2,850,271</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2013**

22 Endowment Funds

	At 1st April 2012 £	Net surplus/ (deficit) for the year £	Transfers £	At 31st March 2013 £
Prebend Funds	504,175	(28,069)	37,019	513,125
Endowment Fund	2,364,763	47,351	(14,106)	2,398,008
Hussey Choir Bursaries	487,261	88,008	(26,888)	548,381
Choir Fund A	24,886	4,455	(1,326)	28,015
Endowed Prebend Stalls	13,911	2,059	(312)	15,658
Rae Fund	141,776	25,374	(7,555)	159,595
	<u>3,536,772</u>	<u>139,178</u>	<u>(13,168)</u>	<u>3,662,782</u>

23 Contingent liabilities

There were no contingent liabilities at 31st March 2013 or 31st March 2012.

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2013

STATEMENT OF FINANCIAL ACTIVITIES - UNRESTRICTED FUNDS
FOR THE YEAR ENDED 31ST MARCH 2013

Annex 1

	Designated Friends of Chichester Cathedral £	Designated Hussey Memorial Commission Fund £	Undesignated Common Fund £	Total Funds 31-Mar-13 £	Total Funds 31-Mar-12 £
Incoming resources					
(i) Voluntary income	54,227	-	406,232	460,459	510,072
(ii) Grants receivable	-	-	29,559	29,559	46,706
(iii) Charges and fees arising in the course of mission	-	-	50,539	50,539	79,971
(iv) Income from activities generating funds	-	-	1,195,341	1,195,341	1,202,770
(v) Income from property and investments	-	-	769,193	769,193	757,263
(vi) Other income	-	-	640	640	1,559
Total incoming resources	54,227	-	2,451,504	2,505,731	2,598,341
Costs of generating funds	-	-	1,275,353	1,275,353	1,229,195
Net incoming resources available for mission	54,227	-	1,176,151	1,230,378	1,369,146
Expenditure on mission					
(i) Ministry	54,227	-	382,962	437,189	435,319
(ii) Cathedral and precincts upkeep	-	-	356,371	356,371	380,610
Hussey Memorial Commission	-	1,138	-	1,138	-
(iii) Education and outreach	-	-	102,620	102,620	98,991
(iv) Community parish and congregation	-	-	1,007	1,007	-
(vi) Other services	-	-	41,782	41,782	4,575
Total resources expended on Mission	54,227	1,138	884,742	940,107	919,495
Governance costs					
(v) Administrative services	-	-	394,063	394,063	335,311
Total expenditure on generating funds, mission and governance	54,227	1,138	2,554,158	2,609,523	2,484,001
Net incoming / (outgoing) resources	-	(1,138)	(102,654)	(103,792)	114,340
Other recognised gains / (losses)					
Exceptional Item - Pension deficit	-	-	-	-	(515,300)
Investments	-	-	3,560	3,560	(548)
	-	-	3,560	3,560	(515,848)
Gross transfers between funds	-	-	(47,268)	(47,268)	259,921
Net movement in funds	-	(1,138)	(146,362)	(147,500)	(141,587)
Funds brought forward	-	9,914	7,968,828	7,978,742	8,120,329
Funds carried forward	-	8,776	7,822,466	7,831,242	7,978,742

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

STATEMENT OF FINANCIAL ACTIVITIES - RESTRICTED FUNDS FOR THE YEAR ENDED 31ST MARCH 2013		Annex 2													
	Fabric Fund	Cathedral Restoration Fund	Library Fund	Music Fund	Bishop Eric Kemp Fund	Hussey Music Commission	Hussey Memorial Commission	Bell Tower Project	Church Commissioners	CPIRR	George Bell House	Sailor's Chapel	Bishop's Palace	Total Funds 31-Mar-12	Total Funds 31-Mar-13
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Incoming resources															
(i) Voluntary income	175	20,277	-	6,770	-	-	-	-	-	26,505	1,778	-	-	55,505	403,589
(ii) Grants receivable	20,000	-	-	-	-	-	-	-	119,325	-	-	-	-	139,325	136,704
(iii) Charges and fees arising in the course of mission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,049
(iv) Activities for generating funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(v) Income from property and investments	55,150	-	3,771	901	-	-	-	-	-	15,585	3,413	-	-	78,820	72,393
(vi) Other income	50	109	39	14	-	-	-	22	-	714	28	-	-	976	946
Total incoming resources	75,375	20,386	3,810	7,685	-	-	-	22	119,325	42,804	5,219	-	-	274,626	624,681
Costs of generating funds	1,231	-	14,466	-	-	-	-	-	-	924	905	-	-	17,526	45,619
Net incoming resources available for mission	74,144	20,386	(10,656)	7,685	-	-	-	22	119,325	41,880	4,314	-	-	257,100	579,062
Expenditure on mission															
(i) Ministry	-	3,076	-	13,009	-	750	-	-	119,325	-	-	-	-	136,160	145,808
(ii) Cathedral and precincts upkeep	36,453	26,941	146	16,118	-	-	-	-	-	-	-	-	-	79,658	118,277
Cathedral restoration	-	4,715	-	-	-	-	-	-	-	-	-	-	-	4,715	109,366
(iii) Education and outreach	-	-	143	-	-	-	-	-	-	-	-	-	-	143	255
Total resources expended on Mission	36,453	34,732	289	13,009	16,118	750	-	-	119,325	-	-	-	-	220,676	373,706
Governance costs															
(v) Administrative services	-	21,300	3,702	550	-	-	-	-	-	-	213	-	-	25,765	26,005
Total expenditure on generating funds, mission and governance	37,684	56,032	18,457	13,559	16,118	750	-	-	119,325	924	1,118	-	-	263,967	445,330
Net incoming / (outgoing) resources	37,691	(35,646)	(14,647)	(5,874)	(16,118)	(750)	-	22	-	41,880	4,101	-	-	10,659	179,351
Other recognised gains / (losses)															
Investments	122,897	-	8,421	2,013	-	2,072	-	-	-	34,815	8,209	-	-	178,427	669
	122,897	-	8,421	2,013	-	2,072	-	-	-	34,815	8,209	-	-	178,427	669
	(22,506)	45,000	-	-	-	-	-	-	-	20,000	-	-	17,936	60,436	(307,590)
Gross transfers between funds	138,088	9,354	(6,226)	(3,861)	(16,118)	1,322	-	22	-	96,695	12,310	-	17,936	249,522	(27,480)
Net movement in funds	1,101,569	104,318	86,233	42,020	16,118	19,559	609	10,709	-	348,860	845,219	43,371	(17,936)	2,600,749	2,628,229
Funds brought forward	1,239,657	113,672	80,007	38,159	-	20,881	609	10,731	-	445,555	857,629	43,371	-	2,850,271	2,600,749

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

Annex 3											
STATEMENT OF FINANCIAL ACTIVITIES - ENDOWMENT FUNDS											
FOR THE YEAR ENDED 31ST MARCH 2013											
	Prebend Funds	Endowment Fund	Hussey Choir Bursaries	Choir Fund A	Endowed Prebendal Stalls	Rae Fund	Total Funds 31-Mar-13	Total Funds 31-Mar-12			
	£	£	£	£	£	£	£	£			
Incoming resources											
(i) Voluntary income	-	-	-	-	-	-	-	-			
(v) Income from property and investments	7,047	14,106	26,888	1,326	312	7,555	57,234	54,896			
Total incoming resources	7,047	14,106	26,888	1,326	312	7,555	57,234	54,896			
Costs of generating funds	2,435	-	-	-	-	-	2,435	2,475			
Net incoming resources available for mission	4,612	14,106	26,888	1,326	312	7,555	54,799	52,421			
Expenditure on mission											
(i) Ministry	41,631	-	-	-	-	-	41,631	-			
(iii) Education and outreach	-	-	-	-	-	-	-	-			
Total resources expended on mission	41,631	-	-	-	-	-	41,631	-			
Governance costs	-	-	-	-	-	-	-	-			
Total expenditure on generating funds, mission and governance	44,066	-	-	-	-	-	44,066	2,475			
Net incoming / (outgoing) resources	(37,019)	14,106	26,888	1,326	312	7,555	13,168	52,421			
Other recognised gains / (losses)	8,950	33,245	61,120	3,129	1,747	17,819	126,010	705			
Investments	8,950	33,245	61,120	3,129	1,747	17,819	126,010	705			
Gross transfers between funds	37,019	(14,106)	(26,888)	(1,326)	(312)	(7,555)	(13,168)	(52,421)			
Net movement in funds	8,950	33,245	61,120	3,129	1,747	17,819	126,010	705			
Funds brought forward	504,175	2,364,763	487,261	24,886	13,911	141,776	3,536,772	3,536,067			
Funds carried forward	513,125	2,398,008	548,381	28,015	15,658	159,595	3,662,782	3,536,772			

CHICHESTER CATHEDRAL

ANNUAL REPORT, AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

STATEMENT OF FINANCIAL ACTIVITIES - UNCONSOLIDATED FUNDS
FOR THE YEAR ENDED 31ST MARCH 2013

Annex 4

	At 1st April 2012 £	Investment Income £	Donations/ Legacies £	Awards/ Scholarships £	Purchase of Investments £	Increase / (Decrease) in value of Investments £	At 31st March 2013 £
K Bailey Scholarship Fund	15,962	668	-	(128)	-	1,495	17,997
J Birch Scholarship Fund	1,232	51	-	(40)	-	113	1,356
Choristers Endowment Fund A	67,087	930	-	-	-	7,137	75,154
Friends of Cathedral Music II	24,485	3,276	-	-	-	2,251	30,012
Choristers Endowment B	142,444	6,626	23,699	(16,720)	20,550	15,366	171,415
Choristers Endowment B Morgan	168,171	8,568	-	-	-	19,131	195,870
Mortlock Prize Fund	19,854	883	-	(600)	-	1,972	22,109
J B Somerville	458,896	23,933	-	(43,815)	-	53,418	492,432
Yorke Prize Fund	1,372	56	-	(50)	-	126	1,504
A Thurlow Prize Fund	1,325	63	-	(25)	-	141	1,504
Chorister Leaving Scholarships	426,321	19,743	-	(8,393)	-	43,889	481,560
The John Birch Scholarship		480	50,000	-	50,000	2,473	52,953
Funds carried forward	1,327,149	65,277	73,699	(69,771)	70,550	147,512	1,543,866

These funds are administered by the Chapter and are the monies held within the Dean and Chapter bank accounts.

The amount due by the Dean and Chapter to these funds is included as a creditor