



THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD

KNOWN AS GUILDFORD CATHEDRAL

Annual Report and Consolidated Financial Statements

For the Year ended 31st December 2017

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Who We Are

Cathedrals in the Church of England hold a unique position in society, which enables them to connect people with the sacred, build links between individuals, organisations and communities, and sustain tradition and identity. Guildford Cathedral is a modern expression of this traditional sacred space: consecrated in 1961, it is the newest Church of England cathedral. It is rooted in local identity and the living memories of many through the 'brickgivers' who helped fund its completion.

At the heart of cathedral life is a pattern of regular worship offered to God. Daily prayer, a place of refuge and reflection and services open to all form the basis of everything we do. We seek to be a beacon for the Diocese of Guildford and people of Surrey. Our vibrant musical life draws many, especially young people, to participate in the life of the Cathedral and through that participation to encounter the good news of Jesus Christ. Our welcome seeks to draw all into a deeper awareness of shared humanity and provide rest and inspiration. Our engagement with the University of Surrey is a strong and mutually beneficial relationship of academic wonder, contemporary debate and service to the community. Our relationship with the parishes, schools and chaplaincies of our Diocese is one of service as we offer hospitality, resources and encouragement. As the seat of the Bishop's Ministry and Mission we support him as he leads the whole church in the transformation of lives as promised through the life and ministry of Jesus Christ.

Chapter Report

This Annual Report contains the financial statements of the Cathedral Church of the Holy Spirit, Guildford (known as Guildford Cathedral) for the year ended 31 December 2017 together with the Chapter Report incorporating the Review of the Year 2017 by the Dean, our main activities and achievements and a financial review. In addition the Chapter Report includes legal and administrative information and details of the Cathedral's structure, governance and management, which are set out in Appendices 1 to 13 on pages 41 to 47. The financial statements are set out on pages 14 to 40.

Review of the Year 2017 by the Dean

This review can only contain thumbnail sketches of the last very full year at the Cathedral. Others have contributed to this report from their specific areas of responsibility and within their words we get a glimpse of the creativity, hard work and dedication of all our staff and volunteers.

During 2017 we completed two major building projects and saw the conclusion of *The People's Cathedral* project

As the scaffolding was finally removed from the Cathedral and the rest of *The People's Cathedral* project concluded we said a heartfelt farewell and thanks to Helen Ellis. Helen, working closely with Matt O'Grady and with her small team achieved a great deal including the creation of an Oral History of the Cathedral, the digitising of the archive, the renewal of the Treasury, the installation of the new Exhibition Room, new specialised tours and refurbishment of the organ. Helen is now a regular volunteer for family fun days and community events.

As we said farewell to Helen we also welcomed Richard Moore as Sub-Organist and Matthew Kelley as Organ Scholar. Together with Katherine Dienes-Williams they have provided wonderful music in support of our liturgy and worship, continued outreach through Surrey Get Vocal! and led and trained our wonderful boy and girl choristers. Our Lay Clerks continue to provide a 'back row' of exceptional versatility and skill and the cathedral is very fortunate to have such talented musicians.

In September the Venerable Stuart Beake retired as Archdeacon of Surrey and began to give even more time to the Cathedral in his role as Sub Dean. Canon Mavis led a team in the planning and delivering of a Week of Accompanied Prayer in partnership with All Saints, Onslow Village and St Nicolas Guildford. This was appreciated by those who attended and it is hoped that another can take place in 2019.

In October Canon Paul Smith joined the clergy team as Canon Liturgist with responsibility for worship and liturgy and the outreach which is at the heart of both. Canon Julie continues to lead our work with the Arts and now has the Cathedral back to full use with a programme of exhibitions – also with outreach at the heart. She has also continued to support our work of public engagement and with Schools and Families. We welcomed hundreds of school children and families to the workshops and Family Fun Days throughout the year. Charlotte Potter is currently on maternity leave having welcomed her second baby and we're grateful to Louise Kenyon who is our Acting Head of Schools and Family Learning until Charlotte returns.

As this report is being prepared we can extend congratulations to Canon Andrew Bishop upon his appointment as Priest-in-Charge of Croydon Minster. Andrew concludes his time with the University of Surrey and with the Cathedral at the end of the academic year. We have much to thank Andrew for and we wish him, Alice, Beatrice, Charles, Hugh and Edmund all the very best in their new community. Croydon's gain is our loss and Andrew will be very much missed.

Very shortly we will see the departure of the Marquee and the restoration of the Cathedral Green. Our Enterprise Team of Caroline and Katrina have done a magnificent job at managing events in both Cathedral and Marquee which are of various types and for different communities. We will be able to consolidate our activity in the cathedral building alone once we have sold the Marquee and this will be much more manageable for our Virgers. Everyone is to be congratulated for such hard work during the past year.

Our Fundraising colleagues Susan and Nicola have worked very hard, assisted by the Chapter Fundraising Committee, to spread the word about the joys of supporting the work of the Cathedral. Chapter is grateful to those who have left legacies, committed to regular giving, joined a planned giving scheme or raised money. Our core activities are dependent on a good and steady response through fundraising and everyone has a part to play.

Seasons Café and Kitchen joined the cathedral as catering provider at the end of 2017. Seasons is establishing a reputation for a relaxed atmosphere with great food and a warm welcome. There are now longer opening hours tailored to the activities at the Cathedral and the menus reflect something of the church year as well as the ordinary seasons. Carla and her team are to be congratulated on making an excellent contribution to all we offer at Guildford Cathedral.

As in every year we could not provide the hospitality and welcome at the heart of all our work without our dedicated team of volunteers. Our Guides, led by Janet Mathews, and our Stewards, led by Trish Lambert are on duty almost 365 days of the year and we have been able to expand our tours, both in number and in variety, including the very popular Tower Tours. Many

more volunteers enable our monthly Coffee Concerts to continue, our Schools Workshops to take place and much more besides.

Our Cathedral staff always give over and above in terms of time and ‘rolling up their sleeves’ to contribute to all that’s going on. They are very ably led by Matt O’Grady who is looking forward to ‘just having a cathedral to run’. The past four years have proved very challenging in so many ways and Matt’s dependable and calm manner has held his staff team together during a very challenging four years and they are all well places to move into the next phase of the life and work of the Cathedral.

My clergy colleagues and Chapter colleagues join me in expressing deep thanks to Cathedral staff and all our volunteers for the hard work in the face of considerable challenges and continued good humour as together we serve our Diocese.

The Very Reverend Dianna Gwilliams
Dean

Governance

The Regulations underpinning the Governance of Guildford Cathedral, together with the Terms of Reference and Membership of the various Boards and Committees, are set out on pages 41 to 47 in Appendices 1 to 13.

Guildford Cathedral Vision 2020 (*The People’s Cathedral*)

On 11 August 2017 the People’s Cathedral Project was completed, almost three years of activity having resulted in the following achievements.

- Guildford Cathedral’s survival secured through the removal of acoustic plaster containing asbestos from concrete ceiling vaults
- Visitor experience enriched by improving facilities, accessibility and interpretation
- Community engagement widened and deepened with the Cathedral, encouraging a new generation to become involved through:
 - Capturing the story of *the People’s Cathedral* through the memories of individuals and bringing to life the rich history of the cathedral;
 - Improving and enhancing the range of learning opportunities available for children and adults;
 - Expanding the portfolio of volunteering opportunities enabling individuals to feel embedded in the life of the cathedral.

Guildford Cathedral Vision 2020 (*Building Guildford’s Cathedral Quarter*)

On 15 February 2017 Guildford Borough Council Planning Committee decided not to approve the Cathedral’s application to build houses on its land to the south and east of the Cathedral building. Chapter spent the remainder of 2017 carefully considering its next steps.

Liturgy and Music

Disruption to the building caused by *The People’s Cathedral* project peaked in 2017, but finally came to an end, and by Christmas the building was almost back in full use. This included a new lighting system, which has enhanced the building and provided better lighting for congregations, choirs and concerts, and a new sound system. By the end of 2017 the new acoustic presented both opportunities and challenges which musicians, staff and Chapter continue to explore.

As in previous years, we thank both staff and the many volunteers for their vital contribution to the delivery of the excellent liturgy and music which we offer to the glory of God at Guildford cathedral.

In June we said goodbye to our Sub-Organist, Paul Provost, who took up the appointment as *Rector Chori* of Southwell Minster, and welcomed Richard Moore as his successor. Katy Silverman made an excellent contribution as our 2017/18 organ scholar and left us at the end of the academic year to be succeeded by Matthew Kelley who took up his position in September. A digital organ was used during the renovation works and continued in use until Easter 2018. The Cathedral was delighted when Katherine Dienes-Williams was made a Fellow of the Royal School of Church Music, a very prestigious award made to only five people a year who have made a significant contribution to choral music both internationally and at home. In December the Cathedral Choir performed Handel’s *Messiah* to great acclaim.

Led by Paul Williamson, Dean’s Virger, the team of virgers embraced the continued challenge of both the building project and the logistics of events being held, sometimes simultaneously, in both the Cathedral and the marquee.

As Chapter considered its vision and mission so the role of Canon Liturgist evolved providing the skills required to complement our existing clergy team. The title Canon Liturgist reflects responsibility for liturgy and music combined with the

priority of outreach and enabling missional worship. The description also makes explicit the link between our musical and worshipping life. Canon Paul Smith, Rector of Wilmslow in the Diocese of Chester, took up this new post in October 2017. The Venerable Stuart Beake and Canon Andrew Bishop then relinquished their shared role as Acting Precentor which they had held since the retirement of Canon Nicholas Thistlethwaite.

The Guildford Cathedral Singers, directed by John Bawden, continue to play their part in choral worship offered at the Cathedral, singing on a number of Sundays during school vacations, as well as singing a joint service with the Cathedral Choir once a term.

The Cathedral's musical outreach programme *Surrey Get Vocal!* continued to work in local state schools under the leadership of the Organist and Master of the Choristers. With financial support from the Butler Trust, this programme aims to introduce children to the joys of singing by placing vocal coaches in schools for an intensive period of training leading to a termly public concert in the Cathedral.

Our servers continued to demonstrate their professionalism and commitment to their role in supporting our liturgy and through the many challenges of the building work in 2017 retained a deep sense of devotion. Chris Nott stood down as Head Server after eight years of careful and devoted service. Chris brought great precision to serving and the team always rose to his high standards. The team also embraced the regular celebration of a Choral Eucharist for Festivals that fall on weekdays, primarily the feasts of apostles and red letter days, in place of Choral Evensong. A recent addition to our service pattern ensures that all Principal Festivals are now marked by a Sung Eucharist at 7pm.

The daily round of worship, enriched by our music and undergirded by the dedication of virgers, servers and stewards throughout the liturgical year, continues to be exemplary even in the face of the adversity posed by the condition and temperature of the building in the first part of the year. The Chapter gave serious consideration to re-locating services to the marquee in the early part of the year, but ultimately worship continued in the Cathedral throughout the Project.

Chapter's thanks goes to: Katherine Dienes-Williams, Organist and Master of the Choristers and the team she leads and works with, choristers, lay clerks, chorister families, chaperones, voice coaches; Paul Williamson, Dean's Virger and his team of virgers, full and part time; Chris Nott and the team of Servers; and Trish Lambert, Chief Steward, and her team of Senior Stewards and Cathedral Stewards.

Learning and Engagement

Elements of the Cathedral's Learning and Engagement work in 2017 included:

- Final art exhibitions and preview evenings with our Artists-in-Residence: Cabinet of Curiosity and Richard Ellis;
- Lent Talks entitled *From Creation to New Creation*: The Very Reverend Dianna Gwilliams, Bishop Andrew Watson, Canon Nick Whitehead, Dr Ruth Valerio and Canon Dr Julie Gittoes;
- The continuation of the bi-monthly theological book group on Sunday mornings (including articles by the political theologians Luke Bretherton and Anna Rowlands on Brexit, and Katherine Welby Roberts' book on mental health and faith, *I thought there would be cake*);
- A Week of Guided Prayer (WGP) organised by Canon Mavis Wilson;
- Youth Group and Sunday School;
- Sunday morning Lectio Divina;
- Invitations to teach or lead quiet days (e.g. The Gospel, Sexual Abuse and the Church; Local Ministry Programme and St Augustine's College; Initial Ministerial Education (IME) for curates/Continuing Ministerial Education and Development (CMD) for Licensed Lay Ministry (LLMs);
- Collaboration in planning and delivering the diocesan Transforming Work Programme (e.g. an evening with Paula Vennells, CEO of the Post Office and a day conference hosted by St Paul's Camberley);
- Hosting GCSE Study Days: Religious Studies and Photography;
- The delivery of a new offer for schools covering Key Stages 1-2 and with secondary schools, as developed with *The People's Cathedral* project;
- Running *GraveTalk* - twice onsite, as part of Thy Kingdom Come and at the request of a parish centre in Dorking;
- *The People's Cathedral* project legacy: family activity days;
- A Reformation 500 Study day with Bishop Chris Herbert and Derek Wilson.

Enterprises

Events

During 2017 almost all of the commercial events operated out of the Marquee. From September our concert programme began to return to the Cathedral with the choral societies and bands experiencing the changed acoustic in the building and new sound system.

Highlights of 2017 were:

- University of Surrey Graduations in April and July in the Marquee;
- A series of very successful vintage fairs attracting a footfall of over 2000 visitors to each one;
- Award Ceremonies for the Association of Young Learning Providers in Surrey and Surrey South Farnham SCITT;
- Concerts by *Show of Hands* and *The Military Wives*;
- A variety of fundraising dinners, charity abseils and concerts;
- A number of festivals attracting over 3,000 visitors to each one.

In December we were delighted to host the very successful first performances of *A Christmas Carol* by Split Second Productions in the Nave.

Refectory (until October 2017) then Seasons Café and Restaurant

In October 2017 the contract for catering provision was awarded to The Topsy Pigs (trading as Seasons) following a comprehensive tender overseen by consultants Boyd-Thorpe Associates. Following their appointment the restaurant, renamed Seasons Café and Restaurant, has undergone a refurbishment and now offers a wide choice of fare for all. In 2017 the restaurant generated a commission to Guildford Cathedral Enterprises Limited of £34,000. Our thanks to new owners Carla Williams, James Farmer and Neil Tompkins for the excellent initial impression they have created. Additionally, our very grateful thanks go to Shelagh Denyer and Marissa Granger, who transferred across to Seasons from Caper and Berry, for all their hard work and loyalty.

Shop

In 2017 the Shop had a turnover of £130,900 (2016: £126,000), generated a gross profit of 46% (2016: 43%) and a trading profit £11,300 (2016: £6,300). Many thanks to our team of dedicated volunteers and Joanne Heaphy, led by our Shop Manager Sharon Collier.

Fundraising Department

The Fundraising Team had a successful year, coming in over budget on a number of income lines including Trusts and Foundations and Events fundraising. We are grateful to all those who support the Cathedral financially. Without these gifts we would be unable to keep our doors open, free of charge, 365 days a year.

Our legacy marketing campaign has been a success, with 13 new notifications of gifts being left in people's wills to the Cathedral and 20 people considering doing so. We will continue this work in 2018. We are grateful to a number of Cathedral supporters who left extremely generous gifts in their wills. During the year we were notified of £47,000 of new legacies in addition to receiving £285,000 of legacies notified and accrued for in 2016.

Trusts and Foundations were generous to the Cathedral in 2017, with both restricted (specific) and unrestricted donations. Thanks to two of these gifts we have been able to complete the cleaning of the 14 external sculptures (the Virtues and Gifts of the Spirit). We are grateful for the support of the Worshipful Company of Woolmen (who have a window on the north side of the Cathedral) and this relationship has helped us further develop our links with those Livery Companies who have a connection with the Cathedral. Trust donors include (in chronological order):

- Vibrated Corn Trust
- Golsoncott Foundation
- Nancy Bateman Charitable Trust
- Ouseley Trust
- Allchurches Trust Limited
- Williams Church Music
- Deakin Charitable Trust
- Kenyon Trust
- Roger Raymond Charitable Trust
- Wates Foundation
- Humphrey Richardson Taylor Charitable Trust

- William Wates Memorial Fund
- Lord Barnby's Trust
- Worshipful Company of Woolmen
- Evelyn Charitable Settlement
- John and Ruth Howard Trust.

We held two major donor events in 2017 one at the Cathedral in May and the second at Lambeth Palace in October. Income from these events and other generous donations totalled £15,000 and a further gift of £20,000 over five years was gratefully received from Mickleham Parochial Church Council. Thanks to the support of 15 churches across the Diocese we have been able to redecorate the Treasury.

Giving from individual visitors through cash gifts and online donations has remained steady and we are hopeful that we will see this line continue to grow in 2018. We have been part of the Church of England trial for contactless donation boxes and are convinced that this will be an area for growth in 2018 and beyond.

Events fundraising included our Cathedral abseil. This was a resounding success with the Bishop of Dorking, our Choristers and Director of Operations all gamely participating. Including Gift Aid this raised almost £24,000.

Thank you to everyone who supports the Cathedral financially. Each gift makes a difference, and we are grateful for your donations and the impact they make.

Fabric Report

Completion of the People's Cathedral Project on 11 August 2017 has seen the interior largely refurbished, with asbestos removed from every area except the Lady Chapel, new lighting and an improved sound system installed and re-decorating and stone cleaning conducted throughout. In addition, a second tranche of funding from the World War One Centenary Cathedrals' Repair Fund was secured in 2016 and work commenced on 17 July 2017. This project involved removal of asbestos that was discovered after the People's Cathedral Project commenced, replacement of the Quire and Presbytery Roof, and re-pointing of the outside south wall of the Nave. Work completed on 15 January 2018. The refurbishment of the organ had been undertaken as part of *The People's Cathedral* project, and with the latter being completed it was possible to commence re-installing the organ on 21 August 2017. The re-installation, re-voicing and re-tuning of the organ was completed on 14 February 2018.

Staff

2017 was another year of transition. In June Chapter took a difficult decision to make two staff posts redundant and we bade farewell to Ian Carruthers, Head of Finance, and Annie Taylor, Receptionist. The four members of *The People's Cathedral* project team (Helen Ellis, Rebecca Grafton, Louise Kenyon and Gill Thorpe) also departed during the year. Gill Thorpe resumed her duties as the Cathedral's Volunteer Co-ordinator. There were changes in the Liturgy and Music Department with Richard Moore succeeding Paul Provost as the Sub Organist in June, and Alex Pratley succeeding Ben Etherton as a Bass Lay Clerk in October. Matthew Kelley assumed the duties of Organ Scholar in September, with Katy Silverman departing after a very successful year. Susan Barry joined as Head of Fundraising in January, filling a vacancy that had been in existence since the previous October.

Volunteers

Our Volunteers showed great dedication, loyalty and determination during a difficult year with less than ideal conditions in the Cathedral during the building works. Due to the need to switch off the underfloor heating it was extremely cold and the interior was only lit by temporary lighting provided by the contractor. It is to the great credit of them all that they kept the life and work of the Cathedral going despite all the challenges and we are enormously grateful to them all.

Forecast of Maintenance Costs

The Cathedral Architect carried out a Quinquennial Inspection and reported his findings to Chapter in November. There remains a long list of maintenance items which require action, but with £8M having been spent over the last 3 years there is nothing in the very urgent category. A fully costed maintenance plan is being developed. Some repair or maintenance requirements will be funded by targeted fundraising activity.

Risk Management

In 2016 the three major risks identified by Chapter were the underlying deficit, the sale of land and the potential for cost escalation and the risk of cost escalation and programme overrun in *The People's Cathedral* project. The risk of cost escalation and programme overrun in *The People's Cathedral* project has been removed due to the completion of the project only three months later than anticipated with a cost escalation of just 6%. Of the other principal risks, the underlying deficit is

being addressed by setting challenging budget targets for 2018, 2019 and 2020 including increasing revenue generation through more proactive engagement with current visitors, developing new offers for engagement and focussed engagement with current and potential donors. Progress towards the sale of the land continues which will provide an endowment for the future.

Chapter maintains a detailed Risk Register and ensures that it is kept up to date, given all the various activities of the Cathedral. The risk management process and the resulting Register identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed significant.

The key controls used by Chapter to manage risk include:

- Formal agendas and minutes for the Boards and Committees;
- Comprehensive strategic planning, budgeting and management reporting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of the vulnerable.

Financial Review

Chapter's main financial focus, beyond managing the cashflow for The People's Cathedral project, has been on managing the continuing underlying deficit. Work towards the sale of the land, in order to secure an endowment, has continued. The income from the endowment will be used for ongoing repairs and maintenance of the cathedral.

The 2017 accounts reflect four distinct activities:

- The normal operations of the Cathedral
- *The People's Cathedral* project delivery phase, to remove the acoustic plaster and renovate the interior of the Cathedral, to refurbish the organ, to improve interpretation facilities and to increase and widen engagement with the communities it serves. This was *principally* funded by the HLF and the Capital Appeal
- The World War One Centenary Cathedrals' Repair Fund Project (second tranche), to replace the Quire and Presbytery Roofs and to re-point the outside south wall of the Nave. During the course of *The People's Cathedral* project additional asbestos was discovered and the expenditure for the removal of this was paid for under the auspices of the World War One Centenary Cathedrals' Repair Fund
- The proposal to sell land in order to help finance the maintenance of the Cathedral.

The results are summarised below. The Cathedral's income (see note 1 on page 23) comes from a number of sources: congregational giving; donations; appeals; grants from trusts and foundations. In addition, income is received from its wholly owned subsidiary, Guildford Cathedral Enterprises Limited, which generates income from events, the Café Restaurant and the Shop. Details of amounts in all these areas are shown in the notes to the Financial Statements.

In 2017 there was an excess of expenditure over income before legacies of £188,000 for Cathedral Operations. The operating deficit was broadly in line with the predicted budgeted deficit of £177,000, with the major differences being the cost of an external financial report and the Quinquennial Inspection and Report. The lower operating deficit compared to the previous year was only achieved by the painful means of two staff redundancies, to add to the three staff members who left under similar circumstances in 2015.

Amounts shown under Cathedral Operations in the tables on the next page include amounts funded by certain Restricted Funds. The Newill Trusts (see other note to the tables below) are retained intact in the Cathedral Restricted Funds and will require a Chapter decision when they need to be disbursed. Obtaining Charity Commission approval for the release of the capital of the Newill Trusts to form funds capable of being expensed on specific purposes of the charity was considered necessary because of the financial demands of *The People's Cathedral* project.

The overall financial position remains challenging and there is a clear need to reduce the operating deficit further. The budget for 2018 is an operating deficit of £138,000. Chapter has set itself the task of producing a reduced deficit for 2019 and a balanced budget in 2020. The Reserves Policy was reviewed in 2017 and the minimum holding in unrestricted liquid reserves is to be £500,000. The table on page 10 shows how the reserves position has reduced over the last five years. As this report is written Chapter is coming to the end of a process to discern and enunciate its mission and vision. Having done this, Chapter will set about the task of drawing up these budgets to fit the mission and develop plans to control expenditure and increase income.

In looking to reduce and eliminate the operating deficit Chapter will continue to challenge costs whilst remaining mindful of the need not to damage core elements of the Cathedral's work. Accordingly, Chapter is also focused on developing plans to increase income through more regular giving, grants, visitors who are attracted to the Grade 2 listed building, commercial lettings and the ongoing support of the Music Development Foundation and Friends of Guildford Cathedral. These plans will

take time to realise but will be much more sustainable now that the building work has finished. Further upside may come from the potential sale of the land although the net proceeds are to be protected for specific investment and endowment.

Note that the Cathedral Operations analysis shown below includes both Unrestricted Funds and certain of the Restricted Funds that form part of the regular activities of the Cathedral.

Results 2017	Cathedral Operations	Capital Appeal	HLF/Appeal refurbishment	Organ refurbishment	World War 1 repairs	Sale of Land/Other Major refurbishment**	Newwill Trusts*	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	1,354	25	2,783	23	482	-	683	5,350
Expenditure	(1,542)	-	(3,225)	(253)	(482)	(63)		(5,565)
(Deficit)/Surplus	(188)	25	(442)	(230)	-	(63)	683	(215)
Legacies	47	-	-	-	-	-	-	47
Net gain on investments	(141)	25	(442)	(230)	-	(63)	683	(168)
Net change in funds	106	-	-	-	-	-	-	106
	(35)	25	(442)	(230)	-	(63)	683	(62)

* Trusts established in 1946 and 1951 for the benefit of the Cathedral, whose control was passed to the Cathedral in 2017.

** Professional costs on potential land development £11,000; other major refurbishment £52,000 comprising heating of Cathedral during refurbishment £26,000, residential properties refurbishment £16,000 and refectory refurbishment for new catering providers £10,000.

Results 2016	Cathedral Operations	Capital Appeal	HLF/Appeal refurbishment	Organ refurbishment	World War 1 repairs	Sale of Land	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	1,129	189	1,876	8	296	-	3,498
Expenditure	(1,337)	(19)	(2,425)	(104)	(302)	(25)	(4,212)
(Deficit)/Surplus	(208)	170	(549)	(96)	(6)	(25)	(714)
Legacies	295	-	-	-	-	-	295
Net gain on investments	87	170	(549)	(96)	(6)	(25)	(419)
	44	-	-	-	-	-	44
Net change in funds	131	170	(549)	(96)	(6)	(25)	(375)

Investments

To ensure appropriate professional management Charles Stanley & Co Ltd hold the portfolio on behalf of the Cathedral and manage it on a discretionary basis within agreed parameters and in accordance with the Cathedrals Measure 1999. A discretionary mandate enables them to monitor the portfolio on an ongoing basis and they are authorised to take timely action to adjust the portfolio as considered appropriate in response to market developments. The Finance Committee regularly monitors their performance.

Reserves

In October 2017 Chapter reviewed its reserves policy and approved a policy of holding a minimum of £500,000 in cash or cash equivalent form in unrestricted reserves. Chapter met the new reserves policy during 2017 and has budgeted to meet this policy through 2018 and beyond, provided that it can hold itself to a balanced budget post 2019. The £500,000 cash and cash equivalents in unrestricted reserves is estimated to represent around 50% of the annual unrestricted running costs of the Cathedral. Chapter considers this reasonable based on the income that it is likely to receive during the time taken to devise, agree and implement a revised set of financial priorities, should this ever be required.

Five Year Summary of Key Figures

	2017	2016	2015	2014	2013
	£'000s	£'000s	£'000s	£'000s	£'000s
The table shows the total deficit or surplus on Cathedral Operations for each year and the underlying deficit. Below this is shown the decline over the period of the unrestricted liquid reserves					
(Deficit)/Surplus for the year including unrealised gains/(losses) on investments	(62)	(375)	(98)	537	(283)
Legacies	(47)	(295)	(27)	(27)	(12)
Newill Trusts	(683)	-	-	-	-
(Gains)/losses on investments	(106)	(44)	52	(48)	(114)
(Deficit)/Surplus before legacies/ Newill Trusts and gains/(losses) on value of investments and properties	(898)	(714)	(73)	462	(409)
Adjustments					
Capital appeal net of costs	(25)	(170)	(295)	(882)	(247)
HLF net expenditure	442	549	215	44	17
Organ refurbishment net expenditure	230	96	-	-	-
Site development income	-	-	(100)	-	-
Site development expenditure	11	25	27	83	133
Other major refurbishment net expenditure	52	6	-	-	269
Flower Festival	-	-	-	-	38
Underlying deficit	(188)	(208)	(226)	(293)	(199)
Unrestricted Liquid Reserves	592	746	699	842	1,184

Public Benefit

Chapter confirm that they have complied with section 4 of the Charities Act 2006 to have regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral not only serves the community daily in its religious and charitable work, but is an active resource of public importance in the promotion of religion, music, education and architecture.

Approved by the Chapter of Guildford Cathedral and signed on its behalf by

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The Very Reverend Dianna Gwilliams – Dean

Dated 8 May 2018

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT – GUILDFORD

Opinion

We have audited the financial statements of the Cathedral Church of the Holy Spirit, Guildford (the 'Cathedral') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Cathedral statement of financial activities, the Cathedral balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Chapter, as a body, in accordance with Section 27 of The Cathedrals Measures 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 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 Cathedral and the Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Cathedral and its subsidiary's affairs as at 31 December 2017 and 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 accounts and reporting regulations for English Anglican Cathedrals as specified by the Church Commissioners under section 27 of the Cathedral Measures 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 Cathedral in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where: the Chapter's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or the Chapter have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Cathedral's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Chapter are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Cathedral Measures 1999 requires us to report to you if, in our opinion:

- the information given in Chapter's 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.

Responsibilities of Chapter

As explained more fully in the Chapter's responsibilities statement set out on pages 41-42 the 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 the 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, the Chapter are responsible for assessing the Cathedral's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chapter either intend to liquidate the Cathedral or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Brewers Chartered Accountants
Statutory Auditor
Bourne House
Queen Street
Gomshall
GU5 9LY

Brewers Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Cathedral Church of The Holy Spirit Guildford

Consolidated Statement of Financial Activities

For the year ended 31st December

2017

	Notes	2017								2016	
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds	Total Funds	
Income	1	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Donations & Legacies	(i)	346.8	867.1	-	1,213.9	499.4	322.2	-	821.6		
Grants in support of mission	(ii)	28.0	3,520.2	-	3,548.2	27.1	2,419.1	-	2,446.2		
Charges and fees in the course of mission	(iii)	20.5	11.4	-	31.9	12.2	6.6	-	18.8		
Trading and fundraising	(iv)	449.0	59.0	-	508.0	367.3	42.1	-	409.4		
Investments	(v)	59.9	8.6	26.5	95.0	61.9	8.7	26.7	97.3		
Total Income		904.2	4,466.3	26.5	5,397.0	967.9	2,798.7	26.7	3,793.3		
Expenditure	2										
Raising Funds	(i)	444.2	42.9	2.7	489.8	329.0	26.0	3.7	358.7		
Ministry	(ii)	235.7	406.0	-	641.7	228.3	405.1	-	633.4		
Cathedral and precincts upkeep	(iii)	305.0	4,098.1	-	4,403.1	288.7	2,912.6	-	3,201.3		
Education and outreach	(iv)	28.1	1.9	-	30.0	17.8	1.4	-	19.2		
Total Expenditure		1,013.0	4,548.9	2.7	5,564.6	863.8	3,345.1	3.7	4,212.6		
Net (expenditure)/income before investment gains		(108.8)	(82.6)	23.8	(167.6)	104.1	(546.4)	23.0	(419.3)		
Net gains on investments		6.0	7.3	92.3	105.6	12.3	9.8	21.8	43.9		
Net (expenditure)/income		(102.8)	(75.3)	116.1	(62.0)	116.4	(536.6)	44.8	(375.4)		
Transfers between funds	14	(64.2)	68.0	(3.8)	-	(86.0)	109.0	(23.0)	-		
Net movement in funds		(167.0)	(7.3)	112.3	(62.0)	30.4	(427.6)	21.8	(375.4)		
Total Funds brought forward		4,683.3	1,067.3	1,107.0	6,857.6	4,652.9	1,494.9	1,085.2	7,233.0		
Total funds carried forward		4,516.3	1,060.0	1,219.3	6,795.6	4,683.3	1,067.3	1,107.0	6,857.6		

The Cathedral Church of The Holy Spirit Guildford

Consolidated Balance Sheet at 31st December 2017

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	2017 Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2016 Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets									
Heritage Assets	8	224.0	-	-	224.0	224.0	-	-	224.0
Investment assets									
Investment Property	9	-	-	400.0	400.0	-	-	311.2	311.2
Investments	9	-	221.0	624.8	845.8	-	214.9	624.5	839.4
		-	221.0	1,024.8	1,245.8	-	214.9	935.7	1,150.6
Non investment assets									
Property	10	3,635.0	-	-	3,635.0	3,635.0	-	-	3,635.0
Equipment and plant	11	65.5	-	-	65.5	78.0	-	-	78.0
		3,700.5	-	-	3,700.5	3,713.0	-	-	3,713.0
Total fixed assets		3,924.5	221.0	1,024.8	5,170.3	3,937.0	214.9	935.7	5,087.6
Current assets									
Investments	9	551.0	-	-	551.0	548.0	-	-	548.0
Stocks – goods for resale		30.9	-	-	30.9	31.0	-	-	31.0
Debtors	12	263.2	205.3	-	468.5	403.9	557.7	-	961.6
Escrow Account		226.6	-	-	226.6	226.6	-	-	226.6
Cash at bank and in hand		242.2	964.3	194.5	1,401.0	188.0	921.4	171.3	1,280.7
		1,313.9	1,169.6	194.5	2,678.0	1,397.5	1,479.1	171.3	3,047.9
Liabilities due within one year									
Creditors	13	722.1	330.6	-	1,052.7	451.2	626.7	-	1,077.9
		722.1	330.6	-	1,052.7	451.2	626.7	-	1,077.9
Net current assets		591.8	839.0	194.5	1,625.3	946.3	852.4	171.3	1,970.0
Total assets less current liabilities		4,516.3	1,060.0	1,219.3	6,795.6	4,883.3	1,067.3	1,107.0	7,057.6
Creditors greater than one year									
Diocesan Loan	13	-	-	-	-	200.0	-	-	200.00
Total assets less liabilities		4,516.3	1,060.0	1,219.3	6,795.6	4,683.3	1,067.3	1,107.0	6,857.6
Net assets		4,516.3	1,060.0	1,219.3	6,795.6	4,683.3	1,067.3	1,107.0	6,857.6
Funds	14								
General fund		4,516.3	-	-	4,516.3	4,683.3	-	-	4,683.3
Fabric fund		-	968.8	260.6	1,229.4	-	300.8	263.3	564.1
Choir & music fund		-	10.1	484.6	494.7	-	37.9	458.4	496.3
Capital Appeal fund		-	81.1	-	81.1	-	728.6	-	728.6
Property endowment fund		-	-	474.1	474.1	-	-	385.3	385.3
		4,516.3	1,060.0	1,219.3	6,795.6	4,683.3	1,067.3	1,107.0	6,857.6

Approved by the Chapter of Guildford Cathedral and signed on its behalf on
8 May 2018

.....
The Very Reverend Dianna Gwilliams - Dean

.....
Andrew Pianca - Treasurer

The Cathedral Church of The Holy Spirit Guildford

Chapter Statement of Financial Activities

For the year ended 31st December

2017

		2017								2016
	Notes	Unrestricted	Restricted	Endowment	Total Unrestricted	Restricted	Endowment	Total	Total	
		Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Income	1									
Donations & Legacies	(i)	346.8	867.1	-	1,213.9	499.4	322.2	-	821.6	
Grants in support of mission	(ii)	28.0	3,520.2	-	3,548.2	27.1	2,419.1	-	2,446.2	
Charges and fees in the course of mission	(iii)	20.5	11.4	-	31.9	12.2	6.6	-	18.8	
Trading and fundraising	(iv)	172.3	59.0	-	231.3	128.1	42.1	-	170.2	
Investments	(v)	59.9	8.6	26.5	95.0	61.9	8.7	26.7	97.3	
Total income		627.5	4,466.3	26.5	5,120.3	728.7	2,798.7	26.7	3,554.1	
Expenditure	2									
Raising Funds	(i)	140.2	25.5	2.7	168.4	97.2	26.0	3.7	126.9	
Ministry	(ii)	253.1	417.0	-	670.1	224.2	405.1	-	629.3	
Cathedral and precincts upkeep	(iii)	314.4	4,104.2	-	4,418.6	285.5	2,912.6	-	3,198.1	
Education and outreach	(iv)	28.6	2.2	-	30.8	17.7	1.4	-	19.1	
Total expenditure		736.3	4,548.9	2.7	5,287.9	624.6	3,345.1	3.7	3,973.4	
Net (expenditure)/ Income before investment gains		(108.8)	(82.6)	23.8	(167.6)	104.1	(546.4)	23.0	(419.3)	
Net gains on investments		6.0	7.3	92.3	105.6	12.3	9.8	21.8	43.9	
Net (expenditure)/ income		(102.8)	(75.3)	116.1	(62.0)	116.4	(536.6)	44.8	(375.4)	
Transfers between funds	14	(64.2)	68.0	(3.8)	-	(86.0)	109.0	(23.0)	-	
Net increase movements in funds		(167.0)	(7.3)	112.3	(62.0)	30.4	(427.6)	21.8	(375.4)	
Total funds brought forward		4,682.3	1,067.3	1,107.0	6,856.6	4,651.9	1,494.9	1,085.2	7,232.0	
Total funds carried forward		4,515.3	1,060.0	1,219.3	6,794.6	4,682.3	1,067.3	1,107.0	6,856.6	

The Cathedral Church of The Holy Spirit Guildford

Chapter Balance Sheet at 31st December 2017

	Notes	2017				2016			
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fixed Assets									
Heritage Assets	8	224.0	-	-	224.0	224.0	-	-	224.0
Investment assets									
Investment Property	9	-	-	400.0	400.0	-	-	311.2	311.2
Investments	9	-	221.0	624.8	845.8	-	214.9	624.5	839.4
		-	221.0	1,024.8	1,245.8	-	214.9	935.7	1,150.6
Non investment assets									
Property	10	3,635.0	-	-	3,635.0	3,635.0	-	-	3,635.0
Equipment and plant	11	64.2	-	-	64.2	74.6	-	-	74.6
		3,699.2	-	-	3,699.2	3,709.6	-	-	3,709.6
Total fixed assets		3,923.2	221.0	1,024.8	5,169.0	3,933.6	214.9	935.7	5,084.2
Current assets									
Investments	9	551.0	-	-	551.0	548.0	-	-	548.0
Stocks		-	-	-	-	-	-	-	-
Debtors	12	467.7	205.3	-	673.0	486.4	557.7	-	1,044.1
Escrow Account		226.6	-	-	226.6	226.6	-	-	226.6
Cash at bank and in hand		40.1	964.3	194.5	1,198.9	113.4	921.4	171.3	1,206.1
		1,285.4	1,169.6	194.5	2,649.5	1,374.4	1,479.1	171.3	3,024.8
Liabilities due within one year									
Creditors	13	693.3	330.6	-	1,023.9	425.7	626.7	-	1,052.4
		693.3	330.6	-	1,023.9	425.7	626.7	-	1,052.4
Net current assets		592.1	839.0	194.5	1,625.6	948.7	852.4	171.3	1,972.4
Total assets less current liabilities		4,515.3	1,060.0	1,219.3	6,794.6	4,882.3	1,067.3	1,107.0	7,056.6
Creditors greater than one year									
Diocesan Loan		-	-	-	-	200.0	-	-	200.00
Total assets less liabilities		4,515.3	1,060.0	1,219.3	6,794.6	4,682.3	1,067.3	1,107.0	6,856.6
Net assets		4,515.3	1,060.0	1,219.3	6,794.6	4,682.3	1,067.3	1,107.0	6,856.6
Funds									
General fund	14	4,515.3	-	-	4,515.3	4,682.3	-	-	4,682.3
Fabric fund		-	968.8	260.6	1,229.4	-	300.8	263.3	564.1
Choir & music fund		-	10.1	484.6	494.7	-	37.9	458.4	496.3
Capital Appeal Fund		-	81.1	-	81.1	-	728.6	-	728.6
Property endowment fund		-	-	474.1	474.1	-	-	385.3	385.3
		4,515.3	1,060.0	1,219.3	6,794.6	4,682.3	1,067.3	1,107.0	6,856.6

Approved by the Chapter of Guildford Cathedral and signed on its behalf on 8 May 2018

.....
The Very Reverend Dianna Gwilliams
– Dean

.....
Andrew Pianca
- Treasurer

The Cathedral Church of The Holy Spirit Guildford

Consolidated Cash Flow Statement

For the year ended 31st December 2017

		2017	2016
		£'000	£'000
Consolidated cash flow statement			
Cash flows from operating activities			
Net cash used in operating activities	16	<u>(63.4)</u>	<u>(533.5)</u>
Cash flows from investing activities			
Rents received net of costs		14.6	14.6
Investment income received net of costs		72.4	72.4
Purchase of property, plant and equipment		(10.6)	(10.1)
Purchase of investments		(440.7)	(352.3)
Proceeds from sale of investments		<u>448.0</u>	<u>361.9</u>
Net cash provided by investing activities		<u><u>83.7</u></u>	<u><u>86.5</u></u>
Cash flows from financing activities:			
Cash inflows from new borrowing		100.0	100.0
Release of Escrow		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u><u>100.0</u></u>	<u><u>100.0</u></u>
Change in cash & cash equivalents in the reporting period		120.3	(347.0)
Cash & cash equivalents at the beginning of the reporting period		1,280.7	1,627.7
Cash & cash equivalents at the end of the reporting period	17	1,401.0	1,280.7

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31st December 2017

Accounting policies

Basis of Accounts Preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments to market value as necessary.

The financial statements and report are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Cathedral and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the financial statements are also prepared in accordance with Accounting and Reporting by English Anglican Cathedrals as specified by the Church Commissioners in preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared in £ sterling and monetary amount are rounded to £ thousand.

Basis of consolidation

The consolidated financial statements comprise those of the Cathedral and its wholly-owned subsidiary company Guildford Cathedral Enterprises Limited. The turnover and expenditure and the assets and liabilities of the subsidiary are included on a line by line base in the Consolidated Statement of Financial Activities and the Consolidated Balance sheet.

Going Concern

Chapter considers that while there are financial challenges there are no material uncertainties over the ability to continue as a going concern for the foreseeable future which is an assessment in respect of a period of one year from the date of approval of these financial statements. Further details on the financial pressures facing the Cathedral are given in Note 22.

Income

Grants, donations, gift aid reclaimable, fees charged, hire charges, trading income and investment income are recorded when receivable.

Grants and donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Grants and donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Where any amounts are required to be retained as capital in accordance with the donor's wishes these are accounted for as Endowments.

Legacies are recorded when the amount receivable can be determined with reasonable certainty.

Any income subject to VAT is recorded net of VAT chargeable.

Gifts in kind are recorded at their estimated value. No value is attributed to voluntary help.

The income from the endowment is unrestricted.

Charging policy

The Cathedral does not charge for entry to the Cathedral. To achieve its objective, every effort is made to develop earnings from commercial sources, and to attract voluntary donations from supporters and visitors. It is felt that pursuance of this policy will help many thousands of people each year to enjoy the beauty of the Cathedral, and come to know Christ better through that experience. The Cathedral is open to everyone, regardless of background or means, and it is our aim to ensure that each person receives a personal warm welcome.

Donated assets

Offers of gifts in kind are considered by the Chapter, and where appropriate by the Cathedral's Fabric Advisory Committee (FAC).

The disposal of donated assets which are deemed to have outlived their usefulness is carefully discussed in Chapter and by the Fabric Advisory Committee, and where necessary proposals are submitted to the Cathedrals Fabric Commission for England (CFCE). No items are disposed of without the agreement of the FAC, and decisions of the CFCE are always complied with. In the case of such items once donated by individuals or families, surviving relatives are always informed when a decision is made in favour of disposal.

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31st December 2017

Accounting policies continued

Expenditure

Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. Support costs not directly attributable to a particular financial activity category are apportioned over the relevant categories on the basis of staff numbers working in each department.

Costs of generating funds, includes both fundraising and marketing together with the gross costs of the shop.

Expenditure on mission is comprised of three categories: Ministry covering clergy stipends and housing together with the costs incurred by our choir and music department, Cathedral and Precincts upkeep covering building repairs, depreciation and utilities and Education which covers the cost of the Schools department and outward giving.

Governance costs comprise the costs of running the Cathedral, including strategic planning for its future development, external audit, legal advice and all costs of complying with constitutional and statutory requirements.

Intra-group sales and associated costs with the Cathedral's subsidiary company, Guildford Cathedral Enterprises Limited, are excluded from the consolidated income and expenditure.

Taxation

HM Revenue and Customs treats Cathedrals as exempt charities and as such they are entitled to certain tax exemptions on income and profit from investments and on any surpluses from trading activities carried out in furtherance of the Cathedral's primary objectives, if these profits are applied solely for charitable purposes.

Guildford Cathedral Enterprises Limited donates its surplus taxable profit to the Cathedral.

The Chapter is eligible to partially recover VAT. Non-recoverable VAT is attributed to the relevant expense.

Pensions

Up until 2016 lay members of staff were eligible to join The Church of England Church Workers Pension Fund (CWPF). This scheme is now closed to new members. See note 18 for further information on the Church Workers Pension Fund.

The Cathedral in addition operates a defined contribution pension scheme for lay members of staff. The scheme is administered by NEST and is a qualifying workplace scheme for auto enrolment.

The pension costs represent the amount of contributions payable to the pension schemes in respect of the accounting period.

Operating leases

Rentals applicable to operating leases where substantially all the benefit and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

Heritage Assets

Heritage assets have been capitalised at a valuation carried out by a professional valuer in 2013. No depreciation is charged on these assets as they are well maintained and are not believed to have a finite useful economic life.

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31st December 2017

Accounting policies continued

Land, Buildings, Inventory and Equipment

The Cathedral land, Cathedral building and ancillary buildings form part of the Cathedral's Endowment and in accordance with the Cathedral Accounting and Reporting Regulations are not included in these accounts.

Fixed assets costing over £1,000 are capitalised in the year of purchase.

Freehold buildings are not amortised on the basis of immateriality due to long unexpired lives and high residual values. The Cathedral has a policy and practice of regular maintenance and properties are also unlikely to suffer obsolescence. The Cathedral undertakes annual impairment reviews of all properties stated in the accounts. A valuation of non-investment property was carried out by Clarke Gammon & Wellers, Chartered Surveyors, in 2011.

Depreciation of other assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fittings	10% straight line basis
Office and catering equipment	over 3 – 4 years
Ceremonial Garments	over 25 years

Investments

Property investments are stated at fair value in the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. No depreciation is charged on investment properties.

Investments are valued at the balance sheet date at their market value. Any unrealised gain/loss in the year is shown in the Statement of Financial Activities. If a sale is expected within twelve months the amount is shown under current assets.

The investment held in the Cathedral's wholly owned subsidiary, Guildford Cathedral Enterprises Limited is held at cost in the Cathedral entity balance sheet.

The carrying value of all investments is reviewed annually for impairment.

Stocks

Stocks are items purchased for re-sale by Guildford Cathedral Enterprises Limited and are valued at the lower of cost or net realisable value, after making allowance for obsolete and slow-moving items.

Financial Instruments

Apart from the investments within Fixed Assets investments and Current Asset investments the Cathedral holds only basic financial instruments.

Debtors are measured at amortised cost and are held at settlement amount net of discounts less any provision for non-recoverability.

Creditors are measured at amortised cost and are held at settlement amount net of discounts.

Unrestricted Funds

Unrestricted funds are donations and incoming resources receivable or generated for the objects of the Cathedral without further specified purpose and are available as general funds.

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31st December 2017

Accounting policies continued

Restricted Funds

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets the criteria is charged to the fund.

Endowment Funds

- a) Property Endowment Fund – The Cathedral can use these funds for the improvement or development of any property in which it has an interest (other than the Cathedral and its ancillary buildings) except for £20,000 which could be used for the choir and music.
- b) Other Endowment Capital – only the income can be spent on these funds.

Policy for transfer between funds

The transfers from the General Fund to the Choir and Music Restricted Fund represent reimbursement of any shortfall of income over expenditure. The transfers from the Endowment Funds, to the Choir and Music and Fabric Fund, are to transfer net income on these funds.

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

1 Consolidated Income	2017				2016			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
(i) Donations and legacies	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Congregational collections and giving	145.1	-	-	145.1	150.7	-	-	150.7
Donations	121.1	42.2	-	163.3	59.9	49.8	-	109.7
Income from Appeals	-	18.3	-	18.3	-	178.0	-	178.0
Tax recoverable under gift aid	39.1	9.1	-	48.2	43.8	13.0	-	56.8
Income from Friends and local trusts	-	109.0	-	109.0	-	31.4	-	31.4
Newill Trusts	-	683.0	-	683.0	-	-	-	-
Legacies	41.5	5.5	-	47.0	245.0	50.0	-	295.0
	346.8	867.1	-	1,213.9	499.4	322.2	-	821.6
(ii) Grants in support of mission								
Church Commissioners for clergy stipends	-	98.4	-	98.4	-	129.8	-	129.8
Church Commissioners for lay staff salaries	-	120.1	-	120.1	-	66.5	-	66.5
Diocesan grants for University Chaplain stipend	-	12.1	-	12.1	-	12.1	-	12.1
Heritage Lottery	-	2,463.6	-	2,463.6	-	1,619.3	-	1,619.3
Church Care	-	823.5	-	823.5	-	561.5	-	561.5
Other grants	28.0	2.5	-	30.5	27.1	29.9	-	57.0
	28.0	3,520.2	-	3,548.2	27.1	2,419.1	-	2,446.2
(iii) Charges and fees in the course of mission								
Special services	20.5	11.4	-	31.9	12.2	6.6	-	18.8
	20.5	11.4	-	31.9	12.2	6.6	-	18.8
(iv) Trading and fundraising								
Charges to visitors	5.8	-	-	5.8	2.8	-	-	2.8
Income from lettings of Cathedral	306.9	46.0	-	352.9	216.9	42.1	-	259.0
Income from fundraising events	4.4	13.0	-	17.4	21.4	-	-	21.4
Income from activities generating funds	131.9	-	-	131.9	126.2	-	-	126.2
	449.0	59.0	-	508.0	367.3	42.1	-	409.4
(v) Investments								
Income from other investments	59.8	8.6	26.5	94.9	61.4	8.7	26.7	96.8
Interest receivable on short term deposits	0.1	-	-	0.1	0.5	-	-	0.5
	59.9	8.6	26.5	95.0	61.9	8.7	26.7	97.3
	-	-	-	-	-	-	-	-
Total income	904.2	4,466.3	26.5	5,397.0	967.9	2,798.7	26.7	3,793.3

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

2 Consolidated Expenditure

	2017							2016
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
(i) Raising funds	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Costs of facilities for visitors	6.7	0.4	-	7.1	8.4	0.1	-	8.5
Costs of services directly recoverable	4.2	2.7	-	6.9	6.8	0.8	-	7.6
Gross costs of trading activities	282.8	-	-	282.8	252.6	0.4	-	253.0
Costs of appeal	-	-	-	-	40.0	17.4	-	57.4
Costs of fundraising	81.7	6.3	-	88.0	0.7	0.3	-	1.0
Investment property costs	1.7	-	-	1.7	1.5	-	-	1.5
Investment management costs	2.5	0.9	2.7	6.1	3.3	1.3	3.7	8.3
Support Costs	64.6	32.6	-	97.2	15.7	5.7	-	21.4
	444.2	42.9	2.7	489.8	329.0	26.0	3.7	358.7
(ii) Ministry								
Clergy stipends and working expenses	9.0	110.9	-	119.9	9.3	143.5	-	152.8
Clergy housing costs	28.8	-	-	28.8	27.3	-	-	27.3
Clergy support costs	27.6	20.4	-	48.0	26.3	18.3	-	44.6
Services and music	21.1	199.5	-	220.6	20.1	190.8	-	210.9
Support costs	149.2	75.2	-	224.4	145.3	52.5	-	197.8
	235.7	406.0	-	641.7	228.3	405.1	-	633.4
(iii) Cathedral and precincts upkeep								
Major Cathedral repairs and restoration	-	3,931.5	-	3,931.5	-	2,814.1	-	2,814.1
Maintenance and interior upkeep	201.9	88.0	-	289.9	182.3	25.2	-	207.5
Cathedral insurance	-	37.6	-	37.6	-	42.7	-	42.7
Precinct security and gardens upkeep	21.6	-	-	21.6	21.7	-	-	21.7
Support costs	81.5	41.0	-	122.5	84.7	30.6	-	115.3
	305.0	4,098.1	-	4,403.1	288.7	2,912.6	-	3,201.3

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

3 Consolidated Expenditure (continued)	2017			2016				
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
(iv) Education and outreach	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Educational activities	16.7	-	-	16.7	6.7	-	-	6.7
Charitable and other giving	7.6	-	-	7.6	7.5	-	-	7.5
Support costs	3.8	1.9	-	5.7	3.6	1.4	-	5.0
	28.1	1.9	-	30.0	17.8	1.4	-	19.2
Total expenditure	1,013.0	4,548.9	2.7	5,564.6	863.8	3,345.1	3.7	4,212.6
4 Support costs								
Utilities	81.6	-	-	81.6	69.3	-	-	69.3
Depreciation	23.1	-	-	23.1	26.7	-	-	26.7
Administration expenses	91.5	18.1	-	109.6	46.5	5.0	-	51.5
Governance	26.8	-	-	26.8	26.9	-	-	26.9
Sundry including information technology	63.5	12.5	-	76.0	13.3	14.4	-	27.7
Bank charges	5.3	-	-	5.3	4.5	-	-	4.5
Personnel and training	7.3	120.1	-	127.4	62.1	70.8	-	132.9
	299.1	150.7	-	449.8	249.3	90.2	-	339.5

The support costs have been allocated between departments according to the number of people employed in that department.

5 Total Commitments under non-cancellable leases

	2017 £'000	2016 £'000
Under 1 year	12.0	12.0
2-5 years	36.0	48.0
Greater than 5 years	-	-
	<u>48.0</u>	<u>60.0</u>

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

1 Chapter Income	2017				2016			
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
(i) Donations and legacies								
Congregational collections and giving	145.1	-	-	145.1	150.7	-	-	150.7
Donations	121.1	42.2	-	163.3	59.9	49.8	-	109.7
Income from Appeals	-	18.3	-	18.3	-	178.0	-	178.0
Tax recoverable under gift aid	39.1	9.1	-	48.2	43.8	13.0	-	56.8
Income from Friends and local trusts	-	109.0	-	109.0	-	31.4	-	31.4
Newill Trusts	-	683.0	-	683.0	-	-	-	-
Legacies	41.5	5.5	-	47.0	245.0	50.0	-	295.0
	346.8	867.1	-	1,213.9	499.4	322.2	-	821.6
(ii) Grants in support of mission								
Church Commissioners for clergy stipends	-	98.4	-	98.4	-	129.8	-	129.8
Church Commissioners for lay staff salaries	-	120.1	-	120.1	-	66.5	-	66.5
Diocesan grants for University Chaplain stipend	-	12.1	-	12.1	-	12.1	-	12.1
Heritage Lottery	-	2,463.6	-	2,463.6	-	1,619.3	-	1,619.3
Churchcare	-	823.5	-	823.5	-	561.5	-	561.5
Other grants	28.0	2.5	-	30.5	27.1	29.9	-	57.0
	28.0	3,520.2	-	3,548.2	27.1	2,419.1	-	2,446.2
(iii) Charges and fees in the course of mission								
Special services	20.5	11.4	-	31.9	12.2	6.6	-	18.8
	20.5	11.4	-	31.9	12.2	6.6	-	18.8
(iv) Trading and fundraising								
Charges to visitors	5.9	-	-	5.9	2.8	-	-	2.8
Income from lettings of Cathedral	161.1	46.0	-	207.1	116.6	42.1	-	158.7
Income from fundraising events	4.4	13.0	-	17.4	8.5	-	-	8.5
Income from activities generating funds	0.9	-	-	0.9	0.2	-	-	0.2
	172.3	59.0	-	231.3	128.1	42.1	-	170.2
(v) Investments								
Income from other investments	59.8	8.6	26.5	94.9	61.4	8.7	26.7	96.8
Interest receivable on short term deposits	0.1	-	-	0.1	0.5	-	-	0.5
	59.9	8.6	26.5	95.0	61.9	8.7	26.7	97.3
	-	-	-	-	-	-	-	-
Total income	627.5	4,466.3	26.5	5,120.3	728.7	2,798.7	26.7	3,554.1

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

2 Chapter Expenditure

	2017							2016
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
(i) Raising funds								
Costs of facilities for visitors	6.7	0.4	-	7.1	8.4	0.1	-	8.5
Costs of services directly recoverable	4.2	2.7	-	6.9	6.8	0.8	-	7.6
Gross costs of other trading activities	14.1	-	-	14.1	21.2	0.4	-	21.6
Costs of appeal	-	-	-	-	40.0	17.4	-	57.4
Costs of fundraising	81.7	6.3	-	88.0	0.7	0.3	-	1.0
Investment property costs	1.7	-	-	1.7	1.5	-	-	1.5
Investment management costs	2.5	0.9	2.7	6.1	3.3	1.3	3.7	8.3
Support Costs	29.3	15.2	-	44.5	15.3	5.7	-	21.0
	140.2	25.5	2.7	168.4	97.2	26.0	3.7	126.9
(ii) Ministry								
Clergy stipends and working expenses	9.0	110.9	-	119.9	9.3	143.5	-	152.8
Clergy housing costs	28.8	-	-	28.8	27.3	-	-	27.3
Clergy support costs	27.6	20.4	-	48.0	26.3	18.3	-	44.6
Services and music	21.1	199.5	-	220.6	20.1	190.8	-	210.9
Support costs	166.6	86.2	-	252.8	141.2	52.5	-	193.7
	253.1	417.0	-	670.1	224.2	405.1	-	629.3
(iii) Cathedral and precincts upkeep								
Major Cathedral repairs and restoration	-	3,931.5	-	3,931.5	-	2,814.1	-	2,814.1
Maintenance and interior upkeep	201.9	88.0	-	289.9	181.5	25.2	-	206.7
Cathedral insurance	-	37.6	-	37.6	-	42.7	-	42.7
Precinct security and gardens upkeep	21.6	-	-	21.6	21.7	-	-	21.7
Support costs	90.9	47.1	-	138.0	82.3	30.6	-	112.9
	314.4	4,104.2	-	4,418.6	285.5	2,912.6	-	3,198.1

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

3 Chapter Expenditure (continued)				2017				2016
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
(iv) Education and outreach	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Educational activities	16.7	-	-	16.7	6.7	-	-	6.7
Charitable and other giving	7.6	-	-	7.6	7.5	-	-	7.5
Support costs	4.3	2.2	-	6.5	3.5	1.4	-	4.9
	28.6	2.2	-	30.8	17.7	1.4	-	19.1
Total expenditure	736.3	4,548.9	2.7	5,287.9	624.6	3,345.1	3.7	3,973.4
4 Support costs								
Utilities	81.6	-	-	81.6	69.3	-	-	69.3
Depreciation	21.0	-	-	21.0	24.6	-	-	24.6
Administration expenses	91.5	18.1	-	109.6	46.5	5.0	-	51.5
Governance	23.4	-	-	23.4	23.9	-	-	23.9
Sundry including information technology	63.4	12.5	-	75.9	13.3	14.4	-	27.7
Bank charges	2.9	-	-	2.9	2.6	-	-	2.6
Personnel and training	7.3	120.1	-	127.4	62.1	70.8	-	132.9
	291.1	150.7	-	441.8	242.3	90.2	-	332.5

The support costs have been allocated between departments according to the number of people employed in that department.

5 Total Commitments under non-cancellable leases

	2017 £'000	2016 £'000
Under 1 year	12.0	12.0
2-5 years	36.0	48.0
Greater than 5 years	-	-
	<u>48.0</u>	<u>60.0</u>

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

6 Staff Costs Cathedral and Guildford Cathedral Enterprises

	2017	2016
	£'000	£'000
i. Salaries and stipends	674.0	714.2
Employers National Insurance costs	57.3	59.7
Employers pension costs	37.9	48.3
Total employment costs	769.2	822.2

(No employee received more than £60,000 per annum.)

	2017	2016
ii. The average monthly number of employees of all entities included in the Consolidated Financial Statements:		
Ministry and music	9.0	18.0
Clergy support	2.0	2.0
Education	1.0	1.0
Cathedral and precincts upkeep	6.0	6.0
Fundraising	2.0	2.0
Shops	2.0	2.0
Governance	1.0	1.0
Administrative support	8.0	8.0
	31.0	40.0

Ministry and Music includes Lay Clerks.

	2017	2016
ii. This is represented on a full time equivalent basis as follows:		
Ministry and music	8.0	8.5
Clergy support	1.6	1.6
Education	0.2	0.2
Cathedral and precincts upkeep	5.2	5.9
Fundraising	1.7	1.1
Shops	1.2	1.2
Governance	0.3	0.3
Administrative support	3.9	3.9
	22.1	22.7

Chapter considers its key management personnel to comprise the members of the Chapter and the Director of Operations. The total amount received by key management personnel during the year was £156,724 (2016 £187,237).

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

The stipend and pension provision of three clerical members of Chapter shown in employment costs are funded fully by a grant from the Church Commissioners, The Archbishops Council and the Church of England Pensions Board. Each of the individuals also benefits from housing provided by the Cathedral free of rent and rates in furtherance of their duties. The Cathedral also pays a contribution to the telephone bills. The stipend for the year was £75,607 (2016: £99,700) and pension provision was £22,755 (2016: £29,900).

The clergy pension contributions are paid by the diocese to the Church of England Funded Pensions Scheme. This is a defined benefit scheme but the Cathedral is not able to identify its share of the underlying assets and liabilities. Each employer in the Scheme pays the same contribution rate, calculated on the basis of an actuarial valuation of the Scheme. The current rate averages 30%. See Note 18 for more information.

No remuneration was paid to lay members of Chapter during the year (2016: nil)

Expenses paid to Members of the Chapter.

	2017	2016
	£'000	£'000
Travel	4.2	5.8
Hospitality	0.1	0.3
Relocation Grant	2.3	-
Other	1.0	1.8
	<u>7.6</u>	<u>7.9</u>

Expenses were reimbursed to five members of the Chapter.

7 Operating Leases and Professional Costs

	2017	2016
	£'000	£'000
Operating leases	13.0	9.5
Investment Consultants	6.1	8.2
Payments to auditors		
Audit fee – Cathedral	6.0	6.0
Audit fee – Cathedral Enterprises	2.5	2.5
Accounts preparation - Cathedral	3.0	3.0
Accounts preparation – Cathedral Enterprises	0.8	0.8
Management accounts	12.8	-
Taxation fees – Cathedral Enterprises	0.2	0.2

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

8 Heritage Assets - Consolidated and Chapter

	2017							2016
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Heritage Assets at market value 1 January 2017	224.0	-	-	224.0	224.0	-	-	224.0
Additions/disposals	-	-	-	-	-	-	-	-
Transfer to unrestricted funds	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Heritage Assets at market value 31 December 2017	224.0	-	-	224.0	224.0	-	-	224.0

The heritage assets were valued in February 2006 by Keith Baker, a 19th & 20th Century decorative Arts consultant. A subsequent valuation has been performed by Stephen Clarke of Christies & Roger Heath-Bullock in March 2013. The basis of the valuation was replacement cost.

The assets have mostly been donated to the Cathedral over many years. These assets are predominantly liturgical vessels such as chalices, crosses and candlesticks but include the recent addition of jubilee copes. Prior to 2013 there were no changes in value.

The Cathedral keeps a register of the assets which are held in the Treasury or the safe and these are used for special services. They are regularly polished and maintained and are not considered to have a finite useful economic life and therefore no depreciation has been charged.

9 Investments

Consolidated and Chapter	Current Assets			2017				2016
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
Investments at market value 1 January 2017	548.0	214.9	624.5	1,387.4	539.9	206.5	606.8	1,353.2
Additions	170.1	38.3	232.3	440.7	123.6	78.1	150.6	352.3
Disposals	(221.2)	(77.4)	(289.8)	(588.4)	(124.7)	(77.8)	(146.0)	(348.5)
Cash held for re-investment	48.5	38.1	54.7	141.3	(1.3)	0.4	(3.4)	(4.3)
Net increase on revaluation	5.6	7.1	3.1	15.8	10.5	7.7	16.5	34.7
Investments at market value 31 December 2017	551.0	221.0	624.8	1,396.8	548.0	214.9	624.5	1,387.4

Unrestricted investments are treated as current assets in 2017 due to the expected liquidation of them within one year.

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

Of the investments held on 31st December 2017, the material investments by fund are:

	Unrestricted Fund	Restricted Fund	Endowment Fund	Total
	£000s	£000s	£000s	£000s
Aviva Investors UK Svcs Ltd Strategic Bond5 GBP DIS	77.3	-	94.0	171.3
Henderson Investment Funds Ltd SH Strategic Bond INC.	74.8	30.0	-	104.8
NB Global Floating Rate Inc FD Ltd Red. Ord. Npv. GPB	66.4	-	-	66.4
New Capital Fund Management Wealthy Nations Bond Instl. GBP D	42.1	94.3	-	136.4
Twenty Four Income Fund Ord Red GPB 0.01	77.2	-	96.3	173.5
Schroder Unit Trusts Strategic Credits Dis	42.1	-	96.2	138.3

9 Investments freehold property – Consolidated and Chapter

	2017			2016			2015		
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Value at 1 January 2017	-	-	311.2	311.2	-	-	311.2	311.2	311.2
Additions	-	-	-	-	-	-	-	-	-
Disposals/Transfer to Equipment & Plant	-	-	-	-	-	-	-	-	-
Revaluation	-	-	88.8	88.8	-	-	-	-	-
Value at 31 December 2017	-	-	400.0	400.0	-	-	311.2	311.2	311.2
Depreciation at 1 January 2017	-	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Depreciation at 31 December 2017	-	-	-	-	-	-	-	-	-
At net book value 31 December 2017	-	-	400.0	400.0	-	-	311.2	311.2	311.2

4 Lynwood was bought for £311,199 as an endowment investment property. Chapter revalued the property at the year end to £400,000, based on recent sales of similar properties.

Investment in Subsidiary (Guildford Cathedral Enterprises Ltd) – Chapter

	2017			2016			2015		
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SHARE CAPITAL									
Value at 1 January 2017	0.1	-	-	0.1	0.1	-	-	0.1	0.1
Additions	-	-	-	-	-	-	-	-	-
Value at 31 December 2017	0.1	-	-	0.1	0.1	-	-	0.1	0.1

Results for the trading subsidiary are given in note 15.

The Cathedral Church of The Holy Spirit Guildford**Notes to the Financial Statements****For the year ended 31st December 2017****10 Non-investment freehold property – Consolidated and Chapter**

	2017			2016			
	Unrestricted	Restricted	Endowment	Total Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Value at 1 January 2017	3,635.0	-	-	3,635.0	3,635.0	-	- 3,635.0
	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals/Transfer to Equipment & Revaluation	-	-	-	-	-	-	-
Value at 31 December 2017	3,635.0	-	-	3,635.0	3,635.0	-	- 3,635.0
Depreciation at 1 January 2017	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Depreciation at 31 December 2017	-	-	-	-	-	-	-
At net book value 31 December 2017	3,635.0	-	-	3,635.0	3,635.0	-	- 3,635.0

The non-investment properties are all held for use as Cathedral clergy and staff housing.

The properties were valued on 14 March 2011 by Clarke Gammon Wellers, Chartered Surveyors, based on the current market values, at £4.0 million. The valuation was not reflected in the accounts as Chapter believe the appreciation in value is not material to the understanding of these accounts.

11 Equipment and plant - Consolidated

	2017			2016			
	Unrestricted	Restricted	Endowment	Total Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost	319.4	-	-	319.4	309.3	-	- 309.3
Depreciation	(241.4)	-	-	(241.4)	(214.7)	-	- (214.7)
Net book value at 1 January 2017	78.0	-	-	78.0	94.6	-	- 94.6
Additions	10.6	-	-	10.6	10.1	-	- 10.1
Disposals	-	-	-	-	-	-	-
Depreciation for year	(23.1)	-	-	(23.1)	(26.7)	-	- (26.7)
Depreciation on disposals	-	-	-	-	-	-	-
Net book value at 31 December 2017	65.5	-	-	65.5	78.0	-	- 78.0
Cost	330.0	-	-	330.0	319.4	-	- 319.4
Depreciation	(264.5)	-	-	(264.5)	(241.4)	-	- (241.4)
Net book value at 31 December 2017	65.5	-	-	65.5	78.0	-	- 78.0

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

11 Equipment and plant - Chapter

	2017				2016			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost	312.0	-	-	312.0	301.9	-	-	301.9
Depreciation	(237.4)	-	-	(237.4)	(212.9)	-	-	(212.9)
Net book value at 1 January 2017	74.6	-	-	74.6	89.0	-	-	89.0
Additions	10.6	-	-	10.6	10.1	-	-	10.1
Transfers from Property	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Depreciation for year	(21.0)	-	-	(21.0)	(24.5)	-	-	(24.5)
Depreciation on disposals	-	-	-	-	-	-	-	-
Net book value at 31 December 2017	64.2	-	-	64.2	74.6	-	-	74.6
Cost	322.6	-	-	322.6	312.0	-	-	312.0
Depreciation	(258.4)	-	-	(258.4)	(237.4)	-	-	(237.4)
Net book value at 31 December 2017	64.2	-	-	64.2	74.6	-	-	74.6

12 Debtors

	Consolidated		Chapter	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
VAT	64.0	79.7	64.0	79.7
Trade debtors	54.1	38.3	11.4	31.0
Other debtors	19.6	36.0	15.4	32.8
Prepayments/ accrued income Guildford Cathedral Enterprises Ltd	330.8	807.6	326.0	797.1
	-	-	256.2	103.5
	468.5	961.6	673.0	1,044.1

13. Creditors falling due within one year

	Consolidated		Chapter	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade creditors	194.3	141.1	187.8	138.9
Diocese Loan	300.0	-	300.0	-
Other creditors	22.8	43.6	14.2	26.3
Escrow Account Creditor	226.6	226.6	226.6	226.6
PAYE/NIC	13.5	13.9	13.5	13.9
Accruals and deferred income	295.5	652.7	281.8	646.7
	1,052.7	1,077.9	1,023.9	1,052.4

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

13 Creditors falling due after more than one year

	Consolidated		Chapter	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Diocesan Loan	-	200.0	-	200.0

The People's Cathedral (TPC) project was funded by the Heritage Lottery Fund grant and the Capital Appeal. To facilitate cashflow a loan of £0.3 million from the Guildford Diocesan Board of Finance is included in other creditors due within one year. The rate of interest is Bank of England Base Rate plus 2%. The loan was repaid in March 2018.

14a) Reconciliation of movement in Funds

	Consolidated									
	General	Choir & HLF	Music	Fabric Fund Restricted	Capital Appeal	General Stipends	WW1	Organ	Endowment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2017	4,683.3	-	37.9	300.8	728.6	-	-	-	1,107.0	6,857.6
Incoming resources	904.2	2,782.6	130.4	792.8	25.3	230.6	481.9	22.7	26.5	5,397.0
Outgoing resources	(1,013.0)	(3,225.2)	(232.4)	(125.9)	-	(230.6)	(481.9)	(252.9)	(2.7)	(5,564.6)
Revaluation of investments	5.6	-	-	7.1	-	-	-	-	91.9	104.6
Realised gain on disposal of investments	0.4	-	-	0.2	-	-	-	-	0.4	1.0
Transfer between funds	(64.2)	442.6	74.2	(6.2)	(672.8)	-	-	230.2	(3.8)	-
Balance at 31 December 2017	4,516.3	-	10.1	968.8	81.1	-	-	-	1,219.3	6,795.6

Chapter

	General	Choir & HLF	Music	Fabric Fund Restricted	Capital Appeal	General Stipends	WW1	Organ	Endowment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Balance at 1 January 2017	4,682.3	-	37.9	300.8	728.6	-	-	-	1,107.0
Incoming resources	627.5	2,782.6	130.4	792.8	25.3	230.6	481.9	22.7	26.5	5,120.3
Outgoing resources	(736.3)	(3,225.2)	(232.4)	(125.9)	-	(230.6)	(481.9)	(252.9)	(2.7)	(5,287.9)
Revaluation of investments	5.6	-	-	7.1	-	-	-	-	91.9	104.6
Realised gain on disposal of investments	0.4	-	-	0.2	-	-	-	-	0.4	1.0
Transfer between funds	(64.2)	442.6	74.2	(6.2)	(672.8)	-	-	230.2	(3.8)	-
Balance at 31 December 2017	4,515.3	-	10.1	968.8	81.1	-	-	-	1,219.3	6,794.6

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

The transfer from the General Fund was the net of £78,000 to the Choir and Music Fund to fund the shortfall of income over expenditure and £13,800 transferred from the Fabric Fund for the interactive display screens in the Cathedral.

The transfer to the Choir and Music Fund was the net of £78,000 from the General Fund to cover the shortfall of operating expenditure and £3,800 to the Endowment fund. The £3,800 together with the endowment investment income of £16,200 attributable to the Choir and Music Fund retained in the Endowment Fund was to reinstate a £20,000 Endowment grant previously treated as restricted.

The transfer from the Fabric fund was the net of £13,800 transferred to the General Fund for the interactive display Screens in the Cathedral and £7,600 from the Endowment Fund from net income earned on investments.

The transfers from the Capital Appeal of £442,600 to HLF and £230,200 to the Organ funds, represent reimbursement of any shortfall of income over expenditure.

Transfers from the Endowment Fund represented the net income earned on investments of £7,600 transferred to the Fabric Fund and £3,800 transferred from the Choir and Music Fund to reinstate the Endowment grant.

14 b) Split of funds by type of asset

	Consolidated								Total
	General Fund	General HLF	Choir & Music	Fabric Fund	Capital Appeal Fund	WW1	Organ	Endowment	
	Restricted								
	←								→
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Heritage assets	224.0	-	-	-	-	-	-	-	224.0
Fixed assets	3,700.5	-	-	-	-	-	-	-	3,700.5
Investment Property	-	-	-	-	-	-	-	400.0	400.0
Investments	551.0	-	-	221.0	-	-	-	624.8	1,396.8
Escrow Account	226.6	-	-	-	-	-	-	-	226.6
Cash at bank and short term deposits	242.2	112.0	6.8	765.5	81.1	(53.9)	52.8	194.5	1,401.0
Stocks	30.9	-	-	-	-	-	-	-	30.9
Debtors and prepayments	263.2	1.0	10.2	-	-	189.2	4.9	-	468.5
Creditors and accruals	(722.1)	(113.0)	(6.9)	(17.7)	-	(135.3)	(57.7)	-	(1,052.7)
Balance at 31 December 2017	4,516.3	-	10.1	968.8	81.1	-	-	1,219.3	6,795.6

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

14 b) Split of funds by type of asset

	Chapter								Total
	General Fund	General HLF	Choir & Music	Fabric Fund	Capital Appeal Fund	WW1	Organ	Endowment	
	←	Restricted			→				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Heritage assets	224.0	-	-	-	-	-	-	-	224.0
Fixed assets	3,699.2	-	-	-	-	-	-	-	3,699.2
Investment Property	-	-	-	-	-	-	-	400.0	400.0
Investments	551.0	-	-	221.0	-	-	-	624.8	1,396.8
Escrow Account	226.6	-	-	-	-	-	-	-	226.6
Cash at bank and short- term deposits	40.1	112.0	6.8	765.5	81.1	(53.9)	52.8	194.5	1,198.9
Stocks	-	-	-	-	-	-	-	-	-
Debtors and prepayments	467.7	1.0	10.2	-	-	189.2	4.9	-	673.0
Creditors and accruals	(693.3)	(113.0)	(6.9)	(17.7)	-	(135.3)	(57.7)	-	(1,023.9)
Balance at 31 December 2017	4,515.3	-	10.1	968.8	81.1	-	-	1,219.3	6,794.6

Consolidated

14 c) Split of funds by type of reserve

	General Fund	HLF Fund	Choir & Music Fund	Fabric Fund	Capital Appeal Fund	Property Endowment Fund	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Endowment capital	-	-	484.6	260.6	-	474.1	1,219.3	1,107.0
Unrestricted funds	1,407.1	-	-	-	-	-	1,407.1	1,574.1
Restricted funds	-	-	10.1	968.8	81.1	-	1,060.0	1,067.3
Revaluation reserve	3,109.2	-	-	-	-	-	3,109.2	3,109.2
Total	4,516.3	-	494.7	1,229.4	81.1	474.1	6,795.6	6,857.6

The Cathedral Church of The Holy Spirit Guildford

Notes to the Financial Statements

For the year ended 31st December 2017

14 c) Split of funds by type of reserve	Chapter						Total 2017 £'000	Total 2016 £'000
	General	HLF	Choir & Music	Fabric	Capital Appeal	Property Endowment		
	Fund £'000	Fund £'000	Fund £'000	Fund £'000	Fund £'000	Fund £'000		
Endowment capital	-	-	484.6	260.6	-	474.1	1,219.3	1,107.0
Unrestricted funds	1,406.1	-	-	-	-	-	1,406.1	1,573.1
Restricted funds	-	-	10.1	968.8	81.1	-	1,060.0	1,067.3
Revaluation reserve	3,109.2	-	-	-	-	-	3,109.2	3,109.2
Total	4,515.3	-	494.7	1,229.4	81.1	474.1	6,794.6	6,856.6

The significant balances on the restricted funds at the year end are £10,100 in the Choir and Music Fund for Girls' bursaries, £200,900 for stained glass windows, a £25,600 legacy and £683,000 following the receipt of the funds of the Newill Trusts. In accordance with the terms of the Appeal any surplus on the Capital Appeal fund will be used to support the charitable objectives of the Cathedral.

15 Guildford Cathedral Enterprises Limited – Company number: 02299147

The Cathedral owns 100% of Guildford Cathedral Enterprises Limited, the results of which are consolidated in these financial statements.

The company made a profit for the year of £97,014 (2016 – profit of £58,547), which was donated under Gift Aid to the Cathedral.

At 31 December 2017 the Guildford Cathedral Enterprises Limited balance sheet showed retained profits of £966 (2016: £966) and the company owed the Chapter £256,228 (2016 - £103,523).

A summary of the trading results for the year, which have been consolidated into Chapter accounts, are shown below.

	2017 £'000	2016 £'000
Turnover	390.5	314.5
Cost of Sales	178.7	141.6
Gross Profit	211.8	172.9
Other operating charges	114.8	114.4
Profit donated under Gift Aid to the Cathedral	97.0	58.5

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31 December 2017

16. Cash flow statement notes

	2017	2016
	£'000	£'000
Reconciliation of net expenditure to net cashflow from operating activities	(62.0)	(375.4)
Revaluation of investments	(105.6)	(43.9)
Adjustments for:		
Depreciation charges	23.1	26.7
(Income) from property and investments	(94.9)	(96.8)
Property management costs, rental collection fees and investment management costs	8.0	9.7
(Increase)/decrease in stocks	0.1	(0.7)
(Increase)/decrease in debtors	493.1	(670.3)
Increase/(decrease) in creditors	(325.2)	617.2
Net used in operating activities	<u>(63.4)</u>	<u>(533.5)</u>

17 Analysis of cash and cash equivalent

Analysis of cash and cash equivalents

Cash in hand	1,401.0	1,280.7
Total cash and cash equivalents	<u>1,401.0</u>	<u>1,280.7</u>

18 Church Workers Pension Funds (CWPF)

The Cathedral has two schemes in place for lay members of staff. It participates in the Pension Builder Scheme Section of the Church Workers Pension Fund and from 2016, in addition, a defined contribution scheme administered by NEST.

The Church Workers Pension Fund Guildford Cathedral 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.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

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

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 is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. Therefore, contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable 2017: £9,923 (2016: £15,579).

The Cathedral Church of the Holy Spirit Guildford
Notes to the Financial Statements
For the year ended 31 December 2017

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

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

Contributions made by the Cathedral to NEST were £2,152. (2016: Nil)

19 The Friends of Guildford Cathedral (Charity No. 250402)

The Very Reverend Dianna Gwilliams is a Trustee of The Friends of Guildford Cathedral.

Grants from The Friends of Guildford Cathedral amounting to £30,000 were received by the Cathedral in 2017 (2016: £NIL).

20 Guildford Cathedral Music Development Foundation (Charity No 1093933)

The Very Reverend Dianna Gwilliams and the Reverend Canon Dr Paul Smith are Trustees of Guildford Cathedral Music Development Foundation.

Grants from The Guildford Cathedral Music Development Foundation amounting to £78,943 were received in 2017 by the cathedral (2016: £36,368).

21 Ultimate Controlling Party

There is no ultimate controlling party.

22 Cathedral Activities

The Cathedral's activities together with the factors likely to affect its future development and financial position are set out on pages 3 to 10 in the Annual Report. As described in the report the Cathedral operates an annual deficit on its operational activities. Chapter is working hard to reduce then eliminate this deficit over the next couple of years. With the major building projects having been completed and cash flow issues reduced the Diocesan loan of £300,000 was repaid on 31 March 2018. Chapter remains optimistic that the land sale will progress and this together with other measures to secure additional funding in the form of grants and donations has led them to have a reasonable expectation that the Cathedral will be able to continue operationally for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

23 Related Party Transactions

Donations during the year made by Chapter members personally or through Trusts controlled by them totalled £40,238.

APPENDICES – GUILDFORD CATHEDRAL ANNUAL REPORT 2017

Appendix 1 - Governance

Guildford Cathedral is governed under the Cathedrals Measure 1999 and by a Constitution and Statutes which came into effect on 24 November 2002, and was last revised in June 2017. Under these regulations, it is the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and to order the worship and promote the mission of the Cathedral.

Under the Constitution and Statutes, the Corporate Body of the Cathedral Church of the Holy Spirit, Guildford comprises the members for the time being of the Cathedral Council, the Chapter and the College of Canons. It is a body corporate with continual succession and a common seal which is known as the common seal of the Cathedral.

Appendix 2 - The Chapter

The Dean

The Dean is the 'principal dignitary of the Cathedral, next after the Bishop, and is Chairman of the Chapter and President of the College of Canons'. S/He is appointed by Her Majesty The Queen, and instituted by the Bishop to the office of Dean of Guildford.

The Dean has the right to preach and celebrate Holy Communion in the Cathedral on occasions agreed by the Chapter. Subject to the provisions of Constitution and Statutes no person shall preach within the Cathedral without the approval of the Dean.

It is the duty of the Dean, as Chair of the Chapter, to govern and direct on its behalf the life and work of the Cathedral and, in particular, to:

- Ensure that Divine Service is duly performed in the Cathedral;
- Ensure that the Constitution and Statutes are faithfully observed;
- Maintain good order and proper reverence in the Cathedral;
- Secure the pastoral care of all members of the Cathedral community;
- Take all decisions necessary to deal with any emergency affecting the Cathedral, pending consideration of the matter by the Chapter;

The Chapter

The Cathedrals Measure 1999 requires that it shall be the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and in particular, to:

- Order the worship and promote the mission of the Cathedral;
- Formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- Prepare an annual budget for the Cathedral;
- Submit to the Council the annual report and audited accounts and such other reports as may be requested by the Council on any matter concerning the Cathedral;
- Submit to the College of Canons the annual report and audited accounts prepared as aforesaid;
- Keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;
- Manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out, and
- Perform such other functions as may be prescribed.

The Chapter is also responsible under the requirements laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999 for:

- 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 Guildford Cathedral and its consolidated entities;
- Stating that they have complied in all material respects with Accounting and Reporting for English Anglican Cathedral and applicable United Kingdom Accounting Standards ; or describing which regulations have not been complied with regulations and giving reasons for the non-compliance;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time;

- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- Preparing the accounts on an on-going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

As far as the Chapter members are aware there is no relevant audit information of which the Cathedral's auditors are unaware; and the Chapter members have taken all the steps that they consider ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Cathedral's auditors are aware of that information.

Method of Appointing Members to the Chapter

In accordance with the Constitution of the Cathedral, the Chapter shall consist of:

- the Dean, who shall be the chairman and shall have a second or casting vote;
- all the Residentiary Canons;
- one lay person appointed by the Bishop after consultation with the Dean and the Chapter;
- The Cathedral Honorary Treasurer;
- two lay persons elected by a meeting of members of the Cathedral Community;
- Up to three persons nominated by Chapter for their particular skills (not more than one whom may be a clerk of holy orders).

All Lay persons must be actual communicants and shall hold office for three years and shall be eligible for membership for further terms of office.

Policies and Procedures for Induction and Training of New Members of Chapter

New members of Chapter are given a comprehensive briefing on the management organisation of the Cathedral, the role and responsibilities of the Cathedral Council, the Chapter, the College of Canons and the various supporting Committees. In addition, a full set of previous Annual Accounts are made available. All Chapter members are strongly encouraged to attend training events provided by the Association of English Cathedrals upon them taking up the post and at appropriate intervals thereafter.

Members of Chapter

The Dean	The Very Reverend Dianna Gwilliams
The Sub Dean	The Venerable Stuart Beake
The Residentiary Canons	The Reverend Canon Dr Andrew Bishop The Reverend Canon Dr Julie Gittoes The Reverend Canon Dr Paul Smith (from October 2017)
Chapter Appointees: HR and Safeguarding Hon Treasurer	Mrs Ruth Moore (until October 2017) Mr Ian Kenyon (until November 2017) Mr Andrew Pianca (from November 2017)
One Lay person appointed by the Bishop	Mr Julian Roberts (until March 2017)
Two persons elected by Cathedral Community	Mr Ian Bowler Mrs Linda Sharpin

Appendix 3 - The Cathedral Council

The Cathedrals Measure 1999 requires that it shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, to:

- Consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter;
- Receive and consider the annual budget of the Cathedral;
- Receive and consider the annual report and audited accounts;
- Consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of this Measure, and
- Perform such other functions as may be prescribed.

The Chairman is a lay person, not a member of the Chapter, appointed by the Bishop after discussion with the Chapter. The Dean is a member ex officio, and the Chapter elects two members. One member is elected by the Cathedral Community and two by the College of Canons. Further members are appointed to represent the wider civic, economic and ecumenical interests and concerns of the diocese.

The Bishop as Visitor is invited to attend as an advisor and non-voting member at all meetings of the Cathedral Council and the Council continues to be grateful for his support and advice.

Members of Cathedral Council

The Chair	Canon Professor Peter Shaw
The Dean	The Very Reverend Dianna Gwilliams
Two Members of the Chapter	The Reverend Canon Dr Andrew Bishop
	Mr Julian Roberts (until March 2017)
	Mr Ian Bowler (from March 2017)
Two Members of the College of Canons	Canon Peter Bruinvels (until October 2017)
	Canon Peter Hounslow (until October 2017)
	Canon Mike Bishop (from October 2017)
Two Lay Persons elected by the Cathedral Community	The Reverend Canon Stuart Thomas (from October 2017)
	Mr Paul Baumann
	Mrs Helen Perkins
One Person from the Cathedral Staff	Mrs Katherine Dienes-Williams
One Ecumenical Partner	Vacant
Four Persons appointed by the Bishop of Guildford	Canon Clare Turnbull
One Area Dean	The Reverend Canon Debbie Sellin (from October 2017)
One Person appointed by the Friends of Guildford Cathedral	Mrs Mary Morris
One Person nominated by the Diocesan Board of Education	The Reverend Canon Colin Matthews (from October 2017)
One Person from among the universities in Surrey	Professor Vince Emery (from October 2017)
One Person from Local Government	Vacant
Five People bringing National and Government Involvement	Canon Mike More-Molyneux (from October 2017)
	Canon Peter Bruinvels (from October 2017)
	Mr Julian Roberts (from October 2017)
	Vacant
	Vacant
Co-optee	Mr Bob Ellison

Appendix 4 -The College of Canons

The College of Canons consists of the Dean, Residentiary Canons, the Archdeacons of Surrey and Dorking and the Bishop of Dorking. In addition there are 30 members (15 ordained and 15 lay) appointed by the Bishop of Guildford in consultation with the Dean, up to 4 Ecumenical Canons and up to 3 additional members who may hold a particular responsibility in the diocese. The College elects two members to the Cathedral Council. It is the responsibility and duty of the College of Canons to elect the Diocesan Bishop in accordance with the Appointment of Bishops Act, 1533.

The role of the College of Canons is to promote and support the Mission and Ministry of the Cathedral in the diocese by drawing on the experience of its members in their ministry and reflecting the views of the Diocese. In furtherance of that role it shall:

- Receive and consider the annual report and audited accounts.
- Discuss such matters concerning the Cathedral as may be raised by any of its members, and
- Perform such other functions as may be prescribed and relevant to its role.

Members of College of Canons

The Dean	The Very Reverend Dianna Gwilliams
Residentiary Canons	The Reverend Canon Dr Julie Gittoes
	The Reverend Canon Dr Andrew Bishop
	The Venerable Stuart Beake, Sub Dean
	The Reverend Canon Dr Paul Smith (from October 2017)
Honorary Canons	The Right Reverend Jo Bailey-Wells, Bishop of Dorking
	The Venerable Paul Bryer, Archdeacon of Dorking
	The Venerable Paul Davies, Archdeacon of Surrey (from September 2017)
	The Reverend Canon Nick Aiken

The Reverend Canon Judith Allford
The Reverend Canon William Challis
The Reverend Canon Robert Cotton
The Reverend Canon Tim Hillier (from January 2018)
The Reverend Canon Robert Jenkins
The Reverend Canon Dr Andrew Norman
The Reverend Canon Frank Scammell (from January 2018)
The Reverend Canon Debbie Sellin ((from January 2018)
The Reverend Canon Dr Steve Summers (from January 2018)
The Reverend Canon Stuart Thomas
The Reverend Canon Paul Thompson (from January 2018)
The Reverend Canon Dr Hazel Whitehead
The Reverend Canon Nick Whitehead
The Reverend Canon Dr Sam Wells (from January 2018)
The Reverend Canon David Willey

Canon Mike Bishop
Canon Peter Bruinvels
Canon Peter Hounslow (until October 2017)
Canon Nigel Lewis (from January 2018)
Canon Michael More-Molyneux
Canon Mary Morris
Canon Geoffrey Riggs
Canon Patrick Samuels (from January 2018)
Canon Peter Shaw (from February 2017)
Canon Lady Elizabeth Toulson
Canon Clare Turnbull
Canon Jane Whittington (from January 2018)
Canon Michael Young

Ecumenical Canons

The Right Reverend Richard Moth (from January 2018)
Canon Rod Boreham (from January 2018)
The Reverend John Hellyer

Appendix 5 - The Bishop

The Bishop shall have the principal seat and dignity in the Cathedral.

After consultation with the Chapter and subject to any provision in the Statutes, he may officiate in the Cathedral and use it in his work of teaching and mission, for ordinations and synods and for other Diocesan occasions and purposes. Also,

- The Chapter shall from time to time consult the Bishop in respect of the general direction and mission of the Cathedral, and the Bishop may at any time seek the advice of the Chapter on any matter.
- The Constitution of the Cathedral provides that the Bishop shall be the Visitor thereof.
- The Bishop shall as Visitor hear and determine any question as to the construction of the Constitution and Statutes.
- The Bishop may hold a visitation of the Cathedral when he considers it desirable or necessary to do so or when requested by the Council or the Chapter.
- In the course of a visitation, the Bishop may give such directions to the Chapter, to the holder of any office in the Cathedral or to any person employed by the Cathedral as will, in the opinion of the Bishop, better serve the due observance of the Constitution and Statutes.
- It shall be the duty of any person or body on whom functions are conferred by or under The Cathedrals Measure 1999 to act in accordance with any determination under, and any direction under, the above paragraphs.
- The provisions above are without prejudice to the powers of the Bishop under the Care of Cathedrals (Supplementary Provisions) Measure 1994 and his powers as Visitor generally.
- The Bishop may at any time propose for consideration by the Council amendments to the Constitution.

Appendix 6 - The Cathedral Finance Committee

The Constitution requires the setting up of a Finance Committee with the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management and the management of property and assets belonging to the Cathedral. Chapter receives and acts with the guidance and the advice given to it by Cathedral Finance Committee.

The Committee consists of the Dean, the Director of Operations, the Honorary Treasurer, two or more persons, not being members of Chapter, appointed for their expertise and experience in the field of financial and investment management, and one other person appointed by Chapter who may be a member of Chapter. Members are appointed for a renewable period of three years.

The Cathedral's Finances

Investment Powers - Under the terms of 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 Ltd.
- Investments in which the trustees may invest under the general power 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 and its ancillary buildings.

Members of the Cathedral Finance Committee

Mr Ian Kenyon (Honorary Treasurer and Chair) (until November 2017)
Mr Andrew Pianca (Honorary Treasurer and Chair) (from November 2017)
The Very Reverend Dianna Gwilliams
The Venerable Stuart Beake
Mr Ian Bowler
Mr Clive Cunningham
Mr Matt O'Grady

Appendix 7 - The Cathedral Community Committee

The Cathedral Community Committee acts as a channel of communication between the Chapter and the Cathedral Community. It was newly constituted in May 2017, with a lay Chapter member in the Chair.

Members of the Cathedral Community Committee

Mrs Linda Sharpin (Chair)
Mr Ian Bowler
Mrs Elaine Brown
Ms Sarah Hawken
Mr Andrew Hodges
Mrs Sue Holroyd
Ms Nicola Pratt
Mr Donald Thompson
Mrs Olivia Timberlake
Mr Paul Williamson

Appendix 8 - Fabric Advisory Committee

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee (FAC) is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter in regard to proposed development of and changes to the Cathedral's fabric.

There are eight voting members of the Fabric Advisory Committee, four appointed by the Cathedrals Fabric Commission after consultation with the Chapter, and four by the Chapter after consultation with the Commission. The members appoint a Chairman from among their own number. The Dean and the Director of Operations attend meetings on behalf of the Chapter, and other Chapter members are free to attend; no members of the Chapter have a vote. The Cathedral Architect, under Section 4 of the Care of Cathedrals Measure 1990, has a duty to attend meetings, although he does not have the right to vote.

Members of the Fabric Advisory Committee

Chairman	Mr Nick Sealy Ms Beth Astridge Mr Colin Kerr Mr James Miller Mr Paul Williams The Reverend Canon Stuart Thomas Mr Paul Velluet Vacant
Secretary In attendance	Mr Matt O'Grady Mr John Bailey, Cathedral Architect Mr Jim Blake, Head of Property and Facilities The Reverend Canon Dr Julie Gittoes, Residentiary Canon The Very Reverend Dianna Gwilliams, Dean Mr Roger Heath-Bullock, Treasury Curator The Venerable Stuart Beake, The Sub Dean

Appendix 9 - Guildford Cathedral Enterprise Ltd

Guildford Cathedral Enterprises Limited is wholly owned by the Cathedral, and runs events, the Shop and the Refectory contract. Any profits are gifted to the Chapter and are included in the consolidated statement of financial activities.

Guildford Cathedral Enterprises Limited Management Board Members

Ms Jenny Tomley (Chair from October 2017)
Mr Ian Bowler (Non-Executive Director)
Mr Andrew Ewbank (Non-Executive Director)
Mrs Linda Sharpin (Non-Executive Director) (Chair until June 2017, then resigned from Board)
Mr Wallace Vincent (Non-Executive Director)

Appendix 10 – Cathedral Fundraising Committee

The Fundraising Committee was established in 2016 to oversee the work of raising money for the operational costs of running the Cathedral.

Members of the Cathedral Fundraising Committee

Mr Julian Roberts (Chair)
The Very Reverend Dianna Gwilliams (Dean)
Mr Ian Bowler
Mr Matthew Lagden
Mr Mike More-Molyneux (from November 2017)
Mrs Lavinia Sealy (from November 2017)
Mr Nick Sealy (from November 2017)
Mr Paul Savage
Mr Charles Whiffin
Ms Susan Barry (Head of Fundraising)
Ms Nicola Pratt (Fundraising Officer)

Appendix 11 – Cathedral Lay Staff

Director of Operations	Mr Matt O’Grady
Organist & Master of the Choristers	Mrs Katherine Dienes-Williams
Dean’s Virger	Mr Paul Williamson
Head of Finance	Mr Ian Carruthers (until June 2017, then vacant)
Head of Enterprise	Mrs Caroline Simcox
Head of Fundraising	Ms Susan Barry (from January 2017)
Head of Property and Facilities	Mr Jim Blake
Head of Schools and Family Learning	Mrs Charlotte Potter
Shop Manager	Mrs Sharon Collier

In addition we work closely with:

Refectory Director (Café Restaurant – Caper & Berry until September 2017)	Mr Brian Stanley (deceased May 2017)
Seasons Manager (Café Restaurant – Topsy Pigs from October 2017)	Ms Carla Williams

Appendix 12 - Cathedral Volunteers

Chapter acknowledges the enormous contribution made more than 300 volunteers throughout the year. The various areas of service are led by the following:

Cathedral Senior Volunteers

Cathedral LLM (Reader)	Mr John Mitchell
Chief Steward	Mrs Trish Lambert (from March 2017)
Chief Guide	Mrs Janet Mathews
Captain of Bell Tower	Mr Chris Rogers
Cathedral Archivist	Mrs Liz North
Friends’ of Guildford Cathedral Vice Chair	Mrs Mary Morris
Guildford Cathedral Singers Director	Mr John Bawden
Head Server	Mr Chris Nott (until October 2017)
	Mr Richard North (from January 2018)
Sunday School	Mrs Alice Bishop
Treasury Curator	Mr Roger Heath-Bullock
Fair Trade	Mrs Sue Howland
Shop	Mrs Janet Busby

Appendix 13 – Cathedral Officers and Advisers

The work of the Chapter would not be possible without support from experts in various professional fields and the following table details the Chapter’s advisers:

Architect and Surveyor	Mr John Bailey BA, BArch, RIBA, AABC Thomas Ford & Partners
Auditor	Mr Andrew Skilton Brewers Chartered Accountants
Bank Manager	Mr Mark Aitken National Westminster Bank
Cathedral Solicitor	Mr Duncan Elson, LLB Charles Russell Speechlys
Investment Adviser	Mr James Stewart Smith Charles Stanley & Co Ltd