



2011

# Report and Annual Accounts



## **The Cathedral Church of St Martin, Leicester [Leicester Cathedral]**

### **Legal and administrative information for the year ended 31<sup>st</sup> December 2011**

#### **Governing statute:**

Constitution and Statutes of the Cathedral Church of St Martin, Leicester dated 29<sup>th</sup> September 2002.

#### **Cathedral Office**

Cathedral Centre  
21 St Martins  
Leicester  
LE1 5DE (*until 20<sup>th</sup> January 2011*)

St Martins House  
7 Peacock Lane  
Leicester  
LE1 5PZ (*from 21<sup>st</sup> January 2011*)

#### **Chapter**

Members of Chapter during the year to 31<sup>st</sup> December 2011 were as follows:

##### *Dean*

The Very Reverend Vivienne Faulk

##### *Canons Residentiary*

Revd Canon Barry Naylor

*Urban Canon – and priest in charge of The Abbey and Holy Spirit Team Ministries.*

Revd Canon Johannes Arens

*Canon Precentor (from April 2011)*

Revd Canon David Monteith

*Canon Chancellor*

Revd Canon Paul Hackwood (NSM)

##### *Appointed by the Bishop and Dean*

Mrs Janet Arthur

Mr Arthur Binns

Prof Annette Cashmore

Canon Mrs Sarah Longhill

##### *Elected from the College of Canons*

Revd Canon David Jennings

##### *Elected from the membership of the Electoral Roll*

Miss Carole Moore

##### *Elected from the Cathedral Community Committee*

Mr Clive Watts

#### **Cathedral Council** (*until December 2011 when new appointments were made*)

Mr Andrew Granger DL (*Chairman*)

Mr Gordon Arthur

The Venerable Richard Atkinson

Lady Ann Brooks (*Canon Emeritus*)

Prof Annette Cashmore

Mr Victor Chibwana

Mr Colin Entwistle

The Very Revd Vivienne Faulk

Mr Chris King

Mrs Sue Mason

Revd Barry Naylor (*Urban Canon*)

The Venerable David Newman

Mrs Suzanne Watson

Ms Elizabeth Wayne

Prof David Wilson

Mrs Sheila Yates

## College of Canons

### *Ex officio members*

The Very Revd Vivienne Faull  
The Rt Revd Christopher Boyle  
The Venerable Richard Atkinson  
The Venerable David Newman

### *Residentiary Canons*

Revd Barry Naylor  
Revd David Monteith  
Revd Paul Hackwood  
Revd Dr Johannes Arens

### *Canons Theologian*

Revd Dr Andrew Wingate  
Dr Judith Maltby  
Revd David Jennings  
Rt Reverend Gordon Mursell

### *Honorary Canons*

Revd Jane Curtis  
Revd Sue Field  
Revd Dr Stephen Foster  
Revd Rob Gladstone  
Revd Dr Mike Harrison  
Revd Anne Horton  
Revd Javaid Iqbal  
Revd Philip O'Reilly  
Revd Chris Oxley  
Revd Glynn Richerby  
Revd Michael Rusk  
Revd John Sharpe  
Revd Beverley Stark  
Revd David White  
Mr Stephen Barney  
Mr David Beeson  
Mrs Rosemary Benn  
The Rt Hon The Baroness Hazel Byford of Rothley  
Mr Michael Chamberlain  
The Hon Mrs Mary Rose de Lisle  
Mrs Sue Granger  
Mr Gwynne Jones  
Mrs Mary Lawson  
Mrs Sarah Longhill  
Mr Graham Moore  
Mr Ian Neale  
Mrs Penny Russell  
Mr Geoffrey Simpson  
Mr Maurice Thompson  
Ms Veronica Tonge  
Mr David Wilson  
Professor David Wilson  
Mr Graham Wright

### *Ex officio*

### *Cathedral Wardens*

Mr Colin Entwistle  
Ms Ann Reddecliffe

**Senior Staff**

Mr Francis Brown Cathedral Administrator  
Dr Chris Johns Director of Music (*from January 2011*)  
Mr Peter Collett Head Verger  
Ms Claire Recordon Fundraising, Marketing and Development Officer

**Cathedral Architect**

Mr Ian Salisbury MA(Oxon) DiplArch, RIBA, FCI Arb

**Cathedral Archaeologist**

Dr Philip Dixon MA,DPHIL, FSA, FRHS

**Finance Committee**

The Dean  
Mr Arthur Binns  
Mr Francis Brown  
Revd Canon Paul Hackwood  
Mr Bill Richmond  
Canon Geoffrey Simpson MBE, TD, DL  
Mr John Thorpe  
Mrs Roopal Shah (*from November 2011*)

**Fabric Advisory Committee**

Revd Mandy Ford (chair)  
Mr Tim Abbott  
Mr Steve Bowyer  
Canon Terence Cocks  
Mr David Gazeley (*until March 2011*)  
Dr Elizabeth Lambourn  
Revd Canon Bruce Ruddock  
Mr John Stanley

**Bankers**

Barclays Bank plc  
1 – 3 Haymarket Towers Branch  
Humberstone Gate  
Leicester  
LE1 1WA

**Cathedral Solicitors**

Mr T Kirkman MA (Cantab)  
Latham and Co Solicitors  
Charnwood House, 2 Forest Road  
Loughborough  
LE11 3NP

**Auditors**

Chantrey Vellacott DFK  
1<sup>st</sup> Floor, Gateway House  
Grove Business Park  
Enderby, Leicester  
LE19 1SY

**Investment Managers**

CCLA Investment Management Ltd  
80 Cheapside  
London  
EC 2V 6DZ

## The Cathedral's role in the Diocese

The Bishopric and Diocese of Leicester were founded in 1926. Its boundaries are almost coterminous with the county of Leicestershire with the city of Leicester at its heart. The Diocesan Bishop is Tim Stevens.

The Cathedral is the focus of the Diocese and used for major Diocesan services such as ordinations and confirmations and upwards of 154 special services in 2011. It is also a venue for concerts, lectures and exhibitions.

In January 2011 the cathedral, DBF, DBE staff and the cathedral song school were moved into St Martins House, the refurbished former Grammar School adjacent to the cathedral. This innovative partnership is managed by St Martins Cathedral Properties Ltd, the founding directors being the Bishop, the Dean and the Chair of the Board of Finance. Along with the co-located offices and conference facilities St Martins House includes an Outreach Centre which accommodates (amongst others) the Street Pastors and Welcome Project which began under the cathedral umbrella. The driving aims of St Martins House are generous hospitality, attentiveness to God and transforming relationships.

The Cathedral is also a parish church – albeit one with a very small resident population – and is a member of the Churches Together in Leicester City Centre and the City Centre Mission Partnership.

## How the Cathedral is managed

### The Chapter

Under requirements laid down by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999, the Cathedral is the seat of the Bishop and a centre of worship and mission. In particular Chapter is responsible 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 the Cathedral and its connected entities
- Stating that they have complied in all material respects with the regulations on the subject prepared by CAFA or describing which recommendations have not been complied with and giving reasons for their 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, and
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chapter maintains a Risk Register which is considered at every meeting to ensure that steps are taken to mitigate the risks. The Chapter meets on at least nine occasions in each calendar year.

It currently comprises six lay people and five clergy and is chaired by the Dean. New members of Chapter receive an induction that includes the responsibilities of Chapter and their authority under the constitution and attendance at a national training day.

Meetings in 2011	Possible Attendance	Actual Attendance	Percentage Attendance
1st February 2011	11	10	91%
15th March 2011	11	9	82%
12th April 2011	11	8	73%
24th May 2011	12	11	92%
28th June 2011	12	10	83%
6th September 2011	12	10	83%
14th October 2011	12	12	100%
25th October 2011	12	10	83%
29th November 2011	12	9	75%
Average attendance	105	89	85%

The Cathedral Corporate Body consists of the College of Canons, the Council and the Chapter. The Chapter is the Governing Body and consults with the College and Council as required by the Measure

### **The Cathedral Council**

Under the Cathedrals Measure the Council is an advisory and consultative body, established to support the work of the Chapter and to ensure accountability to the wider community and diocese. It provides a sounding board and guidance for Chapter as well as offering an informal 'watchdog' role to ensure the Cathedral fulfils its legal responsibilities. It also has the formal role of decision making should an amendment of the Cathedral's Constitution and Statutes be proposed.

### **The College of Canons**

The College consists of equal numbers of diocesan clergy and lay people appointed by the Bishop of Leicester. Its role is consultative. It also has a formal role in the election of the Diocesan Bishop. The College elects one of its members to the Chapter.

### **The Finance Committee of the Chapter**

This Committee is responsible for advising the Chapter in connection with its responsibilities in the field of financial and investment management. Members are selected for their financial or investment experience. The committee reviews quarterly management accounts and the annual budget.

### **Investment Powers**

Under the Cathedrals Measure 1999 the Chapter currently invests the Cathedral's funds in Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.

## **Chapter's Report**

The New Year began with a major fundraising concert, Vienna Vienna, by the Graff Orchestra of England, and continued with the move from the Cathedral Centre into St Martins House, meticulously planned by the cathedral Administrator, Francis Brown and his Assistant, Michaela Pursglove. Fundraising, and the new context and base for our mission and ministry, were significant throughout the year. More generally, under the leadership of the cathedral Chapter, the cathedral continued to implement the key areas of its strategic plan.

### **Supporting the mission of the diocese and the Bishop, and strengthening the partnership between cathedral, diocese and Bishop.**

In 1944 the then Bishop, Guy Vernon Smith, had suggested that as the diocese had resolved not to build a purpose built cathedral on the designated site in Clarendon Park, the 'interim' cathedral of St Martins (since 1927) now needed significant investment in ancillary facilities, as well as internal reordering. He suggested that the adjacent school should be purchased and converted for church use. It took nearly 70 years, and the episcopate of Bishop Tim Stevens, working with the Cathedral and the Diocesan Board of Finance as well as significant donors, to enable the Diocese to fulfil this vision. The cathedral staff, along with the staff of the Boards of Finance and Education, moved alongside one another in January and during the year new ways of working, and new teams, began to emerge. For the cathedral the move meant less office space, but much improved facilities for hospitality, education, music and outreach. The cathedral put its Centre up for sale, but in a poor market it remained unsold during the year. The move put partnership working at the heart of our strategy and management. It also had a profoundly positive effect on wider perceptions of the cathedral and the church.

Crossing the threshold events, which celebrated both the opening of St Martins House and of the refurbished Launde Abbey took place in May and June and the creative work of Canon David Monteith and the team he gathered ensured that the marking of the new era for the Diocese and cathedral was done with panache as well as prayer. Beginning in St Martins House and moving into the cathedral, with a large congregation drawn from the communities of Leicester and Leicestershire a new anthem by Karl Jenkins received its first performance in the context of a liturgy which told the story of St Martin. The service, followed by a party, 'free for all', reminded us of our vocation to gather civil society through generous hospitality and how, through attentiveness to God and transforming relationships, the cathedral renews its licence to operate.

In December new, and much needed, cathedral exterior signage (extending the design style by Carl Bebbington of New English first used at St Martins House) was installed after careful work by the Revd Mandy Ford, Chair of the Fabric Advisory Committee and Canon David Monteith with the City Planning Officer and Conservation Officer to gain the necessary permissions. We are grateful to St Martins House and the David Ross Foundation for their funding of this work.

Shortly before Christmas we heard of possible plans for a visit to Leicester by Her Majesty the Queen and Prince Philip, an additional visit to those already scheduled for the Diamond Jubilee year. In the event the Queen and Duke joined by the Duchess of Cambridge for a visit to the city which had a cathedral service, followed by lunch at St Martins House, at its heart. The impact of the day, which was declared by the Palace and the City to be a triumph, will be considered in the Report for 2012.

### **Developing the cathedral as a place of inspirational worship**

In a transitional year the new Director of Music Dr Christopher Johns, working with Simon Headley, began to lay the foundations for the next stage in the life of the cathedral choir, and the musical outreach of the cathedral. By Christmas 2011 there was noticeable development in the choir's repertoire and reputation. Chris' plan to work with schools and churches to provide additional opportunities for choral singing gained the financial support of the Player Trust and DioSing, a major three-year programme, reached advanced planning stage by the end of the year.

After a 6-month interregnum Johannes Arens was installed as Canon Precentor on Palm Sunday and was awarded his doctorate by the University of Durham shortly after his arrival. Johannes is German, an Old Catholic by background, and comes with significant parochial experience as well as a fine singing voice. We celebrated his arrival, and Easter Sunday, with an orchestral Mass setting (supported by the Graff Orchestra of England) which brought significantly increased numbers to worship.

## **Becoming a welcoming and hospitable place**

The number of events and services, and the attendance, continued to increase as the range of people who regard the cathedral as 'theirs' also extends. Major services included:

- our first St Patrick's Day service prior to the annual city parade, the Armed Forces Day Civic Service which is now established in the cathedral calendar,
- an additional ordination service in July hosted by the cathedral on behalf of Bishop Lindsay Irwin and the Provincial Episcopal Visitor,
- a Civic Service to remember 9/11 and its subsequent events ten years on,
- an Eve of Pride service, brought back into the cathedral schedule after a gap of two years,
- two services including the ministry of the Bishops from our link dioceses in Tanzania and (also in October)
- a High Sheriffs' service for Leicestershire and Rutland, the first major service for the judiciary in Leicester Cathedral for many years and instigated by Peter Lawson and Resham Singh Sandhu working in partnership with their chaplains Jane Baxter and the Dean of Leicester.
- On the previous day the cathedral held a memorial service for Monsignor Richard Rutt, Bishop of Leicester for ten years from 1979 and subsequently ordained a Roman Catholic priest. The service was attended by his family, friends, including those from Korea, Anglican and Roman Catholic colleagues from the Diocese of Leicester and Truro as well as representatives of the Knitting and Crochet Guild, of which Fr Richard was president. Fr David Silk gave the panegyric and the Very Revd Alan Warren, Provost Emeritus, was the preacher.
- Finally, before we embarked on the many Advent and Christmas services in November we celebrated the 70<sup>th</sup> anniversary of the founding of the Air Cadets, which Leicester pioneered.

The staff team of Peter Collett (head Verger and Booking Manager) and Julia Unna (personal assistant to the Canons) was at the heart of these events, which went so smoothly because of their project planning skills.

In addition we were glad to welcome those meeting at St Martins House, amongst them, and invited by Andrew Granger DL, chair of Leicester Cathedral's Council, the Chairmen of Cathedral councils who were addressed by Lady Elspeth Howe who steered the review of cathedral governance through General Synod and Parliament in the 1990s. She was pleased to note that St Martins House was one of many examples of cathedral enterprise and development in the last two decades.

## **Getting involved in the Wider Community**

The Donaldson Centre (named after the former vicar of St Mark's Leicester in the early 20<sup>th</sup> century who gained the less official title 'vicar to the poor'), part of St Martins House, now houses a purpose built reception for the Welcome Project and Street Pastors. It is good to see projects which grew under the cathedral's nurturing now self governing and self supporting and with much improved facilities. They share the space with City of Sanctuary and other social enterprises. Meanwhile the cathedral community began to develop a link with the local ecumenical church charity, Bridge from Homelessness to Hope, recognising the significant need in a city where the number of homeless has increased 10 fold in six months. In November a fundraising lunch raised £2,714 (at latest count) for outreach work from the Cathedral and for Bridge. The Cathedral AM city centre breakfast meetings have continued with an engaging variety of speakers – an initiative using volunteers from the Cathedral community and building on Revd Julie Ann Heath's work in the retail sector of the city centre

Canon Barry Naylor, the Community Committee, and our new representatives on Deanery Synod, were at the heart of the city churches praying and planning for the church, as part of the Vision 2020 programme. The cathedral, in partnership with the churches served by Canon Barry (St Margaret's, St Nicholas and St Andrews') offers one possible model of shared ministry for the future.

## **Encouraging and supporting our cathedral community**

With a seven day a week schedule, great expectations are now resting on us and a small staff of only 11.98 full time equivalents, we are dependent on our 138 volunteers who provide the additional support needed. During the year one of our volunteers, Robert Cane spent three months working on our new website, and drafting a detailed volunteer policy. We are immensely grateful to him, and to so many like him who give sacrificially and willingly to enable the cathedral to grow. In addition the choir's move out of the cathedral Song School into St Martins House has provided a significant space 'backstage' for the work of the wardens, guides, welcomers, and caterers who have worked for many years in intolerably cramped quarters.



## **Being a centre of education and a resource for all**

The work of Janet Ingram, our Religious Education officer continued to develop, with acclaim for programmes as different as Faith Journey for primary pupils which links the work of the cathedral with our Sikh, Jain and Buddhist near neighbours, and enables members of those communities to talk about the significance of their own faith journeys, 'Moving on' a pilgrimage for those moving from primary to middle school which gained such a reputation that we have created a version for adults, and Breathe, our resource for older students which enables those from any background to explore issues of spirituality and faith. A Church Urban Fund grant has enabled 3 schools in our most disadvantaged city areas to use Breathe with 3 more scheduled in 2012. During the year we prepared an application for significant additional funding for Breathe and were glad to hear that Henry Smith's Charities will be supporting this development in 2012-13 with a grant of £25k over two years enabling new work with approximately half the secondary schools in our diocese.

The work of the Chorister Outreach programme continued and grew. In 2011, 14 schools hosted weekly workshops and 524 children came to the cathedral for one of the COP events. Originally funded by the Department for Education, we were delighted that schools were so convinced of its value they were prepared to use discretionary funding to help finance this programme which has a significant impact on music making, and also raises confidence levels and increases concentration. The COP concerts and services have filled the cathedral with enthusiastic children, and families for whom the event is their first contact with the cathedral (and the Christian church).

## **Developing the cathedral's resources**

Both Chapter and Community committed themselves to developing the financial resourcing of the cathedral through fundraising in 2011. A fundraising committee, chaired by Canon Paul Hackwood and supported from the staff by Claire Recordon, has given this work new focus and impetus. We hosted several Vintage Fairs and a Food Fair and discovered how well the nave works as a market venue. The New Year concert, and the later Collegium Regale concert, were followed by a range of community initiatives including Ton of Talents, with congregation members challenged to take £10 and return it multiplied. Their creative work included one of our young mums exploring her talent for making jewellery leading to the setting up of her own business, another couple providing services mainly to older people to switch their televisions over to the digital signal, a group of quilters met together to sew and to raffle their prize creation, to those who cleared out their over full cupboards resulting in lucrative boot sales.

In November, after several months of consultation with other cathedrals, and weeks of detailed preparation by Elizabeth Amias, we launched the Guild of St Martin, a new funding venture which gathers individuals and companies who are prepared to offer generous support to our cathedral. We are immensely grateful to all those who have helped us begin work on the Guild, and those who have encouraged us considerably by joining.

Vivienne Faulk  
Dean of Leicester

## Financial Review

### General

In 2011, the cathedral produced an operating deficit of £60,718 on its day to day activities. The previous year had resulted in a smaller deficit of £9,344. The increase in 2011 is largely due to increased expenditure of £50,674.

Total income in 2011 was £570,425 – similar to the £571,125 in 2011.

Voluntary income overall remained at the same level although there were differences within the detail. The income received through tax recovered from gift aid donations dropped by £7,623 mainly due to the drop in fundraising income.

However, the total grants received in 2011 were higher by £39,595. This was partly as a result of the increase in Section 21 and 23 grants from the Church Commissioners totalling £6,483 and an additional Section 22 grant to cover the shortfall normally suffered during an interregnum. The rules have changed and the cathedral was able to claim the costs incurred in both covering the Canon Precentor post and the costs incurred in the new Canon moving into the area – this additional income amounted to £19,945.

Other grant income was received from the AllChurches Trust which gave an additional £4,000 over the 2010 grant, a grant from the Player Trust of £4,000 to set up the Diocesan Singing Programme (DioSing), the Church Urban Fund gave £3,982 for a project to take Breathe into schools and the Edith Murphy Trust gave £5,000 to support the cathedral's work in both education and music.

The most significant drop in income is in the section 'Income from activities generating funds' which shows a reduction of £26,076 year on year. The primary activity in 2011 was the setting up of the Guild of St Martin as a long term strategy in securing funding on a more regularised basis. This meant that less time could be devoted to fundraising specifically.

Income from Property and Investments dropped by £8,386 in 2011, a reflection both of the wider economy.

'Expenditure on Ministry' increased by £57,088 in 2011. Part of the increase was the result of a decision to carry out essential improvements to the Deanery and the Canon Precentor's house.

The 'Services, Music and Congregational Costs' with 'Ministry Costs' increased by £22,879 partly due to expenditure on the crib, the acquisition of additional copes and other costs arising from the expansion in the range of activities undertaken in the cathedral.

The costs for 'Cathedral and Precincts and upkeep' are higher by £6,192 mainly as a result of the need to maintain 21 St Martins (the Cathedral Centre) as well as pay the Service Charge of occupying St Martins House.

### Funds

The Cathedral's funds were invested in CBF Funds and at 31 December 2011 the allocation was as follows (together with the fund performance against its benchmark):-

	Capital Allocation	Performance	Benchmark/Comparator	
CBF Investment Fund	57.8%	- 0.9%	- 0.8 %	*1
CBF UK Equity Fund	2.1%	- 2.5%	- 5.5%	*2
CBF Property Fund	28.9%	+ 6.8%	+ 6.7%	*3
CBF Fixed Interest Securities	1.0%	+11.5%	+ 14.8%	*4
CBF Deposit Fund	10.2%	+ 0.9%	+ 0.5%	*5

\*1 Comparator – Composite: FTSE All-Share 60%, FTSE World ex UK 20%, IPD All Properties 10% & FTSE UK Government All Stocks 10%

\*2 Benchmark – FTSE All-Share Index Adjusted for Ethical Restrictions.

\*3 Benchmark – IPD Balanced Property Unit Trust Index

\*4 Benchmark – Composite: BarCap £ Gilt 80% and £ Agg 100 MM Non Gilt 20%

\*5 Benchmark – 7 Day LIBID

## Total Return on Investments

	Unrestricted	Restricted £'000	Endowment £'000	<b>Total £'000</b>	
Investment income inc Deposit interest	21,557	11,035		<b>32,592</b>	Note 2v
Movement in MV	(7,220)	(1,888)	(11,925)	<b>(21,033)</b>	Note 10
Property	-	(60,000)	-	<b>(60,000)</b>	Note 15b
<b>Total</b>	<b>14,337</b>	<b>(58,358)</b>	<b>(4,420)</b>	<b>(48,441)</b>	

## Cathedral Maintenance and Conservation Costs

Chapter is committed to carry out certain repairs and improvements but these will only be able to be carried out after funding has been secured. The immediate priorities include the Clerestory Windows and funds have been promised for one of these to be repaired in 2012. A new plinth and new lighting and sound systems are becoming more urgent as each year passes and it is not felt that these can wait until a full reordering programme can be commissioned.

## Trends

It is difficult to predict the future in the current economic climate but Chapter has now decided that the Funds currently held for particular purposes should be used, wherever possible, to minimise the continuing reduction in the balance of the General Fund. Concerted effort will then be made to replenish these funds for future use. It is believed that this should be easier as funding agencies are only really interested in assisting with particular work and activity rather than supporting the general expenses incurred.

Every effort will be made to reduce costs and with the development of the new accounts system there is the significant opportunity of establishing Cost Centres which will give greater clarity to the management of the finances.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF THE CATHEDRAL CHURCH OF ST MARTIN, LEICESTER (LEICESTER CATHEDRAL)**

We have audited the financial statements of The Cathedral Church of St Martin, Leicester (Leicester Cathedral) for the year ended 31 December 2011 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the Chapter, as a body, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals (November 2006) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the members of 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 members of the Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Chapter and auditor**

As explained more fully in the statement of the Cathedral Chapter's responsibilities, the Chapter are responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Leicester Cathedral's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chapter; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Annual Accounts to identify material inconsistencies with the audited financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Cathedral's affairs as at 31 December 2011 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (November 2006) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

## **CHANTREY VELLACOTT DFK LLP**

Chartered Accountants and Statutory Auditor  
Leicester

# LEICESTER CATHEDRAL

## STATEMENT OF FINANCIAL ACTIVITIES

31 DECEMBER 2011

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2011	Total Funds 2010 (Restated)
		£	£	£	£	£	£
<b>Incoming resources</b>	2						
(i) Voluntary income		115,164		22,183		<b>137,347</b>	137,560
(ii) Grants receivable		25,200		304,714		<b>329,914</b>	290,319
(iii) Charges and fees arising in the course of mission		23,146		-		<b>23,146</b>	25,024
(iv) Income from activities generating funds		41,893		-		<b>41,893</b>	67,819
(v) Income from property and investments		21,557		11,035		<b>32,592</b>	41,338
(vi) Other income		5,533		-		<b>5,533</b>	9,065
<b>Total incoming resources</b>		<b>232,493</b>		<b>337,932</b>	-	<b>570,425</b>	571,125
<b>Costs of generating funds</b>	3	56,686		13,441	-	<b>70,127</b>	70,849
<b>Net incoming resources available for mission</b>		<b>175,807</b>	-	<b>324,491</b>	-	<b>500,298</b>	500,276
<b>Expenditure on mission</b>	4						
(i) Ministry		96,780		255,687		<b>352,467</b>	295,379
(ii) Cathedral and precincts upkeep		98,375		29,738		<b>128,113</b>	121,921
(iii) Education and outreach		19,882		26,208		<b>46,090</b>	47,995
(iv) Other expenditure							7,000
<b>Total expenditure on mission</b>		<b>215,037</b>	-	<b>311,633</b>	-	<b>526,670</b>	472,295
<b>Governance costs</b>		32,160		2,186		<b>34,346</b>	37,325
<b>Total expenditure on generating funds on mission and on governance</b>	5	<b>303,883</b>	-	<b>327,260</b>	-	<b>631,143</b>	580,469
<b>Net (outgoing)/incoming resources</b>		<b>(71,390)</b>	-	<b>10,672</b>	-	<b>(60,718)</b>	(9,344)
Gross transfers between funds - in		9,826	7,164	11,960		<b>28,950</b>	-
Gross transfers between funds - out		(19,124)	-	(9,826)		<b>(28,950)</b>	-
<b>Transfers</b>		<b>(9,298)</b>	7,164	2,134	-	-	-
<b>Net (outgoing)/incoming resources after transfers but before gains/(losses) on investments and property</b>		<b>(80,688)</b>	<b>7,164</b>	<b>12,806</b>	-	<b>(60,718)</b>	(9,344)
<b>Realised gains/(losses) on investments</b>		-	-	-	-	-	4,000
<b>Unrealised gains released on sales</b>							
Investments		-	-	-	-	-	-
<b>Unrealised (losses)/gains on revaluation</b>							
Investments	10	(7,220)	-	(1,888)	(11,925)	(21,033)	30,000
Property	11	-	(60,000)		-	<b>(60,000)</b>	(95,000)
<b>Net (decreases)/increases in funds</b>		<b>(87,908)</b>	<b>(52,836)</b>	<b>10,918</b>	<b>(11,925)</b>	<b>(141,751)</b>	(70,344)
Funds brought forward		311,647	1,839,103	102,367	267,206	<b>2,520,323</b>	2,590,667
<b>Funds carried forward</b>	15	<b>223,739</b>	<b>1,786,267</b>	<b>113,285</b>	<b>255,281</b>	<b>2,378,572</b>	2,520,323

LEICESTER CATHEDRAL

**BALANCE SHEET**  
31st December 2011

	Notes	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2011	Total Funds 2010 (Restated)
		£	£	£	£	£	£
<b>Fixed assets</b>							
<b>Investment assets</b>							
Investments	10	<b>198,371</b>	-	<b>64,262</b>	<b>244,804</b>	<b>507,437</b>	528,470
<b>Non investment assets</b>							
Property	11	-	1,786,267	-	-	<b>1,786,267</b>	1,846,267
Equipment and plant	12	-	-	-	-	-	-
		-	<b>1,786,267</b>	-	-	<b>1,786,267</b>	1,846,267
<b>Total fixed assets</b>		<b>198,371</b>	<b>1,786,267</b>	<b>64,262</b>	<b>244,804</b>	<b>2,293,704</b>	2,374,737
<b>Current assets</b>							
Stocks		1,900	-	-	-	<b>1,900</b>	500
Debtors	13	23,868	-	-	-	<b>23,868</b>	40,370
Short term deposits		31,282	-	58,777	10,477	<b>100,536</b>	157,291
Cash at bank and in hand		948	-	-	-	<b>948</b>	2,121
<b>Total Current Assets</b>		<b>57,998</b>	-	<b>58,777</b>	<b>10,477</b>	<b>127,252</b>	200,282
<b>Liabilities due within one year</b>							
Creditors	14	32,630	-	9,754	-	<b>42,384</b>	54,696
<b>Total Current Liabilities</b>		<b>32,630</b>	-	<b>9,754</b>	-	<b>42,384</b>	54,696
<b>Net current assets</b>		<b>25,368</b>	-	<b>49,023</b>	<b>10,477</b>	<b>84,868</b>	145,586
<b>Total assets less current liabilities</b>		<b>223,739</b>	<b>1,786,267</b>	<b>113,285</b>	<b>255,281</b>	<b>2,378,572</b>	2,520,323
<b>NET ASSETS</b>		<b>223,739</b>	<b>1,786,267</b>	<b>113,285</b>	<b>255,281</b>	<b>2,378,572</b>	2,520,323
<b>Unrestricted Funds</b>	15a	<b>223,739</b>				<b>223,739</b>	311,647
<b>Designated Funds</b>	15b		<b>1,786,267</b>			<b>1,786,267</b>	1,839,103
<b>Restricted Funds</b>	15c			<b>113,285</b>		<b>113,285</b>	102,367
<b>Endowment Funds</b>	15d				<b>255,281</b>	<b>255,281</b>	267,206
<b>TOTAL FUNDS</b>		<b>223,739</b>	<b>1,786,267</b>	<b>113,285</b>	<b>255,281</b>	<b>2,378,572</b>	2,520,323

Approved on 27<sup>th</sup> March 2012 and signed on behalf of Chapter:



Vivienne Faulk  
Dean of Leicester

## LEICESTER CATHEDRAL

### CASH FLOW STATEMENT

31st December 2011

	2011	2010 (Restated)	
	£	£	
<b>Net cash (outflow) from operating activities</b>	<b>(90,520)</b>	<b>(60,722)</b>	
<b>Returns on investments</b>			
Interest and dividends received net of costs	<b>32,592</b>	41,338	
<b>Capital expenditure and financial investment</b>			
Fixed asset purchases	-	(7,000)	
Sales of investments	-	105,000	
	<u>-</u>	<u>98,000</u>	
<b>Management of liquid resources</b>			
Net decrease/(increase) in short term deposits	<b>56,755</b>	(79,733)	
<b>Increase/(decrease) in cash at bank and in hand</b>	<b>(1,173)</b>	<b>(1,117)</b>	
<b>Cashflow Notes</b>			
<b>Reconciliation of net outgoing resources to net cashflow from operating activities</b>	<b>2011</b>	2010 (Restated)	
	£	£	
<b>Net outgoing resources</b>	<b>(60,718)</b>	(9,344)	
Decrease/(increase) in Debtors	<b>16,502</b>	(11,484)	
(Decrease)/Increase in Creditors	<b>(12,312)</b>	1,444	
Increase in Stock	<b>(1,400)</b>	-	
less income from investments	<b>(32,592)</b>	(41,338)	
<b>Net cash outflow from operating activities</b>	<b>(90,520)</b>	<b>(60,722)</b>	
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2011</b>	2010 (Restated)	
	£	£	
Increase/(decrease) in cash in the year	<b>(1,173)</b>	(1,117)	
Cash inflow/(outflow) from (decrease)/increase in short term deposits	<b>(56,755)</b>	79,733	
(Decrease)/increase in net funds in the year	<b>(57,928)</b>	78,616	
Net funds at 1 January	<b>159,412</b>	80,796	
Net funds at 31 December	<b>101,484</b>	159,412	
<b>Analysis of changes in net funds</b>	01-Jan-11	Cash Flow	31-Dec-11
	£	£	£
Cash at bank and in hand held as current assets	2,121	(1,173)	948
Short term deposits held as current assets	157,291	(56,755)	100,536
	<u>159,412</u>	<u>(57,928)</u>	<u>101,484</u>

## LEICESTER CATHEDRAL

### NOTES TO THE ACCOUNTS 31<sup>st</sup> DECEMBER 2011

#### 1a Accounting Policies

i Basis of Preparation

The accounts have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value and broadly in accordance with the guidelines on accounting and reporting by English Anglican Cathedrals as specified by the Church Commissioners.

ii Income and Expenditure

With regard to recording of income this is mainly recognised when it is received, such as donations. Grants however are dealt with when the entitlement to the income is confirmed and its use clarified. Expenditure is accounted for at the point at which an obligation or liability occurs.

Support costs have been apportioned in a similar way to previous years although account has been taken of the changes in the way the cathedral operates and its role within both the City and County. It has become a venue for a greater range of events and activities that has affected the way in which resources (including staff) spend their time.

iii Property

At the end of the financial year the Cathedral owned three residential properties. These properties are included at the lower of cost or a value based on realisable value. The occupiers are provided with accommodation rent free in order to perform their duties.

In addition it owned the Visitor Centre and the Cathedral Centre. For most of the year the Cathedral Centre has been empty as staff moved into St Martins House in January. The Visitor Centre is included at cost; the value of the Cathedral Centre has been adjusted to reflect more closely its current market value whilst it is under offer.

Properties are not depreciated as the Cathedral has a policy of and practice of regular maintenance on all its properties and on the basis that its residual value is believed to be not materially less than the current book value; this is subject to an annual impairment review.

iv Legacies

Legacies are used as requested by the benefactor.

v Repairs, restoration and maintenance of the cathedral

Essential repairs and maintenance are carried out as necessary and the Cathedral Architects annual report is used to identify such work.

vi Cathedral Building and Inventory

No value has been attributed in the balance sheet to either the Cathedral building or items in the inventory prepared under the Care of Cathedrals Measure. The Insurance valuation for the Cathedral building is £28,800,000 and the contents £805,000.

vii Office Equipment, Furniture and Fittings

These have been removed from the balance sheet as they had been fully depreciated.



- viii Investments
 

These assets have been included in the balance sheet at market value and comprise holdings in Central Board of Finance Investment Fund and Property Fund Shares together with dated government stock and quoted equity shares.
- ix Grants
 

Grants received have been used to cover expenditure as required by the conditions of the grant
- x Governance costs
 

Include costs that can be directly apportioned to the general governance of the cathedral which include Committee Secretarial Support, Committee Expenses, the cost of producing the Annual Report and a proportion of other costs that are also distributed across other cost centres. The allocation is based upon previous years and any significant changes in the current year.
- vii Stock
 

This comprises items for resale valued at cost.

### **1b Additional Note:**

#### Pension Contributions

The Cathedral participates in the Church of England Funded Pensions Scheme and employs 3 members of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Cathedral is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2009. This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions:

An investment strategy of:

- o for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
- o for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
  - Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
  - RPI inflation of 3.8% pa (and pension increases consistent with this);
  - Increase in pensionable stipends of 3.8% pa; and
  - Post-retirement mortality in accordance with 80% of the S1NA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1.0% for females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Cathedral to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2006 valuation, the Cathedral contribution rate was set at 39.7% of pensionable stipends with effect from 1 April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1 January 2010, reflecting unfavourable investment experience and changes in financial market conditions. Following the valuation of the Scheme as at 31 December 2009, and some agreed changes to benefits, the contribution rate has been set at 38.2% with effect from 1 January 2011.

The next valuation of the Scheme will be due as at 31 December 2012.

In addition, Leicester Cathedral makes contributions on behalf of its administrative staff into defined contribution schemes, the cost of premiums being included in these accounts.

# LEICESTER CATHEDRAL

## NOTES TO THE ACCOUNTS

31st December 2011

### 2 Incoming resources

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2011	Total Funds 2010 (Restated)
	£	£	£	£	£	£
<b>(i) Voluntary income</b>						
Congregational collections and giving	90,523		-		90,523	103,191
Donations	17,096		3,116		20,212	13,155
Legacies	1,000		1,000		2,000	300
Income from appeals and fund raising	6,545		18,067		24,612	20,914
	<u>115,164</u>	<u>-</u>	<u>22,183</u>	<u>-</u>	<u>137,347</u>	<u>137,560</u>
<b>(ii) Grants receivable</b>						
Church Commissioners		-	296,732		296,732	270,303
Other revenue and capital grants	25,200		7,982		33,182	20,016
	<u>25,200</u>	<u>-</u>	<u>304,714</u>	<u>-</u>	<u>329,914</u>	<u>290,319</u>
<b>(iii) Charges and fees arising in the course of mission</b>						
Facility and other fees	23,146		-		23,146	25,024
	<u>23,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,146</u>	<u>25,024</u>
<b>(iv) Income from activities generating funds</b>						
Gross income of shop, and other activities	41,893		-		41,893	67,819
	<u>41,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,893</u>	<u>67,819</u>
<b>(v) Income from property and investments</b>						
Property	5,284		-		5,284	9,318
Investments	16,273		11,035		27,308	32,020
	<u>21,557</u>	<u>-</u>	<u>11,035</u>	<u>-</u>	<u>32,592</u>	<u>41,338</u>
<b>(vi) Other income</b>						
Other items	5,533		-		5,533	9,065
	<u>5,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,533</u>	<u>9,065</u>
<b>Total Incoming Resources</b>	<u>232,493</u>	<u>-</u>	<u>337,932</u>	<u>-</u>	<u>570,425</u>	<u>571,125</u>
<b>3 Costs of generating funds</b>						
Gross costs of shop, and other activities	6,585		6,164		12,749	15,930
Costs of appeals and fund raising	32,289		6,164		38,453	37,287
Support costs	17,812		1,113		18,925	17,632
<b>Total Costs of Generating Funds</b>	<u>56,686</u>	<u>-</u>	<u>13,441</u>	<u>-</u>	<u>70,127</u>	<u>70,849</u>

**LEICESTER CATHEDRAL**

**NOTES TO THE ACCOUNTS**

**31st December 2011**

**4 Expenditure on mission**

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2011	Total Funds 2010 (Restated)
	£	£	£	£	£	£
<b>(i) Ministry</b>						
Clergy Stipends and working expenses	6,049		112,054		118,103	103,988
Clergy housing costs	23,891		504		24,395	11,453
Clergy support costs	7,093		82,024		89,117	83,772
Services, music and congregational costs	43,518		59,710		103,228	80,899
Support costs	16,229		1,395		17,624	15,267
	<u>96,780</u>	-	<u>255,687</u>	-	<u>352,467</u>	<u>295,379</u>
<b>(ii) Cathedral and precincts upkeep</b>						
Major repairs and restoration						8,465
Maintenance and interior upkeep	60,713		27,512		88,225	75,179
Cathedral insurance	18,986		-		18,986	17,409
Support costs	18,676		2,226		20,902	20,868
	<u>98,375</u>	-	<u>29,738</u>	-	<u>128,113</u>	<u>121,921</u>
<b>(iii) Education and outreach</b>						
Grants and scholarships						
Educational activities	4,383		25,466		29,849	32,431
Charitable and other giving	250		-		250	296
Support costs	15,249		742		15,991	15,268
	<u>19,882</u>	-	<u>26,208</u>	-	<u>46,090</u>	<u>47,995</u>
<b>(iv) Other expenditure</b>						
Cathedral community						7,000
	-	-	-	-	-	<u>7,000</u>
<b>Total Expenditure on Mission</b>	<u>215,037</u>	-	<u>311,633</u>	-	<u>526,670</u>	<u>472,295</u>

# LEICESTER CATHEDRAL

## NOTES TO THE ACCOUNTS

31st December 2011

### 5 Support Costs

	Direct Costs £	Support Costs £	Total 2011 £	Total 2010 (Restated) £
<b>Cost of generating funds</b>	51,202	18,925	<b>70,127</b>	70,849
<b>Expenditure on Mission</b>				
Ministry	334,843	17,624	<b>352,467</b>	295,379
Cathedral and precincts upkeep	107,211	20,902	<b>128,113</b>	121,921
Education and outreach	30,099	15,991	<b>46,090</b>	47,995
Other expenditure	-	-	-	7,000
<b>Governance</b>	-	34,346	<b>34,346</b>	37,325
<b>Total Support Costs</b>	<b>523,355</b>	<b>107,788</b>	<b>631,143</b>	580,469

#### 5 a) Analysis of support costs

	2011 £	2010 (Restated) £
Staff costs	48,794	51,272
Professional charges	14,369	9,450
Office costs	29,857	26,900
Other costs	14,768	18,738
	<u>107,788</u>	<u>106,360</u>

### 6 Staff numbers

	2011		2010	
	Number of Staff	Full time equivalent	Number of Staff	Full time equivalent
Clergy	3	2.75	3	2.60
Administration	5	3.80	5	3.30
Marketing	2	0.65	1	0.45
Vergers	3	3.00	3	3.00
Music	2	1.38	2	0.88
Education	1	0.40	1	0.40
	<u>16</u>	<u>11.98</u>	<u>15</u>	<u>10.63</u>

### 7 Staff costs

	2011 £	2010 £
Stipends	<b>75,103</b>	73,073
Salaries	<b>224,069</b>	203,139
Employer's NI	<b>25,704</b>	22,434
Employer's Pension contribution	<b>35,058</b>	33,787
	<u><b>359,934</b></u>	<u>332,433</u>

# LEICESTER CATHEDRAL

## NOTES TO THE ACCOUNTS

31st December 2011

### 8 Remuneration of members of chapter

The Dean, Canon Chancellor and Canon Precentor were the only members of Chapter to receive remuneration during the year as follows:-

	Stipend	Pension
The Dean	35,545	9,731
Canon Precentor	19,169	5,510
Canon Chancellor	27,200	7,785

The Canon Precentor post was vacant until the middle of April.

The remuneration of, and pension provision for the above clerical members of Chapter are paid in accordance with scales laid down by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board.

No other members of Chapter were remunerated during the year.

### 9 Auditors' remuneration

	2011 £	2010 £
Audit services	9,000	5,000

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
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### 10 Investments

Investments at market value 1 January 2011	205,591	-	66,150	256,729	528,470
Net decrease on revaluation	(7,220)	-	(1,888)	(11,925)	(21,033)
<b>Investments at market value 31 December 2011</b>	<b>198,371</b>	<b>-</b>	<b>64,262</b>	<b>244,804</b>	<b>507,437</b>

	2011 £	2010 £
Unquoted Investments (at Market Value)	507,437	528,469

The unquoted investments are represented principally by holdings in CBF Investment and Property Funds which are mutual funds managed by CCLA Investment Managers Ltd.

The following investments represent more than 5% of total investments at market value at 31st December 2011:

	Cost £	Market Value £	% of Total
CBF Investment Fund	140,000	307,030	60.51%
CBF Property Fund	142,000	153,490	30.25%
COIF T Topps		28,060	5.53%

# LEICESTER CATHEDRAL

## NOTES TO THE ACCOUNTS

31st December 2011

### 11 Non investment property

	Unrestricted Funds		Designated Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£
At valuation 1 January 2011	-	1,846,267	-	-	-	1,846,267
Revaluation	-	(60,000)	-	-	-	(60,000)
<b>At valuation 31 December 2011</b>	-	<b>1,786,267</b>	-	-	-	<b>1,786,267</b>

The Cathedral Centre at 21 St. Martins has been revalued to £395,000. This represents the market value of the building  
The valuation was carried out by Paul Watson BSc (Hons) MRICS, Associate Director of Innes England

Non investment properties are held and used as follows:

	Freehold
	£
<b>At 1 January 2011</b>	
for cathedral activities	455,000
for cathedral clergy and staff housing	971,222
for the visitor centre	420,045
	<u>1,846,267</u>
<b>At 31 December 2011</b>	
for cathedral activities	395,000
for cathedral clergy and staff housing	971,222
for the visitor centre	420,045
	<u>1,786,267</u>

### 12 Equipment and plant

#### Cost

	Equipment	IT Equipment	Total
	£	£	£
Brought forward	22,000	7,000	29,000
Disposals	(22,000)	(7,000)	(29,000)
Carried Forward	-	-	-
<b>Depreciation</b>			
Brought forward	22,000	7,000	29,000
Disposals	(22,000)	(7,000)	(29,000)
Carried forward	-	-	-
<b>Net Book Value</b>			
31 December 2011	-	-	-
31 December 2010	-	-	-

**LEICESTER CATHEDRAL**

**NOTES TO THE ACCOUNTS**

**31st December 2011**

<b>13 Debtors</b>	<b>2011</b>	<b>2010</b>
<b>Amounts falling due within 1 year</b>	£	£
Other Debtors	<b>22,067</b>	37,480
Prepayments	<b>1,801</b>	2,890
	<b><u>23,868</u></b>	<b><u>40,370</u></b>

<b>14 Creditors</b>	<b>2011</b>	<b>2010</b>
<b>Amounts falling due within 1 year</b>	£	£
Trade Creditors	<b>30,084</b>	12,072
Tax & Social Security	<b>5,009</b>	5,263
Other Creditors	<b>6,136</b>	2,735
Accruals and Deferred Income	<b>1,155</b>	29,532
Accounts payable	-	5,094
	<b><u>42,384</u></b>	<b><u>54,696</u></b>

**15 Funds**

**a) Unrestricted Funds**

	<b>2010</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Revaluations</b>	<b>Transfers</b>	<b>2011</b>
	£	£	£	£	£	£
General Fund	311,647	232,493	(303,883)	(7,220)	(9,298)	<b>223,739</b>

**b) Designated Funds**

**Funds Designated by the Chapter**

	<b>2010</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Revaluations</b>	<b>Transfers</b>	<b>2011</b>
	(Restated) £	£	£	£	£	£
Cathedral Properties	867,881	-	-	(60,000)	7,164	815,045
Residential Properties	971,222	-	-	-	-	971,222
	<b>1,839,103</b>	-	-	<b>(60,000)</b>	<b>7,164</b>	<b>1,786,267</b>

**Cathedral Properties**

Funds to provide capital facilities to support the Cathedral activities

**Residential Properties:**

Funds to provide staff accommodation

# LEICESTER CATHEDRAL

## NOTES TO THE ACCOUNTS

31st December 2011

### 15 Funds (continued)

#### c) Restricted Funds

The Restricted Funds comprise the following funds:

	2010	Incoming	Outgoing	Revaluations	Transfers	2011
	£	£	£	£	£	£
Church Commissioners Clergy Grants s21	-	104,940	(104,940)	-	-	-
Church Commissioners Clergy Grants s22	-	19,945	(19,945)	-	-	-
Church Commissioners Staff Grants s23	-	171,847	(171,847)	-	-	-
Choir & Music Fund	27,845	2,077	-	(1,243)	-	28,679
Regimental Chapel Fund	3,125	133	-	(5)	-	3,253
Vestments Fund	17,974	715	(5,509)	(28)	-	13,152
Dean's Fund	2,291	134	(503)	602	-	2,524
Choir Scholarship Funds	36,997	1,471	(1,045)	(1,214)	-	36,209
Cancer Care Fund	2,710	-	(500)	-	-	2,210
Chorister Outreach	11,233	18,067	(15,819)	-	-	13,481
Player Trust DioSing	-	4,000	(1,352)	-	-	2,648
Music Scholarship General	-	7,505	(550)	-	-	6,955
Church Urban Fund - Breathe	-	3,982	-	-	-	3,982
Crib Fund	-	3,116	(5,250)	-	2,134	-
Asylum Seekers	192	-	-	-	-	192
	<b>102,367</b>	<b>337,932</b>	<b>(327,260)</b>	<b>(1,888)</b>	<b>2,134</b>	<b>113,285</b>

**Church Commissioners Clergy & Staff Grants:**

These represent funds received from the Church Commissioners towards the payment of the Dean and two Residentiary Canons and Lay Staff.

**Choir and Music Fund:**

For the payment of music and choral costs incurred by the Music Department

**Regimental Chapel Fund:**

For the upkeep and repair of St George's Chapel and its furniture & furnishings.

**Vestments Fund:**

For the upkeep and replacement of the Cathedral Vestments.

**Dean's Fund:**

The income is used for charitable purposes at the discretion of the Dean.

**Choir Scholarship Funds:**

For the payment of Chorister scholarships (AN, BE,GT).

**Cancer Care:**

Used to promote the Cancer Care Prayer Fellowship and the Cathedral website.

**Chorister Outreach:**

Was originally a project funded by the Choir Schools Association 'Music for Life' designed to further the musical life of the Cathedral and has now developed and is funded through donations and payment by the schools.

**Player Trust DioSing**

Diocesan Singing Programme, to develop the work started in the Chorister Outreach Project working with schools and churches across the Diocese.

**Music Scholarship General**

The fund receives the income earned from the endowment funds dedicated to music and scholarships

**Church Urban Fund - Breathe**

A project supporting the development of Breathe in schools by the cathedral education officer.

**Crib Fund**

Established to acquire a new Crib

**Asylum Seekers**

For supporting the work with Asylum seekers



## LEICESTER CATHEDRAL

### NOTES TO THE ACCOUNTS

31st December 2011

#### 15 Funds (continued)

##### d) Endowment Funds

The Endowment Funds comprise the following funds:

	2010	Incoming Resources	Outgoing Resources	Revaluations	Transfers	2011
	£	£	£	£	£	£
General Endowment Fund	104,233			(6,022)		<b>98,211</b>
Chapter Endowment Fund	8,943			(517)		<b>8,426</b>
Choral Scholar Fund	25,452	-		(677)	-	<b>24,775</b>
T Topps Charity	36,043	-		(1,712)	-	<b>34,331</b>
Alderman Newton Trust	65,319	-		(2,116)	-	<b>63,203</b>
Ousley Trust	27,216	-		(881)	-	<b>26,335</b>
	<b>267,206</b>	-	-	<b>(11,925)</b>	-	<b>255,281</b>

**General Endowment Fund:** This fund arose from the sale some years ago of a number of properties owned by the Chapter and the income is credited to the General Fund Income account.

**Chapter Endowment Fund:** This fund represents the parochial endowment transferred from the Church Commissioners in 2000 and the income is credited to the General Fund income account.

**Choral Scholar Fund:** This fund arose as a result of a grant from the Friends of Cathedral Music and the income will be used to provide Choir scholarships in future years.

**T Topps Charity:** This fund represents a historic endowment dating from 1874. The income is used towards Choral Scholarships.

**Alderman Newton Trust:** This fund was given in 2008 and the income is to be used for Choral Scholarships.

**Ousley Trust:** This fund was given in 2008 and the income is to be used for Choral Scholarships.

#### 16 Analysis of Net Assets between Funds

Fund balances at 31st December 2011 are represented by:

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	2011 Total	2010 Total
	£	£	£	£	£	£
Tangible Fixed Assets	-	1,786,267	-	-	1,786,267	1,846,267
Fixed Asset Investments	198,371	-	64,262	244,804	507,437	528,470
Net Current Assets	25,368	-	49,023	10,477	84,868	145,586
	<b>223,739</b>	<b>1,786,267</b>	<b>113,285</b>	<b>255,281</b>	<b>2,378,572</b>	<b>2,520,323</b>

#### 17 Related Party Transactions

Due to the nature of the organisation some members of both Chapter and Finance Committee (and their partners) make regular donations to the cathedral, some are regular worshippers.

Some members of Chapter are involved in other trusts and funding bodies. These 'declarations of interest' are always noted in Chapter minutes where necessary and include:

Director of St Martins Cathedral Properties Limited,

Chairman of the Church Urban Fund,

Treasurer of the Lt Col John Dane Player Memorial Trust,

Chairman Leicester and Leicestershire Historic Churches Preservation Trust