



**WELLS
CATHEDRAL**

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015**

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1 INTRODUCTION

The Chapter presents its Annual Report and audited Financial Statements for the year ended 31 December 2015 in this document.

The Annual Report for 2015 covers the following:

- A statement of the Cathedral's mission and objectives and a summary of the regular activities and strategic projects that meet these objectives
- The achievements and performance of these activities and projects in 2015
- A review of the financial outcomes and issues of the year
- The Cathedral's future plans based on its Strategic Development Programme
- A summary of structure, governance and management; and
- Reference and administrative details.

The Financial Statements then follow the independent auditor's report.

2 OBJECTIVES AND ACTIVITIES

2.1 Mission and Objectives

The Cathedral exists for the glory of God and as a sign of His kingdom in the world. To this end we are committed to:

- offering a daily round of prayer and worship
- ensuring that the Cathedral is
 - an instrument of God's mission where the Christian faith is explored, practised, preached, taught and interpreted
 - a focus for the life of the Diocese of Bath and Wells and the ministry of the Bishop
 - a sacred place where all who come are welcomed and valued
 - a focal point for the life of our city, county and country: a witness of God's justice, peace and love
 - a place where community is fostered
 - a place where the expression of God's gifts of creativity is encouraged
 - a spiritual, musical and architectural inheritance to be conserved, enhanced and reinterpreted for this and future generations
 - a good steward of its financial, human and physical resources.

Wells Cathedral continues to work to this mission and objectives through its **Regular Activities** and to develop and deliver its strategic plans via a **Strategic Development Programme**.

2.2 Regular Activities

The Cathedral's regular activities consist of:

- i. *Worship and Music*, which is central to the Ministry of the Cathedral and is underpinned by the majority of the work of cathedral clergy and virgers
- ii. *Outreach and Learning*, which includes mainly school/children focused educational activities, the archives and the library (reported as Education and Outreach in the Financial Statements)
- iii. *Fabric and Estate*, which covers maintenance work on the cathedral building, grounds and properties owned by the Cathedral (Cathedral and Precincts Upkeep in the Financial Statements)
- iv. *Raising Funds*, which includes effort on securing voluntary income, especially visitor donations, congregational giving and legacies; the trading activities of the Shop and Catering businesses; grants; facility fees; and property and investments income
- v. *Support* activities including administration, HR, finance, marketing and maintaining relationships with outside bodies.

2.3 Strategic Development Programme

The Cathedral's Strategic Development Programme (SDP), also known as "Building on Success", is based on five themes:

- Diversification of the mission, usage and visitors' experience of the Cathedral
- Cathedral fabric, its precincts and wider estate
- Retained and increased resources (human and financial)
- People (paid staff and volunteers), structures and communication
- Partnerships (including with the Diocese), relationships and networks.

These themes are being progressed through a series of projects and other initiatives. The SDP developed in 2014 was the basis of the initiatives undertaken in 2015 and was updated during the year to reflect progress and other changes in circumstances.

3 ACHIEVEMENTS AND PERFORMANCE IN 2015

This section provides:

- An overview of the Cathedral's year as a whole
- More detailed review across specific areas of the Cathedral's activities, which include, where relevant, an update on individual projects and initiatives in the Strategic Development Programme (SDP). These will be recorded, prefaced with "SDP", under the area most relevant, but noting that many of the projects cover more than one operational area.

3.1 The Cathedral's Year

2015 was a year of change and sadness. In April, John Clarke, Dean of Wells suffered a stroke. He was unable to return to work and took early retirement on health grounds at the end of December. He has been very much missed and it is appropriate here to record the Cathedral's overwhelming thanks for his ministry in this place. The series of events to mark John's retirement in November was especially moving.

The Bishop of Bath & Wells appointed Andrew Featherstone, Chancellor, as Acting Dean in November.

In February we held a special service to celebrate the service to the County of Lady Gass as its Lord Lieutenant. In April we bade farewell to the Peter Maurice, Bishop of Taunton. In October we installed Ruth Worsley as the new Bishop of Taunton. The Chapter, along with many from the diocese, had attended her Consecration in St Paul's Cathedral, London a few days earlier.

In December, the three voluntary Lay Members of the Chapter each stepped down from their roles after six and a half years' service: Barbara Bates served as Chair of the boards of the two trading companies, Adrian l'Anson as Overseer of the Estate and Gill Hawkings as Keeper of the Fabric. Their contribution, collegiality and friendship have been warmly appreciated by their Chapter colleagues and the wider Cathedral.

After a difficult year for income from visitors to the Cathedral in 2014, 2015 saw an improvement with figures similar to 2013. On the basis of thorough research and consultation with other cathedrals, the Chapter decided on a scheme of encouraged donations, which needs a higher quality of implementation than the existing approach to securing contributions from our visitors. As such, much work was done to design the components of a solution including organisation, process, infrastructure and IT.

The National Trust decided not to renew their lease on the shop in the Market Place. Chapter decided to take back the shop and open it as a second cathedral retail outlet. Again, much of this work was completed by the end of 2015 with the intention of opening it in the spring of 2016. The aim was that products for sale would be more reflective of the local community with more directly related cathedral items staying in the existing shop. Work on refurbishing the shop and implementing new IT systems was initiated toward the end of the year.

In March, we were delighted to welcome the Chancellor of the Exchequer, George Osborne to Wells Cathedral, where he announced the final round of awards from the Government's World War I Cathedral Repair Fund. The awards included money for our North Quire Aisle Parapets project, which started in the autumn. The conservation work on the North Nave Aisle Roof was completed within budget. Our thanks go not just to the administrators of the Cathedral Repair Fund but also to the Friends of Wells Cathedral and Viridor Credits for their support for these two projects.

In May, a weekend of various events was held to celebrate the completion of the Jesse Window Conservation Project in 2014. Events included a conference, activities for families and a special evensong.

The Archives suffered mould and were sent away to Harwell's to be professionally cleaned. They will be returned to the Cathedral as soon as work on the archive rooms has been completed and we are confident the temperature and humidity are sufficiently stabilised.

Initial work has been done on the next major development initiative for the Cathedral being the Vicars' Close Heritage Programme. A Programme Brief was agreed by Chapter that formed the basis for moving into fuller definition of the programme based on its vision and anticipated outcomes.

Worship in the Cathedral is of a high standard. Because of increasing numbers wishing to attend the Cathedral Carol Service over recent years, a second Cathedral Christmas Carol Service was held in 2015 and was greatly appreciated. The first was attended by over 800 people and the second was almost full to capacity. A Year in a Day, a diocesan event in the Cathedral, celebrating the liturgical year, was well received and well attended. The Cathedral choir is recognised as one of the leading choirs with girls and boys in the country. The Cathedral choir continues to go out to parishes in the diocese throughout the year. They sang in The Hague in December and have made further recordings.

During the year, the Cathedral has been used for film and television. These included filming of the "Huntsman" and various television productions such as "The Great Interior Design Challenge" and "A Holiday of a Lifetime", the latter with Baroness Tani Grey-Thompson and Len Goodman. Fees from filming provide useful additional revenue for our wider work.

We value our partnerships with Wells Cathedral School, the Bishop's Palace, the Diocesan Office and the City of Wells. These have developed in 2015 to the advantage of all. We look forward to the completion of the Wells Cathedral School music building that will provide a recital space for 300 people. All this enhances the value of Wells as a destination for visitors.

3.2 Worship and Music

In the summer of 2015 we said farewell to Julian Robinson-Porter (Vicar Choral) who has moved to Germany; to our Senior Organ Scholar, Nicholas Freestone, now Organ Scholar at St Albans Abbey; and to Daniel Brown, now working in London. Two of last year's choral scholars opted to stay for an additional year. Will Drakett, our bass choral scholar continues in the choir and also as a very able composer and organist; Jack Wilde, our tenor scholar was successful in his application for the post of Vicar Choral in the late autumn. We were very pleased to welcome Edward Goater (tenor) and his family and Tim Wilson (alto) and his wife to Vicars Close, as well as Damien Macedo as alto choral scholar. We also welcomed Bryan Anderson as Senior Organ Scholar, and Blandine Jacquet and Alexander Henshaw, from Wells Cathedral School as Junior Organ Scholars.

In December, the Choir were invited by Siemens to perform concerts in the Hague, and during the year the Cathedral Choir's recordings of Bob Chilcott's St John Passion and of Gary Davison's The Armour of Light choral music were released to critical acclaim.

New Music Wells has become a regular feature in our calendar, although now moved to October, which seems to be a much better fit and is set alongside other local festivities. The Choir gave a memorable first performance of A Tale of Andrew by Michael Berkeley. At Remembrancetide, the Choir gave another first performance of Gary Davison's Requiem to a full Cathedral. Early Music Wells continues to attract an excellent following throughout the year.

The Candlelight Concerts and Christmas Services offer the greatest possibility for outreach and for sharing something of the magic of Wells, particularly among those who may not otherwise come into contact with the live performance of liturgical music. The Crib service has grown noticeably in recent years – as have the resources and preparation required for it. The additional Carol Service avoided turning large numbers of worshippers away, and meant that we welcomed an estimated 800 additional worshippers over the period. Our programme of outreach to churches in the diocese continues and is much appreciated by congregations who do not often have the opportunity to hear music of such high quality as part of their worship. The concert life of the cathedral continues to flourish.

We are grateful to all those who sing the services whilst the Cathedral Choir is on holiday, notably of course, the Wells Cathedral Voluntary Choir under their Director of Music, Michael Cockerham, usually accompanied by Matthew Redman, as well as a range of visiting choirs from the United Kingdom and overseas who make both musically and humanly an important contribution to our life.

We are, as ever, indebted to our excellent musicians whom we are ever in danger of taking for granted Matthew Owens, Organist and Master of the Choristers and Jonathan Vaughn, Assistant Organist, as well as Bryan Anderson, Senior Organ Scholar and to Alexander and Blandine, Junior Organ Scholars.

3.3 Outreach and Learning

SDP: Archive Mould

Following the discovery of mould on some items in the archives, the entire collection was removed for assessment and appropriate treatment by Harwell Document Recovery Services. The collection has been off-site since the end of 2014. The Library and Archives office is now in the West Cloister adjacent to the Accounts Office. The East Cloister Muniment Room and West Cloister Archive Storeroom south were professionally cleaned by staff at Harwell, including air-scrubbing. Facilities have been put in place to better monitor and control humidity and temperature.

Archives and Library

During the period the archives have been off site, Anne Crawford has acted as consultant answering enquiries and providing professional advice. Over 15,000 people visited the library in 2015. Cathedral Librarian Kevin Spears led tours to over 400 people. The Chained Library books were cleaned in the spring by the Cathedral Librarian and a team of volunteers, using specialist equipment and following advice by Harwell. Some 37 books were identified as needing urgent repair. This conservation has now been completed. The books in the Reading Room were all dusted in December 2015. As a new activity in 2015, free 'taster' tours of the Chained Library were held for the Heritage Open Days. The twelve tours were fully booked.

Community and Family Engagement

Activities in school holidays continue to attract both adults and children. Family Explorer Bags have been introduced at key events, such as the Jesse window celebration weekend. These provide a trail and binoculars for families to discover aspects at their own pace. For local history enthusiasts a series of Discovery Tours were organised. New 'Explorer' trails have been developed for adults and families. These are on specific themes, allowing the non-expert to engage with the building in an informed way. These trails are now available to download for free from the website. A series of seven tours have been created for our very youngest visitors. A team of guides has been formed and trained specifically for these groups. The programmes relate to modules on the Early Years Curriculum (3-5 year olds).

Partnership Projects

The Cathedral worked with Christian Aid to raise awareness of Burkina Faso and support social justice projects there. Five thousand pounds was raised. 'Jumbled Windows' in collaboration with Wells Cathedral School brought nearly 500 local pupils to the cathedral; some participating schools on their first ever visit. Using the Lady Chapel glass as inspiration for project work across many curriculum areas, this culminated in an exhibition of students' work in the cathedral.

Schools

Around 4.5 thousand pupils from UK schools visited the cathedral in 2015. Jessica Witchell returned as Education Officer in September 2015; Sarah Carney had been providing maternity cover for our school bookings since May 2014. A 'Play in a Day' event brought together pupils from the local community to learn about the First World War through role play, and develop performance skills with professional actors, before presenting their drama to staff and parents. We have continued to develop our expertise for children and adults with special needs. The team of SEN guides has visited a school and received training from two SEN professionals; a focus group also meets to review and plan. This year's Christmas celebration for special schools involved a record nine establishments.

3.4 Fabric and Estate

A significant amount of the work on the fabric of the Cathedral and the estate is covered in the various items within the reporting of progress of projects in the Strategic Development Programme (below).

The works to the cremated remains area of the Palm Churchyard were finished by installing a stone ledger indicating that the remains of the College of Canons and their spouses are interred there. The extent of the area has been defined by corner stones

As well as project work, the works department were kept busy with routine repair jobs around the Cathedral and the estate. All of this work is planned and supervised by our Clerk of the Works, Jez Fry, and much of it is carried out by his work-force of four skilled craftsmen.

In Vicars' Close, numbers 3 and 24 were refurbished for in-coming Vicars Choral and numbers 6, 7 and 10 were given "light touch" renovations. Numbers 16 and 17 Vicars' Close are occupied by the Cathedral School and these buildings have had internal refurbishment works undertaken by the School in conjunction with the Cathedral.

The Cathedral's ownership of Cathedral Green extends to the fronts of the houses on the Green. Hence, the Cathedral charges "threshold rents" to the house and business owners in return for granting them access and rights of occupation. For many years, these rents have been at an uneconomic level. Negotiations to secure more realistic payments are ongoing.

SDP: North Nave Aisle Roof

The repair of the north nave aisle roof was completed during the summer and was funded by the First World War Centenary Cathedral Repairs Fund, Viridor Credits and the Friends of Wells Cathedral. As part of the project, the wooden floor over part of the triforium roof was removed with the intention that it be replaced when the roof works were finished. The works were overseen by Jerry Sampson, the Cathedral Archaeologist, and it was discovered that what had been thought of as late infill in the roof is in fact medieval rubble. It has been decided that this is an important find and worthy of showing to people on high parts tours. Those visiting the north triforium in future will see an area of this rubble, around which a barrier has been placed, and will receive an explanation of the findings.

SDP: North Quire Aisle Parapets (masonry repairs)

Chapter made a further request to the Repairs Fund for a grant to repair the north quire aisle parapets and surrounding stonework. The grant received was almost enough to pay for the works which should be completed in early 2016. The Cathedral Friends made a small contribution.

SDP: Vicars' Close Heritage Programme

After slow but steady preparatory work in recent years, a Programme Brief was approved by Chapter for the Vicars' Close Heritage Programme. The programme has been initiated in response to the multi-million-pound heritage conservation challenge to the fabric and environment of the Close identified in the 2013 Quinquennial Inspection. Glevum Consultants were engaged as advisers to the programme and, as a result, three main themes have emerged, being Buildings, Music and People. These will include not just the capital work needed, but also developing the opportunity of focussing on the choral tradition of English cathedrals and people-related activities. The latter would probably cover three strands: Putting conservation in the spotlight, opening up the Close and delivering a new generation of volunteering. Funding would be required from external sources which could well include the Heritage Lottery Fund.

SDP: Estate Medium Term Refurbishments

As part of the SDP, the more extensive refurbishments to individual estate properties have been grouped in the "Estate Medium Term Refurbishment" initiative. Renovation of no. 9 was completed. A major feature of this work was the preservation and protection of a wall painting discovered in the main bedroom of this property. The subject of the wall painting is "the Jesse Tree". In his 2014 report, the Cathedral Archaeologist described this find as of exceptional importance and referred to "its context as part of the decoration of a vernacular building rather than a

church and also its contemporaneity with the Jesse Tree which forms the subject of the Cathedral's east window". Work was started on number 8 and is likely to take up much of 2016.

SDP: High Parts Tour Improvements

The Clerk of the Works has compiled a schedule of works on the High Parts of the Cathedral to comply with health and safety requirements. Once those works are completed we shall be able to resume the High Parts tours

3.5 Raising Income

Income for the Cathedral is raised from a number of sources. This reports the following: Visitor donations, legacies, facility fees for events, the shop (*Wells Cathedral Publications Limited*), café (*Wells Cathedral Catering Limited*) and property rents.

Visitor donations

During the year a major review of visitor income was undertaken, while the Ministry of Welcome continued to form the backbone of how the Cathedral provides a top class experience to its visitors.

SDP: Visitor Income Project

2014 was a poor year for entry donations from visitors, compounding an already challenging position where the Cathedral has been operating a deficit on its regular activities. The Visitor Income Project was initiated to respond to this challenge and was managed by Lindsay Mann, Head of Marketing & Communications. The aim of the project was to examine, in particular, whether entry charging should be introduced. A thorough programme of research was undertaken, including visits to regional cathedrals and to Chester. Based on this research and other available facts, including the 2013 visitor survey, the various options were analysed using a comprehensive financial model. The conclusion was that there was no benefit of moving to an entry charge from a donations based approach, provided the latter was implemented optimally. This was entitled an "encouraged donations" approach. Following approval by Chapter, work on developing the full solution was begun including looking at the business processes, people implications, Information System needs and the required infrastructure. Implementation was scheduled for the first quarter of 2016, in time for the new visitor season.

Ministry of Welcome

The Cathedral has been served by its very loyal and capable team of 273 Ministry of Welcome Volunteers, covering many roles including Welcoming, Information Desk, Chaplains, Library Volunteers and Guides.

We started the season without a Quiet Hour, 12-1pm. This enabled us to arrange an additional scheduled tour starting at 12noon. This extra tour proved successful and accounted for 19% of the total number, 8,059 visitors, taking a free scheduled tour.

Ticketed Tours continued during 2015 – Stained Glass, Carvings and Architecture – to encourage individuals/couples to book who don't want the responsibility of making a group booking. We look forward to reinstating the Tower Tours and High Parts Tours as soon as the health and safety work is completed. During November 2014 and January 2015 the Guides Committee interviewed and trained 7 new guides, bringing the total number of Guides to 70 during 2015.

27 new volunteers were interviewed during 2015, 9 more than the previous year, and joined various volunteer rotas.

Events

Kelly Hall, Events Coordinator and Fundraiser, returned from maternity leave and gratitude is extended to Stacey Camfield who provided maternity cover. Improved events coordination and planning processes were implemented based on information packs developed for each main type of event: concerts, services and exhibitions. New fees were agreed with all regular customer organisations.

Of particular note was the effort made by Stacey to coordinate the filming undertaken for the Huntsman.

Wells Cathedral Catering Limited

The Cathedral Cafe continues to support the mission of the Cathedral and is constantly reviewing opportunities to welcome and provide hospitality for customers and visitors.

The decision to re-brand has been well received. 'Chapter Two' has become the Cathedral Cafe and all signs, marketing etc. now reflect this. New uniforms have also been provided for staff.

The Head Chef did not return to work after Christmas. This led to a new appointment which has proved very successful. Other staff changes have enabled new rotas and further efficiencies. The Head of Catering has continued to implement new working practices in line with current employment law and statutory requirements and costs are being efficiently and sensitively managed to ensure that quality and good service continue to be provided.

New initiatives include seasonal menus, meal-deals eg. daily deal-for-two, pre-concert / interval drinks, special offers and seasonal menus using, wherever possible, ingredients sourced locally and prepared in the kitchens. The ice cream cart continues to be popular in fine weather.

The company has responded to environmental regulation standards by arranging collection of waste oil from the fryer for recycling, and is also considering the possibility of recycling food-waste to reduce costs.

The programme of maintenance and repair continues with additional cost as kitchen equipment and crockery require replacement due to age and usage. In line with Health & Safety measures, purchases have been purchased to assist the transfer of food and equipment between kitchen and service points and to reduce risk of personal injury.

Turnover for the year was £364,179 compared with £371,072 in 2014. There was a Net Profit of £14,830 compared with £27,858 in the previous year. The catering staff and management are thanked for their hard work and congratulated on this achievement in the face of these challenges. These profits are gift-aided to the Cathedral.

Wells Cathedral Publications Limited

The Cathedral Shop continues to support the mission of the Cathedral and is constantly reviewing opportunities to welcome and inform visitors with a range of excellent guides, books, gifts and cards for all occasions.

New stock includes a range of items linked to the completion of the Jesse Window conservation, a Cathedral Advent Calendar, Christmas and Easter cards and gift vouchers. There is also a good selection of books and music - including a range of CDs which promote the cathedral choir. The shop continues to display and sell work by local artists and craftsmen together with produce from Somerset and neighbouring counties.

With the focus on increasing income, the Head of Retail continues to explore opportunities for business enterprise. Special offers, discount days, candle sponsorship and taster events have been promoted in the shop. Competitions for children featuring Louis, the cathedral cat, have continued, despite his 'retirement,' and there is an attractive selection of Louis items on the shelves.

The lack of suitable exhibition space and the decision to upgrade the quality of artwork mounted in the cloisters has resulted in fewer exhibitions. The number of concerts and musical events has also been lower. Consequently there has been a reduction of income through commission on sales and event tickets.

Turnover for the year was £283,354 compared with £262,940 in 2014. A Net Profit of £31,644 was achieved against £30,084 in the previous year. In the light of the challenges faced during 2015, the Shop staff and management are to be congratulated and thanked for their hard work and achievement. All profits are gift-aided to the Cathedral.

SDP: New shop at 16 Market Place

The closure of the National Trust Shop in 2015 presented an opportunity to have a presence on the Market Place and Chapter has approved the Head of Retail's proposal to open a second retail outlet in 2016 which will also provide the box office for visits, tours and events. This ground floor of 16 Market Place was extensively refurbished in order to prepare for its refit. At the end of the year, staff recruitment was in hand.

3.6 Support

Administration and Personnel

The office team played its customary professional role in supporting the regular activities of the Cathedral as well as the special events that took place in 2015. The latter included the series of farewells to Dean John Clarke, the farewell service for Bishop Peter Maurice and the welcome event for Bishop Ruth Worsley. The team also coordinated the service of thanksgiving for the work of Lady Gass as Lord Lieutenant and the weekend of celebrations for the completion of the Jesse Window conservation project.

An audit was undertaken of the Cathedral's health and safety policies and practices. A series of recommendations were made that will form an improvement plan to be delivered in 2015.

The Friends had appointed Lord Alan Watson as their new chairman, and he was warmly welcomed by Chapter at their meeting in October.

The new National Living Wage was announced in the Budget and significant work was required to evaluate the impact as it is to steadily increase over the years to 2020. The requirement for pension auto enrolment was met in October thanks to the efforts of the HR and finance teams.

A number of actions were taken to maintain the quality of the Cathedral's Safeguarding practices. At the beginning of the 2015 visitor season in-house training was given at role-refresher meetings for volunteers. Safeguarding guidelines for staff and volunteers have been created and adopted in the handbooks. Confidential Declaration Forms have been updated to reflect the diocesan template.

During the second half of 2015 seven new national safeguarding policies were issued. The Church of England National Safeguarding Team distributed a safeguarding checklist for cathedrals; an action plan is in place to ensure best practice is followed in Wells.

Marketing and Communications

As the Cathedral seeks to flourish in our modern and highly connected world, intelligent marketing and regular communications continue to be essential. Our marketing function provides strategic marketing planning and activities to better understand our audiences, to promote the Cathedral and its activities to those audiences and to provide communications support to internal departments.

We currently deploy a range of marketing activities and channels to communicate with our diverse stakeholder groups. However, while offline activity (including PR and print) remains an essential tool for us, in an ever-evolving digital landscape the Cathedral's digital marketing channels are becoming an increasingly important, cost-effective and measurable communication channel.

Our own research from 2013 told us that 55 - 64 year olds were the predominant age group among our visitors at 35%. However nearly half of all respondents had a smartphone or android device as well as an iPad, Kindle or Tablet and 40% of our visitors use Facebook. Ofcom's 2015 Communications Market Report also suggests that the ownership of smartphones among the 55-64 year old age group has more than doubled since 2012 – from 19% to 50% (Source: Ofcom's 2015 Communications Market Report).

The number of visitors to the Cathedral's website stands at over 160,000 in the last year (April 2015 – April 2016), of which 68% are new visitors. Approximately 40% of visitors to the website accessed it through their computers with around 47% accessing the website via a mobile device. Critically however, our current website isn't currently optimised for mobile phones and tablets meaning not only are we not communicating efficiently to website visitors from these channels but a significant change in the way Google prioritises search listings means that there is now increased emphasis on mobile-usability as a ranking factor and our website could be penalised. This presents an opportunity for further development in this area going forward.

Our social media channels continue to develop with our Facebook page now attracting nearly 3.5k followers and Twitter followers standing at just under 2k. Subscribers to our free monthly email newsletter now also stand at around 2.5k.

Relationships

The Cathedral continues to support and liaise with a large number of national, regional and local bodies. These include working with colleagues at the Bishop's Palace and Diocesan Offices.

Cathedral staff and volunteers provide representation on such bodies as Wells Almshouses, Wells Cathedral School, Wells Blue School, and the Wells City and Tourism Forum. A special vote of thanks needs to be extended to those who give freely of their time to help the Cathedral engage with those organisations outside the Church of England.

On a national basis, the Cathedral is represented by its staff on the Cathedrals Administration and Finance Association, the Cathedrals Liturgy and Music Group, the Guild of Vergers, and the Association of English Cathedrals.

Chapter members also serve on the Wells Cathedral Trust, The Wells Cathedral Preservation Trust, and the Council of the Friends of Wells Cathedral.

Meetings of the College of Canons, the Cathedral Council, the Finance and Investment Advisory Committee and the Cathedral's Fabric Advisory Committee took place during the year with Chapter members present.

Through this broad representation, the Cathedral continues to pursue its policy of active association with local, regional and national organisations.

4 FINANCIAL REVIEW

2015 was an improvement financially on 2014, with visitor donations income returning to and exceeding 2013 levels. However regular activities were again showing a deficit of £57k and only thanks to non-recurring income including £83k of legacies and £56k of filming facility fee income was an overall £112k surplus achieved. This was an excellent result given the volatility of investments and puts the Cathedral in a good position to undertake a variety of essential programmes in 2016 including the completion of the Visitor Income Project to address the regular activities shortfall and the commencement of development work around the Vicars' Close Heritage Programme.

Movement of Funds

The overall net movement of funds before gains/(losses) on property and investments was a surplus of £128k against a surplus of £32k last year made up as follows:

	Total 2015 £000	Total 2014 £000
a) Incoming resources	2,570	2,245
b) Cost of generating funds	(846)	(810)
c) Expenditure on mission	(1,596)	(1,403)
	128	32
Gains/(Losses) on property and investments	(16)	(8)
	112	24
a) Incoming resources		
Cathedral income	1,923	1,611
Subsidiaries' income	647	634
	2,570	2,245
b) Cost of generating funds		
Cost of generating Cathedral income	(304)	(293)
Cost of generating subsidiaries' income	(542)	(517)
	(846)	(810)
Net income before expenditure on mission	1,724	1,435
c) Expenditure on mission		
Ministry	(677)	(650)
Cathedral and precincts upkeep	(701)	(563)
Education and upkeep	(139)	(104)
Other expenditure	(79)	(86)
	(1,596)	(1,403)
Surplus/(Deficit) before gains on property and investments	128	32

Investment Property

During the year the Cathedral received the following rent for the investment properties:-

	£
School Liberty block	67,725
16 Market Place	20,437
Cheddar	30,000
	<u>118,162</u>

During the year there was no major expenditure on the investment properties. As the terms for the majority of the leases were under negotiation, the properties were not re-valued as the Chapter considers that the 2011 valuation provided the most reliable indicator of the 2015 values.

Investments

Chapter has an agreed investment performance benchmark with its investment managers based on: their requirements for income from the portfolio to support their work; their attitude to investment risk; and the timeframe for investment. Based on the answers to these questions they have agreed a benchmark with the investment managers of: 25% the return of the FTA British Government All Stocks Index; 65% of the FTSE All Share index; 5% of the FTSE World Ex UK Index; and 5% of the cash return. This allocation is classified as "Medium" risk and there are agreed limitations as to the minimum and maximum amounts of each asset class that can be held.

Chapter understands that over the long term this agreed format will allow the capital value of the portfolio to be retained in real terms and will generate a good level of income to fund their work. The trustees also understand that investments don't move in a linear fashion and there will be years and periods perhaps longer than a year when the portfolio value may fall. However they also understand that, based on historical returns, equity investment is necessary if the value of both the capital of the fund and income is to maintain its purchasing power when compared with inflation.

2015 turned out to be a positive year for investment markets despite concerns about the Chinese economy's weakening, after a decade of strong growth, and the implications that this weakening has and will continue to have on global growth. The oil price has been very weak also as have all major commodity prices. This has been a benefit to consumers of such commodities but a big problem for those economies dependent on the production of same as they have seen their revenues from such sources collapse: these reductions in commodity prices can be seen as a transfer of cash from producers to suppliers.

During 2015 the portfolio generated a total return of +2.3% compared with the benchmark's return of +1.2%. Over the past 3 years to end December 2015 the cumulative return has been +22.8% compared to the benchmark's return of +20.2%. The past 5 years show a return of +36.3% compared to the benchmark's +33.1%. Chapter monitors the performance of the investment manager carefully and consider that they are being well served by the current arrangements.

Five Year Summary

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Income	2,570	2,245	2,289	2,243	2,511
Expenditure	(2,442)	(2,213)	(2,422)	(2,198)	(2,163)
Net Incoming/ (Outgoing) Resources	128	32	(133)	45	348
Property Revaluation	-	-	-	-	-
Investment (Losses)/Gains	(16)	(8)	221	135	(76)
Net Movement in Funds	112	24	88	180	272

Reserves

Free reserves are the funds of the Cathedral that are freely available to be spent in furtherance of its objectives and have been built up over many years. In determining a prudent level of free reserves, the Chapter takes into account the inevitable uncertainties that exist as a consequence of the dependence upon voluntary giving and the fluctuating and sometimes unpredictable expenditure which goes with the demands of looking after a medieval Cathedral and street. The target for free reserves is one year's operating expenditure on regular activities, which in 2015 was £1.5m. The actual free reserves at 31 December 2015 were £1.5m, made up as follows:

THE CATHEDRAL CHURCH OF ST ANDREW IN WELLS
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015



	2015 £	2014 £
Unrestricted general funds	5,495,276	5,281,512
Less: Designated Funds	(3,878,259)	(3,837,111)
Tangible fixed assets used for Cathedral purposes which cannot be sold without restricting the Cathedral's mission	(89,221)	(89,150)
Free reserves of the Cathedral Church of St Andrew in Wells	1,527,796	1,355,251

Risks

The strategic risk register developed by Chapter in 2014 is kept under regular review. In addition, in 2015, an operational tactical level risk register was developed with quarterly review by department heads. The strategic risk register identifies: the high and significant risks to which the cathedral is exposed, the potential impact and probability associated with each risk, existing internal controls and accountability for them and the mitigating actions to reduce each risk to a level which Chapter considers acceptable.

The principal Strategic Risks relate to insufficient levels of income due to low levels of economic growth or other factors leading to depletion of reserves, the risk of non-compliance with legal and regulatory codes around health & safety and financial management etc., appropriate staffing and the maintenance of staff welfare, and correct decision-making and priority-setting by Chapter to ensure the Cathedral's future. Chapter has a variety of specific and on-going approaches to the management and mitigation of these risks.

5 FUTURE PLANS

The vast amount of current ongoing operations undertaken by the Cathedral as highlighted in the individual areas above will continue in 2016 and beyond.

The appointment of a new Dean is anticipated in late 2016. This will follow other changes to the make-up of Chapter as Alison Perham, Tim Wilson and Alan Kerbey take up the positions of voluntary Lay Members, following their appointment by the Bishop of Bath and Wells.

The Strategic Development Programme was updated in 2015 to reflect progress in 2014 and the first half of 2015. It identifies priorities for the series of projects and initiatives that Chapter sees as necessary to effect improvement and/or development to meet the Cathedral's objectives.

Completion in 2016

It is expected that several projects will have been delivered in 2016. These include:

- the Visitor Income Project, which is scheduled for implementation in time for the visitor season that starts in March 2016
- the opening of a second Cathedral Shop in its building at 16 Market Place, Wells, also in March.
- the completion of the North Quire Aisle Parapets Project in early 2016.
- Phase 2 of the Archive Mould Project to tackle the outbreak of Mould in the Cathedral Archive will be completed, with the return of the Archive following restoration and environmental conditions in the archive improved to avoid a recurrence.
- With funding support from the Friends, improvements should be implemented later in 2016 to enable the return of the Cathedral's High Parts Tours to enhance the offering to visitors and create an additional income stream
- the rolling medium term programme of refurbishments to Estate houses is expected to see work completed on Vicars' Close and the Dean's Lodgings at 25 The Liberty, the latter in time for the next Dean to take up his/her appointment.

2016 and beyond

2016 will see the further development of the Vicars' Close Heritage Programme. Centred on themes of buildings, people & music, its overriding aim is to ensure the sustainability not just of the physical fabric but of the musical tradition it has hosted and nurtured over the last seven centuries. It is expected that a "Round One" application to the Heritage Lottery Fund will be made in the second half of the year. The scope of work envisaged means that the full programme may take up to ten years. As the vision for the programme is further developed, it is likely that it will address, in part at least, several of the other initiatives highlighted in the 2015 update to the Strategic Development Programme including Volunteer Management, redefined roles for Chapter members, and development of departmental strategies for Worship & Music and Outreach & Learning

Future capital projects beyond 2016 include those which focus on conservation of the statues on the West Front, improving the presentation of the West Front and its physical relationship with the Cathedral Green, refurbishment or replacement of the Organ, and the development of a more appropriate storage space for the Cathedral's archive.

6 STRUCTURE, GOVERNANCE AND MANAGEMENT

The Cathedral operates under its constitution and statutes dated 23 April 2000.

The Corporation of the Cathedral Church of St Andrew in Wells is an ecclesiastical corporation and consists of the Chapter, the Cathedral Council and the College of Canons.

The Chapter

The Chapter comprises the Dean and all Residentiary Canons of the Cathedral, the Administrator and three other Lay Members. It is the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral. The Chapter shall have the power to acquire and dispose of property on behalf of the corporate body. Decisions on the strategic direction of the Cathedral and around major areas of income and expenditure are taken by the Chapter, with operational decision-making by department heads.

The Cathedral Council

The Council consists of a Lay Chairman, the Dean, three Chapter members appointed by the Chapter, two elected members of the College of Canons, three lay persons elected by the Cathedral Community, five persons appointed by the Bishop and two persons appointed by the Council. It shall be the duty of the Council to further and support the work of the Cathedral and in particular to receive and consider both the annual Budget and the Annual Report and Financial Statements.

The College of Canons

The College of Canons comprises the Dean, every Suffragan Bishop of the Diocese, every Canon of the Cathedral (Prebendary) and every Archdeacon of the Diocese. The College of Canons shall receive and consider the Annual Report and Accounts and perform such other functions as may be prescribed.

6.1 INVESTMENT POWERS

Under the Cathedrals Measure 1999 the Chapter may invest the Cathedral's funds in any of the following:

- Land
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.
- Investments in which 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.

6.2 STATEMENTS OF RESPONSIBILITIES OF CHAPTER

The Chapter is responsible under requirements laid down by the Church Commissioners under the powers given the by Section 27 of the Cathedrals Measure 1999 (February 2015) for:

- a) preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial period and of the assets, liabilities and funds at the end of each financial period of the Cathedral and its connected entities
- b) stating that they have complied in all material respects with the regulations on the subject prepared by CAFA on behalf of the Church Commissioners or describing which regulations have not been complied with and giving reasons for the non-compliance
- c) selecting suitable accounting policies and then applying them consistently
- d) making judgements and estimates that are reasonable and prudent
- e) keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time
- f) safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

7 REFERENCE AND ADMINISTRATIVE INFORMATION

THE CHAPTER

The Dean of Wells	- The Very Revd J Clarke (retired 31 December 2015)
Chancellor and Acting Dean	- The Revd Canon A Featherstone (appointed Acting Dean 6 November 2015)
Precentor	- The Revd Canon N Jepson-Biddle
The Archdeacon of Wells	- The Venerable N Sullivan
Treasurer	- The Revd Canon Dr G Dodds
Administrator	- Prebendary Dr P J R Richards
	- Prebendary B C Bates (term completed 31 December 2015)
	- Prebendary A l'Anson (term completed 31 December 2015)
	- Prebendary G Hawkings (term completed 31 December 2015)
	- Prebendary Dr A Kerbey (appointed 1 January 2016)
	- Prebendary A Perham (appointed 1 January 2016)
	- Prebendary T Wilson (appointed 1 January 2016)

FINANCE AND INVESTMENT ADVISORY COMMITTEE

The Very Revd J Clarke (retired 31 December 2015)

The Revd Canon A Featherstone (appointed Acting Dean 6 November 2015)

Mr H Gunn

Mr P Laws

Mr P Oddie

Mr D Heeley

Prebendary Dr P J R Richards

FABRIC ADVISORY COMMITTEE

Mr D Hogg

Dr R Dunning

Mr A Thomas

Mr H Playfair

Sir A Stirling

Ms J Channner

CATHEDRAL ADMINISTRATOR AND CHAPTER CLERK

Prebendary Dr P J R Richards

CATHEDRAL OFFICES

Chain Gate

Cathedral Green

Wells

Somerset

BA5 2UE

ARCHITECT

Mr N Cox

77 Heyford Park

Upper Heyford

Oxfordshire

OX25 5HD

ARCHAEOLOGIST

Mr J Sampson

AUDITOR

Fletcher & Partners

Chartered Accountants and Statutory Auditors

Crown Chambers

Bridge Street

Salisbury

Wiltshire

SP1 2LZ

BANKERS

National Westminster Bank Plc

7 High Street

Wells

Somerset

BA5 2AA

SOLICITORS

Harris & Harris

14 Market Place

Wells

Somerset

BA5 2RE

INVESTMENT MANAGERS

Investec

Gresham Street

London

EC2V 8QN

8 CONCLUSION

The challenges the Cathedral faced in 2015 were substantial. Some, mainly through our Strategic Development Programme, were self-imposed. But many others were acts of God that challenged us through our faith to respond with strength and dignity, the Dean's illness perhaps being the most critical and emotional. Across the Cathedral these challenges have been met by a supremely capable, motivated and dedicated team of staff and volunteers.

We continue to improve through the way we deliver the Strategic Development Programme. However these specific projects sit alongside the significant day to day work of worship, welcome, administration, cleaning, maintenance and the running of the café and shop, and the library and archives. Much of the work is routine and not glamorous – this does not stop it being vital in sustaining this living treasure. The Chapter is grateful to the skill and goodwill of paid staff and many volunteers who enable the Cathedral to exist for the glory of God and as a sign of His kingdom in the world.

Written by the Chapter

Signed on behalf of the Cathedral Church of St Andrew in Wells



The Reverend Canon A Featherstone
Chancellor and Acting Dean

Date:

7 June 2016

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHAPTER OF WELLS

We have audited the financial statements of The Cathedral Church of St Andrew in Wells for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Entity Only Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, Section 27 of the Cathedrals Measure 1999 (February 2015) and Financial Reporting Standard FRS 102.

This report is made solely to the Chapter's members as a body, in accordance with Section 27 of the Cathedrals Measure 1999 (February 2015). Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the 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 Chapter and the Chapter's members 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 Responsibilities of the Chapter set out on page 115 of the Annual Report, the Chapter members' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Cathedral's circumstances and have been consistently and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Chapter members; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial in the Annual Report of the Chapter to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on the financial statements

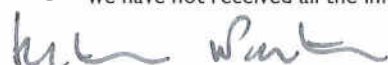
In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Cathedral Church of St Andrew in Wells and Group as at 31 December 2015 and of the net movement in funds for the year then ended.
- have been properly prepared in accordance with Financial Reporting Standard FRS 102 and under Section 27 of the Cathedrals Measure 1999 (February 2015).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- the information given in the Annual Report of the chapter 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.



FLETCHER & PARTNERS

Chartered Accountants and Statutory Auditor

Crown Chambers, Bridge Street

Salisbury, Wiltshire, SP1 2LZ

Date: 3 August 2016.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Incoming Resources						
(i) Donations and legacies	2	757,337	83,141	-	840,478	848,217
(ii) Grants in support of mission		33,030	435,183	-	468,213	184,731
(iii) Charges and fees arising in the course of mission		225,236	-	-	225,236	183,552
(iv) Trading and fundraising	3	647,533	-	-	647,533	642,105
(v) Income from property and investments		224,797	72,942	-	297,739	286,604
(vi) Other income		80,652	10,305	-	90,957	99,338
Total Income		1,968,585	601,571	-	2,570,156	2,244,547
Expenditure						
(i) Raising funds	4	816,013	24,084	5,617	845,714	810,204
(ii) Ministry		352,231	324,622	-	676,853	650,307
(iii) Cathedral and precincts upkeep		384,760	316,586	-	701,346	563,262
(iv) Education and outreach		128,533	10,089	-	138,622	103,506
(v) Other expenditure		67,608	11,092	-	78,700	86,029
Total Expenditure on Generating Funds, Mission and Governance		1,749,145	686,473	5,617	2,441,235	2,213,308
Net Incoming/ (Outgoing) Resources Before Investment Gains		219,440	(84,902)	(5,617)	128,921	31,239
Net Gains/ (Losses) on Investment Property and Investments						
(i) Investment property	9	-	-	-	-	-
(ii) Investments	10	(5,675)	(4,543)	(6,248)	(16,466)	(7,657)
		(5,675)	(4,543)	(6,248)	(16,466)	(7,657)
Net Income/ (Expenditure)		213,765	(89,445)	(11,865)	112,455	23,582
Gross Transfers Between Funds	18	-	-	-	-	-
Net Movement in Funds		213,765	(89,445)	(11,865)	112,455	23,582
Reconciliation of Funds						
Funds Brought Forward						
As originally stated		5,315,011	1,407,653	7,023,649	13,746,313	13,722,731
Prior year adjustment	22	(33,500)	-	-	(33,500)	(33,500)
As restated		5,281,511	1,407,653	7,023,649	13,712,813	13,689,231
Funds Carried Forward		5,495,276	1,318,208	7,011,784	13,825,268	13,712,813

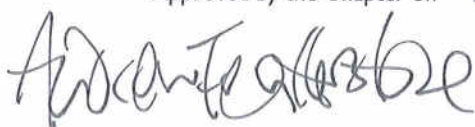
The notes on pages vi to xxi form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Fixed Assets						
Investment Assets						
Property	9	1,503,400	-	852,000	2,355,400	2,355,400
Investments	10	837,825	465,515	734,784	2,038,124	1,971,100
		<u>2,341,225</u>	<u>465,515</u>	<u>1,586,784</u>	<u>4,393,524</u>	<u>4,326,500</u>
Tangible Fixed Assets						
Property	11	2,850,000	830,000	5,425,000	9,105,000	9,105,000
Equipment and plant	12	89,221	22,693	-	111,914	123,936
		<u>2,939,221</u>	<u>852,693</u>	<u>5,425,000</u>	<u>9,216,914</u>	<u>9,228,936</u>
Total Fixed Assets		<u>5,280,446</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,610,438</u>	<u>13,555,436</u>
Current Assets						
Stocks		46,890	-	-	46,890	43,617
Debtors	13	192,196	-	-	192,196	68,694
Short term deposits		-	-	-	-	-
Cash at bank and in hand		237,701	-	-	237,701	313,328
		<u>476,787</u>	<u>-</u>	<u>-</u>	<u>476,787</u>	<u>425,639</u>
Liabilities Due Within One Year						
Creditors	14	(228,457)	-	-	(228,457)	(234,762)
Net Current Assets		<u>248,330</u>	<u>-</u>	<u>-</u>	<u>248,330</u>	<u>190,877</u>
Liabilities Due After One Year						
Provisions	14	(33,500)	-	-	(33,500)	(33,500)
Total Net Assets		<u>5,495,276</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,825,268</u>	<u>13,712,813</u>
Funds of the Cathedral	18					
Common Funds		1,617,017	-	348,461	1,965,478	1,795,468
Designated Funds		1,028,259	-	-	1,028,259	987,111
Property Funds		2,850,000	830,000	5,425,000	9,105,000	9,105,000
Fabric Funds		-	-	637,251	637,251	650,089
Music Funds		-	339,050	601,072	940,122	1,024,615
Other Restricted Funds		-	149,158	-	149,158	150,530
Total Cathedral Funds		<u>5,495,276</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,825,268</u>	<u>13,712,813</u>

Approved by the Chapter on 6/6/2016

and signed on their behalf by:



The Reverend Canon A Featherstone
Chancellor and Acting Dean



Prebendary Dr P J R Richards
Cathedral Administrator and Chapter Clerk

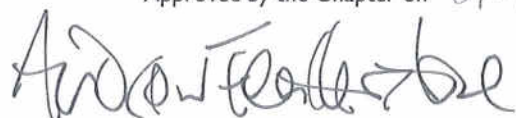
The notes on pages vi to xxi form an integral part of these financial statements.

ENTITY ONLY BALANCE SHEET

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
Fixed Assets						
Investment Assets						
Property	9	1,503,400	-	852,000	2,355,400	2,355,400
Investments	10	856,171	465,515	734,784	2,056,470	1,989,446
		<u>2,359,571</u>	<u>465,515</u>	<u>1,586,784</u>	<u>4,411,870</u>	<u>4,344,846</u>
Tangible Fixed Assets						
Property	11	2,850,000	830,000	5,425,000	9,105,000	9,105,000
Equipment and plant	12	77,923	22,693	-	100,616	113,585
		<u>2,927,923</u>	<u>852,693</u>	<u>5,425,000</u>	<u>9,205,616</u>	<u>9,218,585</u>
Total Fixed Assets		<u>5,287,494</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,617,486</u>	<u>13,563,431</u>
Current Assets						
Stocks		-	-	-	-	-
Debtors	13	288,720	-	-	288,720	145,672
Short term deposits		-	-	-	-	-
Cash at bank and in hand		141,533	-	-	141,533	220,744
		<u>430,253</u>	<u>-</u>	<u>-</u>	<u>430,253</u>	<u>366,416</u>
Liabilities Due Within One Year						
Creditors	14	(188,971)	-	-	(188,971)	(183,534)
Net Current Assets		<u>241,282</u>	<u>-</u>	<u>-</u>	<u>241,282</u>	<u>182,882</u>
Liabilities Due After One Year						
Provisions	14	(33,500)	-	-	(33,500)	(33,500)
Total Net Assets		<u>5,495,276</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,825,268</u>	<u>13,712,813</u>
Funds of the Cathedral	18					
Common Funds		1,617,017	-	348,461	1,965,478	1,795,468
Designated Funds		1,028,259	-	-	1,028,259	987,111
Property Funds		2,850,000	830,000	5,425,000	9,105,000	9,105,000
Fabric Funds		-	-	637,251	637,251	650,089
Music Funds		-	339,050	601,072	940,122	1,024,615
Other Restricted Funds		-	149,158	-	149,158	150,530
Total Cathedral Funds		<u>5,495,276</u>	<u>1,318,208</u>	<u>7,011,784</u>	<u>13,825,268</u>	<u>13,712,813</u>

Approved by the Chapter on 6/6/2016

and signed on their behalf by:



The Reverend Canon A Featherstone
Chancellor and Acting Dean



Prebendary Dr P J R Richards
Cathedral Administrator and Chapter Clerk

The notes on pages vi to xxi form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	2015		2014	
		£	£	£	£
Cash Flows from Operating Activities					
Net cash provided by/(used in) operating activities		(255,996)		(170,494)	
Cash Flows from Investing Activities					
Rents received net of costs		226,028		219,261	
Investment income received net of costs		56,909		52,741	
Proceeds from the sale of property, plant and equipment		-		-	
Purchases of property, plant and equipment		(19,077)		(19,490)	
Proceeds from sale of investments		248,495		475,230	
Purchase of investments		(557,565)		(405,262)	
Net cash provided by/ (used in) investing activities		(301,206)		151,986	
Change in cash and cash equivalents in the year	17	(301,206)		151,986	
Cash and cash equivalents at 1 January 2015		563,078		411,092	
Cash and cash equivalents at 31 December 2015		261,872		563,078	

The reason for the reduction in cash and cash equivalents of £301k between 2014 and 2015 is predominantly due to the fact that at the 2014 year-end cash levels held by the Cathedral's investment managers were unusually high due to phasing of share sales in advance of reinvestment.

The notes on pages vi to xxi form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Preparation and Assessment of Going Concern

The financial statements have been prepared in accordance with the historical cost convention (as modified by the revaluation of certain fixed assets), applicable accounting standards and the provisions of the Regulations for English Anglican Cathedral Accounts specified by the Church Commissioners under the powers given to them by section 27 of the Cathedrals Measure 1999 (The Regulations) (February 2015) and in compliance with Financial Reporting Standard (FRS) 102.

The Chapter consider that there are no material uncertainties about the Cathedral's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

The Chapter consider that no restatement of comparative items is needed in applying the accounting policies required by FRS 102. A reconciliation is provided of reported net income with the net income under previous GAAP adjusted for the presentation of investment losses as part of reported income.

Reconciliation of reported net income	£
Net income as previously stated	31,239
Adjustment for investment losses now treated as a component of net income	<u>(7,657)</u>
2014 net income as restated	<u>23,582</u>

Financial Instrument

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Consolidation

These financial statements consolidate the results of the Cathedral and its subsidiary companies, Wells Cathedral Catering Limited, Wells Cathedral Publications Limited and Wells Cathedral Enterprises Limited on a line by line basis.

Wells Cathedral Enterprises Limited has not traded since 1 April 2003 and therefore no separate income and expenditure results are disclosed in note 3.

Income Recognition

Income from alms, donations and legacies is recognised in the accounts when it is probable that the income will be received and the amount can be reliably measured. Dividends are recognised in accordance with their payable date. Grants are recognised when receivable. All other income is recognised on a receivable basis.

Realised gains/(losses) on investments represents net sales proceeds less market value at the last balance sheet date.

Expenditure Recognition

Expenditure is accounted for on the accruals basis in the period to which it relates rather than in the year in which it is paid. Irrecoverable value added tax is added to the expenditure to which it relates.

Repairs, Restoration and Maintenance expenditure incurred through the Cathedral works department is included within the Cathedral and precincts upkeep section of the SOFA.

Allocation of Support and Governance Costs

The apportionment of support costs for 2015 has been estimated on the basis of the amount of input by administration, yard and virger personnel to each of the other Cost Centres of the Cathedral.

Governance costs include such items as audit and an allocation of support costs in relation to the constitutional and statutory requirements. These are also apportioned across the other cost headings in the Statement of Financial Activities.

Third Party Receipts and Payments

Stipends in respect of the Dean, Chancellor and Precentor are paid directly by the Church Commissioners. These amounted to £124,985 in total for the year to 31 December 2015 including employer's national insurance and pension contributions (2014: £121,334). This sum has been included in notes 2, 4 and 8.

Pensions

The Cathedral and subsidiary companies operate a defined contribution scheme. The assets of the schemes are held separately from those of the Cathedral and subsidiary companies being invested with insurance companies. The expenditure included in the SOFA represents the contributions payable to the scheme in respect of the accounting period.

Freehold Property and Depreciation

(i) Cathedral and Ancillary Buildings – Heritage Assets not recognised in the Balance Sheet

In accordance with The Regulations no value is attributed in the balance sheet to the Cathedral and ancillary buildings or to items included in the Inventory as being of architectural, archaeological, artistic or historic interest. It is considered that information on insured values would be misleading.

The present cathedral was begun about 1175 on a new site to the north of the old minster church. Bishop Reginald de Bohun brought the idea of a revolutionary architectural style from France, and Wells was the first English cathedral to be built entirely in this new Gothic style. The first building phase took about eighty years, building from east to west, culminating in the magnificent West Front. About 300 of its original medieval statues remain. The Chapter House was finished by 1306 and the iconic scissor arches were built by 1348. The famous Wells clock is considered to be the second oldest clock mechanism in Britain, and probably in the world, to survive in original condition and still in use. The original works were made about 1390 and the clock face is the oldest surviving original of its kind anywhere.

The Constitution and Statutes of Wells Cathedral state that one of the duties of the Chapter is to "ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out". Any such works are carried out under the Care of Cathedrals Measure 2011. The Cathedral's Fabric Advisory Committee advises the Chapter in this respect and will consider any applications made by Chapter under the Measure.

One key requirement of the Measure is for the Cathedral to hold an inventory of all objects which are vested in the Corporate Body of the Cathedral. Items deemed by the Fabric Advisory Committee to be of outstanding interest are noted within the inventory. There is no cost or valuation information in the inventory.

(ii) Property for Cathedral Use (except Cathedral and Ancillary Buildings)

Property held for the use of the Cathedral is shown at open market existing use value. The non-investment properties were valued as at 31 December 2012 by Colliers International, Chartered Surveyor.

The properties owned by the Cathedral, all of which are freehold, have been acquired over many years. Documents of title are not available in every case.

No depreciation is provided on freehold land or buildings. The Cathedral has a policy and practice of regular maintenance and repair such that its buildings are kept in a continual state of sound repair. Accordingly, the Chapter considers that the useful economic lives of these assets are so long and their residual values are so high, that their depreciation would not be material. Residual values are based on valuations prevailing at the balance sheet date. An impairment review is carried out annually as depreciation is not charged on the grounds of immateriality.

Equipment, Furniture and Depreciation

All expenditure on equipment and furniture above £2,000 is capitalised and included at cost.

Depreciation is provided on such assets, except the grand piano, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Practice room piano	10% pa on reducing balance
Other equipment	4% - 25% pa straight line

No depreciation is provided on the grand piano because estimated residual value is not expected to be less than cost.

Investments

(i) Stocks and Shares

Stocks and shares other than those in subsidiaries are shown in the financial statements at market value. Market value represents the mid-market price on the last day of trading in the financial year.

Part of the capital values of the various funds are represented by the Consolidated Investment Fund and un-invested cash. At the year end the realised and unrealised gains and losses on the Consolidated Investment Fund are apportioned to the respective funds in the ratio of their market values.

(ii) Property

Investment property is shown at market value at the balance sheet date. Unrealised gains and losses on revaluation are included within the Consolidated Statement of Financial Activities. The investment properties were valued at February 2011 by Colliers International, Chartered Surveyor.

(iii) Subsidiaries

Subsidiaries are stated in the Entity Only Balance Sheet at their net asset value.

Stock

Stock consists mainly of that held by the trading subsidiary companies.

Stock is stated at the lower of cost and net realisable value as follows:-

Goods for resale – purchase cost on a first in, first out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal.

Provision is made for slow moving, obsolete or damaged stock where the net realisable value is less than cost.

Funds

Unrestricted Funds

Unrestricted Funds comprise:

- **Estates Fund (designated)**

Previously called the Vicars' Close Dilapidation Fund, the Fund is now credited with rental income arising on certain properties owned by the Cathedral and charged with all repairs and maintenance to such properties. This is subject to an annual decision of Chapter.

- **Furnishings Fund (designated)**

The main source of income for this Fund used to be the sale of votive candles, but the Chapter has decided that this source of income should be used in the Common Fund. The Fund is charged with expenditure relative to the interior furnishings of the Cathedral.

- **Music Tour Fund (designated)**

Funds set aside for the annual Music Tour. A decision on the amount to set aside from the Common Fund is made annually by Chapter.

- **Chorister Bursary Fund (designated)**

To provide bursaries for choristers at Wells Cathedral School. A decision on the amount to set aside from the Common Fund is made annually by Chapter.

- **Cathedral Clergy Fund (designated)**

This represents the value of the properties used for the housing of Cathedral clergy.

- **Common Fund**

This represents the working capital of the Cathedral and includes income deriving from the Common Fund endowment capital.

Restricted Funds

Restricted Funds comprise monies given for specific purposes as follows:-

- Miss K M Denison Fund

A legacy was received in 1931. Income is to be applied in paying pensions or in making grants to persons in need of assistance who are, or who have been, Priests, Vicars or Lay Vicars of the Cathedral Church of St Andrew in Wells.

- Clock Maintenance Fund

A donation of £1,500 was received in May 1978 from the Minnitt Family in memory of Reverend A F Minnitt. Income is to be applied towards the maintenance of the clock.

- Girl Choristers Fund

A donation of £90,000 was received in 2003 from the Friends of Wells Cathedral in order to sponsor girl choristers at Wells Cathedral School.

- Joy Burden Fund

This represents the annual income received since 2012 from the Dickinson Trust set up to administer Joy Burden's legacy which is put towards expenditure relating to major projects and revenue costs.

- Cathedral Commissions Fund

This Fund is credited with income arising from an appeal in 2005 and new Cathedral Commissioners. The fund is to support the commissioning of new music for the Cathedral Choir.

- Jesse Window Fund

This fund represents specific grants and donations received in support of the restoration of the Jesse Window.

- Music Fund

This fund is credited with income specifically donated for music costs. It includes what had previously been held in the Music Appeal Fund and so is credited with covenant income arising from an appeal in 1991 for the same purpose. It is also credited with income from Endowment funds held in support of Cathedral Music.

- Fabric (Endowment Income)

This fund is credited with income from Endowment funds held in support of Cathedral Fabric.

- Equipment

This fund is credited with income from grants made to the Cathedral, including from the Friends, towards the purchase of equipment that has been capitalised.

- Development Project Fund

This represents the value of the properties forming part of the Development Project, namely, the Friends Building, Masons Yard and the Entry Cloister.

Other Restricted Funds

Other restricted funds are those which have been spent entirely within 2015, for example the Church Commissioner's Grants, or are those for which the remaining balances are too small to show individually. These are the Dean Plumptre Fund, Cathedral School Prize Fund, Cathedral Camps Fund, Organ Fund and B Ward St Andrews Day Fund.

Endowment Funds

Endowment Funds comprise a capital and income element. The capital element cannot be spent. Income generated is taken to the relevant restricted and unrestricted fund and is spent in accordance with the terms of the endowment. The funds comprise:

- Common Fund

This represents part of the original capital endowment of the Cathedral.

- Fabric Fund

This represents the original capital endowment contributing towards the maintenance of the Cathedral

- Music Fund

This represents the original capital endowment contributing towards the cost of Cathedral Music.

- Vicars' Close Fund

This represents the value of the properties forming Vicars' Close.

2. CONSOLIDATED INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
(i) Donations and Legacies					
Congregational collections and giving	108,966	6,797	-	115,763	106,512
Donations	420,347	-	-	420,347	469,515
Tax recoverable under Gift Aid	32,044	2,240	-	34,284	29,782
Income from Friends and local trusts	113,802	12,604	-	126,406	169,921
Legacies	82,178	61,500	-	143,678	72,487
	757,337	83,141	-	840,478	848,217
(ii) Grants in Support of Mission					
Church Commissioners	-	182,331	-	182,331	181,591
Other revenue	33,030	252,852	-	285,882	3,140
	33,030	435,183	-	468,213	184,731
(iii) Charges and Fees Arising in the Course of Mission					
Facility and other fees	225,236	-	-	225,236	183,552
(iv) Trading and Fundraising					
Income of shop and refectory	647,533	-	-	647,533	634,012
Holiday Let	-	-	-	-	8,093
	647,533	-	-	647,533	642,105
(v) Income From Property and Investments					
Property - Other	107,459	-	-	107,459	89,840
Property - Investment	85,099	33,470	-	118,569	129,421
Investments	29,530	39,472	-	69,002	64,790
Interest receivable on short term Deposits	2,709	-	-	2,709	2,553
	224,797	72,942	-	297,739	286,604
(vi) Other Income					
Additional Music Activities	72,723	6,956	-	79,679	93,078
Other items	7,929	3,349	-	11,278	6,260
	80,652	10,305	-	90,957	99,338
Total Incoming Resources	1,968,585	601,571	-	2,570,156	2,244,547

The analysis of the comparative figures across the various types of funds in the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2014 £
Donations and Legacies	573,995	274,222	-	848,217
Grants in support of Mission	371	184,360	-	184,731
Charges and fees arising in the course of Mission	183,552	-	-	183,552
Trading and Fundraising	642,105	-	-	642,105
Income from Property and investments	212,318	74,286	-	286,604
Other income	84,423	14,915	-	99,338
Total Incoming resources	1,696,764	547,783	-	2,244,547

3. INCOME AND EXPENDITURE FROM TRADING SUBSIDIARIES

(i) Wells Cathedral Catering Limited

The Cathedral has a wholly-owned trading subsidiary which is incorporated in the UK. Wells Cathedral Catering Limited (Registered Company No. 01772974) operates the Cathedral restaurant and outside catering facilities. The subsidiary company's profits have been gift aided to The Cathedral Church of St Andrew in Wells. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2015 £	2014 £
Turnover	364,179	371,072
Cost of sales	(272,295)	(263,097)
Gross profit	91,884	107,975
Administration expenses (excluding rents payable to parent)	(45,494)	(48,557)
Profit on ordinary activities before rent	46,390	59,418
Rent due to The Cathedral Church of St Andrew in Wells (eliminated on consolidation)	(31,560)	(31,560)
Profit on ordinary activities before gift aid	14,830	27,858
Gift aid payable to The Cathedral Church of St Andrew in Wells	(10,786)	(27,858)
Profit before taxation	-	-
Tax on profits	-	-
Profit after taxation retained by the subsidiary	4,044	-
The aggregate of the assets, liabilities and funds of Wells Cathedral Catering Limited at the financial year end were:		
Assets	59,356	61,861
Liabilities	(56,235)	(62,784)
Funds	2	2
Trading Profit/(Loss) Carried Forward	3,119	(925)

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(ii) Wells Cathedral Publications Limited

The Cathedral has a wholly-owned trading subsidiary which is incorporated in the UK. Wells Cathedral Publications Limited (Registered Company No. 01007081) operates the Cathedral shop. The subsidiary company's profits have been gift aided to The Cathedral Church of St Andrew in Wells. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

	2015 £	2014 £
Turnover	283,354	262,940
Cost of sales	(214,810)	(196,379)
Gross profit	68,544	66,561
Administration expenses (excluding rents payable to parent)	(19,264)	(18,841)
Profit on ordinary activities before rent	49,280	47,720
Rent due to The Cathedral Church of St Andrew in Wells (eliminated on consolidation)	(17,636)	(17,636)
Profit on ordinary activities before gift aid	31,644	30,084
Gift aid payable to The Cathedral Church of St Andrew in Wells	(31,633)	(30,051)
Profit before taxation	11	33
Tax on profits	(11)	(33)
Profit after taxation retained by the subsidiary	-	-
The aggregate of the assets, liabilities and funds of Wells Cathedral Publications Limited at the financial year end were:		
Assets	104,483	96,540
Liabilities	(86,141)	(78,198)
Funds	18,342	18,342

4. RESOURCES EXPENDED

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
(i) Raising funds					
Cost of facilities for visitors	113,159	-	-	113,159	101,551
Cost of services directly recoverable	47,681	-	-	47,681	77,587
Gross costs of shop, refectory and other trading activities	543,339	-	-	543,339	529,293
General marketing & development costs	74,165	10,000	-	84,165	67,352
Costs of appeals and fund raising	11,432	10,000	-	21,432	17,952
Investment and other property costs	21,136	-	-	21,136	1,867
Investment manager's fees	5,101	4,084	5,617	14,802	14,602
	816,013	24,084	5,617	845,714	810,204
(ii) Ministry					
Clergy stipends and working expenses	7,260	124,987	-	132,247	137,174
Clergy housing costs	31,204	-	-	31,204	27,646
Clergy support costs	43,763	-	-	43,763	65,161
Services, music and congregational costs	270,004	199,635	-	469,639	420,326
	352,231	324,622	-	676,853	650,307
(iii) Cathedral and Precincts Upkeep					
Major repairs and restoration	41,067	297,434	-	338,501	178,051
Maintenance and interior upkeep	231,857	19,152	-	251,009	270,302
Cathedral insurance	26,798	-	-	26,798	26,430
Precincts, security and gardens upkeep	30,318	-	-	30,318	28,780
Heat & Light	54,720	-	-	54,720	59,699
	384,760	316,586	-	701,346	563,262
(iv) Education and Outreach					
Outreach	27,247	10,000	-	37,247	34,596
Educational activities	50,498	-	-	50,498	45,182
Archives and library	50,788	89	-	50,877	23,728
	128,533	10,089	-	138,622	103,506
(v) Other Expenditure					
Other items	67,608	11,092	-	78,700	86,029
Total Expenditure	1,749,145	686,473	5,617	2,441,235	2,213,308

The analysis of the comparative figures across the various types of funds in the previous year is as follows:

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2014 £
Raising funds	776,407	28,117	5,680	810,204
Ministry	291,426	358,881	-	650,307
Cathedral and Precincts Upkeep	416,491	146,771	-	563,262
Education and Outreach	93,397	10,109	-	103,506
Other Expenditure	73,108	12,921	-	86,029
Total expenditure	1,650,829	556,799	5,680	2,213,308

5. IRRECOVERABLE VAT

The total amount of irrecoverable vat paid during the year was £43,431 (2014: £32,141)

6. APPORTIONMENT OF SUPPORT COSTS

	Support Costs Allocated				Total £
	Direct Costs £	Admin £	Virgers £	Yard £	
Raising Funds	626,015	187,608	32,091	-	845,714
Ministry, Services and Music	460,477	120,695	88,446	7235	676,853
Cathedral and Precincts Upkeep	513,721	34,510	15,654	137461	701,346
Education and Outreach	108,604	14,364	15,654	-	138,622
Other Expenditure	67,531	6,473	4,696	-	78,700
TOTAL	1,776,348	363,650	156,541	144,696	2,441,235

7. AUDITOR'S REMUNERATION

Included in raising funds is £7,490 (2014: £7,490) for audit fees and £0 (2014: £0) payable to the auditor for other services. In addition, included within the administrative expenses of the trading subsidiaries as disclosed in Note 3 are audit fees of £4,000 (2014: £4,000).

8. STAFF NUMBERS AND COSTS (GROUP)

75 paid staff worked for the Cathedral and subsidiary companies during the year; the average number calculated on a full time equivalent basis being:-

	2015 No.	2014 No.
Full time	25	24
Part time	22	23
	<u>47</u>	<u>47</u>

The total cost of all paid staff of the Cathedral and subsidiary companies was as follows:-

	2015 £	2014 £
Salaries and stipends	1,019,990	989,695
Employer's national insurance costs	72,895	70,905
Employer's pension contributions	81,105	72,012
	<u>1,173,990</u>	<u>1,132,612</u>

The Cathedral and subsidiary companies operate a defined contributions pension scheme. The assets of the scheme are held separately and administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £47,164 (2014: £39,879). Contributions totalling £192 (2014: £nil) were payable to the fund at the year end.

The cathedral considers its key management personnel to be members of Chapter. The total employment benefits including employer pension contributions of the key management personnel were £171,782 (2014: £167,530). There were no employees with emoluments above £60,000.

One member of the Chapter, Prebendary Dr P J R Richards, received remuneration during the year of £49,350 (2014: £48,620) from the Cathedral. The Dean, Chancellor and Precentor stipends (including the related pension provision) are paid by the Church Commissioners in accordance with scales set by the Church Commissioners, the Archbishop's Council and the Church of

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England Pensions Board. The amounts paid including employer national insurance during the year ended 31st December 2015 were as follows:

	Stipend (£)	Pension (£)
The Very Revd J Clarke (Dean)	37,232	11,310
The Revd Canon A Featherstone (Chancellor)	29,221	9,048
The Revd Canon N Jepson-Biddle (Precentor)	29,126	9,048

During the year six Chapter members were paid expenses totalling £6,029 on Chapter business (2014: five members, £6,443). These expenses were reimbursements for travel, subsistence, and other costs necessary for fulfilment of the roles.

9. INVESTMENT PROPERTY (GROUP AND CATHEDRAL)

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2015
	£	£	£	£
At valuation 1 January	1,503,400	-	852,000	2,355,400
Revaluation	-	-	-	-
At valuation 31 December	1,503,400	-	852,000	2,355,400

10. INVESTMENTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2015
	£	£	£	£
Non-cash investments at market value 1 January				1,721,350
Additions				557,564
Proceeds from disposals				(248,495)
Net increase on disposals and revaluations				(16,466)
Non-cash investments at market value 31 December	813,654	465,515	734,784	2,013,953
Uninvested Cash	24,171	-	-	24,171
Market Value Carried Forward (Group)	837,825	465,515	734,784	2,038,124
Investments in Group Undertaking at Net Asset Value	18,346	-	-	18,346
Investments (Cathedral)	856,171	465,515	734,784	2,056,470

	2015	2014
	£	£
Investments are traded on a recognised UK Stock Exchange		
UK Equities	1,359,506	1,024,181
Overseas Equities	121,861	169,392
UK Fixed Interest	475,156	469,022
Alternative Investments	57,430	58,755
	<u>2,013,953</u>	<u>1,721,350</u>

11. NON INVESTMENT PROPERTY (GROUP AND CATHEDRAL)

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2015
	£	£	£	£
Cost Valuation at 1 January	2,850,000	830,000	5,425,000	9,105,000
Depreciation	-	-	-	-
Net book value at 1 January	2,850,000	830,000	5,425,000	9,105,000
Net book value at 31 December	2,850,000	830,000	5,425,000	9,105,000

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Non-Investment properties represent freehold property held for Cathedral use as follows:

	2015	2014
	£	£
For Cathedral clergy and staff housing	8,275,000	8,275,000
For the education and music centre	200,000	200,000
For Cathedral trading activities	500,000	500,000
For other Cathedral use	130,000	130,000
	<u>9,105,000</u>	<u>9,105,000</u>

Property used for Cathedral clergy and staff housing includes surplus properties which are let out on a short term basis.

12. EQUIPMENT AND PLANT

	GROUP			CATHEDRAL		
	Unrestricted Funds	Restricted Funds	Total 2015	Unrestricted Funds	Restricted Funds	Total 2015
	£	£	£	£	£	£
Cost at 1 January	309,823	71,065	380,888	269,043	71,065	340,108
Depreciation at 1 January	(220,673)	(36,279)	(256,952)	(190,244)	(36,279)	(226,523)
Net book value at 1 January	<u>89,150</u>	<u>34,786</u>	<u>123,936</u>	<u>78,799</u>	<u>34,786</u>	<u>113,585</u>
Additions	19,077	-	19,077	15,468	-	15,468
Disposals	(7,967)	-	(7,967)	(7,967)	-	(7,967)
Depreciation	(19,006)	(12,093)	(31,099)	(16,344)	(12,093)	(28,437)
Depreciation write off	7,967	-	7,967	7,967	-	7,967
Net book value at 31 December	<u>89,221</u>	<u>22,693</u>	<u>111,914</u>	<u>77,923</u>	<u>22,693</u>	<u>100,616</u>
Cost at 31 December	320,933	71,065	391,998	276,544	71,065	347,609
Depreciation at 31 December	(231,712)	(48,372)	(280,084)	(198,621)	(48,372)	(246,993)
Net book value at 31 December	<u>89,221</u>	<u>22,693</u>	<u>111,914</u>	<u>77,923</u>	<u>22,693</u>	<u>100,616</u>

13. DEBTORS

	GROUP		CATHEDRAL	
	2015	2014	2015	2014
	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
	£	£	£	£
Trade debtors	30,520	23,605	24,102	13,615
Amounts due from trading companies	-	-	96,061	88,003
Other debtors	-	-	8,024	-
Prepayments and accrued income	161,676	45,089	160,533	44,054
	<u>192,196</u>	<u>68,694</u>	<u>288,720</u>	<u>145,672</u>

14. CREDITORS

	GROUP		CATHEDRAL	
	2015	2014	2015	2014
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	Funds	Funds	Funds	Funds
	£	£	£	£
Liabilities Due Within One Year				
Trade creditors	81,166	68,707	68,836	56,259
Amounts due to trading companies	-	-	1,906	1,742
Other taxation and social security	17,209	35,007	-	7,243
Other creditors	13,862	20,727	13,160	19,221
Accruals and deferred income	116,220	110,321	105,069	99,069
	<u>228,457</u>	<u>234,762</u>	<u>188,971</u>	<u>183,534</u>
Liabilities Due After One Year				
Provision for historic pension cost	33,500	33,500	33,500	33,500
	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>

15. RECONCILIATION OF GROUP NET INCOME/(EXPENDITURE) TO NET CASH FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Net income/ (expenditure) for the reporting year	128,921	31,239
Less income from property and investments	(295,030)	(284,051)
Less interest received	(2,709)	(2,553)
Add property management costs, rental collection fees and investment management costs	14,802	14,602
Add depreciation	31,099	34,118
(Increase)/Decrease in stocks	(3,273)	2,272
(Increase)/Decrease in debtors	(123,502)	39,189
Increase/(Decrease) in creditors	(6,304)	(5,310)
	<u>(255,996)</u>	<u>(170,494)</u>
Net Cash Outflow From Group Operating Activities	<u>(255,996)</u>	<u>(170,494)</u>

16. CONSOLIDATED RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015	2014
	£	£
(Decrease)/Increase in cash in the year	(301,206)	151,986
(Decrease)/Increase in net funds in the year	(301,206)	151,986
Net Funds brought forward	563,078	411,092
Net Funds carried forward	<u>261,872</u>	<u>563,078</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 1 Jan 2015	Cash Flow	At 31 Dec 2015
	£	£	£
Cash at bank and in hand held as current assets	313,328	(75,627)	237,701
Cash held as investment assets	249,750	(225,579)	24,171
Short term deposits held as current assets	-	-	-
Total cash and cash equivalents	<u>563,078</u>	<u>(301,206)</u>	<u>261,872</u>

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18. FUNDS

The Chapter administer various funds, some of which may only be used for specified "restricted" purposes. Movements during the period were as follows:

	Balance at 1 Jan 2015 £	Income £	Expenditure £	Gains/ Losses £	Transfers between Funds £	Net Movement in Funds £	Balance at 31 December 2015 £
Endowment Funds							
Common Endowment	351,067	-	(1,234)	(1,372)	-	(2,606)	348,461
Fabric Endowment	642,016	-	(2,256)	(2,509)	-	(4,765)	637,251
Music Endowment	605,566	-	(2,127)	(2,367)	-	(4,494)	601,072
Vicars' Close	5,425,000	-	-	-	-	-	5,425,000
Total	7,023,649	-	(5,617)	(6,248)	-	(11,865)	7,011,784
Restricted Funds							
Miss K M Denison	12,013	424	(91)	(101)	-	232	12,245
Clock Maintenance	4,781	170	(406)	(40)	-	(276)	4,505
Girl Choristers	8,957	316	(1,401)	(75)	-	(1,160)	7,797
Cath. Commissions	6,345	7,789	(5,913)	(55)	-	1,821	8,166
Music (now includes Appeal & Endowment Income)	419,050	49,790	(126,264)	(3,526)	-	(80,000)	339,050
Fabric (Endow. Income)	8,073	286,673	(297,459)	(68)	2,781	(8,073)	-
Jesse Window Fund	2,867	-	(86)	-	(2,781)	(2,867)	-
Joy Burden Fund	78,820	62,778	(49,328)	(663)	-	12,787	91,607
Equipment Fund	34,786	-	(12,093)	-	-	(12,093)	22,693
Development Project	830,000	-	-	-	-	-	830,000
Other Restricted Funds	1,961	193,631	(193,432)	(15)	-	184	2,145
Total	1,407,653	601,571	(686,473)	(4,543)	-	(89,445)	1,318,208

THE CATHEDRAL CHURCH OF ST ANDREW IN WELLS
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015
NOTES TO THE ACCOUNTS



	Balance at 1 Jan 2015 £	Income £	Expenditure £	Investment Gains/ Losses £	Transfers between Funds £	Net Movement in Funds £	Balance at 31 December 2015 £
Unrestricted Funds							
Estates (Designated)	806,273	139,991	(217,363)	(1,856)	96,480	17,252	823,525
Furnishings (Designated)	133,025	5,367	(275)	(307)	-	4,785	137,810
Music Tour (Designated)	14,740	13,732	(12,250)	(34)	9,301	10,749	25,489
Chorister Bursary (Designated)	33,073	1,334	(8,402)	(76)	15,506	8,362	41,435
Cathedral Clergy (Designated)	2,850,000	-	-	-	-	-	2,850,000
Common	1,444,400	1,808,161	(1,510,855)	(3,402)	(121,287)	172,617	1,617,017
Total	5,281,511	1,968,585	(1,749,145)	(5,675)	-	213,765	5,495,276
TOTALS							
Unrestricted	5,281,511	1,968,585	(1,749,145)	(5,675)	-	213,765	5,495,276
Restricted	1,407,653	601,571	(686,473)	(4,543)	-	(89,445)	1,318,208
Endowment	7,023,649	-	(5,617)	(6,248)	-	(11,865)	7,011,784
Total Funds	13,712,813	2,570,156	(2,441,235)	(16,466)	-	112,455	13,825,268

19. CONNECTED ENTITIES

Certain members of the Chapter are trustees of both The Wells Cathedral Trust and The Wells Cathedral Preservation Trust, and are members of the Executive Committee of the Friends of Wells Cathedral. However, the Chapter does not have day to day control over any of these charities.

The Wells Cathedral Trust

The Trust exists to further the religious, educational and other charitable work of the Cathedral as a minster.

Wells Cathedral Preservation Trust

This Trust exists to support the mission of the Cathedral in any way that the Trustees determine.

The Friends of Wells Cathedral

This association exists to support the Cathedral in maintaining, preserving and improving the fabric, fittings, ornaments, furniture and monuments of and in the Cathedral, and in furthering any schemes to maintain and set forward their safety, beauty and utility.

The most recently published summarised results of these entities are as follows:-

	The Wells Cathedral Trust Year Ended 31 December 2015 £	Wells Cathedral Preservation Trust Year Ended 31 March 2015 £	The Friends of Wells Cathedral Year Ended 31 December 2015 £
Gross Income	30,100	20,384	58,334
Surplus/(deficit) before payments to Cathedral	30,100	15,473	2,561
Amounts payable to the Cathedral	-	-	71,794
Net surplus/(deficit) after payments to the Cathedral	30,100	15,473	(69,233)
Gross Assets	42,341	785,603	298,327
Net Assets	42,341	784,303	291,587

The Friends of Wells Cathedral have been subject to an audit under the Charities Act 2011, while the Wells Cathedral Preservation Trust and Wells Cathedral Trust accounts have been subject to an independent examination.

Only income receivable from the above connected entities has been included in the financial statements of the Cathedral Church of St Andrew in Wells.

Wells Cathedral School (Limited by Guarantee)

In addition to the above connected entities, the Chapter has the right to appoint the majority of the Governors of Wells Cathedral School (Limited by Guarantee). The School's results have not been consolidated and no financial results for the year have been reproduced. Any financial surplus is not passed on to the Cathedral.

20. RELATED PARTY TRANSACTIONS

During the year the Cathedral received £0 (2014: £0) in grants towards expenditure from The Wells Cathedral Trust.

During the year, the Cathedral received £71,794 (2014: £110,344) from The Friends of Wells Cathedral towards project expenditure and £1,228 (2014: £1,538) for recharged fees.

During the year, the Cathedral received £0 (2014: £0) from Wells Cathedral Preservation Trust towards expenditure.

During the year the Cathedral received £111,975 (2014: £115,555) from Wells Cathedral School (Limited by Guarantee) in respect of rent, £27,610 (2014: £28,928) in respect of service fees, £12,598 (2014: £9,080) in respect of concert fees, and £1,417 (2014: £1,780) in respect of other income.

During the year the Cathedral paid £67,772 (2014: £63,106) in respect of Boy Chorister School fees and £1,333 (2014: £11,388) in respect of Girl Chorister School fees, £2,547 (2014: £4,188) in respect of Chorister Expenses, and £3,600 (2014: £3,768) in respect of Cathedral Camps to Wells Cathedral School (Limited by Guarantee).

At the year end the Cathedral was owed the following amounts:-	2015	2014
	£	£
The Wells Cathedral Trust	-	-
Wells Cathedral Preservation Trust	-	-
The Friends of Wells Cathedral	-	115
Wells Cathedral School (Limited by Guarantee)	10,356	7,369

21. FINANCIAL COMMITMENTS

Cathedral Repair Programme

As at the Balance sheet date The Cathedral Church of St Andrew in Wells had a financial commitment of £77,480 to Sally Strachey Historic Conservation Ltd for completion of contracted work on the North Quire Aisle Parapets Project, which is funded by the First World War Centenary Cathedral Repairs Fund.

22. PRIOR YEAR ADJUSTMENT

This comprises a provision of £33,500 in respect of estimated unfunded historic pension liabilities of £4.5k annually for a former Director of Music, provision for which is required under Financial Reporting Standard number 102.