



LINCOLN
CATHEDRAL

**THE CHAPTER OF
THE CATHEDRAL CHURCH
OF THE
BLESSED VIRGIN MARY OF LINCOLN**

**CONSOLIDATED ACCOUNTS
AND
ANNUAL REPORT
FOR THE YEAR ENDING
31 MARCH 2023**

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Annual Report for the Year Ended 31 March 2023

The Chapter of Lincoln Cathedral present their Annual Report and accounts for Lincoln Cathedral (“the Cathedral”), together with the Auditor’s Report, for the year ended 31 March 2023.

Mission Statement

The Cathedrals Measure specifies and simplifies the objects of the Chapter of a cathedral:

- (a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England
- (b) to care for and conserve the fabric and structure of the Cathedral church building
- (c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in paragraph (a) or (b)

The pastoral, evangelistic, social and ecumenical aspects of mission of the Church of England all articulate the Five Marks of Mission of the Anglican Communion.

- To proclaim the Good News of the Kingdom
- To teach, baptise and nurture new believers
- To respond to human need by loving service
- To seek to transform unjust structures of society, to challenge violence of every kind and to pursue peace and reconciliation
- To strive to safeguard the integrity of creation and sustain and renew the life of the earth

As the diocese aims to be faithful, joyful and confident in this work, so we will support the bishop in mission as we seek joyfully to proclaim the love of God in worship, outreach, service and welcome to all and faithfully to exercise our role as custodians of a sacred heritage building.

Aims, Objectives and Activities

Lincoln Cathedral was created as an awe-inspiring beacon of worship and hope to the city and county of Lincoln, and to the many hundreds of thousands of pilgrims who have journeyed here over the centuries. Our building stands as testimony, despite war, earthquake, fire and plague, to the enduring faith and witness of the people of Lincolnshire and the grace of God through the ages. It was built as a place of safety and sanctuary where people may find healing and reconciliation. Its purpose, as it always has been, is to bring everyone who comes through its doors, whether visitor, pilgrim or worshipper, closer to God.

For many this experience is achieved through active worship and participating in the Cathedral community, encompassing the regular rhythm of thirty-five or so weekly services in the Cathedral as well as the great festivals.

Others will experience the love of God through the warmth of the welcome they receive in and around the Cathedral, the generous hospitality they encounter or by sitting for quiet reflection in this sacred space. Others still will be drawn closer to God through the learning and education activities organised by the Cathedral, or by special concerts, occasions or events they attend.

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In order to achieve this purpose, the Cathedral Chapter and all those who work at the Cathedral, whether staff or volunteer aim to:

- Sustain and resource the ministry of the bishop in his diocese
- Maintain and develop the pattern of daily prayer
- Care for the fabric of the Cathedral, as custodians for the benefit of future generations
- Enable the building to speak boldly and imaginatively
- Raise funds necessary to fulfil the Cathedral's potential
- Be a natural setting for exploration of and engagement with the issues of contemporary society
- Explore the ways in which the life of the Cathedral can be shared more widely
- Ensure best practice in all that we undertake

Chapter's priorities, in this financial year, were to:

- Continue without interval the pattern of Sunday services along with the 35 or so weekday services of Mattins, Holy Communion, lunchtime Eucharist and Evensong
- Continue to engage with a diverse demographic of people and grow our volunteering opportunities, enhancing the Cathedral Community.
- Deliver critical works in respect to the maintenance and restoration of the Cathedral fabric and its precinct and plan for remedial actions, in line with available resources, to recover from the lockdown period and continue to meet key funding deadlines.
- Complete the delivery Stage 2 of "Lincoln Cathedral Connected", a National Lottery Heritage Fund (NLHF) enabled project which encompasses the aims of fabric restoration, its interpretation and financial sustainability through enhanced visitor experience.
- Strengthen governance, with the ambition to adopt the provisions of the Cathedral Measure 2021 within 2023/24, bringing the Cathedral under the dual regulation of the Charity Commission and Church Commissioners.
- Further the strategic priority of financial sustainability, specifically by exploring the following themes:
 - Maximising available funding; targeting core operations and infrastructure investment
 - Diversifying income streams where possible and implementing strategies for the long-term objectives of the Cathedral's property portfolio in order to manage risk and maximise yield without compromise to conservation
 - Minimising fixed and committed costs to enhance resilience and ability to respond to pressures on finite resources
 - Continuing a review of the management and organisational structure in place with a view to optimising efficiencies and ensuring scalable operating models.

In shaping the strategy and planning activities for the year Chapter has given due regard to the Charity Commission's guidance on public benefit.

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Review of Activities

Liturgy and Music

Lincoln Cathedral stands at the centre of Greater Lincolnshire, above all as a place of worship and pilgrimage, to which all are welcome. After the continued story of disruption throughout 2021, 2022 saw the cathedral start to rebuild the full rhythm of daily services every day of the year.

Priority 1: The work of the foundation: The rhythm of daily prayer for and on behalf of the diocese

The essential foundation to the Cathedral's liturgical life is the work of the Cathedral Foundation in maintaining a round of daily prayer for and on behalf of the diocese. After the restrictions of 2021, and the resumption of a full pattern of daily services, 2022 saw the gradual rebuilding of the musical capacity of the choir. During the course of the year, the two groups of choristers began to sing separately and, as confidence grew, a new pattern was developed - whilst Sunday morning services remained being sung by both sets of choristers until September 2023. However, the enforced pause in recruitment during the periods of restrictions, and challenges in recruitment and training since then, remain a cause for ongoing concern.

Daily the Duty Chaplains continue to offer a much-valued presence for visitors and resource the daily eucharist at the Shrine of St Hugh. As well as the small and faithful group of 'regulars' who pray alongside the members of the foundation, the larger worshipping community that gathers for the Sunday eucharist has seen a gradual recovering in attendance in the course of 2022. These opportunities for worship alongside the daily round of prayer and worship that are at the heart of the life of the Cathedral Foundation have been complemented by the return of less formal opportunities for prayer, reflection and worship, including Sacred Space (led by Canon David Dadswell) and Stillpoint (led by the Chancellor and the Revd Ann Mazur).

Priority 2: Supporting the Bishop's ministry and the communities of the diocese

The liturgical ministry of the Bishop has been supported in the normal way with a number of services resourced by the Cathedral. These included:

- The Chrism Eucharist in Holy Week
- Ordinations to the diaconate and priesthood
- Annual Lay Ministry Service
- At the beginning of 2023, a service to mark Racial Justice Sunday.

As well as providing a resource for the Bishop of Lincoln's liturgical and teaching ministry, a significant part of the Cathedral's work in supporting the wider life of the diocese is in hosting services for the wider civic community. Most notably, in 2022 this included a significant programme of services and activities to mark the death of Her Late Majesty Queen Elizabeth II and the Accession of King Charles III. This saw departments from across the Cathedral come together to welcome thousands of people for private prayer and corporate acts of worship.

Looking further ahead: Strategic Planning

In support of the activity reported above, the Recovery Plan drawn up in 2021 was largely implemented by the end of the period covered by this report. Much of this plan has now been implemented and, alongside a wider strategic planning process by Chapter:

- Continued development of the Choral Foundation so that it is fully resourced in its work contributing to the daily pattern of prayer for the diocese through a weekly pattern of eight choral services, and supporting the liturgical ministry of the bishop and diocese through special services held in the cathedral, and promoting opportunities for worship to wider groups within the county and diocese.

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- Developing existing additional opportunities for worship (such as Sacred Space), and exploring new possibilities (such as Messy Cathedral).
- Intentionally engaging visitors in the spirituality of the building and the life of prayer and worship that it supports.
- Exploring ways in which the Cathedral can contribute to the training of organists and musicians – both to support the long-term future of the Cathedral’s choral foundation and the liturgical life of parishes in the diocese.
- Contributing to the ongoing training and resourcing of musicians and clergy in support of the wider work of the diocese.
- Building on the existing work, to promote organ music and performance at the Cathedral.
- Increasing, through its worshipping and musical profile, the presence of the Cathedral in the wider community.

The total number of Sunday communicants in the year (1 April 2022 to 31 March 2023) was 11,660 (2021-22: 9,617).

The total attendance for all regular Sunday services between 1 April 2022 and 31 March 2023 was 32,019 (2021-22: 25,641).

People

The Cathedral is exceptionally fortunate to enjoy the commitment and talent of around 500 volunteers offering their skills across 30 different areas including floristry, gardening, stewards, needlework, bell-ringing, for example. Our volunteers give a considerable amount of their time and expertise to the Cathedral and without them the institution would not be able to offer its excellent quality of visitor experience, tours and events.



The year saw both the departure of Mr William Harrison as Chapter Clerk and Chief Operating Officer in January 2023 and the retirement of The Very Reverend Christine Wilson, Dean of Lincoln, a few days following her 65th birthday. Both gave dedicated service to the Cathedral. They were instrumental in navigating the Cathedral through a particularly difficult period which included significant change and recovery from the impacts of the Covid-19 pandemic as well as the successful completion of the *Lincoln Cathedral Connected* project. We give thanks for their skills, knowledge and leadership during their time at Lincoln Cathedral and wish them well in all future endeavours.

Chapter remains committed to the principles of the Living Wage Foundation and remain dedicated to supporting and developing our people, whether employee, volunteer or placement. Upon Dean Christine’s retirement the Dean’s Discretionary Fund has been named The Dean Christine Wilson Fund and has been re-designated to specifically support the welfare, training and professional development of Cathedral staff. These monies originated from Christine’s work as a non-executive director of the Ecclesiastical Insurance Group (EIG).

We continued to support one of the Improver Stonemasons with her Foundation Degree course for the Cathedral Workshop Fellowship (CWF) and are still a host venue for the degree course. Our continued involvement with local schools saw us take on two work experience placements within the Works Department during the year. We continue to build links with the CWF to help create an ongoing commitment for the training of individuals in the Heritage skills sector.

Lincoln Cathedral is truly blessed by the dedication of its very skilled and committed people, who work as part of a single team, and the Chapter thanks them most sincerely for all that they do.

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Cathedral and precincts upkeep

The Works Department have been busy working on various projects across the Cathedral and Estate. The main project being the works on the external faces of the Chapter House, first phase. This project has been progressing well after the diversion of resource to fulfil the remaining items of the Connected works the previous year. The works involved are the cleaning and restoration the stone works with focused stone replacements as per the Architects recommendations, along with the complete replacement of the Pinnacles at Parapet level.

The Medieval Lancets are still being worked on within the Glazing department (SG32 and SG33) as the major project. The windows within the Chapter House works have been conserved, repaired and cleaned in situ.

The joinery team have been busy working on the Close Properties external elevations and the Wren Library ceiling. Eight out of nine beams in the Wren Library ceiling have been identified as being structurally unsound and a major project to undertake extensive repairs and provide additional bespoke steel supports is in progress.

The books were removed from the shelves and taken into storage in autumn 2022. As of August 2023, the preliminary work on the beams has been completed by staff from the Cathedral's carpentry team. Next, the oak beams will be fitted with metal supports in order to distribute their weight properly. Once the repair work is complete the dehumidifier system (currently switched off) will be switched back on and checked; the ceiling will be replastered and painted and the Wren and Medieval libraries will be given a deep clean. Conditions in the library will then be monitored for a minimum of four months to ensure that it is safe to return the books; there is therefore no definite date for the full completion of this work and re-opening of the Cathedral libraries.

Major works on the external faces of 9 Minster Yard, which consists of three separate dwellings along with the rear of 10, 10a and 10b Minster Yard were recently completed by the team. The works consisting of sash window repairs, gutter works and redecoration of the external elements listed.

The facilities team have been busy working on the upkeep of the precinct and Cathedral, one of their more visible projects was the wild flower 'mini-meadow' that was introduced on the East End of the Cathedral whilst the ground recovers from the recent Chafer Grub infestation.

Lincoln Cathedral Connected

Lincoln Cathedral Connected was our £16.7m development and restoration project, largely funded by the National Lottery Heritage Fund (NLHF). The project comprised conservation work at the West Front and Exchequergate Arch and the significant development of the Cathedral's facilities to enhance the visitor offering.

This project finally, formally completed during the year, with successful delivery of our extensive capital, conservation and activity plans. The delivery stage of the project has been five years long and we are enormously grateful for all of the efforts involved in making this happen and providing Lincoln Cathedral with such excellent facilities and extended visitor offer.

Visitors

Total admissions (footfall) were 85,631; an increase of 17% on 2019-20, showing that admissions have now recovered from the impacts of the pandemic. However, trends throughout 2022/2023 did not follow pre-pandemic expectations and a steadier summer season was seen rather than the traditional summer peak. Visitor numbers were supported by a healthy pre-Christmas period.

Group bookings have not returned to pre-covid levels but show signs of recovery as does numbers from

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international markets.

Guided tours remain popular with new interest tours being established.

Education and outreach

This academic year we have been able to build upon the successes of our first year of opening the new visitor centre, hosting first-time school visits, repeat school groups, and multiple-class visits of the same schools. We have established very good relationships with teachers from particularly, local schools. There have been new school visits from Derbyshire, Leicestershire and Nottinghamshire, as well as the reintroduction of international school visits after the pandemic prevented these visits the past couple of years.

The Education Team currently consists of a full-time Education Manager and a permanent full-time 30-hours per week Education Officer. The team works very effectively planning, booking, promoting and facilitating the wide-ranging National Curriculum and Locally Agreed RE Syllabus-linked workshops. The team could not manage without the small, but highly motivated and multi-skilled team of Learning Volunteers. There have been a few very busy times in the year when we have been really stretched to cover all visits.



The total number of pupils this academic year was 6,645, with an income of £19,703.50.

Feedback received from teachers has remained consistently excellent and generally expresses how well-received, well-organised and engaging the school offer is. Since May 2023, online Microsoft Office 365 feedback forms have been used to send to teachers after a visit. They are easy to complete and capture data more efficiently. Key words of feedback from schools include

- Knowledgeable
- Great staff
- Engaging
- Excellent
- Well-organised
- Learning; and
- Understanding

Using the Discovery Centre for formal learning

The Discovery Centre has continued to be a huge asset to teaching with school groups. Larger groups will usually split up and carousel between Cathedral tours, the Learning Centre for themed practical activity, and the Discovery Centre. Although the costumes have needed small repairs and laundering, and the printing press continues to be a problem (with the manufacturers to come up with solutions) this space has proved to be extremely resilient, given the daily footfall of visitors as well as school groups. Going forward, we will replace the Eucharist film that was filmed during lockdown with a more representative version of daily communion. Some of the more worn labels on open display will also be replaced.



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Using the Exhibition Gallery for formal learning

The Exhibition Gallery is popular with all ages, most surprisingly with younger children. They enjoy the different environment and the interactives that work so well with the artefacts. It has been especially beneficial during the Church Schools Festival this year.



Church Schools Festival 2023

Just over 2,000 children attended this year's festival. The theme for this year was Moses. Once again, the visitor centre played a large role in the success of the festival hosting around 300 children per day. Teachers and pupils enjoyed visiting the Exhibition Gallery with a themed worksheet, the Discovery Centre for free-play and Moses story stained-glass window art in the Learning Centre. As last year, the success of the festival was due to the excellent partnership working with the Diocese Education Board.

Additional Services to Schools

On 17th November 2022 a special day was hosted with St Peter in Eastgate infants celebrating St Hugh's Day. This consisted of the children making St. Hugh pilgrim badges, dressing up in replica vestments (one child representing Saint Hugh) and then a tour of St Hugh's Choir and the shrine. The day was so successful it is planned that we host the same workshop annually.



Lincoln Cathedral participated in **The Wild Escape**, an Art Fund supported national initiative to engage heritage organisations to encourage and educate young visitors on wildlife and environmental awareness. Monk's Abbey Primary year 5 (60 pupils) were invited to participate in an art-based workshop on a morning and afternoon on 30th March. The workshop was based on writing a comic-style story of the pair of owls carving in the South Aisle using the scenario of if they came to life, how would they escape and what would their natural habitat look like. The day was very popular with all the pupils and teachers alike. This may become something we repeat annually.

Informal Learning

The **Discovery Centre** continues to be a very popular place for not only children and families, but visitors generally. It has proved to be very resilient in terms of the condition of well-used activities.



Apart from label replacement and the problematic ‘printing press’ activity, there has been no need to replace anything. A few more wooden toys have been added to the ‘Comments Corner’ area.

The comment cards are still a really good source of broader visitor feedback:



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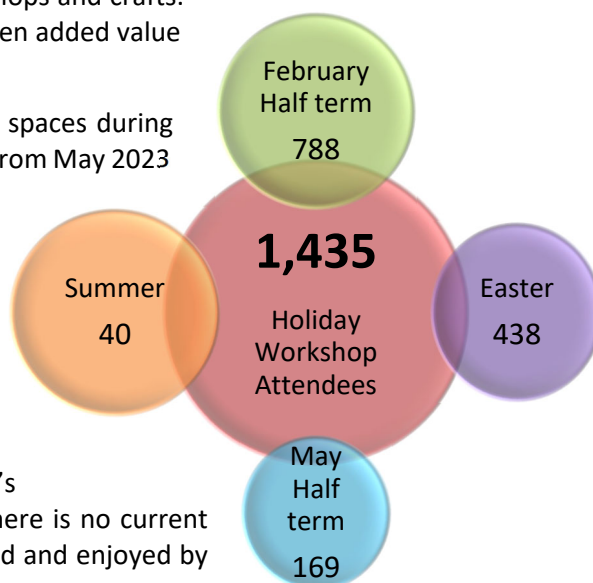
The Learning Centre is the perfect space for family workshops and crafts. Throughout the year, school holiday family events have been added value to the cost of admission.

Our ambition is to encourage more children to enjoy our spaces during holiday times and children will be free with an adult ticket from May 2023 accompanied by a programme of child-focussed activities during school holidays. Donations will be encouraged via the digital port and posting boxes within the Cathedral.

Discovery Backpacks

Now that the Backpacks are on open display at the Welcome Desk, they have had much more use.

In addition to the Discovery Backpacks, the Children's Activity Trolley was recently installed in the Cathedral. There is no current data captured on the trolley, but it appears to be well used and enjoyed by our younger visitors.



Events

The annual event programme returned to full strength following two lean years as a direct result of the pandemic and associated restrictions.

More than 27,000 tickets were sold for events during 2022 – 2023; significantly boosted by the introduction of 'Life by Luxmuralis'; a spectacular light and sound projection show which accounted for more than 10,000 of tickets sold and provided a net contribution of £36,545 alongside significant increases in secondary spend across the catering and retail offering thus supporting income generation across Lincoln Minster Shops Ltd.



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The return of popular theatre productions and the flower festival also provided a welcome boost to attendee numbers and finances.

The option to use the Visitor Centre as a welcoming entrance for Chapter House events is appreciated and reduces impact on the floor and associated staffing requirements.

Wherever possible, visitors are encouraged to use the café and shop to encourage secondary spend - whether this is formal pre-event dinners or informal catering offer post event. Data thus far suggests that these added value activities produce positive results as well as providing a comprehensive experience.

Lincoln Minster Shops

The Cathedral Shop is now firmly established in the Visitor Centre which has become a destination in its own right, welcoming regular customers as well as visitors to the Cathedral.

Events held in the Cathedral such as The Snowman and Life by Luxmuralis have had a positive impact on footfall and sales, and stock is now routinely considered in line with the event programme to ensure that it is suitable for the audience and maximises sales opportunities.

The shop continues to struggle with visitor conversion rates, in part due to the design of the space which makes accurate footfall recording difficult. However, visitor flow management has been tweaked to support the shop which has had a positive impact.

Some supply issues remain as a result of pandemic business closures, however, new stockists have been sought to spread and reduce supply risk.

Library

Public Opening

The Wren and Medieval Libraries have now been fully closed to the public since 2021. We are looking forward to being able to allow visitors back into the libraries once the work is completed but as yet we do not have a definite date for this. The Wren Library was built between 1674 and 1676 so we hope to be able to celebrate this anniversary once we re-open. We continue to work closely with the Cathedral Curator, providing items for display in the new exhibition centre, enabling visitors to see at least some of the items from the library. In order to improve the visitor experience, new library information boards have been created and new and expanded visitor information will be produced ready for re-opening.

Collections care and management

We continue to monitor the conditions in all library rooms (including Exchequergate) using standalone monitors and LogTags which are downloaded monthly. New LogTags have recently been purchased which include a display screen showing the current conditions, which will enable staff to be immediately aware of any issues. This is particularly useful in Exchequergate where there is currently no automated de-humidifier system.

The closure of the Wren Library and the placing of the books into storage has meant that the Arts Society volunteers remain unable to resume their work of checking/cleaning/recording the early printed books. Most books however were cleaned before being packed away. In the meantime, a small number of them have been cleaning the modern reference books in the Reading Room. The plan for 2024 is to train selected existing library volunteers to assist the Arts Society team in order to boost their numbers.

The programme of book conservation with the Hull Bindery is continuing and Chris Woods from the National Conservation Service is continuing his survey of the manuscript collection. Conservation volunteers in Exchequergate continue to make suitable packaging for the more fragile items.

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Large areas of the library collections have now been tidied but much remains to be done. Staff and a small team of volunteers continue to edit the corrupted records on the library management system (CALM).

Researchers

The closure of the Wren Library has not affected the availability of the Reading Room although not all items are currently available and both Reading Rooms continue to be busy with researchers from all over the world. Researchers can now access the Reading Rooms Monday to Friday and numbers using the facilities seems to be increasing as a result.

Volunteers

Library volunteer numbers are well down on pre-covid numbers, so once a more definite date for re-opening is given, we will need to start recruiting new volunteers and retraining existing ones, some of whom have not volunteered since 2019. A small group of volunteers, however, continues to work behind the scenes enabling the library to continue its essential work on stock management and care. Volunteers are regularly kept up to date with Cathedral and Library news and are invited to small informal get togethers. Before the library re-opens, volunteers notes and training will be updated and augmented.

In conclusion, despite the closure of the Wren and Medieval Libraries over recent years and being unable to engage with the public and to hold educational events in the library, staff remain extremely busy working behind the scenes. Many visitors to the Cathedral enquire about the library and we look forward to welcoming them back in the not-too-distant future.

Collections

The Exhibition Gallery (opened 29th January 2022), has become an established feature of the Cathedral visitor route and is open throughout visiting hours due to the new CCTV monitoring system shared by the Visitors and Shop Team, allowing the space to be open without a volunteer present, as volunteer numbers have declined to around 45% as of July 2023.

Volunteer recruitment is a focus for the coming months, to monopolise on students during the academic year and maintaining the current core active Exhibition Gallery Attendant Volunteers. A new programme of training and skills development opportunities are being developed to attract new volunteers to both the Gallery and the Collections Department.

Work continues to update and maintain the Collections Catalogue (Calm & online Calm-View). The Stone Catalogue is added to the system and is awaiting further photography work which is hoped to be completed in the next 6-8 months.



Following a National Archive Scoping Grant (awarded £3,000), an archive report has been produced that includes both the Works Archive and Dean & Chapter Archive, following this report a funding bid is being developed in partnership with the National Archives, Lincoln Records Society and Lincolnshire Archives- this is in the early initial phase. The funding from the National Archives, Archives Revealed has a maximum award of £45,000 for a maximum of two years. Further conversations will be taking place

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during 2023 to look at other avenues for funding.

In the past 12 months the Curator has hosted three placements, one as a Exhibition Gallery Attendant for 12 weeks, this placement will continue through the next academic year from mid-September 2023. The other two placements were collections and engagement based, shared with the Education Team to give a holistic experience.

A further sub-set of volunteers has been formed which includes archival researchers and catalogues, in total the active group has around six volunteers, with varying time commitments.

The Curator has continued since covid to be a speaker for various community groups with these donating to the Fabric Fund (2023- £300). A further £100 was donated by a private individual for archival research relating to a previously owned Cathedral Close property.

Achievements and Performance

The activities undertaken during the year and their achievements, reported above, are considered to have been successful in meeting the Cathedral's core purposes and moving forward in its delivery of key priorities.

Investment Policy

The Corporate Body of Lincoln Cathedral ("Lincoln Cathedral") seeks to produce the best financial return within an acceptable level of risk.

The investment objective for long term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of Lincoln Cathedral. In this way, income generation should continue to be sustainable in perpetuity.

The current long-term investment target is CPI +3.5% or better over a 10-year cycle. The investment objective for short-term reserves is to preserve real capital value with minimal levels of risk, ensuring high liquidity of assets in order to meet short-term cash flow needs. The long-term investment portfolio has been performing in line with this target but has shown volatility in recent periods due to competing economic and global factors.

Lincoln Cathedral operates within the ethical guidance of the Church of England.

Financial Review

The Statement of Financial Activities ('SoFA') shows a net gain before losses on investments of £0.64m (2022: £6.2m loss).

The substantial net loss in the prior year was driven by the review of the carrying value of the visitor centre that was brought into use during June 2021. The reduction in value of this asset amounted to £8.21m (Note 6) and is described as a conservation deficit, being 'the amount by which the cost of repair or conversion to optimum viable use of a heritage asset exceeds its market value'. This conservation deficit impacted the Lincoln Cathedral Connected restricted funds and was reflected in a reduced value of tangible fixed assets .

This year saw more of a return to 'normal' following the disruption of the global coronavirus pandemic and the final completion of our Lincoln Cathedral Connected project. This is reflected in our income streams, with reductions in both NLHF funding and coronavirus job retention scheme income, but overall increases across donations, trading and fundraising. The year has also seen large legacy receipts, chiefly within the restricted Fabric Fund and Music Fund, and increased investment dividends.

There are losses on investment portfolio holdings (Note 7) across funds at year end. These total £1.3m

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and reverse much of the £1.5m recovery seen in the prior year. In addition to these losses, impacting endowment funds, there is a downward revaluation of residential investment property of 6%, wholly reversing the prior year upward valuations, and a 10% reduction in the valuation of commercial properties which is a result of the current economic pressures relating to inflation and mortgage rates. As such endowment funds reduced by £2m during the period and carried forward endowment funds totalled £19.1m (2022: £31.1m). Restricted funds reduced by £67k, totalling £20.28m (2022: £20.35m).

The unrestricted and designated funds show a net expenditure for the year of £332,584 (2022 £621,561 net income) with a net expenditure before losses on investments of £269,938. This reflects the significant challenges faced in respect of light and heating cost during the year as well as our continued commitment to address the conservation deficit across our property portfolio.

We remain hugely grateful for the generous support we receive during these challenging times.

Reserves Policy

The Chapter consider that they should hold sufficient reserves in the unrestricted funds to fund working capital and potential liabilities identified from its review of major risks, and to cover shortfalls in unpredictable voluntary income. An acceptable range of free reserves is three to six months of fixed operational costs, less 'reasonably certain' income for Lincoln Cathedral. This equated to a range of £0.9m - £1.8m of unrestricted fund reserves at the year end.

The unrestricted fund, excluding designated funds and unrestricted funds of subsidiaries, stood at £1.6m at 31 March 2023 (2022: £2.1m). The unrestricted fund is considered broadly to equate to the free reserves of the charity with all but a small proportion of the investment assets held by the fund being realisable within a short timeframe, in the case of unforeseen circumstances.

A small number of designated funds are held, as described in note 22, representing specific projects and/or working capital requirements for specific ongoing activities. Designated funds are reviewed each year to ensure the funds are utilised as appropriate.

The level of reserves as at 31 March 2023 are therefore considered to be sufficient and in line with the reserves policy. representing just over five months of budgeted base operating costs not otherwise met by restricted fund reserves.

Reserve levels will continue to be closely monitored to ensure an adequate level of capital is maintained to support the future work of the Cathedral.

Going Concern

Chapter have considered areas of uncertainty and consider that there are no material uncertainties about the Cathedral's ability to continue as a going concern (See Note 1). The Chapter considered forecasts to 31 March 2025 and regularly receive ongoing management accounts in order to assess financial performance and position. This financial information allows management and Chapter to consider and undertake remedial action should it become necessary. There are considered to be sufficient cash and reserves over this period, having given due regard to the current outlook and recent post balance sheet activity.

Focussed work continues to mitigate identified operational risks and to drive future financial sustainability.

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Principal Risks and Uncertainties

The Chapter regularly reviews the major risks that the Cathedral faces and these are summarised under the following categories:

- **Governance:** Continuity for members of Chapter; there are several key, planned changes in personnel. Prominently, these include interim measures and the appointment of a new, permanent Dean following the retirement of Dean Christine Wilson at the end of the financial year. The Chapter will continue to be supported by its Nominations and Development Committee and will review its induction processes to ease transitions.
- **Operational:** Operational risks are being managed with the embedding of the revised organisational structure. Strategic risks are regularly reported and reviewed. Changes in senior leadership occurred toward the end of the period and a pro-active approach was taken to ensure business continuity.
- **Finance:** Income and expenditure are mapped against budget on a regular basis and reports provided to Chapter. Chapter aims to provide a balanced budget and to work in line with the Reserves Policy. The property conservation deficit remains a particular challenge and is being overseen through the Masters' Committee, the portfolio requires significant investment which is planned to be met from additional support of restricted funds.

The Audit and Risk Committee provide additional assurance in respect to internal controls and risk management to Chapter.

Plans for the future

Our plans for the future include building on our successes of our traditional choral worship, the in-house heritage skills within the works, music and library departments, and particularly the engagement we have with local schools. The Chapter's strategic plan, entitled *Transform and Thrive*, has set out the priorities for the next five years following consultation with key stakeholders:

- **Confidence:** The Cathedral will be confident about its mission and worship, and all the work it does to support it.
- **Activities:** All activities - worship, fabric works, events, governance and maintenance - will be well planned and co-ordinated across all departments with clear, agreed processes.
- **Staff and volunteers:** Staff and volunteers will be well trained to fulfil their role, supported at all levels and across all departments, will be developed to thrive, and will model the Cathedral's values.
- **Collaboration:** There will be an environment of collaboration and support, so that all work together to achieve the very best for Lincoln Cathedral.
- **Capacity and rationalisation:** We will only do those things which support the mission and worship of the Cathedral and are within the abilities and capacities of staff and volunteers to deliver.
- **Net Zero 2030:** We will do our utmost to reduce our impact on the planet, and to strive to meet the Net Zero 2030 target.
- **Inclusive:** We will be inclusive, welcoming all who come to worship, pray, visit or attend an event, and ensure a range of activities to achieve this.
- **Sacred space:** Lincoln Cathedral is a holy place, and all activities will honour the space and the worship which takes place within it.

To be financially and operationally resilient, the Chapter's focus remains to:

- Continue to engage with a diverse demographic of people and grow our volunteering

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Annual Report for the Year Ended 31 March 2023

opportunities, enhancing the Cathedral Community.

- Deliver critical works in respect to the maintenance and restoration of the Cathedral fabric and its precinct and plan for remedial actions, in line with available resources.
- Further the strategic priority of financial sustainability, specifically by
 - Maximising available funding; targeting core operations and infrastructure investment
 - Diversifying income streams where possible and implementing strategies for the long-term objectives of the Cathedral's property portfolio in order to manage risk and maximise yield without compromise to conservation
 - Minimising fixed and committed costs to enhance resilience and ability to respond to pressures on finite resources
 - Continuing work to optimise efficiencies and ensure scalable operating models.

Other future initiatives, to meet these aims, are as follows:

Community

From May 2023, children will be free with an adult ticket and the visitor offer will be accompanied by a programme of child-focussed activities during school holidays. During May 2023, we will work in partnership with local community group, Green Synergy to host a themed workshop with the 'Wild Meadows' half-term event. The group of young people and adults were given an interactive tour of the Cathedral, a chance to make and throw seed-bombs on the East Lawn and create artwork to take away. Feedback was very positive from both the young people and adults, and we have discussed repeating the visit again next year.

Collections

There are a number of projects being scoped, including the South Green Remembrance Garden and The Priory. Small 'core teams' will be created to develop the scheme, to the level of an expression of interest or initial funding bid. A new meeting group will also be developed, the Collections & Conservation Team, to improve communication across the different collections departments of our Cathedral.

Work to digitise our collections records continues, with new records of yet uncatalogued sections of the library being created. The aim, once this work is done, is to be able to augment the records with additional information and images for the benefit of researchers.

Fundraising

The challenge to raise money for the programme of repairs and restoration of the Cathedral fabric as well as the day-to-day operations is on-going. To that end, promotion of the legacy campaign will continue as well as applications to grant and trust making bodies and the development of membership and congregational engagement. A new overarching fundraising group will also be convened to ensure that fundraising is well co-ordinated and impactful.

Governance

Strengthening governance, we will adopt the provisions of the Cathedrals Measure 2021 by April 2024, which will bring the Cathedral under the regulation of the Charity Commission, as well as the Church Commissioners. Formal consultation for this commenced in October 2023 and work continues to ensure that we will be new measure ready.

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

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Structure, governance and management

The Cathedral is an ecclesiastical corporation governed by a Constitution and Statutes under the Cathedrals Measure 1999 which came into force on 17th November 2000 and was amended in 2005. Chapter, the College of Canons and the Cathedral Council continue to provide the leadership, management, and the checks and balances required by the Constitution and Statutes.

Role of the Cathedral in the Diocese

Lincoln Cathedral is the seat of the Bishop of Lincoln and a centre of worship and mission for the city and diocese. The Cathedral is a place founded on daily prayer offered to God for and on behalf of the diocese, and:

- nurturing and sustaining a variety of worshipping congregations;
- supporting diocesan life and episcopal ministry; and
- enabling civic and community celebration and commemoration

Organisational Structure

Visitor

The Bishop is the Visitor of the Cathedral. As Visitor they are entitled to attend and speak at meetings of the Cathedral Council, but not to vote.

Body Corporate

The Cathedral Chapter is the governing body of the Cathedral directing and overseeing the administration of its affairs. It consists of the Dean, our Residentiary Canons and at least four lay person, one of whom must be the chair of the finance committee. The Chapter meets regularly, with the Chief Operating Officer & Chapter Clerk, Chief Financial Officer and a Minute Secretary in attendance.

The Cathedral Council has a duty to further and support the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical by reviewing and advising upon the direction and oversight of that work by the Chapter.

The College of Canons also gives counsel both to the Bishop and to the Chapter on any matter concerning the cathedral as the seat of the Bishop. The College of Canons consists of the Dean, every suffragan bishop, every archdeacon and every canon.

The Chapter, Cathedral Council and College of Canons together form the legal entity of Lincoln Cathedral.

Committees

The Chapter is supported in its work by a number of committees:

- Finance Committee

The Lincoln Cathedral Finance Committee is a non-executive advisory committee of the Chapter. In this role, Chapter delegates to the Committee the financial advice and strategic recommendations with regard to expenditure, income and fundraising, investments and investment property. The Committee takes the role as a critical friend, providing expert and supportive advice.

The Finance Committee is in turn supported by

- Investment Sub-Committee, who advise and provide oversight on the Cathedral's investment strategy, policies and performance.

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Annual Report for the Year Ended 31 March 2023

- Property Asset Committee, who assist and assure the Chapter in respect of the strategic management of the Cathedral's residential, commercial and industrial estate, in compliance with relevant legislation.

- Audit & Risk Committee

The Audit & Risk Committee is a non-executive advisory committee of the Chapter who assist Chapter in its oversight of the integrity of decision-making, review the quality of external audit and to review internal controls, ensuring robust risk management.

- Fabric Advisory Committee

The Fabric Advisory Committee assist the Chapter in the care and conservation of the Cathedral as required by section 4 (1) of the Care of Cathedrals Measure 1990, as amended by the Care of Cathedrals (Amendment) Measure 2005, helping to formulate proposals for works. This includes any continuous programme of repairs, conservation of adornments, provision of safety precautions, conduct of surveys and assessing priority of works.

- Remuneration Committee

Principle purposes of the committee include considering and recommending to Chapter:

- Terms and conditions of employment, remuneration and succession planning of staff and the procedures, policies and benchmarks through which these are determined.
- Establishing and keeping under review a remuneration policy and its appropriateness, including pay structures and their annual review; and
- Changes in remuneration for members of the Senior Management Team as well as housing and benefits for residentiary clergy with due consideration of up-to-date information about remuneration in other institutions of comparable scale and complexity.

- Nominations and Development Committee

Principle purposes of the committee are to

- Identify and nominate suitable people (in consultation with the relevant chairs) to the Chapter and all committees and working groups of the Chapter.
- Devise, manage and maintain a skills audit for Lincoln Cathedral.
- Ensure schemes of succession and continuity are in place for all committees and, if necessary, proposing new terms of reference or standing orders.
- Recommend training requirements for Chapter, committee and board members; and
- Facilitate periodic internal and external board/committee reviews.

Administration of the Cathedral

Lincoln Cathedral's Senior Leadership Team ('SLT') is the senior management group of the Cathedral. SLT has delegated authority from Chapter for developing and delivering against the Cathedral's strategic priorities and plan, other strategies and its budget. It is the duty of the Dean as Chairman of the Chapter to govern and direct on its behalf and the SLT supports the Dean in that responsibility. The Chief Operating Officer & Chapter Clerk is the senior officer of the Chapter responsible for the day to day management of the Cathedral's affairs in line with the policies laid down by Chapter and for implementing its decisions. The SLT, chaired by the Chief Operating Officer & Chapter Clerk, normally meets fortnightly, unless extraordinary circumstances prevent this, and is accountable to Chapter.

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Annual Report for the Year Ended 31 March 2023

Appointment and induction of new Chapter members

New Chapter members are carefully selected to provide a balance of skills to meet both anticipated challenges ahead and strategic direction and development. All Chapter members are given appropriate induction and opportunities for relevant training. Work continues to develop formal systems of induction to ensure consistency.

Investment Powers

Under the Cathedral's 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 CCLA Investment Management Ltd.
- Investments in which trustees may invest under the general power of investment in the Trustees 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 unless a total return approach under the Church of England (Miscellaneous Provisions) Measure 2014 has been adopted.

Statement of the responsibilities of Chapter

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

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its subsidiary entities.
- Stating that they have complied in all material respects with these regulations or describing which regulations have not been complied with and giving reasons for non-compliance.
- Selecting suitable accounting policies and then applying them consistently.
- Making judgements and estimates that are reasonable and prudent.
- preparing the accounts on the going concern basis unless it is inappropriate to presume that the cathedral will continue in business;
- Keeping proper accounting records from which, the financial position of the Cathedral can be ascertained with reasonable accuracy at any time.
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Annual Report for the Year Ended 31 March 2023

Reference and Administrative details

Legal title	The Corporate Body of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Office address	Chapter Office, 4 Priorygate, Lincoln, LN2 1PL
Chapter	The Revd Canon Dr Simon Jones, Interim Dean (Appointed 24 March 2023) The Very Revd Christine Wilson, Dean (Retired 31 March 2023) The Revd Canon Nicholas Brown, Precentor and Subdean The Revd Canon Dr Paul Overend, Chancellor (Resigned 30 June 2023) The Revd Canon David Dadswell Canon Amanda (Harvey) Dowdy Canon Simon Parkes Canon Mark Suthern Canon Stuart Welch The Revd Canon Paul Noble
Chief Operating Officer & Chapter Clerk	Dr Tracy Buckby (Appointed 1 March 2023) William Harrison (Resigned 6 January 2023)
Architect and Surveyor of the Fabric	Nicholas Cox (Appointed 1 January 2023) Nicholas Rank (Resigned 31 December 2022)
Consultant Archaeologist	Dr Jonathan Clark
Director of Music and Master of the Choristers	Aric Prentice
Director of Works and Property Librarian	Michael Sheppard (Resigned 29 November 2022) Julie Taylor
Finance Committee	Canon Simon Parkes, Chair Dr Tracy Buckby (Appointed 1 March 2023) The Revd Canon Nick Brown Peter Denby William Harrison (Resigned 6 January 2023) The Revd Canon Dr Simon Jones (Appointed 24 March 2023) Caroline Killeavy (Appointed 2 February 2023) John Lockwood MBE DL Neil Rhodes Edward Strange The Very Revd Christine Wilson (Retired 31 March 2023)
Fabric Advisory Committee	Professor Clifford Price, Chair Catherine Dyas, Secretary Dr Mike Ashton Judy Burg Professor John Chilton Dr Kate Giles Hannah Harte David Sherriff (appointed August 2022) Professor David Stocker Simon Walters Dr Paul Williamson

THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

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Audit & Risk Committee Neil Rhodes, Chair
Anthony Tomlinson
Neville Reyner
Martin Hickerton (Appointed 6 September 2023)

Auditor BHP LLP
One Waterside Place
Basin Square
Brimington Road
Chesterfield
S41 7FH

Other Professional advisors

Bankers National Westminster Bank PLC
225 High Street
Lincoln, LN2 1AZ

Solicitors Chattertons
1 Flavian Road
Lincoln, LN2 4GR

Investment Managers Cazenove Capital Management Limited
12 Moorgate
London, EC2R 6DA

**Property Management
Advisors** Savills LLP
Olympic House
Doddington Road
Lincoln, LN6 3SE

Insurers Ecclesiastical Insurance Office PLC
Beaufort House
Brunswick Road
Gloucester, GL1 1JZ

Approved by order of Chapter and signed on their behalf by



S M Jones (Dec 21, 2023 09:53 GMT)

The Reverend Canon Dr Simon Jones
Interim Dean of Lincoln
12 December 2023

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Independent Auditor's Report to the Members of The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln

Opinion

We have audited the financial statements of The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln (the 'parent' entity) and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the entity only balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Independent Auditor's Report to the Members of The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

1. adequate and sufficient accounting records have not been kept by the group or parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
2. the group and parent entity's financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of Chapter Members' remuneration specified by law are not made; or
4. we have not received all the information and explanations we require for our audit.

Responsibilities of Chapter

As explained more fully in the Cathedral Chapter's responsibilities statement, Chapter are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Chapter are responsible for assessing the group's and parent entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Chapter either intend to liquidate the group or parent entity or to cease operations, or have no realistic alternative but to do so.

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Independent Auditor's Report to the Members of The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

THE CHAPTER OF THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

Independent Auditor's Report to the Members of The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln

- investigated the rationale behind significant or unusual transactions.

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to Chapter's members, as a body, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to Chapter's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Dec 21, 2023 11:10 GMT)

Jane Marshall (Senior Statutory Auditor)

For and on behalf of BHP LLP
Statutory Auditor
One Waterside Place
Basin Square
Brimington Road
Chesterfield
S41 7FH

Date: Dec 21, 2023

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Statement of Financial Activities
For the year ending 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOME AND ENDOWMENTS FROM:	2					
Donations and legacies		582,867	1,362,473	-	1,945,340	1,050,581
Grants in support of mission		175,937	649,707	-	825,644	2,548,757
Charges and fees arising in the course of mission		60,732	-	-	60,732	79,521
Trading and fundraising		1,752,670	35,838	-	1,788,508	1,435,583
Investments		1,042,791	596,520	74,999	1,714,310	1,592,468
Other Income		(450)	6,727	-	6,277	56,627
Total income		3,614,547	2,651,265	74,999	6,340,811	6,763,537
EXPENDITURE ON:	3					
Raising funds		2,023,725	141,960	7,969	2,173,654	1,562,671
Ministry		555,947	216,340	-	772,287	696,238
Cathedral and precincts upkeep		1,134,443	1,351,219	-	2,485,662	10,392,079
Education and outreach		170,370	96,566	-	266,936	278,074
Total expenditure		3,884,485	1,806,085	7,969	5,698,539	12,929,062
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		(269,938)	845,180	67,030	642,272	(6,165,525)
Net (losses)/gains on investments	5, 7	(43,193)	(931,707)	(2,061,754)	(3,036,654)	2,649,824
Net expenditure		(313,131)	(86,527)	(1,994,724)	(2,394,382)	(3,515,701)
Gross transfers between funds	21	(19,453)	19,453	-	-	-
Net movement in funds		(332,584)	(67,074)	(1,994,724)	(2,394,382)	(3,515,701)
Total funds brought forward	22	2,590,953	20,347,087	31,140,126	54,078,166	57,593,867
Total funds carried forward	22	2,258,369	20,280,013	29,145,402	51,683,784	54,078,166

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Consolidated Balance Sheet
As at 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed assets						
Investment assets:						
Property	5	-	-	21,955,841	21,955,841	23,752,361
Investments	7	1,071,392	15,552,965	5,108,879	21,733,236	22,764,681
		1,071,392	15,552,965	27,064,720	43,689,077	46,517,042
Tangible fixed assets						
Heritage assets		-	-	-	-	-
Property	6	-	1,364,136	2,070,312	3,434,448	3,333,198
Equipment and plant	8	78,181	542,317	-	620,498	764,912
		78,181	1,906,453	2,070,312	4,054,946	4,098,110
Total fixed assets		1,149,573	17,459,418	29,135,032	47,744,023	50,615,152
Current assets						
Stock		115,892	-	-	115,892	119,678
Debtors	9	497,197	1,001,127	14,611	1,512,935	1,380,801
Property held for resale	5	-	-	-	-	-
Cash at bank and in hand		1,065,676	1,869,369	1,782	2,936,827	3,131,258
Total current assets		1,678,765	2,870,496	16,393	4,565,654	4,631,737
Liabilities due within one year						
Loans		-	(6,100)	-	(6,100)	(413,807)
Creditors		(569,969)	(43,801)	(6,023)	(619,793)	(752,916)
	10	(569,969)	(49,901)	(6,023)	(625,893)	(1,166,723)
Net current assets		1,108,796	2,820,595	10,370	3,939,761	3,465,014
Total assets less current liabilities		2,258,369	20,280,013	29,145,402	51,683,784	54,080,166
Liabilities due after one year						
Defined benefit scheme liability	14	-	-	-	-	(2,000)
Total net assets		2,258,369	20,280,013	29,145,402	51,683,784	54,078,166
The funds of the cathedral:						
HLF Catalyst Endowment Fund		-	-	1,869,133	1,869,133	1,914,673
Endowment		-	-	27,276,269	27,276,269	29,225,453
General fund		1,602,186	-	-	1,602,186	2,092,286
Designated funds		656,183	-	-	656,183	498,667
Alfred Griffin Legacy fund		-	1,654,057	-	1,654,057	1,690,264
Fabric fund		-	13,031,715	-	13,031,715	13,286,458
Lincoln Cathedral Connected		-	1,766,271	-	1,766,271	1,559,742
Lincoln Cathedral Music Fund		-	2,884,618	-	2,884,618	2,724,337
Other restricted funds		-	943,352	-	943,352	1,086,286
Total cathedral funds	22	2,258,369	20,280,013	29,145,402	51,683,784	54,078,166

The financial statements were approved and authorised for issue by the Chapter on 12 December 2023 and signed on their behalf by


 S.M. Jones (Dec 21, 2023 09:53 GMT)

The Revd Canon Dr Simon Jones
 Interim Dean


 Simon Parkes (Dec 20, 2023 10:24 GMT)

Mr Simon Parkes
 Chairman, Finance Committee

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Entity Only Balance Sheet
As at 31 March 2023

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed assets						
Investment assets:						
Property	5	-	-	21,955,841	21,955,841	23,752,361
Investments	7	1,071,392	13,104,026	5,108,879	19,284,297	20,214,592
		1,071,392	13,104,026	27,064,720	41,240,138	43,966,953
Tangible fixed assets						
Heritage assets		-	-	-	-	-
Property	6	-	1,364,136	2,070,312	3,434,448	3,333,198
Equipment and plant	8	68,136	542,317	-	610,453	753,260
		68,136	1,906,453	2,070,312	4,044,901	4,086,458
Total fixed assets		1,139,528	15,010,479	29,135,032	45,285,039	48,053,411
Current assets						
Stock		66,143	-	-	66,143	64,711
Debtors	9	530,057	1,003,492	14,611	1,548,160	1,341,891
Property held for resale	5	-	-	-	-	-
Cash at bank and in hand		614,758	1,423,690	1,782	2,040,230	2,589,627
Total current assets		1,210,958	2,427,182	16,393	3,654,533	3,996,229
Liabilities due within one year						
Loans		-	(6,100)	-	(6,100)	(413,807)
Creditors		(475,739)	(46,429)	(6,023)	(528,191)	(528,001)
	10	(475,739)	(52,529)	(6,023)	(534,291)	(941,808)
Net current assets		735,219	2,374,653	10,370	3,120,242	3,054,421
Total assets less current liabilities		1,874,747	17,385,132	29,145,402	48,405,281	51,107,832
Liabilities due after one year						
Defined benefit scheme liability	14	-	-	-	-	(2,000)
Total net assets		1,874,747	17,385,132	29,145,402	48,405,281	51,105,832
The funds of the cathedral:						
HLF Catalyst Endowment Fund		-	-	1,869,133	1,869,133	1,914,673
Endowment		-	-	27,276,269	27,276,269	29,225,453
General fund		1,602,186	-	-	1,602,186	2,092,286
Designated funds		272,561	-	-	272,561	260,950
Alfred Griffin Legacy fund		-	1,654,057	-	1,654,057	1,690,264
Fabric fund		-	13,031,715	-	13,031,715	13,286,458
Lincoln Cathedral Connected		-	1,766,271	-	1,766,271	1,559,742
Other restricted funds		-	933,089	-	933,089	1,076,006
Total cathedral funds	22	1,874,747	17,385,132	29,145,402	48,405,281	51,105,832

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Consolidated Statement of Cash Flows
For the year ending 31 March 2023

	Note	Total Funds 2023 £	Total Funds 2022 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	11	(262,846)	1,716,083
Cash flows from investing activities			
Rent received net of costs		7,667	376,668
Investment income received net of costs		768,171	700,455
Purchase of plant and equipment		(56,807)	(770,875)
Property under construction costs		-	(370,839)
Proceeds from sale of investments		4,099,712	3,478,655
Purchase of investments		(4,409,651)	(5,614,219)
Net cash (used in)/provided by investing activities		409,092	(2,200,155)
Cash flows from financing activities			
Receipt/(Repayment) of borrowing		(407,707)	(492,293)
Receipt of endowment		67,030	17,529
Net cash (used in)/provided by financing activities		(340,677)	(474,764)
Change in cash and cash equivalents in the reporting period		(194,431)	(958,836)
Cash and cash equivalents at the beginning of the reporting period		3,131,258	4,090,094
Cash and cash equivalents at the end of the reporting period		2,936,827	3,131,258
Analysis of cash and cash equivalents			
		2023 £	2022 £
Cash in hand		2,936,827	3,131,258
Notice deposits (less than 3 months)		-	-
Total cash and cash equivalents		2,936,827	3,131,258
Analysis of change in net debt			
	As at 1 April 2022 £	Cash flows £	As at 31 March 2023 £
Cash in hand	3,131,258	(194,431)	2,936,827
Debt due within one year	(413,807)	407,707	(6,100)
	2,717,451	213,276	2,930,727

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments and investment property, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2018, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The Cathedral meets the definition of a public entity under FRS 102.

The accounts are presented in sterling, which is the functional currency of the cathedral, and rounded to the nearest pound.

Consolidation

The accounts consolidate the results of the Cathedral and its subsidiaries. Further details are provided at Note 18. The results of the subsidiaries are consolidated on a line by line basis.

In addition, the Cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided at Note 19.

Going concern

The Chapter has considered whether the use of the going concern basis of accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the cathedral's ability to continue as a going concern. They have carried out this assessment for a period of at least one year from the date of approval of these accounts, having reviewed financial forecasts to 31 March 2025 which indicate sufficient cash reserves are available. Management accounts are regularly considered for financial position and performance, allowing remedial action to be taken should it be necessary. The Chapter have concluded that there are no material uncertainties concerning the cathedral's ability to continue as a going concern.

Judgements and key sources of estimation uncertainty

Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are property valuations and allocation of support costs to restricted and endowment funds.

Property values are subject to judgement on their state of repair, future rental yield and estimated costs to sell. Allocation of support costs are subject to estimated splits of staff time per the expenditure accounting policy. The useful life and residual value of an asset is also subject to judgement.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

1 Accounting Policies (cont..)

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Cathedral.

Designated funds are unrestricted funds which Chapter have decided, at their discretion, to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Cathedral's work or for specific projects. This would include monies raised for specific campaigns.

Endowment funds are restricted in that there is no power to convert the capital into income. They must be held permanently (unless they become expendable by petition or prior design) and cannot be disposed of, although the constituent assets may change over time.

Income recognition

Income is recognised when there is entitlement to the funds, any performance conditions have been met, it is probable that income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as when notification has been made by the executor(s) that a distribution will be made, when a distribution is received from the estate or when probate has been granted depending on which is earlier. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified but cannot be reliably measured the legacy is treated as a contingent asset and disclosed if material. Where a legacy is subject to the interest of a life tenant the legacy would not be recognised as income until the death of the life tenant.

Income received in advance of events or services is deferred until the criteria for income recognition is met.

Coronavirus Job Retention Scheme (CJRS) income is recognised in the period to which the claim relates.

Donated goods and services

Donated professional services and donated facilities are recognised as income when control exists over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Cathedral which is quantified as the amount the Cathedral would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

1 Accounting Policies (cont..)

Third party receipts and payments

In line with the above, where funding is provided by third parties (e.g. the funding by the Church Commissioners of stipends and associated payroll costs of the Dean, the Commissioners' canons or other clerical or lay staff) these are shown as both income and expenditure.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Cost of raising funds comprise the cost of trading activities, investment property costs, visitor facilities, fundraising event costs and the cost of the development phase of the Lincoln Cathedral Connected project in so far as they relate to the proposed improvements to visitor facilities.

Ministry includes costs associated within the Cathedral clergy as well as services and music Cathedral and precincts upkeep consists of the major projects and restoration of the Cathedral's fabric as well as the Cathedral's maintenance and upkeep.

Education and outreach includes relevant costs as well as the maintenance and running costs of the Wren Library.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs (Note 4) are those functions that assist the work of the Cathedral but do not directly undertake either charitable or fundraising activities. Indirect support cost allocation is based on an approximate split of staff time being

Raising funds	35%
Ministry	30%
Cathedral & precincts upkeep	30%
Education & outreach	5%

Cathedral and inventory

Heritage assets include the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 31 December 2018, because information on their historic cost is not available.

Items donated to the inventory since 1 January 2019 are valued in the year of acquisition and shown as heritage assets unless there is insufficient information available to reliably estimate the value of the asset.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

1 Accounting Policies (cont..)

Tangible fixed assets

With the exception of Lincoln Minster Shops Limited, purchases of tools and equipment (including office equipment) of less than £10,000 are written off in the year of purchase within the fund to which they relate.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful economic lives on the following bases:

Equipment & plant	18 - 50% straight line
Freehold buildings	0%

Property

The endowment property, which excludes the Cathedral itself, includes both investment and non-investment property. Investment property is included at fair value as at 31 March 2023. Chapter considers that appropriate professional guidance has been sought to recommend reasonable estimates of fair value.

Non-investment property is carried at cost.

The Quarry is stated at the cost to acquire access which was obtained in 2008. The access is the land known as 51 Riseholme Road. In the opinion of the Cathedral's administrative body the residual value of the land is such that no write down is deemed necessary.

Depreciation is not charged on the basis of immateriality. The Cathedral has a policy of regular maintenance to maintain properties at their existing value and, given the locale of the Cathedral Close, high residual values are expected.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities and are allocated to the relevant fund.

The Cathedral does not acquire put options, derivatives or other complex financial instruments.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

1 Accounting Policies (cont..)

Investments (cont...)

The main form of financial risk faced by the Cathedral is that of volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or subsectors.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Stock

Stock is stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the Cathedral has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employment benefits

When employees have rendered service to the Cathedral, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The entity contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the entity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Further details are provided at Note 14.

Contributions under defined contribution plans are expensed as they become payable.

Corporation tax

The Cathedral is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable entity for UK corporation tax purposes. Accordingly, the Cathedral is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

2 Income and Endowments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Donations and legacies					
Congregational giving	71,185	-	-	71,185	43,234
Donations	172,964	144,810	-	317,774	296,214
Tax recoverable under Gift Aid on voluntary contributions	10,059	13,618	-	23,677	18,962
Income from Friends	24,314	182,681	-	206,995	20,105
Legacies	304,345	1,021,364	-	1,325,709	672,066
	582,867	1,362,473	-	1,945,340	1,050,581
Grants in support of mission					
Church Commissioners' grants	143,358	-	-	143,358	199,833
Heritage Lottery Fund grants	-	199,649	-	199,649	1,916,273
Other revenue and capital grants	32,579	450,058	-	482,637	432,651
	175,937	649,707	-	825,644	2,548,757
Charges and fees arising in the course of mission					
Facilities and other fees	31,399	-	-	31,399	57,480
Magna Carta	29,333	-	-	29,333	22,041
	60,732	-	-	60,732	79,521
Trading and fundraising					
Charges to visitors	562,803	10,000	-	572,803	616,234
Gift Aid on entrance charges	67,252	-	-	67,252	51,730
Income from lettings of cathedral and other buildings	-	-	-	-	-
Income from fundraising events	522,841	25,838	-	548,679	91,279
Gross income cathedral shop, restaurant and conferencing centre	566,586	-	-	566,586	629,210
Cathedral Quarry	-	-	-	-	2,629
Cathedral publications	19,765	-	-	19,765	16,113
Outside contracts - Close property maintenance	13,423	-	-	13,423	28,388
	1,752,670	35,838	-	1,788,508	1,435,583
Investments					
Income from investment property	836,547	-	-	836,547	830,030
Income from other investments	205,984	596,520	74,999	877,503	762,414
Interest receivable on short-term deposits	260	-	-	260	24
	1,042,791	596,520	74,999	1,714,310	1,592,468
Other income					
Coronavirus Job Retention Scheme	-	-	-	-	50,120
Other items	(450)	6,727	-	6,277	6,507
	(450)	6,727	-	6,277	56,627
Total income	3,614,547	2,651,265	74,999	6,340,811	6,763,537

Of the £6,763,537 received for the year ended 31 March 2022 £3,187,279 related to unrestricted income, £3,517,001 to restricted income and £59,257 was received in to endowment (See Note 24).

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

3 Expenditure

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Raising funds					
Cost of facilities for visitors	207,398	9,772	-	217,170	152,899
General marketing costs	68,920	10,045	-	78,965	34,616
Investment property costs	828,880	-	-	828,880	453,362
Investment management costs	5,959	28,634	7,969	42,562	44,453
Cost of fundraising	420,688	7,716	-	428,404	256,160
Gross costs of cathedral shop, restaurant and conferencing centre	427,742	-	-	427,742	487,772
Cathedral Quarry	-	17	-	17	5,066
Cathedral publications	1,322	-	-	1,322	12,703
Outside contracts - Close property maintenance	13,423	-	-	13,423	28,388
Allocated support costs (note 4)	49,393	85,776	-	135,169	87,252
	2,023,725	141,960	7,969	2,173,654	1,562,671
Ministry					
Clergy stipends and working expenses	139,034	-	-	139,034	171,951
Clergy housing costs	46,278	-	-	46,278	21,146
Clergy support costs	31,748	1,609	-	33,357	33,691
Services and music	301,205	141,209	-	442,414	376,827
Allocated support costs (note 4)	37,682	73,522	-	111,204	92,623
	555,947	216,340	-	772,287	696,238
Cathedral and precincts upkeep					
Major repairs and restoration	53,170	1,248,855	-	1,302,025	1,310,735
Conservation deficit	-	-	-	-	8,210,142
Maintenance and interior upkeep	922,241	28,842	-	951,083	663,443
Cathedral insurance	119,360	-	-	119,360	109,913
Allocated support costs (note 4)	39,672	73,522	-	113,194	97,846
	1,134,443	1,351,219	-	2,485,662	10,392,079
Education and outreach					
Library and archives	122,629	22,254	-	144,883	119,798
Educational activities	42,313	60,037	-	102,350	136,960
Charitable giving	-	2,022	-	2,022	6,600
Allocated support costs (note 4)	5,428	12,253	-	17,681	14,716
	170,370	96,566	-	266,936	278,074
Total expenditure	3,884,485	1,806,085	7,969	5,698,539	12,929,062

Of the £12,929,062, amount expended for the year ended 31 March 2022, £2,633,007 related to unrestricted income, £10,254,327 to restricted income and £41,728 was expended from endowment (See Note 24).

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

4 Allocated support costs

	Raising funds	Ministry	Cathedral & precincts upkeep	Education & outreach	Total 2023	Total 2022
	£	£	£	£	£	£
Human Resources	70,732	60,628	60,628	10,105	202,093	183,000
Office costs	46,620	39,960	39,960	6,660	133,200	97,059
Finance	13,084	1,702	1,899	240	16,925	(11,664)
Governance	4,733	8,914	10,707	676	25,030	24,042
Total cost for year ended 31 March 2023	135,169	111,204	113,194	17,681	377,248	292,437
Total cost for year ended 31 March 2022	87,252	92,623	97,846	14,716	292,437	

Human Resources are allocated on the basis of staff time, the remaining elements are allocated on a basis of direct cost and attributable staff time.

5 Investment property

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£	£
Balance Sheet value at 1 April 2022	-	-	23,752,361	23,752,361	22,408,001
Transferred from non-investment property	-	-	-	-	330,000
Transferred to non-investment property	-	-	(101,250)	(101,250)	(157,500)
Disposal proceeds	-	-	-	-	-
Revaluation adjustment	-	-	(1,695,270)	(1,695,270)	1,171,860
Balance Sheet value at 31 March 2023	-	-	21,955,841	21,955,841	23,752,361
Of which					
Fixed Asset	-	-	21,955,841	21,955,841	23,752,361

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

6 Non-investment property

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Balance Sheet value at 1 April	-	1,364,136	1,969,062	3,333,198	11,345,001
Transferred from investment property	-	-	101,250	101,250	157,500
Transferred to investment property	-	-	-	-	(330,000)
Conservation deficit	-	-	-	-	(8,210,142)
Acquisitions	-	-	-	-	370,839
Balance Sheet value at 31 March	-	1,364,136	2,070,312	3,434,448	3,333,198

All non investment properties are held on a freehold basis and are used as follows:

	Quarry £	Cathedral Use £	Trading £	Total £
Balance Sheet value at 1 April 2022	170,477	2,805,971	356,750	3,333,198
Transferred from investment property	-	101,250	-	101,250
Transferred to investment property	-	-	-	-
Additions - Asset under Construction	-	-	-	-
Conservation deficit	-	-	-	-
Valuation as at 31 March 2023	170,477	2,907,221	356,750	3,434,448

In the prior period, an £8,210,142 conservation deficit related to a valuation adjustment of the Cathedral's bespoke visitor centre, having been brought into use during the financial period. The valuation was performed by Savills in accordance with VPGA 1 of the RICS Valuation - Global Standards. This was treated as expenditure in the statement of financial activities (SoFA).

Heritage assets

As stated in the accounting policies, no value has been placed on the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. Cathedral buildings are the Cathedral, chapter house, cloisters and libraries.

The Care of Cathedrals Measure 2011 requires cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the Cathedral church. There have been no additions in the year.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

7 Investments

Consolidated	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Investments at market value 1 April	1,046,643	16,248,325	5,469,713	22,764,681
Disposal proceeds	(370,424)	(2,805,028)	(924,260)	(4,099,712)
Additions at cost	178,911	2,916,871	1,313,869	4,409,651
Revaluation adjustment	(43,193)	(931,707)	(366,484)	(1,341,384)
Transfers	259,455	124,504	(383,959)	-
Investments at market value 31 March	1,071,392	15,552,965	5,108,879	21,733,236

Investments at 31 March comprise the following

(Market Values):

Charities Property Fund	30,015	1,709,518	713,339	2,452,872
Cazenove Investment	168,942	369,375	123,191	661,508
M & G Charifund:	-	-	-	-
- Income units	-	340,833	-	340,833
- Accumulation units	-	205,908	59,275	265,183
- Global Dividend Units	71,685	828,116	97,624	997,425
- Opt Income I	-	-	-	-
COIF Charities Fixed Interest Fund	7,058	-	8,124	15,182
Trojan	-	-	-	-
Fidelity	163,158	687,901	124,647	975,706
1.25 Treasury	-	-	-	-
0.125 Uk T-Gilt	17,444	31,011	-	48,455
FRN Uk Treasury	13,962	23,537	-	37,499
Invesco II US TrBond	24,561	38,105	-	62,666
4.25 Uk Gilt	26,652	46,268	-	72,920
Blackrock	-	-	-	-
Atlas GI	-	311,522	132,617	444,139
Schroder Asian Income	187,770	532,121	74,814	794,705
Vontobel 24 Abs	84,436	424,294	-	508,730
PIMCO	92,689	465,770	-	558,459
RMAF - Acc. Units	-	8,238,296	3,729,184	11,967,480
Charity Bond Fund	-	-	-	-
Other Holdings < £50,000	105,248	620,453	-	725,701
Investors in Lincoln	-	-	14,000	14,000
Capital Account	77,772	679,937	32,064	789,773
	1,071,392	15,552,965	5,108,879	21,733,236

All investments are held within the UK.

Entity Only	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Investments at market value 1 April	1,046,643	13,698,236	5,469,713	20,214,592
Disposal proceeds	(370,424)	(2,145,299)	(924,260)	(3,439,983)
Additions at cost	178,911	2,208,006	1,313,869	3,700,786
Revaluation adjustment	(43,193)	(781,421)	(366,484)	(1,191,098)
Transfers	259,455	124,504	(383,959)	-
Investments at market value 31 March	1,071,392	13,104,026	5,108,879	19,284,297

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

8 Equipment and plant

Consolidated	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Cost at 1 April	151,534	841,995	-	993,529
Additions	18,355	38,452	-	56,807
Disposals	-	-	-	-
Cost at 31 March	169,889	880,447	-	1,050,336
Depreciation at 1 April	63,353	165,264	-	228,617
Depreciation for the year	28,355	172,866	-	201,221
On disposals	-	-	-	-
Depreciation at 31 March	91,708	338,130	-	429,838
Net book value at 31 March 2023	78,181	542,317	-	620,498
Net book value at 31 March 2022	88,181	676,731	-	764,912

Entity Only	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £
Cost at 1 April	105,769	841,995	-	947,764
Additions	18,355	38,452	-	56,807
Disposals	-	-	-	-
Cost at 31 March	124,124	880,447	-	1,004,571
Depreciation at 1 April	29,240	165,264	-	194,504
Depreciation for the year	26,748	172,866	-	199,614
On disposals	-	-	-	-
Depreciation at 31 March	55,988	338,130	-	394,118
Net book value at 31 March 2023	68,136	542,317	-	610,453
Net book value at 31 March 2022	76,529	676,731	-	753,260

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
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9 Debtors due within one year

	2023		2022	
	Group	Entity	Group	Entity
	£	£	£	£
Trade debtors	111,472	93,260	136,405	94,353
Amounts due from connected entities	-	83,513	-	100,680
Taxation	70,051	75,366	-	34,448
Legacy debtors	858,438	858,438	553,159	553,159
Prepayments and accrued income	472,974	437,583	691,237	559,251
	1,512,935	1,548,160	1,380,801	1,341,891

10 Creditors due within one year

	2023		2022	
	Group	Entity	Group	Entity
	£	£	£	£
Trade creditors	291,758	276,092	321,085	292,208
Amounts owed to connected entities	-	12,228	-	569
Accruals and deferred income	251,789	165,238	354,593	142,964
Taxation and social security	44,433	42,967	36,336	51,505
Other creditors	31,813	31,666	40,902	40,755
Loans	6,100	6,100	413,807	413,807
	625,893	534,291	1,166,723	941,808

11 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net income/(expenditure) before investment gains for the reporting period	642,272	(6,165,525)
Adjustments for:		
Depreciation charges	201,221	161,459
Conservation deficit	-	8,210,142
Income added to Endowment capital	(74,999)	(17,529)
Income from property and investments	(1,639,311)	(1,533,211)
Investment property costs & management fees	871,442	456,087
Decrease/(Increase) in stock	3,786	(21,172)
(Increase)/decrease in debtors	(132,134)	813,708
(Decrease)/increase in creditors	(135,123)	(187,876)
Net cash (used in)/provided by operating activities	(262,846)	1,716,083

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

12 Staff numbers

The average number of paid employees during the year to 31 March were as follows:

			2023	2022
	Full time	Part time	FTE	FTE
Residentiary Canons	3	-	3.0	4.0
Chapter Office	6	7	9.9	9.3
Raising funds (exc. trading)	3	-	3.0	5.0
Connected Project Team	-	-	-	4.7
Trading	3	1	3.6	3.6
Visitor Services	3	10	5.9	3.0
Vergers & interior upkeep	4	3	4.8	4.6
Music & Services	3	14	9.3	9.0
Library & Education	3	1	3.9	2.0
Works Department	20	3	19.4	13.6
	48	39	62.8	58.8

During the year to 31 March 2023 the average number of staff was 87 (2022: 82).

The Connected Project Team was absorbed into operational teams from 1 April 2023, the project formally completed 30 June 2023.

The number of unpaid volunteers during the year was approximately 525 (2022: 550). A reliable estimate of the monetary value of their work cannot be made.

13 Staff costs

	2023	2022
	£	£
Salaries and stipends	1,720,438	1,668,436
Apprenticeship Levy	471	568
Employer's national insurance	155,674	139,662
Contribution to defined contribution schemes	84,756	79,014
Operating costs of defined benefit pension schemes	35,516	40,050
	1,996,855	1,927,730
Termination payments	-	-
Redundancy payments	-	34,992
Total cost of paid staff	1,996,855	1,962,722

No employees had employee benefits in excess of £60,000 (2022: Nil). Pension costs are allocated to activities in proportion to the related staffing cost.

Termination and redundancy payments are recognised when, by legislation or by contractual or other agreements with employees or their representatives, a commitment is made to make such a payment. During the year no redundancy payments had been committed (2022: 5) to and no termination payments were made (2022: Nil).

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For the year ending 31 March 2023

14 Pensions

Church of England Funded Pension Scheme (CEFPS)

Lincoln Cathedral participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2023: £35,516 2022: £42,050), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £33,516 for 2022 (2022: £40,050).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a deficit of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7%pa;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

% of pensionable stipends	January 2018 to 31 December 2020	January 2021 to 31 December 2022
Deficit repair contributions	11.90%	7.10%

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For the year ending 31 March 2023

14 Pensions contd...

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022 £	2021 £
Balance sheet liability at 1 January	2,000	4,000
Deficit contribution paid	(1,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	(1,000)	-
Balance sheet liability at 31 December	-	2,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	N/a	0.0% pa	0.2% pa
Price inflation	N/a	N/a	3.1% pa
Increase to total pensionable payroll	N/a	-1.5% pa	1.6% pa

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

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Notes to the Financial Statements
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14 Pensions contd...

Church Workers Pension Fund - Pension Builder 2014

Lincoln Cathedral participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (See Note 13).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

15 Related party disclosures

Indemnity Insurance:

Insurance is in place to protect the Cathedral from loss arising from the neglect or default of members of the Council, Chapter or College of Canons and to indemnify those persons against the consequences of any neglect or default on their part. This is at no incremental cost to the Cathedral.

The Chapter is considered to be key management (See Notes 16 and 17 for relevant disclosure). There are 3 members of the senior leadership team who have children within the Cathedral choir, as part of the arms length agreement with all choristers, instrument lessons are reimbursed and choristers receive a 'pocket money' for their services. During the year £766 (2022: £1,097) expenses have been paid in respect to 4 children and £444 (2022:£84) of chorister pocket money.

Transactions with consolidated entities can be found at Note 18. There were no other related party transactions in either year.

16 Remuneration of members of the Chapter

The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board. Such payments are made under the authority of the Cathedrals Measure 1999 and the Cathedral constitution.

	Stipend	Pension
	£	£
The Very Revd Christine Wilson	42,205	10,738
The Revd Canon Nicholas Brown	32,798	8,590
The Revd Canon Dr Paul Overend	33,084	8,590

17 Expenses of members of the Chapter

In respect of the year ended 31 March 2023 the following aggregate expenses were incurred by the Cathedral in respect of 3 (2022: 3) members of the Chapter:

	2023	2022
	£	£
Clergy housing expenses reimbursed	3,779	2,960
Relocation expenses reimbursed	-	-
Travel, hospitality and conference costs	907	779
Books, equipment and sundry services costs	364	676
	5,050	4,415

These expenses include those reimbursed to members of the Chapter as well as similar payments made direct to third parties.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

18 Consolidated entities

The following entities have been consolidated within these financial statements:

<i>Control</i>	<i>Entity</i>	<i>Purpose</i>
100%	Lincoln Minster Shops Ltd	To operate the trading activities of Lincoln Cathedral and contribute surpluses in support of its objectives
100%	Lincoln Cathedral Quarry Limited	To operate the trading activities of Lincoln Cathedral's quarry and contribute surpluses in support of fabric maintenance and restoration
100%	Lincoln Cathedral Music Fund	To support the provision of music at Lincoln Cathedral
	Lincoln Cathedral Learning Arts	To support the mission and wider charitable purposes of Lincoln Cathedral
100%	Culture and Events CIO ("Lincoln Cathedral CIO")	

The Cathedral provides administrative services to and receives donations from its trading subsidiaries.

During the year, an administrative fee of £113,736 (2022: £86,502) was charged to Lincoln Minster Shops Limited. The Cathedral received the following gift aid donations from its trading subsidiaries:

	2023	2022
	£	£
Lincoln Minster Shops Ltd	149,768	48,147
Lincoln Cathedral Quarry Limited	-	-

Lincoln Cathedral Music Fund contributed £131,060 (2022: £109,076) towards the cost of the Cathedral's music provision. Of this, £32,869 (2022: £24,658) specifically relates to the funding of choral scholars.

Lincoln Cathedral CIO contributed £Nil (2022: £Nil) towards the Cathedral's mission and £19,453 (2022: £Nil) toward the cost of the Cathedral's fabric restoration. The increased level reflects the paused fundraising activities during the coronavirus pandemic.

Amounts due from these entities as at 31 March 2023 were £83,513, amounts due to these entities totalled £12,228 and represent short term balances from usual operating activity.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

19 Non-controlled entities

The following entities are not controlled by the Cathedral but are principally for its financial benefit and have been summarised for information.

The Association of Friends of Lincoln Cathedral

The Association of Friends of Lincoln Cathedral makes grants as funds permit to the Dean and Chapter of Lincoln Cathedral towards the worship, maintenance, preservation, improvement or repairs of the fittings, ornaments, furniture and monuments in Lincoln Cathedral, and the furthering of schemes to set forward its beauty, safety or utility.

	31 December 2022	31 December 2021
	£	£
Gross income	131,807	21,424
Expenditure:		
Fundraising events	441	289
Contribution to Lincoln Cathedral	206,640	11,203
Other grants	12,105	5,255
Administrative and miscellaneous expenditure	4,320	2,867
	<u>223,506</u>	<u>19,614</u>
Net (expenditure)/income	<u>(91,699)</u>	<u>1,810</u>
Net assets	<u>326,008</u>	<u>417,707</u>

The above is extracted from independently examined accounts for the years ended 31 December.

20 Auditor's remuneration

The financial statements include the following amounts in relation to auditor's remuneration.

	2023	2022
	£	£
Audit services	33,614	31,564
Other assurance services	5,600	5,088
Other financial services		
Accounts Preparation	1,750	1,750
Advisory	-	-
	<u>40,964</u>	<u>38,402</u>
Funded by:		
Restricted funds	9,448	16,563
Unrestricted & designated funds	31,516	21,839

21 Transfer between funds

In line with Note 22, the following transfers were made between connected entities in order to support the Cathedral's mission:

	Corporate Body of Lincoln Cathedral: Fund	
	Unrestricted	Fabric
	£	£
Gift aid payment, in line with taxable profits:		
Lincoln Minster Shop	149,768	-
Lincoln Cathedral Quarry Ltd	-	-
Donation:		
Lincoln Cathedral LACE CIO	-	19,453

A transfer of £86,038 was also made from the restricted Library fund toward library fabric restoration works undertaken within the Lincoln Cathedral Connected project.

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

22 Funds

	Brought forward 1 April 2022	Income	Expenditure	Gains/(losses)	Transfers	Carried forward 31 March 2023
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted fund	2,092,286	2,505,105	(3,101,780)	(43,193)	149,768	1,602,186
Lincoln Minster Shops Ltd	180,652	566,586	(427,742)	-	(149,768)	169,728
Lincoln Cathedral CIO	57,065	523,091	(346,809)	-	(19,453)	213,894
Designated funds						
The Dean Christine Wilson Fund (formerly the Dean's Discretionary Fund)	163,946	-	(6,832)	-	-	157,114
Theological Society	2,811	-	-	-	-	2,811
Lincoln Cathedral Publications	85,620	19,765	(1,322)	-	-	104,063
Organists Recital Fund	3,178	-	-	-	-	3,178
Charities Fund	2,880	-	-	-	-	2,880
Other designated funds	2,515	-	-	-	-	2,515
	2,590,953	3,614,547	(3,884,485)	(43,193)	(19,453)	2,258,369
Restricted						
Fabric Fund	13,286,458	1,501,110	(1,111,450)	(663,856)	19,453	13,031,715
Library	629,513	34,474	(32,903)	(34,649)	(86,038)	510,397
Library Manuscript	3,178	-	-	-	-	3,178
Lincoln Cathedral Choir Association	12,176	3,252	(1,056)	-	-	14,372
Lincoln Cathedral Community Association	13,474	14,040	(2,908)	-	-	24,606
Lincoln Cathedral Consort Choir	-	210	-	-	-	210
Seamen's Chapel	9,624	429	(300)	(597)	-	9,156
Airmen's Chapel	79,292	3,156	-	(4,395)	-	78,053
St John the Baptist Chapel	19,478	1,837	-	(2,656)	-	18,659
St. Anne's Chapel	19,585	775	-	(1,080)	-	19,280
Cathedral Choir Visits Fund	5,588	-	-	-	-	5,588
Soldiers' Chapel	30,813	1,225	-	(1,707)	-	30,331
George Skelton Memorial Fund	38,815	836	-	(2,427)	-	37,224
Fleming Day Trust Fund	28,101	1,113	-	(1,549)	-	27,665
Harries Legacy	128,348	2,809	(1,125)	(8,156)	-	121,876
Silverware and Chalice Fund	1,663	-	-	-	-	1,663
Scholar Furniture	129	-	(19)	-	-	110
Alfred Griffin Legacy Fund	1,690,264	28,902	(4,760)	(60,349)	-	1,654,057
Lincoln Cathedral Connected	1,559,742	604,149	(483,658)	-	86,038	1,766,271
Culture Recovery Fund	56,229	-	(25,508)	-	-	30,721
Entity only subtotal	17,612,470	2,198,317	(1,663,687)	(781,421)	19,453	17,385,132
Music Fund	2,724,337	452,948	(142,381)	(150,286)	-	2,884,618
Lincoln Cathedral Quarry Ltd	10,280	-	(17)	-	-	10,263
	20,347,087	2,651,265	(1,806,085)	(931,707)	19,453	20,280,013
Endowment funds						
Endowment Fund	29,121,453	3,840	(2,345)	(1,950,679)	-	27,172,269
HLF Catalyst Endowment Fund	1,914,673	71,159	(5,624)	(111,075)	-	1,869,133
Music Endowment	104,000	-	-	-	-	104,000
	31,140,126	74,999	(7,969)	(2,061,754)	-	29,145,402
Consolidated total	54,078,166	6,340,811	(5,698,539)	(3,036,654)	-	51,683,784
Entity only total	51,105,832	4,798,186	(4,781,590)	(2,886,368)	169,221	48,405,281

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22 Funds (cont...)

	Brought forward 1 April 2021	Income	Expenditure	Gains/(losses)	Transfers	Carried forward 31 March 2022
	£	£	£	£	£	£
Unrestricted funds						
Unrestricted fund	1,584,269	2,470,674	(2,078,093)	67,289	48,147	2,092,286
Lincoln Minster Shops Ltd	79,031	629,210	(479,442)	-	(48,147)	180,652
Lincoln Cathedral CIO	47,672	71,282	(61,889)	-	-	57,065
Designated funds						
Dean's Discretionary Fund	164,826	-	(880)	-	-	163,946
Theological Society	2,811	-	-	-	-	2,811
Lincoln Cathedral Publications	82,210	16,113	(12,703)	-	-	85,620
Organists Recital Fund	3,178	-	-	-	-	3,178
Charities Fund	2,880	-	-	-	-	2,880
Other designated funds	2,515	-	-	-	-	2,515
	1,969,392	3,187,279	(2,633,007)	67,289	-	2,590,953
Restricted						
Fabric Fund	12,337,935	929,356	(711,357)	805,324	(74,800)	13,286,458
Library	622,763	20,861	(39,231)	25,120	-	629,513
Library Manuscript	3,178	-	-	-	-	3,178
Lincoln Cathedral Choir Association	10,571	2,135	(530)	-	-	12,176
Lincoln Cathedral Community Association	8,869	11,205	(6,600)	-	-	13,474
Seamen's Chapel	8,662	431	(250)	781	-	9,624
Airmen's Chapel	70,364	3,176	-	5,752	-	79,292
St John the Baptist Chapel	14,280	1,849	-	3,349	-	19,478
St. Anne's Chapel	17,392	780	-	1,413	-	19,585
Cathedral Choir Visits Fund	5,588	-	-	-	-	5,588
Soldiers' Chapel	27,482	1,233	-	2,098	-	30,813
George Skelton Memorial Fund	35,212	1,362	-	2,241	-	38,815
Fleming Day Trust Fund	24,953	1,120	-	2,028	-	28,101
Harries Legacy	117,881	4,572	(1,175)	7,070	-	128,348
Silverware and Chalices Fund	1,663	-	-	-	-	1,663
Scholar Furniture	129	-	-	-	-	129
Alfred Griffin Legacy Fund	1,713,604	15,205	(19,832)	(18,713)	-	1,690,264
Lincoln Cathedral Connected	8,540,107	2,084,348	(9,139,513)	-	74,800	1,559,742
Culture Recovery Fund	76,920	188,023	(208,714)	-	-	56,229
Entity only subtotal	23,637,553	3,265,656	(10,127,202)	836,463	-	17,612,470
Music Fund	2,419,966	248,715	(122,058)	177,714	-	2,724,337
Lincoln Cathedral Quarry Ltd	12,717	2,630	(5,067)	-	-	10,280
	26,070,236	3,517,001	(10,254,327)	1,014,177	-	20,347,087
Endowment funds						
Endowment Fund	27,746,618	3,820	(37,918)	1,408,933	-	29,121,453
HLF Catalyst Endowment Fund	1,703,621	55,437	(3,810)	159,425	-	1,914,673
Music Endowment	104,000	-	-	-	-	104,000
	29,554,239	59,257	(41,728)	1,568,358	-	31,140,126
Consolidated total	57,593,867	6,763,537	(12,929,062)	2,649,824	-	54,078,166
Entity only total	55,034,481	5,811,700	(12,260,606)	2,472,110	48,147	51,105,832

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22 Funds cont...

Unrestricted funds	Description, nature and purposes of the fund
Unrestricted Fund	the unrestricted reserves after allowing for designated funds
Lincoln Minster Shops Ltd	the shareholder funds held within the trading subsidiary
Lincoln Cathedral CIO	the funds held within the charitable organisation
Dean's Discretionary Fund	to support welfare, mission and infrastructure investment
Theological Society	to support educational lectures
Lincoln Cathedral Publications	a working capital account for publications projects
Organists Recital Fund	a working capital account for organ recital events
Charities Fund	to support third party charity works
Other designated funds	immaterial amounts sets aside for specific purposes in the future
Restricted funds	Description, nature and purposes of the fund
Fabric Fund	for the purpose of maintaining and preserving the fabric of Lincoln Cathedral
Library	for use in connection with the running and maintenance of the Lincoln Cathedral Wren Library
Library Manuscript	restricted income for use in respect to specific manuscripts
Lincoln Cathedral Choir Association	monies received in support of the Lincoln Cathedral Choir
Lincoln Cathedral Community Association	formed under Section 9(3) of the Cathedrals Measure 1999 the association supports the mission of the Cathedral as well as giving c.25% of its income to the diocese and other charities
Lincoln Cathedral Consort Choir	funds raised to support the voluntary choir's costs
Seamen's Chapel	for use against costs incurred in respect of the Seamen's Chapel
Airmen's Chapel	for use against costs incurred in respect of the Airmen's Chapel
St John the Baptist Chapel	for use against costs incurred in respect of the St John the Baptist Chapel and specifically for the Retro Choir Reordering project
St. Anne's Chapel	for use against costs incurred in respect of the St Anne's Chapel
Cathedral Choir Visits Fund	monies raised to support Cathedral choir visits and tours
Soldiers' Chapel	for use against costs incurred in respect of the Soldiers' Chapel
George Skelton Memorial Fund	for use against music department costs incurred in respect to choir school fees
Fleming Day Trust Fund	for use against costs incurred in respect of the Fleming Day Chapel
Harries Legacy	is for the benefit of clergy widows and orphans of the Diocese
Silverware and Chalices Fund	the provision of silverware in the sanctuary
Scholar Furniture	monies given to furnish the choral scholarly
Alfred Griffin Legacy Fund	for the preservation of cathedral buildings
Lincoln Cathedral Connected	a project to improve the Cathedral's setting and visitor experience match funded by the National Lottery Heritage Fund (NLHF)
Heritage Emergency Fund	NLHF funding to support emergency costs in response to the covid-19 pandemic
Culture Recovery Fund	funding to support cultural organisations through the impact of the covid-19 pandemic
Music Fund	funds held to create a permanent foundation to support Lincoln Cathedral's choir, organists and organ
Lincoln Cathedral Quarry Ltd	the shareholder funds held within the trading subsidiary, for support of the Fabric Fund.
Endowment Funds	Description, nature and purposes of the fund
Endowment Fund	the income from this endowment fund is applied to support the unrestricted fund
HLF Catalyst Endowment Fund	for the purposes of funding repair work necessary for the conservation of the Western and Central Towers as planned for 2037 when the fund will become expendable
Music Endowment	the income from this endowment fund may be applied in support of music at Lincoln Cathedral

The Chapter of the Cathedral Church of the Blessed Virgin Mary of Lincoln
Notes to the Financial Statements
For the year ending 31 March 2023

23 Donations from Charitable Trusts

We note with gratitude support provided from the following Trusts during the year:

A H Worth Charitable Trust	Lincoln Diocesan Trust & Board of Finance
Association of Friends of Lincoln Cathedral	National Lottery Heritage Fund
Bayfield Charitable Trust	R M Jolly Charitable Trust
Benefact Trust	Ross Foundation
Bergne-Coupland Charity	The Drapers' Charitable Trust
DCMS Listed Places of Worship Scheme	The Kochan Trust
Hamish Ogston Foundation	The McCorquodale Charitable Trust
J A T Caulfeild Trust	Wolfson Foundation

24 Statement of Financial Activities Comparative Summary

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	437,305	613,276	-	1,050,581
Grants in support of mission	226,697	2,322,060	-	2,548,757
Charges and fees arising in the course of mission	79,521	-	-	79,521
Trading and fundraising	1,402,730	32,853	-	1,435,583
Investments	985,599	547,612	59,257	1,592,468
Other Income	55,427	1,200	-	56,627
Total income	3,187,279	3,517,001	59,257	6,763,537
EXPENDITURE ON:				
Raising funds	1,328,390	192,553	41,728	1,562,671
Ministry	580,997	115,241	-	696,238
Cathedral and precincts upkeep	607,824	9,784,255	-	10,392,079
Education and outreach	115,796	162,278	-	278,074
Total expenditure	2,633,007	10,254,327	41,728	12,929,062
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	554,272	(6,737,326)	17,529	(6,165,525)
Net gains/(losses) on investments	67,289	1,014,177	1,568,358	2,649,824
Net income/(expenditure)	621,561	(5,723,149)	1,585,887	(3,515,701)
Gross transfers between funds	-	-	-	-
Net movement in funds	621,561	(5,723,149)	1,585,887	(3,515,701)
Total funds brought forward	1,969,392	26,070,236	29,554,239	57,593,867
Total funds carried forward	2,590,953	20,347,087	31,140,126	54,078,166

25 Contingent Assets

There was a contingent asset at the year end that has not been recognised as an asset. This related to the settlement of property dilapidations, in respect to vacated premises during the year, the value was agreed to be £195,000 after the balance sheet date.

26 Commitments

There were no capital commitments (2022: 1 of £4,098) outstanding at the year end that have not been recognised as a liability.

26 Contingent Liability

It is possible, but unlikely, that further gas utility costs may fall due for one property. Such costs cannot be quantified.