

CHELMSFORD
CATHEDRAL

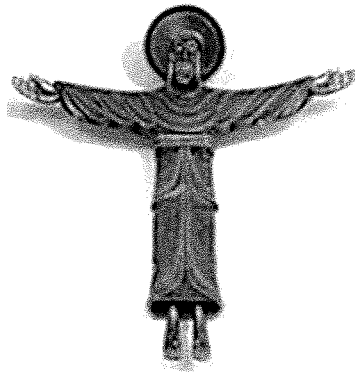
CHELMSFORD CATHEDRAL

ANNUAL REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2015



When it was evening on that day, the first day of the week, and the doors of the house where the disciples had met were locked for fear of the Jews, Jesus came and stood among them and said, 'Peace be with you.' After he said this, he showed them his hands and his side. Then the disciples rejoiced when they saw the Lord. Jesus said to them again, 'Peace be with you. As the Father has sent me, so I send you.'

John 20.19-21



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Annual Report of Chelmsford Cathedral Chapter

Objectives and Activities

Chelmsford Cathedral is a thriving place of worship at the heart of the city of Chelmsford seeking to serve the Bishop and the communities of the Diocese of Chelmsford as a focus for the Bishop's ministry, a place of prayer and hospitality, and a resource for the whole community.

Over the last two years the Cathedral has been seeking to respond to the mandate given to the new Dean, best summarised in the following short paragraph (October 2013):

“The main challenge for the next dean is to stretch the vision of what a parish church cathedral might be, to encourage people to reach out from an existing comfort zone to explore a wider role as cathedral for diocese and community and to have the courage to move forward with this vision. This, in summary, is the role of the next dean.”

As a community the Cathedral has begun to embrace this as a mandate shaping the mission and ministry of the Cathedral as a whole.

Embedded in this mandate are the strategic priorities of the Diocesan mission statement *Transforming Presence*:

- Inhabiting the world distinctively
- Evangelising effectively
- Serving with accountability
- Re-imagining ministry

The Cathedral seeks to serve this agenda explicitly in its mission and ministry across the Diocese.

Mission statement

At its residential meeting in November 2014, Chapter framed the four core themes for the Cathedral's work going forward:

- The Cathedral as a thriving, outward facing community;
- The Cathedral as the church of the Bishop;
- The Cathedral shaped by worship;
- The Cathedral as public / cultural space.

Underpinning the Cathedral's capacity to deliver on these four themes are the three foundations:

- PEOPLE - staff, volunteers and governance;
- RELATIONSHIPS - communication and networks;
- RESOURCES - buildings and assets.

These four themes and three foundations frame the mission and ministry of Chelmsford Cathedral.

Implementation of mission

Chapter convened a series of stakeholder conversations January to April 2015 around each of the themes. Nearly 300 people took part in these round table conversations - with good

representation from members of the congregations, but also with a range of external stakeholders making significant contributions.

The material generated by these conversations was reported back at the AGM on 18 April 2015 and had also formed the background to a major presentation by the Dean at the main services on the previous Sunday. This document is available on the Cathedral website. It has since proved an important moment in explicitly stating the narrative for the mission and ministry of the cathedral - laying particular emphasis precisely on seeking to be an outward facing community at the service of the Bishop which is shaped by worship for its mission and ministry, and which seeks to develop its role in the public square and the cultural life of the city and region.

At its residential meeting in October 2015, the Chapter developed the outline for, and the key priorities of, the Strategic Plan 2016-2021. The plan was published on 16 April 2016 at the Annual Congregational Meeting.

Renewing the Cathedral's governance and accountability

A review of governance and accountability in 2014 had already recognised that the Chapter needed both to renew its practice in these areas and change the Constitution in order to set new practice on a revised footing. Chapter is very grateful to the Cathedral Council, and in particular to Warwick Newbury, who only took on the chairmanship of the Council at the beginning of 2015, for the work put in to achieve the following outcomes enacted on 1 July 2015:

- The creation of sufficient capacity to enable the Bishop to make all serving Area Deans honorary canons and all serving Lay Chairs Lay Canons. The new canons were installed at Evensong on Sunday, 11 October, and although still controversial, these changes are already leading to greater participation in the life of the cathedral by the College of Canons. This is a welcome development with further potential.
- The restructuring of Chapter as allowed by the Cathedral Measure 1999 to ensure that Chapter had the right skill set around the table. This has led to the appointment of three wholly new members of Chapter and a significant shift of focus in the way Chapter operates.

Ministry

The Cathedral produces an Annual Review, which contains details of the Cathedral's activities and achievements during the year. Copies are available from the Cathedral and on the Cathedral website.

Cathedral, St Peter's Chapel and precincts upkeep

Two major projects were completed during the year, both of which were funded by grants and specific donations.

A First World War Cathedrals Restoration Fund grant enabled essential works both to stabilise the fabric of the Tower and to also rectify some of the problems caused by poor workmanship in the past. The Tower is now structurally fit for the next generation and its beauty has been further revealed. The magnificent flush work panels have been refurbished, the clock face repainted and gilded and the beauty of the walling and masonry rendered more apparent.

St Peter's Chapel, Bradwell, has been retiled to make it watertight and able to withstand the winter storms. The tiles used were carefully chosen to match the existing ones. The Chapel was built in 654AD, still used regularly for worship and now can continue to be used for many more years.

Education and outreach

The Cathedral is pioneering a new way of training ordinands in association with St Mellitus College. At the beginning of the academic year, Heike Prentice began part time study with the college combined with part time employment by the Cathedral. She assists at services and undertakes pastoral work. She has already enabled new projects to begin.

The Cathedral has also become a Professional Practice Agency for a student studying for a degree in Youth Work. With the assistance of the student and volunteers, the Cathedral Youth Minister has expanded youth work activities beyond the congregation and makes a significant contribution in the community.

Community, parish and congregation

Figures can only tell part of the story, but they are an important indicator. Overall visitor numbers and attendances in 2015 were nearly 7% up (109,016 in 2015; 101,169 in 2014). These figures are for the Cathedral itself and do not include Chapter House, the Learning Centre or 53a.

Average Sunday attendance (397 adults + 82 children) is slightly up on 2014 (380 adults + 73 children). The total number now on the Junior Church Register has risen to 247 in 2015 from 164 in 2014. Attendance at weekday worship remained almost exactly the same as in 2014 - but the 2015 figures are more robust with new data collection processes in place. It is worth noting that since the move to the new time of 3.30 pm for Sunday Evensong, attendance has seen modest growth (85 in 2015; 78 in 2014). This almost certainly reflects that Evensong is now more regularly associated with other events following it.

One of the most interesting figures is that for those who simply came into the cathedral for no stated reason - to light a candle, say a prayer, simply to find some space, or to get warm on a cold day. This figure rose to 22,000 in 2015 from 18,400 in 2014. That is one fifth of all attendances and visitors and is almost the same as the total number of attendances at Sunday worship.

Alongside a wide range of major Diocesan services and seasonal celebrations, particularly around Easter and Christmas, a very significant number of people visited the Cathedral for school visits (1,972 in 2015; 2,821 in 2014), lectures (3,803 in 2015; 2,819 in 2014), concerts (7,392 in 2015; 4,536 in 2014) and other social and cultural activities. The single largest activity remains the hugely successful Friday Lunchtime Concerts (10,884 in 2015; 8,231 in 2014).

Volunteers

Volunteers are crucial to the delivery of much of the Cathedral's mission. They give their time and talents across a huge range of the Cathedral's activities, including services; education activities; visitor welcome; flower arranging; fundraising; youth development; and outreach in the parish and beyond. Many volunteers are members of the Cathedral congregations but a growing number come from other groups across the community, a trend that the Chapter is eager to encourage. Without the volunteers, the work and mission of the Cathedral would be seriously eroded and the Chapter is enormously grateful for all they do on its behalf. The Cathedral's Volunteer Coordinator and Steering Committee play an important role in volunteer recruitment, training, induction and deployment.

Public benefit

Although the Cathedral is not regulated by the Charity Commission, Chapter confirms that it has had regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral not only serves the community

daily in its religious and charitable work, but is an active resource of national importance in the promotion of religion, music, education, history and architecture. The Cathedral's Annual Review, along with this Annual Report, describes the activities that deliver these core public benefits.

Achievements and Performance

Progress on the priorities identified for 2015 is as follows:

<p>1) <i>Complete the scheduled repairs to the tower</i></p>	<p>Completed within timescale and under budget. The full cost was met from a First World War Cathedral Restoration Fund grant and a Listed Places of Worship grant for otherwise irrecoverable VAT.</p>
<p>2) <i>Complete the roof repairs to St Peter's Chapel</i></p>	<p>Completed within extended timescale and on budget.</p>
<p>3) <i>Improve the flexibility of the Cathedral for worship and as a venue for events by:</i></p> <ul style="list-style-type: none"> • <i>continuing to replace the nave chairs</i> • <i>purchasing new staging</i> 	<p>404 now purchased; 150 to be purchased in 2016. Purchased and fully operational.</p>
<p>4) <i>Complete the restructuring of the office posts and bring the lay staff complement up to strength</i></p>	<p>Staff review and restructuring completed in the year, with part time admin assistant to be appointed spring 2016.</p>
<p>5) <i>Facilitate the revision of the Cathedral Constitution</i></p>	<p>Completed by 1 July 2015.</p>
<p>6) <i>Support fundraising for:</i></p> <ul style="list-style-type: none"> • <i>The Choral Foundation</i> • <i>St Peter's Chapel</i> 	<p>Ongoing Sufficient funds were raised through individual donations and grants (including a Listed Places of Worship Roof Repair grant) to cover cost of roof repair. Legacies have put the Chapel on a sound financial footing for further development projects.</p>

Financial Review

The Cathedral began the year with a projected deficit of over £36,000. As the accounts illustrate, the final outcome is a significant surplus. Alongside excellent financial stewardship and management, there are three main reasons for this: a very successful financial giving campaign in Autumn 2015 which led to a rise of £11,000 in congregational giving in 2015 and will yield £37,000 in a full year; a significant rise of £23,000 in income from lettings; a policy decision not to designate further amounts for redecoration; and a significant change in the Chapter's policy on charitable giving in order to bring this into line with charity law and best practice.

Policy in relation to reserves held in unrestricted funds

The policy of the Chapter is to keep sufficient cash in bank accounts or on deposit with CCLA Investment Management Ltd (CCLA) to enable it to meet all its obligations as they fall due. In formulating this policy and in arriving at the amount of cash to be held, Chapter is cognizant of the fact that a significant proportion of its normal income is either certain as to its amount and receipt or is received at known times, usually monthly.

Level of reserves

At 31 December 2015, the Cathedral had £144,500 in unrestricted General Fund reserves, which is equivalent to three months' normal expenditure. This is in line with the Reserves Policy.

Significant events

Repairs to the tower were carried out over a period of seven months from May to November. The net cost was met from the First World War Cathedrals Restoration Fund grant (£226,822) and VAT was recovered through the tax return or the Listed Places of Worship VAT Scheme. However, up to £100,000 of reserves were required for cash flow purposes for short periods.

Voluntary income

Voluntary giving by the congregation through planned giving and Sunday collections provided 35% of unrestricted income. Other donations and legacies amounted to a further 22% of unrestricted income and 14% of restricted income. Gift Aid tax recovered on voluntary donations provided 3% of total income.

Major sources of finance

The major sources of income are the Church Commissioners' grant towards lay salaries and voluntary giving through the Church Members' Fund. The stipends of the Dean and two Canons are paid by the Church Commissioners and the Diocese pays the stipend of the Canon Theologian, who shares his duties with the Diocese.

The Cathedral was pleased to receive three legacies totalling £50,056 for any purpose (£919), for the Choral Foundation (£25,100) and for the maintenance of St Peter's Chapel (£24,037) (one legacy of £13,727 in 2014).

Quinquennial Review

A quinquennial review of the Cathedral was carried out in 2015. A plan has been drawn up to carry out the work identified. The next review is due in 2020.

Investment policy

It is the Chapter's policy that Cathedral funds should be invested according to the Church of England Ethical Investment Advisory Group's advice. Hence, the majority of its capital is placed either in CBF Church of England Funds managed by CCLA or in M&G Charifund.

Investment performance

Approximately 85% by value of the Cathedral's investments other than cash deposits consist of income shares in the CBF Investment Fund. The longer term total return performance (gross) 12 months to end of December was +6.1% compared to the composite comparator of +2.6%. The market value of these shares increased during the year by 1.4% (2014 increased by 5.3%) resulting in unrealised gains. A further 9% by value is in the CBF

Property Fund. Its longer term total return performance (net) 12 months to end of December was +14.7%.

42% of the Cathedral's short-term cash deposits are with the CBF Deposit Fund. The average rate of interest payable on these deposits during the year was 0.5% (2014 0.55%), which compares with a Bank of England base rate of 0.5% (2014 0.5%). The CBF Deposit Fund usually holds about 70% of cash deposits. However, a large withdrawal had been made to meet outgoings on the tower work and the corresponding tranche of grant had been received into the current account too close to the year-end to be returned to the CBF Deposit Fund.

Principal risks and uncertainties

Careful consideration is given to the major risks to which the Cathedral is exposed. Chapter is responsible for ensuring effective risk management and that internal controls are in place to appropriately manage the organisation's risk exposure. The Cathedral recognises that any risk management system can only manage risks and not eliminate them and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Risks are considered in a broad context and Chapter focuses on the significant matters that might prevent the Cathedral from achieving its vision. Chapter's annual review includes an assessment of such risks and opportunities. Priorities are set as part of strategic planning to respond to these risks and opportunities.

Controls are in place to ensure the Cathedral's financial activities are properly managed. These include budgetary control, account reconciliation procedures, authority levels, periodic stock counts and monitoring of the Cathedral's investment strategy and related risks. Management accounts are reviewed by the Finance Committee and Chapter following the end of each quarter.

Appropriate health and safety for our visitors, staff and volunteers is important and we take our responsibilities seriously. The Cathedral's fire risk assessment was updated in 2015.

The Cathedral's insurance cover is reviewed annually and as circumstances change. Insurance provision is currently provided by Ecclesiastical Insurance, who conduct a comprehensive survey every five years with a follow-up visit every year.

A new Safeguarding Officer was appointed during the year. The Cathedral's safeguarding policy and procedures for children, young people and vulnerable adults were updated in March 2016. Clergy and specific staff and volunteers are subject to enhanced checking with the Disclosure and Barring Service. Anyone working with children, young people or vulnerable adults undertakes appropriate safeguarding training.

Plans for Future Periods

Plans for 2016-2021 are included in the full Strategic Plan published on 16 April 2016. This lays out a series of objectives and priority projects, initially over the next two years.

Priorities and projects for 2016 include:

- 1) *Developing the Cathedral's role in spirituality for the Diocese:* including renewed work with the Diocesan House of Prayer at Pleshey and the delivery of the first Bradwell Festival in July 2016.
- 2) *Developing the Cathedral's capacity for Community Chaplaincy:* establishing terms of reference for Community Chaplaincy; planning and delivering the closure of 53a

and creation of a new community chaplaincy base by September 2016 in order to inaugurate the project formally early in 2017.

- 3) *Developing the Cathedral's schools and education work*: working with the education team on delivering the national curriculum and initial planning towards the appointment of a 10 hours per week School Liaison post by 2019.
- 4) *Developing the Cathedral's American links*: initially in 2016 researching and making contacts, with a particular focus on delivering an event in the Cathedral on 4 July to raise awareness and interest, preparing for the 2017 celebration of the 500th anniversary of the Reformation.
- 5) *Developing the Cathedral's art collection*: in 2016 providing and publicising a new visitor offer about the artwork in the Cathedral, curating and explaining the collection.
- 6) *Developing the Cathedral's Infrastructure*: this includes in 2016 delivering a range of smaller projects and the recommendations of the 2016 Quinquennial Inspection, whilst putting in place plans for the replacement of the Sound System and the Lighting System to be implemented 2018-2019.
- 7) *Worship*: cultivating the distinctiveness and intentionality of different services and continuing the experiment with alternative patterns of worship on Sunday evenings.
- 8) *Communications*: development and implementation of the next stage of the Welcome Strategy, including re-building the website and development of the Cathedral App.
- 9) *Staff and volunteers*: developing robust training for Cathedral volunteers; implementing succession planning for key staff; and the appointment of a part time office assistant (spring 2016).

Structure, Governance and Management

The Cathedral's governing statute

The Cathedral is an ecclesiastical corporation established for charitable purposes, with perpetual succession and a common seal, consisting of the members for the time being of the Cathedral Chapter, Cathedral Council and the College of Canons. The Cathedral is governed by the Cathedrals Measure 1999.

The Constitution and Statutes were confirmed by an Order in Council dated 12 July 1968 under the Cathedrals Measure 1963. They were amended by Schemes confirmed by Orders in Council dated 21 December 1977 and 19 December 1984 under the Cathedrals Measure 1976. A new Constitution and Statutes were drawn up by a Transitional Council established in accordance with the Cathedrals Measure 1999 and came into effect on 6 February 2000. The Constitution and Statutes were amended by the Cathedral Council at its meetings on 9 March 2005, 3 December 2008 and 2 December 2009. On 1 July 2015 the Statutes were further amended to change the composition of Chapter and to allow for the appointment of Area Deans as honorary canons and Lay Chairs as honorary lay canons.

The Cathedral's role in the Diocese

The Diocesan Bishop is The Right Revd Stephen Cottrell.

The Cathedral is the seat of the Bishop of Chelmsford, who is the Visitor of the Cathedral. As Visitor, the Bishop has a regulatory role in supervising the Cathedral's observance of its Constitution and Statutes. The Cathedral supports the Bishop's ministry and seeks to serve the networks of the Diocese. The Cathedral is home to a wide range of Diocesan celebrations and events, including ordinations, installations, Diocesan Synod, clergy training days and quiet days. It is also home to St Mellitus College, and a major venue for

civic events, a wide range of concerts, cultural activities, school conferences and events, graduation ceremonies and lectures.

The Cathedral is also the parish church for the ecclesiastical parish of St Mary, St Peter and St Cedd, Chelmsford. The Dean is the Rector of the Parish. As at April 2015 there were 423 names on the parochial electoral roll (2014: 410).

Chelmsford Cathedral has a formal covenant with the Roman Catholic Cathedral at Brentwood, and a local covenant with Trinity Methodist Church and the Church of the Ascension, Chelmsford.

Organisational structure

The Cathedral Chapter is the Cathedral's governing body. It directs and oversees the administration of the Cathedral and has responsibility for leadership, policy, strategy and vision. It meets on at least nine occasions each year, including an annual two day residential meeting.

Chapter consists of:

- the Dean, appointed by the Bishop;
- the Residentiary Canons, appointed by the Bishop;
- one member of the Diocesan clergy appointed by the Bishop's Council;
- one lay person with financial expertise appointed by the Dean after consultation with the Residentiary Canons and Cathedral Wardens;
- one person elected by the Cathedral Congregation from among those who are or have been Cathedral Wardens;
- three lay people appointed by the Bishop's Council.

The Director of Operations attends all Chapter meetings and the Dean's PA acts as Clerk.

Lay members hold office for three years, but are eligible for membership for further terms of office. New members of Chapter are invited to attend training courses run by the Association of English Cathedrals, covering the role and duties of Chapter members, cathedral law and governance, finance and risk management, and topical charity issues. New members are also encouraged to meet with relevant Cathedral staff.

The full time Residentiary Canons are the Vice Dean and the Canon Precentor. The Canon Theologian is a shared post between the Cathedral and the Diocese.

The Cathedral Council is an advisory and consultative body, established to further and support the spiritual, pastoral, evangelistic, educational, social, and ecumenical work of the Cathedral. It provides guidance for Chapter as well as reviewing and advising Chapter in its direction and oversight of the Cathedral's work. The Council can request reports from Chapter on any matter concerning the Cathedral and can give its opinion on any such matter. It may also draw any matter it thinks fit to the attention of the Bishop or the Church Commissioners. The Council typically meets three times during the year.

The Cathedral Council consists of:

- a lay chair, not being a member of Chapter, appointed, after consultation with Chapter, by the Bishop;
- the Dean;
- three other members of Chapter chosen by Chapter;
- two members of the College of Canons chosen by the College of Canons;
- 15 people representing diverse constituencies of the Cathedral community and Diocese
- The Bishop is also entitled to be present and speak at any meeting.

Members of the Cathedral Council (other than the Dean) hold office for a term of three years, but are eligible for membership for a further term.

The College of Canons comprises the Dean and every person holding the office of Residentiary or Honorary Canon. It receives and considers the Annual Report, and discusses such matters concerning the Cathedral and its work in the Diocese as may be raised by any of its members. The College of Canons typically meets three times a year.

The College of Canons consists of:

- the Dean;
- the Area Bishops;
- the Archdeacons;
- the Residentiary, Non-Residentiary and Ecumenical Canons.

Members of the College of Canons either hold office for the period they are in post or, if a lay canon appointed by the Bishop, for an initial period of five years, but may be reappointed for further terms of office. They automatically cease to be a member on leaving the Diocese or reaching the age of 70.

The Associate priest is self-supporting.

Other key committees

The Finance Committee advises Chapter in its responsibilities in the field of financial and investment management. This committee is formally established by the Cathedral's Constitution and Statutes.

Chapter is further supported by a number of committees, including Works, Executive and the Choral Foundation.

The Fabric Advisory Committee is a statutory body, which reports to the Cathedrals Fabric Commission for England. It has six members, three each appointed by Chapter and the Cathedrals Fabric Commission, and two consultants, the Surveyor to the Fabric and the Cathedral Archaeologist. No work may be carried out on the Cathedral that would materially affect its architectural, archaeological, artistic or historic character, nor may any object of architectural, archaeological or artistic interest be sold, lent or disposed of without the approval of either the Commission or the Fabric Advisory Committee.

How decisions are made

The Chapter directs and oversees the administration of the affairs of the Cathedral. In particular, it decides on the general direction and mission of the Cathedral (the Business Plan), orders the worship, approves the annual budget and approves all policies. The decisions on the activities undertaken to implement the Business Plan are delegated to the Executive, Finance and Works committees.

Changes in senior clerical and lay appointments

There were significant changes and developments in both the lay staff team and in the leadership of key volunteer groups during 2015.

Staff changes during 2015 include:

- The appointment of Ruth Collin to the permanent role of Director of Operations (March 2015) after six months in an acting role;
- The appointment of Clare Broome as Communications and Services Manager (January 2015);
- The appointment of Stephanie Brasier to the new post of Liturgy and Music Secretary (September 2015);

- The appointment of Marion Palmer as PA to the Dean (July 2015).

In September 2015 the Cathedral welcomed two interns on three year placement at the cathedral:

- Heike Prentice, an ordinand from St Mellitus, London. We are the first cathedral in the country to host a St Mellitus student as part of their formation.
- Steve Conroy, a student from CYM at Ridley Hall, Cambridge who has joined the youth work team at the Cathedral. Again, we are the first cathedral in the country to host a CYM student as part of their formation.

Volunteer changes during 2015 include:

- The appointment of Nick Alston as Chairman of the Choral Foundation (January 2015);
- The position of voluntary Archivist has been split between Linda Brown-Easton who takes charge of the historic Knightbridge Library and David Waugh who looks after the modern archives (January 2015);
- The appointment of Warwick Newbury as Chairman of the Cathedral Council (February 2015);
- The appointment of Michael Foulkes as Chapter member for Finance (October 2015);
- The appointment of John Foster as a member of Chapter (October 2015);
- The appointment of Richard Seymour as a member of Chapter (October 2015);
- The appointment of Bill Hollis as Chairman of the Finance Committee (November 2015). He replaced Andrew Copp who stepped down as Chairman after three years but remains a member of the Committee;
- Mr Geoffrey Ireland stepped down as Chairman of the Fabric Advisory Committee.

Mr Gerald Barrett retired as Surveyor to the Fabric at the end of 2014 although he continued to supervise the major works to the tower in 2015. Mr Simon Marks was appointed as Surveyor from 1 January 2015. Mr Marks has also been appointed as Architect to St Peter's Chapel with effect from 27 January 2015, replacing Mr John Burton who had stepped down.

Arrangements for setting the remuneration of key senior staff

The pay of senior staff is set on appointment in relation to market rates and comparative cathedral rates. Annual pay rises usually follow the Central Stipends Authority increase in the National Stipends Benchmark.

Responsibilities of the Cathedral Chapter

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

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities,
- Stating that they have complied in all material respects with the regulations on the subject prepared by the Cathedrals Administration and Finance Association or describing which recommendations have not been complied with and giving reasons for the non-compliance,
- Selecting suitable accounting policies and then applying them consistently,
- Making judgements and estimates that are reasonable and prudent,

- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time and
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Cathedral Chapter has complied in all material respects with the February 2015 Regulations on Accounting and Reporting by English Anglican Cathedrals prepared by the Cathedrals Administration and Finance Association in conjunction with the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 in the preparation and publication of this Annual Report and Accounts.

Investment powers

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

- Land
- CBF Church of England Funds administered by CCLA Investment Management Ltd
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000
- The improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

Reference and Administrative details

Full legal name and address

The Cathedral Church of St Mary the Virgin, St Peter and St Cedd, Chelmsford, also known as Chelmsford Cathedral.

The Cathedral Office
Guy Harlings
New Street
Chelmsford
CM1 1TY

Enquiries: 01245 294492 or info@chelmsfordcathedral.org.uk

Members of the Cathedral Chapter

The members of the Cathedral Chapter serving during 2015 or at the date of this report are:

The Very Revd NJ Henshall, Dean
Canon Dr SAJ Atkin
The Revd Canon EJ Carter, Canon Theologian
Mrs RL Collin, Director of Operations- *from 1/3/2015 until 1/7/2015*
Mr J Foster - *from 8/10/2015*
Mr TM Foulkes - *from 8/10/2015*
The Revd Canon Dr J Freeman
Mr BM Greatrex MBE
The Revd Canon IR Moody, Vice Dean and Canon Pastor
The Revd Canon SJ Pothen, Canon Precentor
Mrs AC Robinson, Chapter Treasurer - *until 1/7/2015*
Mr R W Seymour - *from 8/10/2015*

Statutory post holders

The Administrator (Director of Operations)	Mrs R Collin - <i>from 1/03/2015</i>
The Surveyor to the Fabric	Mr S Marks Dip Arch RIBA AABC
The Archaeologist	Dr D Andrews
The Cathedral Organist	Mr JB Davy BA FRCO

The Finance Committee

Mr AN Copp - *Chairman - until 8/3/2015*
Mrs H Allen
The Revd Canon EJ Carter
Mrs R Collin - *from 1/3/2015*
Mr TM Foulkes - *from 8/10/2015*
The Very Revd NJ Henshall
Mr W Hollis - *Chairman - from 19/11/15*
Mr K Miller - *until 10/4/2016*
Mrs M Richards
Mrs AC Robinson
Canon JA Spence - *Interim Chairman*
15/6/2015- 21/9/2015

The Fabric Advisory Committee

Mr GV Ireland - *Chairman*
Dr J Bettley
Mrs N Coulson
Mrs M Curtis
Mr N Warns
Mr D Wood
The Very Revd NJ Henshall - *in attendance*

The Auditor

Edmund Carr LLP - *from 21/04/2015*
146 New London Road
Chelmsford
CM2 0AW

Professional advisors

Bankers

Barclays Bank plc
40/41 High Street
Chelmsford
CM1 1BE

Solicitors

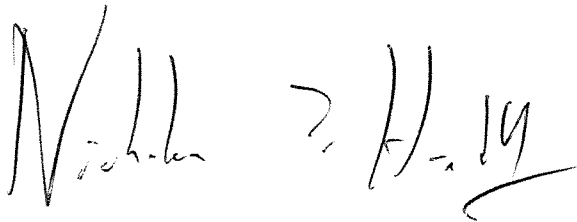
Gepp and Sons Solicitors
58 New London Road
Chelmsford
CM2 0PA

Knightbridge Library Archivist

Mrs L Brown-Easton
123 Moulsham Drive
Chelmsford
CM2 9PY

Modern Archives Archivist

Mr D Waugh
33 Mayne Crest
Chelmsford
CM1 6UA

A handwritten signature in black ink, appearing to read 'NJ Henshall', with a large, stylized flourish at the end.

The Annual Report was approved by Chapter on 12 July 2016 and signed on its behalf by the Very Revd NJ Henshall, Dean.

Report of the Independent Auditor to the members of Chelmsford Cathedral Chapter

We have audited the financial statements of the Cathedral Church of St Mary the Virgin, St Peter and St Cedd, Chelmsford, for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments to market value, and the accounting policies set out therein.

This report is made solely to the Chapter members, as a body, in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken for no purpose other than to draw the attention of the Chapter members to those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter, and the Chapter members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Cathedral Chapter and the auditor

As explained more fully in the Statement of the Chapter's Responsibilities, the Chapter members are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

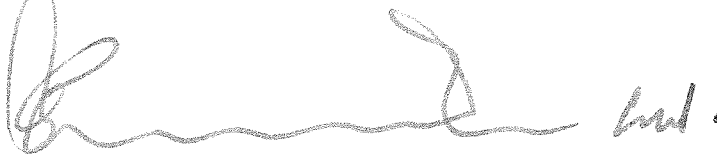
In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Cathedral Church of St Mary the Virgin, St Peter and St Cedd, Chelmsford, as at 31 December 2015 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting practice and the regulations specified by the Church Commissioners under the power given to them by Section 27 of the Cathedrals Measure 1999.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to be 'Edmund Carr', written in a cursive style.

Edmund Carr LLP
146 New London Road
Chelmsford
CM2 0AW

Date: 15/7/16

STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 DECEMBER 2015

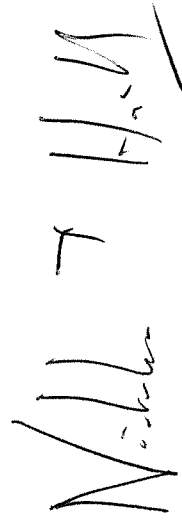
	Note	2015			2014				
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:									
Donations and legacies	1	263,618	121,443	-	385,061	258,367	102,282	-	360,649
Grants in support of mission		2,734	630,732	-	633,466	9,521	317,720	-	327,241
Charges and fees arising in the course of mission		58,718	2,229	-	60,947	50,912	948	-	51,860
Trading and fundraising		132,754	39,181	-	171,935	112,917	43,525	-	156,442
Investments		5,596	45,265	-	50,861	5,762	44,880	-	50,642
Other income		2,542	-	-	2,542	4,703	1,711	-	6,414
Total Income		465,963	838,849	-	1,304,812	442,182	511,066	-	953,249
Expenditure on:									
Raising funds	2	117,572	35,456	-	153,029	107,597	40,113	-	147,710
Ministry		254,057	237,710	-	491,767	246,241	214,018	-	460,259
Cathedral, St Peter-ad-Murum and Chapter House upkeep		164,983	331,994	-	496,976	122,072	11,478	-	133,550
Education and outreach		7,471	17,223	-	24,694	12,297	24,064	-	36,360
Community, parish and congregation		66,567	2,225	-	68,791	67,020	3,057	-	70,077
Statutory inventory additions		-	32,604	-	32,604	38,335	46,543	-	84,878
Other expenditure		1,249	-	-	1,249	15,533	2,400	-	17,933
Total Expenditure		611,899	657,211	-	1,269,110	609,095	341,672	-	950,767
Net (outgoing)/incoming resources before investment gains		(145,936)	181,639	-	35,702	(166,913)	169,394	-	2,481

BALANCE SHEET FOR YEAR ENDED 31 DECEMBER 2015

	Notes	2015			2014				
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fixed assets									
Investment assets									
Investments	3	90,061	1,111,562	24,150	1,225,772	88,927	1,090,589	23,826	1,203,342
Non investment assets									
Property	5	2,910,000	-	-	2,910,000	2,910,000	-	-	2,910,000
Equipment and plant	6	-	18,383	-	18,383	-	19,761	-	19,761
Total fixed assets		3,000,061	1,129,944	24,150	4,154,155	2,998,927	1,110,350	23,826	4,133,103
Current assets									
Stocks		21,100	-	-	21,100	20,500	-	-	20,500
Debtors	7	36,226	45,310	-	81,536	28,312	563	-	28,875
Short term deposits		197,342	112,003	-	309,346	212,443	149,985	-	362,428
Cash at bank and in hand		65,048	5,370	-	70,418	41,319	125	-	41,444
		319,716	162,683	-	482,400	302,574	150,673	-	453,247
Liabilities due within one year									
Loan	8	(7,800)	-	-	(7,800)	(7,800)	-	-	(7,800)
Creditors	9	(50,905)	(10,377)	-	(61,282)	(48,685)	(14,082)	-	(62,767)
		(58,705)	(10,377)	-	(69,082)	(56,485)	(14,082)	-	(70,567)
Net current assets		261,011	152,306	-	413,318	246,089	136,591	-	382,680
Total assets less current liabilities		3,261,072	1,282,251	24,150	4,567,473	3,245,016	1,246,941	23,826	4,515,783

<i>Total assets less current liabilities</i>	3,261,072	1,282,251	24,150	4,567,473	3,245,016	1,246,941	23,826	4,515,783
Liabilities due after one year								
8 Loan	(1,950)	-	-	(1,950)	(9,750)	-	-	(9,750)
10 Defined benefit scheme asset or liability	-	-	-	-	(7,000)	-	-	(7,000)
Net assets	3,259,122	1,282,251	24,150	4,565,523	3,228,266	1,246,941	23,826	4,499,033
Funds								
13 Estate	2,910,000	-	-	2,910,000	2,910,000	-	-	2,910,000
General Fund	234,607	45,119	-	279,727	192,932	34,746	-	227,678
Bookstall	27,696	-	-	27,696	47,753	-	-	47,753
Choral Foundation	-	965,551	24,150	989,701	-	948,759	23,826	972,585
Development	42,867	5,885	-	48,752	37,506	310	-	37,816
Other funds	43,952	265,695	-	309,647	42,075	263,126	-	305,201
	3,259,122	1,282,251	24,150	4,565,523	3,228,266	1,246,941	23,826	4,499,033

The Cathedral Chapter approved the Annual Accounts for the year ending 31 December 2015 at its meeting held on 12 July 2016.



The Very Revd NJ Henshall, Dean



Mr TM Foulkes, Chapter member

STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2015

	Note	2015		2014		
		Unrestricted	Restricted	Unrestricted	Restricted	Total Funds
Cash flows from operating activities						
Net cash provided by / (used in) operating activities	11	10,832	(79,358)	(4,123)	(33,330)	(37,453)
Cash flows from investing activities						
Investment income received net of costs		5,596	45,265	5,762	44,880	50,642
Net cash provided by / (used in) investing activities		5,596	45,265	5,762	44,880	50,642
Cash flows from financing activities						
Repayments of borrowing		(7,800)	-	(7,800)	-	(7,800)
Net cash provided by / (used in) financing activities		(7,800)	-	(7,800)	-	(7,800)
Change in cash and cash equivalents in the reporting period						
		8,628	(34,094)	(6,161)	11,549	5,389
Cash and cash equivalents at the beginning of the reporting period						
		253,762	150,110	259,923	138,561	398,484
Cash brought in with new fund						
		-	1,357	-	-	-
Cash and cash equivalents at the end of the reporting period	12	262,390	117,374	253,762	150,110	403,873

Accounting policies

Basis of preparation - The accounts have been prepared under the historical cost convention as amended by the inclusion of properties for Cathedral use and of investments at current valuation and are stated in accordance with the provisions of the February 2015 Regulations on Accounting and Reporting by English Anglican Cathedrals prepared by the Cathedrals Administration and Finance Association in conjunction with the Association of English Cathedrals and specified by the Church Commissioners under section 27 of the Cathedrals Measure 1999 and applicable accounting standards. The 2015 Regulations detail the application of the Charities SORP (FRS 102) to cathedral accounts and also provide for certain additional disclosures relevant in the context of cathedral accounting. The 2014 comparative figures have been restated in the new format and the impact of the changes was not material to the understanding of the accounts.

Investments - These assets are included in the balance sheet at market value.

Cathedral building and the Inventory - No value has been attributed in the balance sheet to the Cathedral and St Peter-ad-Murum, Bradwell, nor to items in the Inventory prepared under section 13(1) of the Care of Cathedrals Measure 1990 as being of architectural, archaeological, artistic or historical interest. The Cathedral and St Peter-ad-Murum buildings and the items in the Inventory (including the Treasury) are fully insured but, in the opinion of Chapter, it would be prejudicial to the safe and efficient working of the Cathedral if details of the insurances effected were to be published.

Non investment property - Seven houses, which are occupied rent-free by clergy and lay employees of the Cathedral, and the Chapter House are included in the balance sheet at current use value. The houses in Harlings Grove are valued without their site value as the land is not owned by the Cathedral. The houses and Chapter House were valued by Mr Tim Matthews, FRICS, an RICS registered valuer, as at 31 December 2011. This valuation is being used as the deemed cost of these properties on transition to the 2015 Regulations as allowed under FRS 102 35.10. No depreciation is provided on properties for Cathedral use as the Chapter has a policy and practice of regular maintenance.

The Cathedral Chapter has the right to occupy and use part of the Guy Harlings Estate for charitable purposes. This includes having been granted permission to erect buildings to be used for the residence of clergy and lay persons employed by the Cathedral, upon such terms and conditions as the Managing Trustees from time to time think fit. The Cathedral has four houses in Guy Harlings Estate and owns three freehold properties elsewhere in the city.

The Cathedral Centre building (incorporating office accommodation, the Learning Centre and library) and the Youth Ministry Centre are occupied under licence. The Cathedral Chapter does not pay rent but is responsible for all outgoing and repairs. Overall responsibility remains with Guy Harlings Managing Trustees.

The Cathedral bookshop is in the Cathedral itself and has no separate insured value.

Office equipment, computers, furniture and fittings - With effect from 1 January 2003, the policy of the Chapter is to write off the cost of these assets in the year in which they are purchased, unless their individual purchase price exceeds £15,000. Depreciation is applied at 4% straight line on the equipment purchased during the year.

Stock - This asset comprises Bookstall stock valued at the lower of cost and net realisable value.

Third party receipts and payments - The Church Commissioners and the Diocese pay the stipends and associated payroll costs of the Dean and two Residentiary Canons and a Residentiary Canon, who works half-time for the Cathedral, respectively. The amounts are included in the Statement of Financial Activities, both under grants received and under clergy costs.

Legacies - It is Chapter's policy to use 10% of legacies in excess of £500 to support the choir and the rest for major projects, unless otherwise specified.

Governance costs - These are costs associated with the governance infrastructure which allows the Cathedral to operate, rather than mission or fundraising. They include the cost of the audit and the cost of statutory requirements including Chapter, Cathedral Council and College of Canons meetings and the preparation of the Annual Report and Accounts. Governance costs are included with other support costs and apportioned accordingly.

Apportionment of support costs - Information technology and telephone costs are apportioned by the number of computers and telephones in each department, governance costs, office upkeep and stationery by the number of full time equivalent office staff in each department. The Director of Operations, Cathedral Treasurer and Communications Manager have each estimated the proportion of their time spent under each of the main headings of the Statement of Financial Activities.

Notes to the Accounts

1 Income and endowments from:

	2015			2014		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Donations and legacies						
Congregational collections and giving	163,190	390	163,581	150,434	1,119	151,552
Donations	64,194	55,357	119,551	69,065	56,803	125,868
Income from appeals	-	-	-	-	15,267	15,267
Tax recovered under Gift Aid	35,316	4,961	40,276	38,868	11,152	50,021
Income from Friends	-	11,597	11,597	-	4,215	4,215
Legacies	919	49,137	50,056	-	13,727	13,727
	263,618	121,443	385,061	258,367	102,282	360,649
Grants in support of mission						
Church Commissioners	-	292,959	292,959	-	295,150	295,150
Diocese	-	25,750	25,750	-	18,324	18,324
Guy Harlings Managing Trustees	-	2,175	2,175	-	1,700	1,700
Other revenue and capital grants	2,734	309,847	312,581	9,521	2,546	12,067
	2,734	630,732	633,466	9,521	317,720	327,241
Charges and fees arising in the course of mission						
Fees	13,364	2,229	15,593	13,044	948	13,992
Special services and events	45,354	-	45,354	37,868	-	37,868
	58,718	2,229	60,947	50,912	948	51,860
Subtotal carried forward	325,071	754,403	1,079,474	318,800	420,950	739,751

	2015			2014		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
<i>Subtotal brought forward</i>	325,071	754,403	1,079,474	318,800	420,950	739,751
Trading and fundraising						
Income from fund raising	24,775	-	24,775	24,466	-	24,466
Chapter House and Cathedral Centre lettings	90,624	-	90,624	67,364	-	67,364
Bookstall sales	15,714	-	15,714	20,038	-	20,038
Choral Foundation concerts	-	29,658	29,658	-	20,017	20,017
Other activities	1,640	9,524	11,164	1,048	23,508	24,556
	132,754	39,181	171,935	112,917	43,525	156,442
Investments						
CBF Investment Fund	4,559	35,802	40,361	4,470	34,758	39,228
CBF Property Fund	-	6,049	6,049	-	6,553	6,553
Other investments	220	2,708	2,928	212	2,944	3,156
CBF Deposit Fund interest	581	524	1,105	913	591	1,504
Bank interest	236	182	418	168	34	201
	5,596	45,265	50,861	5,762	44,880	50,642
Other income						
Insurance recoveries	2,542	-	2,542	4,703	1,711	6,414
	2,542	-	2,542	4,703	1,711	6,414
Total Income	465,963	838,849	1,304,812	442,182	511,066	953,249

	2015		2014	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
<i>Subtotal brought forward</i>	536,612	605,160	475,910	265,609
		1,141,772		741,519
		£		£
		Total Funds		Total Funds
Education and outreach				
Lectures and Prayer Schools	-	1,041	0	1,323
Educational activities	983	506	845	1,459
Library	-	4,062	0	4,968
Charitable giving	6,488	9,113	11,201	13,064
Grants	-	2,500	250	3,250
	7,471	17,223	12,297	24,064
		24,694		36,360
		£		£
Community, parish and congregation				
Contribution to Diocese	20,820	-	20,400	0
Junior Church and young people	42,171	2,225	38,438	2,750
Adult education	418	-	432	0
Hospitality	3,106	-	7,404	0
Other	52	-	346	306
	66,567	2,225	67,020	3,057
		68,791		70,077
		£		£
Statutory inventory additions	-	32,604	38,335	46,543
		32,604		84,878
		£		£
Other expenditure	1,249	-	15,533	2,400
		1,249		17,933
		£		£
Total Expenditure	611,899	657,211	609,095	341,672
		1,269,110		950,767

	2015			2014		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
3 Investments						
Investments at market value at 1 January	88,927	1,090,589	1,203,342	84,666	1,031,901	1,139,188
Net (decrease)/ increase on revaluation	1,134	20,973	22,431	4,261	58,688	64,154
Investments at market value at 31 December	90,061	1,111,562	1,225,772	88,927	1,090,589	1,203,342
Equity securities listed in the UK	-	3,601	3,601	-	3,553	3,553
CBF Investment Fund shares	85,487	937,356	1,046,993	84,339	924,773	1,032,938
CBF Property Fund shares	-	109,980	109,980	-	101,457	101,457
M&G Charifund Income shares	4,574	60,624	65,198	4,588	60,806	65,394
	90,061	1,111,562	1,225,772	88,927	1,090,589	1,203,342

4 Transfers

	2015 £	2014 £
The cost of some lay salaries was met from restricted grants provided by the Church Commissioners and the Guy Harlings Trust	170,217	180,216
Contributions from Keene Fund towards the cost of the St Cedd mosaic	-	(4,000)
Other transfers between funds	(1,559)	(2,597)
	168,658	173,619

5 Non Investment Property

	Residences	Chapter House	Total
Valuation at 31 December 2011	£2,490,000	£420,000	£2,910,000

In accordance with the Chapter's accounting policy, the most recent professional valuation is being used as the deemed cost of the properties.

	2015		2014	
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £
				Total Funds £
Cost at 1 January	-	34,450	-	34,450
Cost at 31 December	-	34,450	-	34,450
Depreciation at 1 January	-	14,689	-	13,310
Depreciation for year	-	1,378	-	1,379
Depreciation at 31 December	-	16,067	-	14,689
Net book value at 1 January	-	19,761	-	21,140
Net book value at 31 December	-	18,383	-	19,761

6 Equipment and plant

7 Debtors due within one year

Trade debtors	34,747	-	34,747	25,596	348	25,944
Other debtors	1,479	45,310	46,789	2,716	215	2,931
	36,226	45,310	81,536	28,312	563	28,875

8 Loan

The Cathedral borrowed £117,000 in 2002 for the purchase of a house (see note 23). The loan is interest free and is being repaid on quarter days over 15 years. The amounts falling due after the year-end are:

Under one year	£	7,800
One year		1,950
		9,750

	2015		Total Funds £	2014		Total Funds £
	Unrestricted Funds £	Restricted Funds £		Unrestricted Funds £	Restricted Funds £	
Trade creditors	(9,659)	(8,652)	(18,311)	(34,359)	(12,157)	(46,516)
Taxation and Social Security	(9,659)	(20)	(9,679)	(6,839)	-	(6,839)
Accruals	(29,000)	-	(29,000)	(5,600)	-	(5,600)
Other creditors	(2,587)	(1,705)	(4,291)	(1,887)	(1,925)	(3,812)
	(50,905)	(10,377)	(61,282)	(48,685)	(14,082)	(62,767)

9 Creditors due within one year

10 Actuarial gains (losses) on defined benefit pension schemes

Balance sheet liability at 1 January	7,000	-	7,000	8,000	-	8,000
Deficit contributions made	-	-	-	(2,000)	-	(2,000)
Interest cost (recognised in SOFA)	-	-	-	-	-	-
Remaining change to the balance sheet liability *(recognised in SOFA)	(7,000)	-	(7,000)	1,000	-	1,000
Balance sheet liability at 31 December	-	-	-	7,000	-	7,000

*Comprises change in agreed deficit recovery plan and change in discount rate 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, set by reference to the duration of the recovery payments:

Discount rate	December 2013	December 2014	December 2015
	1.70%	1.10%	0.00%

	2015		2014		Total Funds £
	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £	Restricted Funds £	
11 Reconciliation of net income / (expenditure) to net cash flow from operating activities					
Net income / (expenditure) as per SOFA	(145,936)	181,639	(166,913)	169,394	2,481
Adjustments for:					
Depreciation charges	-	1,378	-	1,379	1,379
Transfers between funds	168,658	(168,658)	173,619	(173,619)	-
Income from investments	(5,596)	(45,265)	(5,762)	(44,880)	(50,642)
(Increase) / Decrease in stocks	(600)	-	(5,030)	-	(5,030)
(Increase) / Decrease in debtors	(7,914)	(44,747)	3,736	3,168	6,904
Increase / (Decrease) in creditors	2,220	(3,705)	(3,773)	11,227	7,454
Net cash provided by / (used in) operating activities	10,832	(79,358)	(4,123)	(33,330)	(37,453)
12 Analysis of cash and cash equivalents					
Cash in hand	65,048	5,370	41,319	125	41,444
Cash held on deposit	197,342	112,003	212,443	149,985	362,428
Total cash and cash equivalents	262,390	117,373	253,762	150,110	403,872

	2015			2014				
	Unrestricted Funds £	Restricted Funds £	Endowment £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment £	Total Funds £
Estate - Chapter House and houses	2,910,000	-	-	2,910,000	2,910,000	-	-	2,910,000
General	234,607	45,119	-	279,727	190,932	34,746	-	227,678
Bookstall	27,696	-	-	27,696	47,753	-	-	47,753
Development	42,867	5,885	-	48,752	37,506	310	-	37,816
Lunchtime at the Cathedral	9,791	-	-	9,791	8,285	-	-	8,285
Redecoration	20,000	-	-	20,000	20,000	-	-	20,000
Social and Fundraising	12,799	-	-	12,799	12,436	-	-	12,436
Traidcraft	1,362	-	-	1,362	1,354	-	-	1,354
Africa	-	2,241	-	2,241	-	1,790	-	1,790
Arts	-	3,932	-	3,932	-	22,569	-	22,569
Choral Foundation	-	965,551	24,150	989,701	-	948,759	23,826	972,585
Herrick	-	68,417	-	68,417	-	65,719	-	65,719
Keene	-	69,748	-	69,748	-	67,372	-	67,372
Library	-	33,259	-	33,259	-	33,169	-	33,169
St Peter-ad-Murum	-	71,101	-	71,101	-	56,382	-	56,382
Small funds	-	16,998	-	16,998	-	16,125	-	16,125
	3,259,122	1,282,251	24,150	4,565,523	3,228,266	1,246,941	23,826	4,499,033

13 Fund balances

14 Total support costs apportioned

	2015		Total costs £	2014		Total costs £
	Direct costs £	Support costs £		Direct costs £	Support costs £	
Raising funds	116,445	36,583	153,029	122,940	24,770	147,710
Ministry - clergy	215,730	31,158	246,888	196,497	25,777	222,275
Ministry - music	175,251	17,684	192,935	174,965	14,795	189,759
Ministry - services	47,938	4,006	51,944	45,918	2,307	48,225
Cathedral and Chapter House upkeep	476,659	20,317	496,976	115,125	18,425	133,550
Education and outreach	24,694	-	24,694	36,360	-	36,360
Community, parish and congregation	58,299	10,492	68,791	61,321	8,756	70,077
Statutory inventory additions	32,604	-	32,604	84,878	-	84,878
Other expenditure	1,249	-	1,249	17,933	-	17,933
	1,148,870	120,241	1,269,110	855,938	94,829	950,767

15 Nature of support costs apportioned

	2015 £	2014 £
Administration and finance salaries and training	73,877	56,936
Cathedral Office upkeep	20,294	15,577
Information technology and telephones	14,428	14,058
Office supplies	5,333	1,421
Governance costs	6,309	6,837
	120,241	94,829

16. Irrecoverable VAT

Irrecoverable VAT is included with the expenditure which gave rise to it. The amount was £66,158 (£25,085 in 2014).

17. Statutory inventory additions

Staging and 140 folding chairs with hanging trolleys were purchased from the Arts Fund and some donations. A further 55 chairs with stacking trolleys were purchased for the nave with a donation from the Friends of Chelmsford Cathedral.

Note disclosures

18. Description of Funds

Unrestricted Funds - these are funds which can be used in accordance with the charitable objects of the Cathedral at the discretion of the Chapter.

Estate - This comprises the Chapter House and seven houses occupied rent-free by clergy and lay staff.

General Fund - This is the fund for the day-to-day running of the Cathedral, Chapter House, Cathedral Centre and houses.

Bookstall Fund - All transactions of the Bookstall pass through this fund. Surplus balances are transferred to the General Fund.

Social and Fundraising Committee - A group from the congregation organises regular social events. The main fundraising occasions are the annual ball, dinner and Christmas market. The profits are transferred to the General Fund.

Designated Funds - these are funds set aside by the Chapter out of unrestricted funds for specific future purposes or projects.

Development Fund - This fund receives unrestricted legacies. It is used for major projects.

Lunchtime at the Cathedral - A group from the congregation organises concerts on Friday lunchtimes during term times as an outreach to the city. Some of the profits from donations and the sale of sandwiches were given to other charities and the rest has been used for special projects in the Cathedral.

Redecoration Fund - This is a designated fund created in 2014 to contribute to the cost of the internal redecoration of the Cathedral planned for 2019. Following a policy change, no further transfer was made in 2015.

Traidcraft Fund - This fund has arisen from accumulated balances from a Traidcraft stall. It is intended to be used for eco-projects.

Restricted Funds - these are funds that can only be used for particular restricted purposes within the objects of the Cathedral

Africa Fund - This fund receives donations through 'Blue Envelope' collections on the first Sunday of every month. It is used to support projects in our link Dioceses in Kenya.

Arts Fund - This was established in 2008 with a donation from the former Cathedral Festival Ltd. It underwrites and supports Cathedral-run arts events.

Choral Foundation - This fund was founded in 1993 following an appeal. It supports the music of the Cathedral through the payment of bursaries to Lay Clerks, Choral Scholars, Choristers and the Organ Scholar.

Herrick Fund - The fund was established in 1986 (following the closure of the Cathedral Centre for Research and Training) to promote learning in applied theology primarily for the benefit of churches, clergy and ministers in the Chelmsford Diocese. It is fully ecumenical. Part of the Centre's funding had been given in memory of Provost Herrick, hence the name of this fund. Only the interest on the original £40,000 is disbursed.

Keene Fund - In 1932, £20,000 was given to the Cathedral Chapter by Lavinia Clarissa Keene of Galleywood for a number of purposes including repairs to the spire and to the organ and the building of two Canons' houses. The only remaining part of the trust fund is for an annual series of "John Keene" lectures on social and economic questions and practical religion, to be delivered in the Cathedral. Surplus income is accumulated to meet any shortfall in later years and can be applied for charitable purposes for the advancement of religion or education in the Diocese.

Library Fund - This fund was established at the same time as the Herrick Fund with a capital of £10,000. The interest and any donations are used to maintain the Cathedral's working library and the historic Knightbridge library.

St Peter-ad-Murum, Bradwell - The Chapel was founded in 654 by St Cedd, who brought Christianity to East Anglia. It has had a chequered history. It was given to the Cathedral by Christopher Parker in 1916. The churchwardens of the parish of Bradwell on Sea and the Chaplain look after the Chapel day-to-day.

Small Funds - Several small funds have been created with bequests or donations: AE Ashley (for choir); NA Ashley (for Junior Church); Mrs Amy Jolley (for Junior Church); and Youth (for young people).

Theological Society - The funds of this society were brought under the Chapter's responsibility in 2015. Donations made at meetings contribute to the costs of speakers.

Endowed Fund - this is a restricted fund where only revenue can be spent on charitable objects and the capital must remain invested.

Choral Foundation - A donation from The Friends of Cathedral Music supports the Junior Choral Scholarship Scheme.

19. Staff numbers - The average full time equivalent number of paid staff working for the Cathedral during the year was 16 (14.6 in 2014).

Clergy plus support	Admin and Finance	Chapter House	Music Department	Vergers and Custodians	Youth and Families
3.5 plus 2	2.2	2.0	2.8	2.5	1.0

In addition, one full-time organ scholar and six part-time choral scholars received bursaries. Since September 2015, there has been a youth work student who has received a grant towards his university fees and travel costs.

20. Staff costs

TOTAL	Salaries, Stipends and fees	Employer's National Insurance	Employer's Pension contributions
£474,240	£398,382	£27,650	£48,208

In addition, £1,831 was paid to one member of staff who was made redundant following the restructuring of office posts. The amount paid was consistent with legislation.

21. Emoluments of higher paid staff - No member of staff was paid more than £60,000.

22. Pensions - The Church Workers Pension Fund (CWPF) has a section known as the Defined Benefit Scheme (DBS), a deferred annuity section known as Pension Builder Classic (PBCS) and a cash balance section known as Pension Builder 2014 (PB2014).

Chelmsford Cathedral participates in the CWPF Defined Benefits Scheme for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of Chelmsford Cathedral and the other participating employers. The DBS provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions cost charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2013. In this valuation, the Life Risk Section was shown to be in deficit by £4.9m and £4.3m was notionally transferred from the employers' sub-pools to the Life Risk Pool. This increased the Cathedral contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m.

Following the valuation, Chelmsford Cathedral has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 22.7% of pensionable salary and expenses of £600 per year.

Chelmsford Cathedral also participates in the CWPF Pension Builder Classic Scheme for lay staff. The scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of Chelmsford Cathedral and the other participating employers. The PBCS provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and 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 contributions payable.

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

23. Related party transactions - Mr John White, a former member of the Cathedral Council and of the managing committee of the Choral Foundation, made an interest-free loan to the Cathedral in 2002 for the purchase of a house for the accommodation of the Organ Scholar and up to three Choral Scholars.

Three of the six managing trustees of the Guy Harlings Estate are appointed by the Chapter. The Cathedral Office and four Cathedral houses are situated on land belonging to the Estate. The Cathedral receives a grant from the Estate in respect of the services of the Cathedral Director of Operations who acts as secretary and treasurer.

24. Remuneration of members of the Chapter - The remuneration and pension provision for the Dean and Residentiary Canons are paid in accordance with the scales laid down annually by the Church Commissioners, the Archbishops' Council and the Church of England Pension Board.

	Remuneration	Pension provision
Dean	£34,290	£11,310
Vice Dean	£26,657	£9,048
Canon Theologian (<i>half-time on Cathedral duties</i>)	£13,328	£4,524
Canon Precentor	£26,657	£9,048
Director of Operations - 1/3/15- 1/7/15	£8,700	£218
Chapter Treasurer - until 1/7/15	£12,053	£603

25. Expenses of members of the Chapter - Working expenses for travel, entertainment, books and stationery reimbursed to six members of Chapter amounted to £5,508.

26. Auditor's remuneration - The cost to the Cathedral of audit services was £2,875.

SUPPLEMENTARY INFORMATION

Friends of Chelmsford Cathedral

The most recent accounts available are for the year ended 5 April 2015. They have been examined by an Independent Examiner and are unqualified.

	General Fund	Choristers' Prize Fund
	£	£
Gross income	7,140	150
Net income	5,983	150
Gross assets	48,219	6,077
Net current assets	6,468	2,000

Donations to the Cathedral Chapter:

	£	£
2015	11,417	180
2014	4,000	215
2013	990	195

The donations in 2015 were 55 chairs for the nave, a set of vestments, a donation to the Library and choristers' prizes. The commitment to grants in 2016 at the date of this report is for the annual contribution to choristers' prizes.