

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE CATHEDRAL CHURCH OF ST WOOLLOS, NEWPORT

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THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Cathedral Church of St Woolos, Newport is the seat of the Bishop of Monmouth and therefore the mother church of the Diocese, within the Church in Wales. It has deep spiritual roots and has been a sacred space for over 1,500 years since Gwynllyw Sant (St Woolos) founded a place of prayer on this site in the late fifth century, following a vision and calling by God.

Today Newport Cathedral is a vibrant house of prayer and worship, offering an open and inclusive welcome to all, and reaching out in faithful and loving service. Although one of the smallest of the Welsh Cathedrals, it offers intimacy and versatility.

The objects of the Charity, under the Church in Wales Constitution, is the promotion of the whole mission of the Church, pastoral, evangelistic, social and ecumenical, in the Cathedral. The Cathedral aims to welcome and witness in the name of Jesus Christ. It responds to this vocation in cooperation with all people across the City of Newport and Diocese of Monmouth.

The Church in Wales is part of the world-wide Anglican Communion. Its Constitution defines its purpose as being "to nurture men and women in the faith of Jesus Christ and to aid them to grow in the fellowship of the Holy Spirit, so that the good news of God's grace may be clearly proclaimed in the world and that God's Kingdom may be honoured and advanced" (Volume 1: Prefatory Note). Newport Cathedral has this vocation within its title deeds.

The Cathedral is governed by the Chapter, under the leadership of the Dean. The Chapter has aligned its Strategic Plan with the Diocese of Monmouth Vision – Faith in our Future. To this, Chapter has added two more branches – 'Worship and Prayer' and 'Music'. The seven branches of the plan are therefore:

- Worship and Prayer – The heartbeat of the Cathedral;
- Music – Central to the Cathedral's life and worship;
- Discipleship – Growing more like Jesus;
- Stewardship – Living as thankful and generous people;
- Environment – Caring for God's creation;
- Social Justice – Serving together to strengthen our communities;
- Equality and Diversity – Welcoming all.

Under each of these sections Chapter has identified, in consultation with others, the areas of activity, distinguishing them as:

- Core work – what we want to continue and need to make sure is energised.
- Emerging work – the ways we want to enhance what we do.
- Where we want to be – our aspirations to extend and develop.

These aims and objectives enable the Chapter to meet the requirements of public benefit.

Further planning will be needed to make these a reality and to assess the resources they require.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

2022 began with yet another period of pandemic restrictions and the challenges continued to Easter. The Common Cup at Communion, the sharing of the Chalice, was not reintroduced until Pentecost. This followed a long period of it being restricted, since March 2020, and even then only about half of the congregation have decided to receive the wine. By the end of the year people were returning to the Cathedral in greater numbers, with all of the Christmas services and events being at or near full capacity. The start of the Cathedral Festival of Lessons and Carols had to be delayed due to having to find additional seating for those attending and even then there was standing room only in the St Mary Chapel. With early year restrictions and gradual opening out, footfall during the year was around 23,000. We are expecting the footfall in 2023 to show a marked increase and this is encouraging.

In March we welcomed a new Residentiary Canon as Andrew Lightbown joined the Cathedral. This post had been vacant since August 2019. In June we welcomed a new Archdeacon of the Gwent Valleys when Stella Bailey was installed, and in July John Connell (Abergavenny Ministry Area Lead) and Becca Stevens (Newport North West Ministry Area Lead) were installed as Canons. Although not installed until February 2023, towards the end of the year Manon Ceridwen James was appointed Canon Theologian and Ian Loynd (Headteacher of St Teilo's Church in Wales High School) was appointed as a Chapter Canon. We look forward to what each will bring to the life and mission of the Cathedral.

It has been a time of change in the Cathedral staffing. We were saddened when the Administrator, Julie Guy, decided to leave in May. We were grateful to Michael Black for agreeing to pick up the threads as interim administrator until December. He was joined by Phae Cole who was appointed as Chief Operating Officer, a post funded by the Representative Body to oversee all aspects of the Cathedral's administrative and financial management, governance functions and compliance. At the end of December Luise Bannister was appointed as Administrator and Events Coordinator to coordinate all events and the Cathedral diary. This post was created to provide additional administrative support and cover part of the role Alan Brustad had held as Facilities and Operations Manager, until August 2022. Dan Walters expanded his role as gardener to include caretaking for the Cathedral and assisting with moving furniture in the Cathedral for events and special services.

This has been a period of churn as the Cathedral office and staffing has settled and we've found the level that we need to function well. Even so, Welsh cathedrals are lightly resourced and with a small team, we manage to achieve significantly more than would be expected. Everyone who works in the Cathedral is highly dedicated and Chapter is very grateful for their commitment. Chapter is mindful to ensure that capacity is not exceeded. The Cathedral's mission and ministry relies heavily on dedicated volunteers. Without the work of these volunteers, the Cathedral could not function and Chapter thanks them for all they do.

This year has also seen the significant changes to the governance of the Cathedral take effect, the accounts migrating from Parochial Church Council and separate Chapter into a single entity. This has involved considerable work and proved complex. Chapter took the decision to convert to a Charitable Incorporated Organisation, a legal vehicle to provide trustee protections and enable the Chapter to act as body corporate. This process required a revised constitution, which is awaiting final approval by the Charity Commission. We expect this to be finalised during 2023.

In February, Chapter received the Quinquennial Inspection report from the newly appointed consulting architect. The works required have been prioritised. The most urgent was repairs to the roof and gable end over the organ chamber, after a leak was discovered causing damage to organ pipes. Grant funding was obtained from the Headley Trust (Sainsbury family trust) with matched funding from a Representative Body grant for Cathedral maintenance, along with an insurance claim for the damaged organ, to cover the cost of these works.

An initial visual assessment was made of the tower by abseiling stone masons. Loose stones and vegetation growing out of the side of the tower were removed. Sadly their assessment was that the scaffolding would need to remain at the West front of the Cathedral for safety until the major works have been completed.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Scanning to assess the extent of these works is scheduled for early in 2023 along with a topographical survey of the Cathedral grounds. A structural engineer's report on the tower concluded that it is essentially sound. This report also gave important information for the installation of a 14th bell, being funded by private donation.

After severe disruption during the pandemic and difficulties in chorister recruitment, the choir has made a good recovery. Two tranches of probationer choristers were recruited and these are beginning to swell the ranks of the choir. Roughly 1% of those auditioned come through to become full choristers. This level of work is substantial and shows the highly valued commitment of the Director of Music. In September Choral Evensong was moved to 4.00pm on Sundays. The earlier time aided some members of the congregation to attend on darker evenings and has also created a space for occasional use for a later service.

Although the nightshelter for rough sleepers has not been able to return, due to logistical challenges for the lead charity and viability of the scheme, various social justice projects have been supported by the Cathedral, supported generously by the congregation. Hunger among students at nearby schools has been addressed through providing shopping bags of basics supplies for the school staff to distribute. Another school's larder has been supported and microwaves and kettles provided to assist those who do not have these. The foodbank and refugee council has been supported through ongoing collections of food, toiletries and other basic requirements. The Cathedral has hosted a MIND support group, which has met in the hall. There have also been a number of sponsored walks in aid of the Bishop's Social Responsibility Fund and to support Ukrainian refugees.

The Congregational Committee has continued to meet throughout the year and be a congregational voice for the promotion of the Cathedral community's life and ministry. This has supported a review of communications.

Robed servers were reintroduced in the autumn. The serving team was disbanded during the pandemic and their re-emergence is another sign of normal life returning. A new processional cross was bought following the sale of the former public house, acquired by the Cathedral in 2014. This cross, being of brass Celtic cross design, is lighter and more stable, enabling it to be carried by choristers at Evensong.

The Cathedral Gateway project was formally ended after years of trying to find a suitable and viable use for the former public house. The property was sold at auction realising just over £300,000 enabling the new owners to bring new life to the building in the community. The sale proceeds were much greater than anticipated in last year's report. The funds raised are unrestricted and will provide liquidity to support future projects.

High quality Concerts have continued to enrich the musical life of the Cathedral and along with other exhibitions and events have drawn in a wider group of people to the Cathedral. During the year we were also able to resume opening the Cathedral each day from Morning Prayer until Evening Prayer. There is a steady flow of people coming in to visit, to pray, find a still space in which to sit, or looking for assistance and finding an open welcome. The TV screens have been brought back into use to enable information to be displayed for all who visit the Cathedral.

Financial review

Reserves Policy

Newport Cathedral recognises the need to hold reserves to ensure funds are available to provide continuing mission should the income levels fall. Reserves are also required to meet the future maintenance programme for the Cathedral and Church buildings.

The Chapter holds in free reserves sufficient funds to cover 6 months of the resources expended in general funds. At this level the members of the Chapter feel that they would be able to continue the current activities of the Cathedral in the event of a significant drop in funding. It would be necessary to consider how the funding would be replaced should this happen.

The level of free reserves of the charity after the unrestricted net assets less unrestricted tangible fixed assets, investment properties and designated reserves which amounts to £890,793 (2021: £693,774).

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Results

Excluding the sale of property in the year, the total incoming resources increased to £294,238 (2021: £274,737).

The level of direct voluntary contributions at £50,124 (2021: £57,199). This represents an decrease of £7,075 (2021: £2,653 increase).

The level of expenditure amounted to £310,785 (2021: £327,180). The Ministry Share payable amounted to £64,680 (2021: £70,044). Donations and mission payments made during the year amounted to £14,285 (2021: £830) the funds for which were collected during either regular or special services or activities.

The overall increase in the level of unrestricted funds amounted to £20,042 (2021: increase £23,855).

The designated funds include the activities within the Cathedral i.e. Bell Ringers and Social Groups, all funds used by the activity groups are retained for their use, but will be returned to general funds upon cessation of activity.

The charity also reported a gain on the sale of its property 109-111 Stow Hill Newport of £126,978.

Investment policy and objectives

The Chapter has invested in specialised unit trusts, designed for the charity sector. The Chapter has taken specialist investment advice regarding the investments they control to maximise income, invested in line with the Ethical Investment criteria of the Church in Wales. Funds invested include surplus funds and those specifically donated or bequeathed. Some funds bequeathed are held by the Representative Body of the Church in Wales who act as custodian trustees.

Structure, governance and management

Governing document

The Cathedral Chapter is part of the Diocese of Monmouth within the Church in Wales. The Church in Wales is a Province within the Anglican Communion and, as such, exists to advance the Christian Religion through world-wide mission. The object of the Chapter is to ensure that the life and work of the Cathedral helps to fulfil that mission, both locally and more widely.

The Chapter is currently an unincorporated charity governed by the 'Constitution and Regulations of the Cathedral Church of St Woolos, Newport' dated 12th April 2018. It is also regulated by the Constitution of the Church in Wales as amended from time to time by its Governing Body set up under Section 13(1) of the Welsh Church Act 1914.

Members of Chapter are appointed in accordance with the constitution. Two are elected by the Cathedral congregation as Cathedral Wardens. Others are drawn from the Diocese. All persons over the age of 16 whose names are entered on the Cathedral Electoral Roll are entitled to vote and those over 18 are eligible to stand for election as Cathedral Warden.

The Representative Body of the Church in Wales holds the land and property of the Church in Wales including St Woolos Cathedral and other church buildings and the churchyard and their contents. The titles to numbers 9 and 10 Clifton Road are held on Chapter's behalf by the Representative Body. The Representative Body is an exempt Charity and was set up under Section 13(2) of the Welsh Churches Acts 1914. It acts on behalf of the Province in paying the stipends of the full-time clergy, and administers the Church in Wales scheme of covenanted and gift aid giving recovering tax on behalf of the parishes. Cathedral clergy are paid through the Representative Body and not this charity.

Organisational structure

The Chapter is responsible inter-alia for promoting the mission of the Cathedral, the budget and all expenditure there under, the care and maintenance of the Cathedral fabric and of the grounds, for action on any other matter referred to it in accordance with the constitution. There is a Congregational Committee, elected by the Annual Meeting of the Congregation.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

This has no function in governance but acts as a vehicle for promoting the life and ministry of the Cathedral. The Chapter delegates the day-to-day administration of the Cathedral to the Chief Operating Officer, who reports to the Chapter through attending Chapter meetings, the Management meeting and the Diary meeting.

Committee Structure

Between the regular meetings of the Chapter several committees meet to support the Chapter and include:

- Management Group consisting of the Dean, the Residentiary Canon, the Cathedral Wardens, the Chief Operating Officer and the Director of Music.
- Diary Management Meeting consisting of the Dean, the Residentiary Canon, the Chief Operating Officer, the Administrator and Events Coordinator and the Director of Music.
- Finance Committee consisting of the Dean, the Chief Operating Officer, three members of Chapter and a member of the Cathedral congregation with long experience in the day-to-day finances.
- Fabric Committee consisting of two members of Chapter together with the Dean and the Chief Operating Officer, and the Cathedral Architect is invited as need arises.

Risk Management

The Chapter is conducting a thorough review of risks and necessary mitigating procedures as the new governance structure embeds. Advice has been sought from the independent examining accountant. The risks facing the Charity include the state of repair of the Cathedral, which is being met through the appointment of the new architect and her Quinquennial Inspection. This will form the basis of the conservation plan. During the year minor repairs were carried out. The finances are reviewed by the Finance Committee and new software has been introduced to assist with financial management and the necessary reporting.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Reference and administrative information

Trustees	The Very Reverend I Black The Venerable S Bailey - appointed 19/6/2022 - resigned 31/12/2022 Reverend Canon J Connell - appointed 3/7/2022 - resigned 31/12/2022 Canon R Davies Reverend Canon A Golledge - resigned 28/2/2022 Reverend Canon J Harris - resigned 31/12/2022 Canon F Howe Canon P Lea Reverend Canon A Lightbown - appointed 6/3/2022 Canon I Loynd - appointed 12/2/2023 Reverend Canon M Owen The Venerable I Rees - resigned 31/12/2022 Reverend Canon R Stevens - appointed 3/7/2022 - resigned 31/12/2022 Reverend Canon A Tyler - resigned 31/12/2022 Canon C Walsh The Venerable J Williams Canon C Woollard
Administrator	Mrs J Guy - to May 2022
Acting Administrator	Mr M Black - May 2022 to December 2022
Chief Operating Officer	Mrs P Cole - from August 2022
Charity number	1133935
Principal address	Administration Office Newport Cathedral 105 Stow Hill NEWPORT UK NP20 4EA
Independent examiner	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Bankers	National Westminster Bank High Street Newport Barclays Bank Commercial Street Newport
Cathedral Architect	Emma Mullen St Ann's Gate Architects Ltd The Close Salisbury PS1 2EB

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment Managers Brewin Dolphin
5 Callaghan Square
Cardiff
CF10 5BT

Redmayne Bentley
3 Wellington Place
Leeds
LS1 4AP

Janus Henderson
PO Box 9023
Chelmsford
CM99 2WB

The trustees report was approved by the Board of Trustees.



The Very Reverend I Black

Dated: 28 March 2023

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

I report on the financial statements of the charity for the year ended 31 December 2022, which are set out on pages 10 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of the Institute of Chartered Accountants in England and Wales. .

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Claire Thompson

Claire Thompson FCCA DChA

Azets Audit Services

Dated 4 April 2023

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	180,470	51,610	232,080	185,652	24,482	210,134
Charitable activities	4	30,387	-	30,387	30,731	1,096	31,827
Investments	5	24,911	5,332	30,243	26,666	5,721	32,387
Other income	6	128,506	-	128,506	389	-	389
Total income		364,274	56,942	421,216	243,438	31,299	274,737
<u>Expenditure on:</u>							
Raising funds	7	4,613	1,804	6,417	10,690	7,658	18,348
Charitable activities	8	230,433	73,935	304,368	189,307	119,525	308,832
Transfer of funds	12	-	-	-	55,396	36,591	91,987
Total expenditure		235,046	75,739	310,785	255,393	163,774	419,167
Net gains/(losses) on investments		(109,186)	(32,289)	(141,475)	35,810	39,447	75,257
Net movement in funds		20,042	(51,086)	(31,044)	23,855	(93,028)	(69,173)
Fund balances at 1 January 2022		1,335,143	431,168	1,766,311	1,311,379	524,196	1,835,575
Fund balances at 31 December 2022		1,355,185	380,082	1,735,267	1,335,143	431,168	1,766,311

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		-		176,998
Investment properties	14		420,000		450,000
Investments	15		818,303		935,796
			<u>1,238,303</u>		<u>1,562,794</u>
Current assets					
Stock	16	6,413		7,942	
Debtors	17	28,576		1,095	
Cash at bank and in hand		483,205		257,507	
		<u>518,194</u>		<u>266,544</u>	
Creditors: amounts falling due within one year	18	<u>(21,230)</u>		<u>(63,027)</u>	
Net current assets			<u>496,964</u>		<u>203,517</u>
Total assets less current liabilities			<u><u>1,735,267</u></u>		<u><u>1,766,311</u></u>
Income funds					
Restricted funds	19		380,082		431,168
<u>Unrestricted funds</u>					
Designated funds	20	13,266		14,371	
General unrestricted funds		<u>1,341,919</u>		<u>1,320,772</u>	
			<u>1,355,185</u>		<u>1,335,143</u>
			<u><u>1,735,267</u></u>		<u><u>1,766,311</u></u>

The accounts were approved by the Trustees on 28 March 2023



The Very Reverend I Black
Trustee

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Cathedral Church of St Woolos, Newport is an unincorporated charity, registered with the Charity Commission in England & Wales, registration number 1133935, principal address being Administration Office, Newport Cathedral, 105 Stow Hill, Newport, UK NP20 4EA

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is unable to reclaim VAT on its costs except where allowed under special rules for places of Worship.

Costs of generating funds comprise the costs of trading for fundraising purposes and investment management fees.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	0%
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	58,907	9,610	68,517	63,599	1,459	65,058
Grants	121,563	42,000	163,563	122,053	23,023	145,076
	<u>180,470</u>	<u>51,610</u>	<u>232,080</u>	<u>185,652</u>	<u>24,482</u>	<u>210,134</u>
Donations and gifts	-	-	-	-	-	-
Donations	50,787	9,610	60,397	57,738	1,235	58,973
Gift Aid	8,120	-	8,120	5,861	224	6,085
	<u>58,907</u>	<u>9,610</u>	<u>68,517</u>	<u>63,599</u>	<u>1,459</u>	<u>65,058</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Fees, activities and income from fundraising	16,207	17,352
Shop income	1,336	1,162
Rental income	12,844	12,778
Other income - Appeals	-	535
	<u>30,387</u>	<u>31,827</u>
Analysis by fund		
Unrestricted funds	30,387	30,731
Restricted funds	-	1,096
	<u>30,387</u>	<u>30,731</u>
For the year ended 31 December 2021		
Unrestricted funds	30,731	
Restricted funds	1,096	
	<u>31,827</u>	

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Deposit account interest	842	-	842	767	-	767
Income from listed investments	24,069	5,332	29,401	25,899	5,721	31,620
	<u>24,911</u>	<u>5,332</u>	<u>30,243</u>	<u>26,666</u>	<u>5,721</u>	<u>32,387</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	126,978	-
Other income	1,528	389
	<u>128,506</u>	<u>389</u>

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2022	2021
			£	£
<u>Fundraising and publicity</u>				
Fundraising costs	395	-	395	11,711
	<u>4,218</u>	<u>1,804</u>	<u>6,022</u>	<u>6,637</u>
<u>Investment management</u>				
	<u>4,613</u>	<u>1,804</u>	<u>6,417</u>	<u>18,348</u>
For the year ended 31 December 2021				
Fundraising and publicity	6,642	5,069		11,711
Investment management	4,048	2,589		6,637
	<u>10,690</u>	<u>7,658</u>		<u>18,348</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	2022 £	2021 £
Staff costs	86,306	64,055
Cathedral running costs	62,176	39,576
Share Payment	64,680	70,044
Mission and charitable giving	14,285	830
Cathedral renovation costs	54,832	55,377
Legal and professional fees	5,255	-
Write off of historical fixed asset balances	-	75,230
	<u>287,534</u>	<u>305,112</u>
Governance costs	16,834	3,720
	<u>304,368</u>	<u>308,832</u>

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Independent Examiner fees	-	5,400	5,400	-	3,720
Governance costs	-	11,434	11,434	-	-
	<u>-</u>	<u>16,834</u>	<u>16,834</u>	<u>-</u>	<u>3,720</u>
Analysed between Charitable activities	-	16,834	16,834	-	3,720

Governance costs includes payments to the independent examiner of £5,400 (2021- £3,720) for the preparation and independent examination of the charity's financial statements.

10 Trustees

2 trustees were reimbursed for expenses incurred during the year totalling £1,463 (2021: 1 trustee £850).

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	4	4
	<u>4</u>	<u>4</u>
Employment costs	2022	2021
	£	£
Wages and salaries	86,306	64,055
	<u>86,306</u>	<u>64,055</u>

Key Management Personnel

They key management personnel of the charity are as set out in the trustees report. The remuneration paid including employer's national insurance and employer's pension contribution totalled £52,954 (2021: £42,541).

There were no employees whose annual remuneration was more than £60,000.

12 Transfer of funds

Relates to the transfer of assets to St Martins Church in the Gaer in the prior year.

13 Tangible fixed assets

	Freehold land and buildings £
At 1 January 2022	176,998
Disposals	(176,998)
Carrying amount	
At 31 December 2021	<u>176,998</u>

The freehold property represents 109-111 Stow Hill Newport, which was sold in the year.

14 Investment property

	2022 £
Fair value	
At 1 January 2022	450,000
Net gains or losses through fair value adjustments	(30,000)
	<u>420,000</u>
At 31 December 2022	<u>420,000</u>

Investment property comprises 9 Clifton Road, Newport and 10 Clifton Road Newport. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Linells Property Consultants on 19 August 2022.

The title to the properties is registered with the Representative Body of the Church in Wales.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 31 December 2022	923,817	11,979	935,796
Additions	106,390	-	106,390
Gain/(Loss) on revaluation	(108,069)	-	(108,069)
Gain/(Loss) on disposals	(8,426)	-	(8,426)
Disposals	(105,698)	(1,690)	(107,388)
At 31 December 2022	808,014	10,289	818,303
Carrying amount			
At 31 December 2022	808,014	10,289	818,303
At 31 December 2021	923,817	11,979	935,796

Although the investment funds are invested in marketable and relatively liquid assets they have been accounted for as fixed, rather than current assets, to reflect the chapter's policy of regarding these assets as longer-term investments.

16 Stock

	2022 £	2021 £
Goods for resale	6,413	7,942

17 Debtors

Amounts falling due within one year:	2022 £	2021 £
Other debtors	28,576	1,095

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	21,230	63,027

THE CATHEDRAL CHURCH OF ST WOOLLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021 £	Movement in funds				Movement in funds				Revaluation gains and losses £	Balance at 31 December 2022 £
		Incoming resources £	Resources expended £	Transferred £	Revaluation gains and losses £	Balance at January 2022 £	Incoming resources £	Resources expended £			
Organ Fund	65,179	-	(65,179)	-	-	-	-	-	-	-	-
St Martin's Memorial Fund	2,721	-	-	(2,721)	-	-	-	-	-	-	-
Bell Refurbishment Fund	1,283	-	-	-	-	1,283	110	-	-	-	1,393
Rescue Appeal	4,658	2,555	-	-	-	7,213	845	(1,652)	-	-	6,406
Fabric Fund	46,308	-	(8,702)	(33,870)	(3,736)	-	-	-	-	-	-
Chancel Repair Fund	1,606	-	-	-	179	1,785	-	-	(1,213)	572	-
John Lester Leach Fund	27,441	-	-	-	2,900	30,341	-	-	(3,182)	27,159	-
Music Foundation	178,758	-	(1,577)	-	23,488	200,669	-	(1,099)	(18,741)	180,829	-
Cathedral Endowment	110,018	-	(1,012)	-	15,057	124,063	-	(705)	(7,442)	115,916	-
Music Fund	-	5,821	(5,821)	-	-	-	5,222	(5,222)	-	-	-
Music Education & Support	1,963	10,215	(360)	-	-	11,818	-	(705)	-	11,113	-
Cathedral Gateway	44,515	-	(6,824)	-	-	37,691	-	(37,691)	-	-	-
Toilet Refurbishment	25,000	-	(25,000)	-	-	-	-	-	-	-	-
Griffin	1,156	-	-	-	123	1,279	-	-	(134)	1,145	-
EM Jones	13,590	-	-	-	1,436	15,026	-	-	(1,577)	13,449	-
Job Retention Scheme	-	12,708	(12,708)	-	-	-	-	-	-	-	-
Pantry on the Hill	-	-	-	-	-	-	6,159	(3,144)	-	3,015	-
French Huguenot	-	-	-	-	-	-	2,000	-	-	2,000	-
The Headley Trust	-	-	-	-	-	-	40,000	(22,915)	-	17,085	-
Other restricted funds	-	-	-	-	-	-	2,606	(2,606)	-	-	-
	524,196	31,299	(127,183)	(36,591)	39,447	431,168	56,942	(75,739)	(32,289)	380,082	

THE CATHEDRAL CHURCH OF ST WOOLLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

(Continued)

The organ restoration appeal fund was used to fund the annual depreciation charge made on the expenditure incurred to restore the organ. The balance was written off in the prior year.

The St Martin's Memorial fund was set up for special fundraising activities. The balance was transferred to St Martins in the Gear in the prior year.

Bell Refurbishment fund represents specific money collected and costs incurred.

Rescue Appeal was launched to provide funds for the refurbishment of the Cathedral roof, tower and any other part of the Cathedral.

The Fabric Fund is represented by investments arising from the sale of land and held for the purposes of maintaining the fabric of the Cathedral and St Martins. The balance was transferred to St Martins in the Gear in the prior year.

The Chancel Repair Fund was bequeathed for St Woollos Cathedral.

John Lester Leech Fund is held by the Representative Body of the Church in Wales for the benefit of the Cathedral.

The Music Foundation was established from grants from the Ouseley Trust (£45,000), the Friends of Cathedral Music (£65,000) and the Pilling Trust (£50,000). Income to be used for supporting music in the Cathedral.

The Cathedral Endowment was established from the legacy of Miss Marjorie Jones (£50,000). Income to be used for general Cathedral purposes.

The Griffin and EM Jones funds are restricted endowments held within the Representative Body of the Church in Wales Common Investment Fund and managed by Monmouth Diocesan Board of Finance as custodian trustee.

The Headley Trust grant was received towards the phased refurbishment of the cathedral fabric.

French Huguenot funding was received towards music in the Cathedral.

Pantry on the Hill funding was received for specific projects in the community.

Other restricted funds represented monies received towards the Bishops Social Responsibility Fund and Christian Aid and have paid out in the year.

THE CATHEDRAL CHURCH OF ST WOOLLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds (Continued)

Transfers

The transfers in the prior year relate to funds transferred to St Martins Church in the Gaer on 1 May 2021 as detailed in the prior year's Trustees Report.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Movement in funds			Transfers 1 January 2022	Balance at 1 January 2022	Movement in funds			Transfers	Balance at 31 December 2022
		Incoming resources	Resources expended				Incoming resources	Resources expended			
Bellringers	9,074	378	(477)	-	-	8,975	741	(795)	469	9,390	
30 Somethings	581	421	(575)	-	-	427	801	(821)	-	407	
Childrens and Youth Mission	1,395	574	-	3,000	3,000	4,969	-	(1,500)	-	3,469	
	11,050	1,373	(1,052)	3,000	3,000	14,371	1,542	(3,116)	469	13,266	

The designated funds represent group activities within the cathedral. The funds are designated for the use of the groups whilst the activity continues. Once the activity ceases, the funds revert to the Cathedral general funds.

The Childrens and Youth Mission fund is made up of funds donated from the Girls Bridgade when it ceased in 2021 and other funds received in 2021.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	-	-	-	176,998	-	176,998
Investment properties	420,000	-	420,000	450,000	-	450,000
Investments	477,840	340,463	818,303	561,350	374,446	935,796
Current assets/(liabilities)	457,345	39,619	496,964	146,795	56,722	203,517
	<u>1,355,185</u>	<u>380,082</u>	<u>1,735,267</u>	<u>1,335,143</u>	<u>431,168</u>	<u>1,766,311</u>

22 Related party transactions

Three trustees are also trustees of the Representative Body of the Church in Wales who have provided grant funding to the charity. The trustees concerned are not involved in the decision making with regard to the level of funding set.

Seven (2021 three) of the trustees are also trustees of the Monmouth Diocesan Board of Finance who provide grant funding to the charity and receive ministry share income from the charity.

Three trustees were members of the Diocesan Investment Group.

With regard to the trustees who are also trustees of Monmouth Diocesan Board of Finance, one trustee is Chairman and a second trustee is a member of the Budget Committee that recommends the level of share for all the ministry areas and the Cathedral in the diocese.