

# York Minster

*Annual Report and Chapter's Report on Progress*  
**2016**





## 2016 in Review

York Minster invites everyone to discover God's love through our welcome, worship, learning and work.

We have identified five key purposes; they will inform all we do;

To play an active role, across the Diocese of York and the Northern Province of the Church of England supporting the work of the Archbishop, sharing our skills and knowledge and working with communities and partners to further our mission;

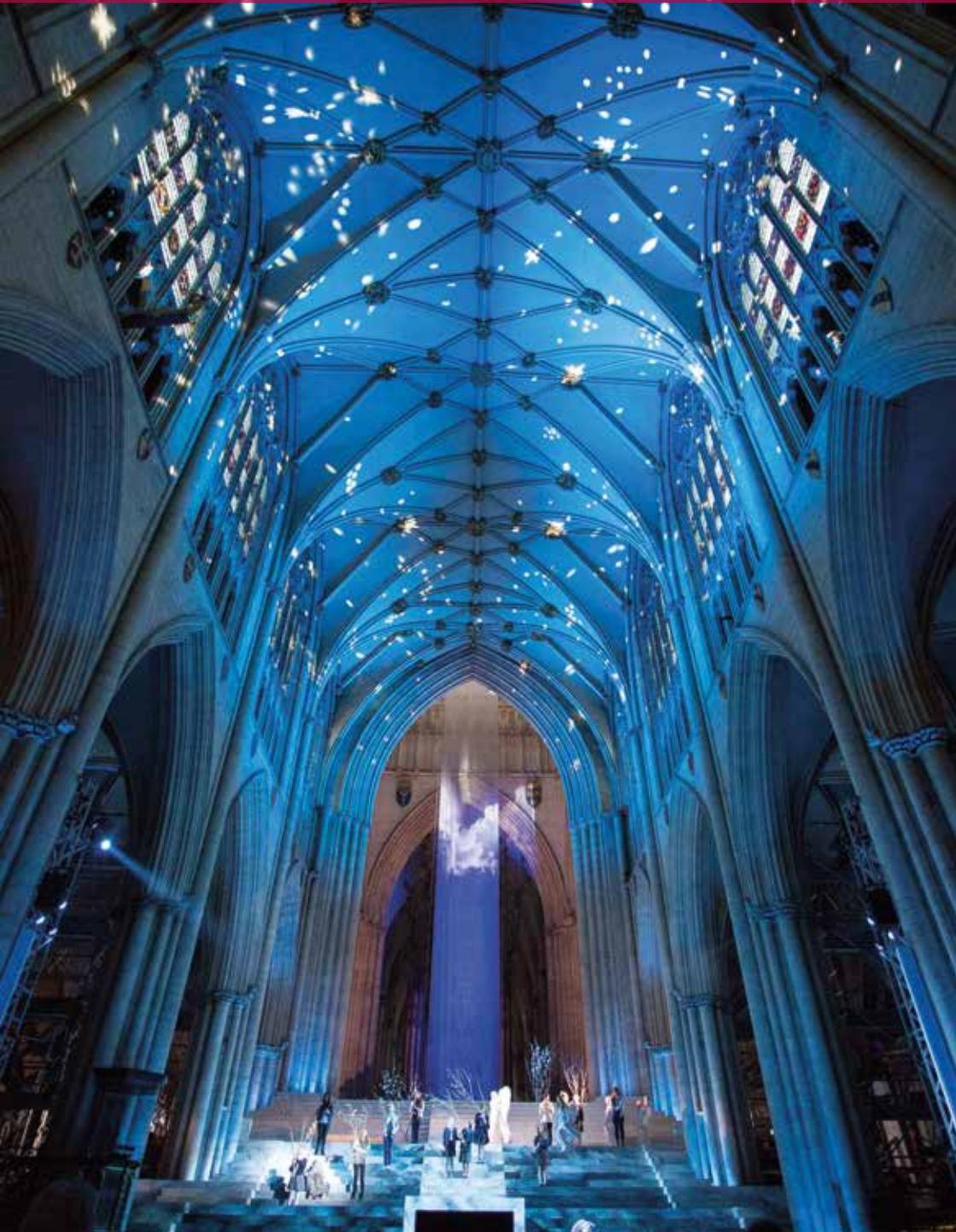
To inspire people, through the story of Jesus Christ, through our worship, prayer and music and through the heritage and history of York Minster, onto a journey of personal and corporate transformation;

To engage all our community in a participative and consultative way;

To manage our business successfully, covering our costs and generating the funding necessary to further our mission and to sustain the Minster;

To put learning and the transformation of ourselves and of others at the heart of all we do;

**Values**  
Courage  
Trust  
Wisdom



## Becoming Outward Looking

Many of our community were affected directly or indirectly by the Boxing Day floods. Volunteers and staff ensured that the Minster opened (free of charge) in the immediate aftermath of the floods, many of them walking through water to get to us. The media response encouraged national generosity and the Dean became acting chair of the York Disaster Committee responsible for the disbursement of a total of £2 million to those affected. But the impact on visitor numbers was significant for the first quarter of the year. Minster staff worked closely with Make it York to tell the world that York was open for business, and the York Minster Mystery Plays reinforced that message.

The plays belong to all the people of York and beyond, and the Minster was privileged to be their guardians for a season. But the Great East Window, with its depiction of the beginning and end of all things, gave the best possible reason to bring the plays indoors. The production, Directed by Phil Breen and Designed by Max Jones gained critical acclaim, including Production of the Year at the inaugural York Culture Awards. Staging 41 performances over five weeks required the dedication of the entire staff team at the Minster, but above and beyond that the unprecedented contribution of the 400 front and back stage Mystery Makers. Their camaraderie and stamina, supported by floor and security management Lisa Power and Mark Sutcliffe was acclaimed by audiences, amongst them Emma Thompson whose hand-written thank you card read:

*"Dear Everyone,  
We had the enormous privilege of seeing your blindingly epic production last night – a happy day! I've never seen the York cycle and it was one of the most wonderful experiences I've ever had – everything about it was exceptional – the design breath-taking, the direction flawless and all the acting so perfectly in tune with the text, capturing its agony and wit and naiveté beautifully and movingly. I wish I could have saluted you all in person, but was so happy to convey my thrill to Pontius and Mary. Great good luck with the rest of the run and thank you for a most unforgettable night in that exquisite building.  
With love from your admirer,  
Emma Thompson."*

The production would not have been possible without the skilled and patient work of the stoneyard team led by Paul Greene and Ashley Hardy and the leadership of Producer Nicky Corp, who was ably supported by Production Manager Joan Humphreys, Production Support Steph O'Gorman and Laura Cookson, who in her role as PA to the Chapter Steward also juggled the very many needs of the production team. Chapter is indebted to them all.



## Becoming Outward Looking (continued)

A number of those who were involved in the Plays in a voluntary capacity have been returning to the Minster, some as regular members of our congregations, some as regular volunteers and some also as paid employees. What better way could there be of the Minster reaching out and inviting people to come to learn more about God's Love?

The Collections team has been supporting a number of churches and cathedrals across both Provinces over the past year in collections care and information. These include: Canterbury, Durham, St Paul's, Westminster Abbey, Liverpool, Hereford, Exeter, Christ Church Oxford, St. Helen with St Mary's York, Norwich, Ely and Alkirk. This work led to us contacting Cathedrals Fabric Commission for England to work with them on developing protocols for the production of Inventories. We are now leading this work to present to CFCE in November 2017.

The team has also led sessions showcasing our work on public engagement for Public Historians from across the world including South Africa, America, China, Brazil and Russia. York Minster's Learning department led a national Cathedral's Plus study day showcasing the Minster's work in this area. We have continued our work with the (Roman Catholic) Diocese of Middlesbrough welcoming groups of refugees throughout the year including during the Mystery Plays and Holocaust Memorial Day. We have also continued welcoming members of 2 Medical and 2 Signals Regiments to assist their personal and moral development programmes. Finally we used our partner contacts to link up the University of York's History department and York's Interfaith Group enabling us to host a successful Interfaith event on 'disagreeing well'.

In the autumn the Dean was invited by the City of York Council to facilitate the ongoing Community Consultation on development plans for York Central, a large brownfield site between the station and the National Railway Museum. No agreement has been possible for more than a decade so divine intervention may be necessary, and vital for the regeneration of the heart of the city.



## Extending our Reach

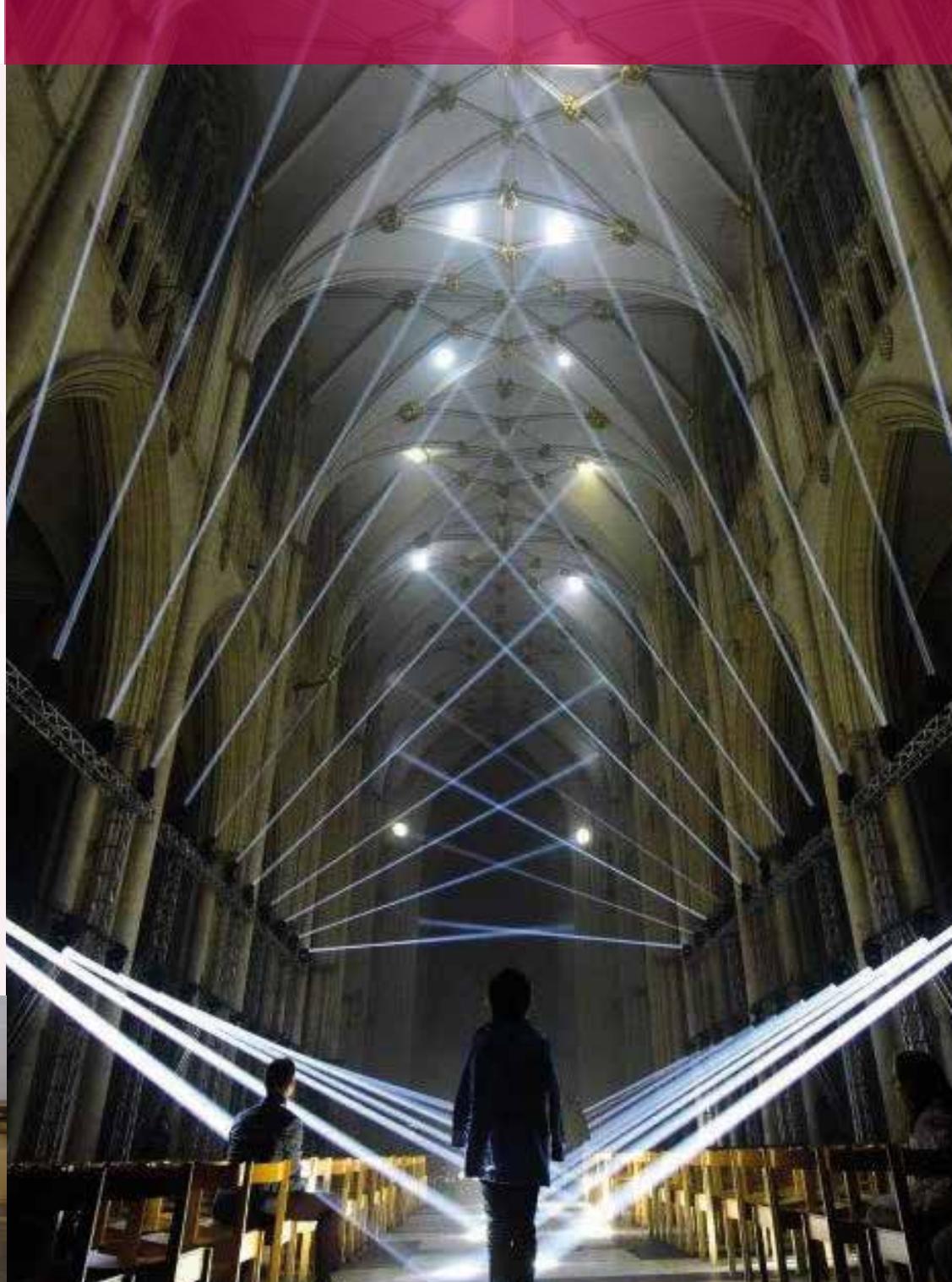
The Mystery Plays supported a step change in our digital communications. The digital advertising campaign for the Plays reached 6 times more people than traditional channels (newspapers, magazines) with 5,249,748 discussions of “York Mystery Plays” on Twitter between 1 January and 30 June 2016. This powerful level of engagement highlights the growing audience preference for digital engagement and this is something we will build on in coming years.

Three other significant events during the course of the year also contributed to the Minster’s increasing influence beyond York. Shortly after Easter, the Choir toured to Germany, performing a concert to capacity audience in Konstanz, and Sunday services in Salem Minster which were both full to capacity. Given the success of this tour, plans are already underway for a tour in 2017.

A partnership with Welcome to Yorkshire saw the Great East Window take centre stage in their entry to the Royal Horticultural Flower Show in May. The garden entitled “God’s Own County” was designed by Matthew Wilson, and was awarded not only a silver medal but also the prestigious People’s Choice Award. Staff from both the Works Department and the Glaziers Trust were instrumental in creating the garden on site in Chelsea. The garden received extensive on air BBC coverage and 3.53 million people tuned in for the People’s Choice award.

In October another partnership, this time with Illuminate York, enabled the Minster to be the star attraction of this annual light festival. Jason Bruges was commissioned to create a piece in response to the Minster and the breath-taking and playful “Light Masonry” featuring moving pillars of light, accompanied by the Minster’s organists, was performed for four nights in October. This spectacle attracted a large number of family audiences and it was a joy to watch small people at first in awe at the setting but by the end dancing in the beams of light.

The Collections team also contributed to the changing programme which attracts visitors to the Minster, developing three exhibitions during 2016. Kirsty Mitchell, Collections Engagement Officer led on the redisplay of Chamber 4 in the Undercroft. She was inspired by York Minster’s Mission and developed the exhibition to appeal to all faiths and none by focussing on life stages and how the Anglican Church marks these. Under the Spotlight was developed to showcase the props and costumes from the Mystery Plays. The teams used it as an opportunity to develop engagement with Minster visitors in new ways, and the impact was considerable and highly effective. Finally we welcomed Jorvik to the Treasury following the flood, working with them on a special exhibition whilst their own was rebuilt. The publication of Librarian Sarah Griffin’s book York Stories on the collections of York Minster Library and Special Collections at the University profiled this very special collection further.





## Sharing God's love

The Minster continued, throughout the year, to support the worship and mission and ministry of the Northern Province and the Diocese of York. We planned and hosted the consecrations of the Bishops of Bolton and Berwick, the ordination of 21 priests and 12 deacons, and the licensing and admission of 8 Readers. A consequence of the Mystery Plays was that the entire Nave space was filled with a stage and tiered seating, with entrances and exits on several levels. The memory of the Archbishop leading ordinands onto the stage having emerged from 'the gates of hell' will remain with many of us for some time!

The pattern of worship in Holy Week continued to develop, with the Easter Vigil on Easter Eve this year being extended to include the celebration of the First Eucharist of Easter, and making fuller use of the building. Throughout the year, Threshold, the monthly alternative worship on Sunday evenings became more firmly established, with thematic services taking their inspiration from the Mystery Plays.

The Mystery Plays – together with set up and take down – meant that we were unable to hold large scale special services between April and July. We made up for this in the Autumn, however, with services for a Sport and Christianity Conference

(through York St John University), the national gathering of Anglican Cursillo, the centenary of the Royal College of Nursing, the conference of Town and City Sheriffs, the Sea Cadets (on Trafalgar Day), the diamond jubilee of the York Multiple Sclerosis Society, in addition to our regular engagement with the RAF (on Battle of Britain Sunday), the Army (on Remembrance Sunday) and the Legal Profession.

Advent and Christmas were as busy as ever, with a full programme of internal and third-party services and concerts. This year, we were delighted to welcome, for the first time, the Christian Union of York's two universities for a carol service which exceeded all expectations, attracting 1800 worshippers.

As the work on YMR drew to an end, we were able to restore All Saints' Chapel to liturgical use, as the current home for the midday Eucharist throughout the week and the 8.00 Eucharist on Sundays. An aspect of the YMR project which has contributed significantly to our worship and music was the renewal of the Nave lighting: an entirely new scheme, with dimmable LED lights which use a fraction of the power consumed by their predecessors. This has greatly improved visibility for both congregation and choir in the Nave, and came into its own at the Lucia celebration in Advent.



## Sharing God's love (continued)

Throughout the year, though, the daily round of Matins, Evensong and Eucharist has continued to underpin the life of the Minster, with attendances at Sunday Matins seeing growth throughout the year. The choral worship continues to inspire and uplift regular worshippers and visitors alike. We have continued to be especially fortunate in our appointment of choristers, choral scholars and songmen – and were delighted to appoint Rosie Parker, our first female choral scholar, in the autumn.

During the course of the year, the Music Department said farewell to David Pipe, who took up an appointment in the Roman Catholic Diocese of Leeds, and were delighted to appoint Ben Morris (formerly our Organ Scholar) to succeed him as Assistant Director of Music, with Jeremy Lloyd joining us as Assisting Organist in the autumn. We owe an immense debt to our music team, and especially to Robert Sharpe (Director of Music) and Tim Hone (Music and Liturgy Manager) for their leadership.

In September we were delighted to share with Christians Against Poverty (one of the charities we were supporting at the time) in celebrating their 20th anniversary. Many of those who work for the charity as employees and volunteers, as well as many supporters, came to share in a special Choral evensong followed by a reception in the North Transept. This is an example of just one of the ways we are seeking to work closely with those charities we support.

During 2016 we trialed and subsequently set up a regular service for parents/carers and toddlers. Minster Mice is now a fixture in the Minster calendar. Every fortnight on a Wednesday morning at 10am a growing number of small children either with a parent, a grandparent or another carer, gather on the carpet in front of the High Altar and enjoy a service of songs, story and prayer followed by a craft activity. After all this hard work they all gather in the Zouche chapel for refreshments and time for informal play. We are grateful to Reverend Ellie Bangay, Irene Butterfield and a faithful group of volunteers for enabling this significant development to take place. We are welcoming people into the Minster who would never have come in otherwise and some have also started worshipping with us at other times as well.

During this year we celebrated 17 Baptisms and admitted 4 children to Communion and having run several 'Exploring Christianity' groups 25 members of the community were Confirmed. We conducted 10 weddings and conducted or hosted 7 funerals or memorial services.





## Transforming ourselves and others

The Strategic Plan acknowledges both Chapter's gratitude and reliance on the volunteers who gift their experience and time to sustain the life of the Minster. Many of our volunteers were involved in discussions as Chapter developed its Volunteer Strategy. These conversations were led by Susan Mason, Chapter's respected Volunteer and HR Manager. The result of this work led to the publication of a plan in early October 2016, which was shared with every volunteer. A series of meetings held during November and December allowed volunteers to ask questions and raise concerns and a healthy debate continues about the way paid staff and volunteers come together as vital parts of the Minster Community to shape the future.

Vicky Harrison, Head of Collections led the team through a successful funding application to the Arts Council to receive a grant from the Arts Council England Museum Resilience Fund. The project Cathedral Collections: Unlocking Spiritual Capital began on 1 October and will run until 31 March 2018. The project will support work to understand our collection and to ensure we are only caring for the elements that enhance our story.

The Collections team, under the oversight of Canon Chancellor, Chris Collingwood, also led the project on working explicitly to our mission. A project group drawn from teams across the Minster worked with an external agency New Citizenship Project, in direct response to the strategic plan, where Chapter undertook to review all areas of activity to make sure all they commit to is aligned to inspiring everyone to discover God's Love.

The fruits of this project were reviewed by Chapter, and will inform the development of a programme and learning strategy and also the organisational development work of 2017.

During 2016 there was a busy and varied learning programme. The Lent Talks were based on the theme Mysteries of Faith. Bishops Terry Draine and Libby Lane, Rachael Maskell MP, and two well-known priests, Chris Newlands and Rosemarie Mallett, each spoke about a particular part of the Bible that was significant for them in their lives.

The Ebor Lectures celebrated their tenth anniversary with a special lecture, A Journey around Justice, given in the Minster by Bishop James Jones. On that same occasion, prizes were presented for the newly-inaugurated essay competition, open to young people in the categories under-18 and under-25. This initiative will be an annual event seeking to encourage a younger generation to engage with public issues from a theological perspective.

The Sheldon Memorial Trust held a day-long seminar at the University of York on the life and legacy of sometime Dean, Eric Milner-White. The Chancellor gave a talk on EM-W's unique Epiphany Procession, which he created for the Minster in 1947. The Precentor and the Chancellor have also both contributed extensively to the education, training and formation of ordinands and candidates for lay ministry in the Diocese and further afield.

The York Minster Pilgrimage Group organised several quiet days in the year, notably at Thicket Priory, the home of Roman Catholic Carmelite sisters, and at Stanbrook Abbey, a Roman Catholic Benedictine women's monastery, which, as well as enabling people to grow in their faith, also provides the opportunity, not least, to build up ecumenical relationships.

## Responsible stewardship

The completion of the YMR project concluded the work to the stone of the east-front of the cathedral and it was wonderful see the glory of that side of the Minster free from scaffold for the first time in nearly 10 years. Chapter, advised by the Director of York Glaziers Trust, Sarah Brown, took the decision to invest in ground-breaking protective glazing to the outside of the window. This enhances the golden appearance of the east-end as the sun rises in the morning. The condition of the glass has also been enhanced, with monitoring demonstrating that the medieval stained glass of John Thompson's 1405 creation is never subjected to temperatures below 9C and that the impact of freezing and thawing on this stupendous yet fragile artwork has been arrested.

The Great East Window Phase II continued apace with the final sections of the tracery removed, the window will be fully restored by 2018.

As the scaffold came down on the east, it was quickly re-erected on the south to inspect and document the damage to the stone on that side of the Minster. The action of rain and run off from one stone to another has created cavities in certain places up to elbow depth. With 11 bays to the south quire aisle, this is certain to be another 10 year plus project and work to the first bay commenced with very generous support from the World War One Commemoration Fund.

Further down the south side, the Camera Cantorum was also scaffolded, again with generous support from the World War One Commemoration Fund. Stones and windows were replaced, with the project due for completion in the early months of 2017 to create a better environment for our choristers, and a fitting memorial to those former York Minster choristers who died in the Great War.

Elsewhere in the precinct work began at 7 Minster Yard, adjacent to the Red House which houses the Minster School pre-prep department, to provide free-flow provision (inside to outside with no step) for the Early Years Foundation Stage. The first pupils to benefit from this significant investment will be the intake of September 2017.

Chapter also began work to the roof of St. William's College, replacing broken tiles and repairing dormer windows to make the top two floors of this Grade 1 listed building water-tight.

Mindful of Chapter's ambition to build a sustainable future, the Minster Community created its own group during 2016, The LESS (Lifestyle, Ecology Sustainability and Stewardship) group come together to work across the Minster community with the congregation, staff and volunteers to build and strengthen the sustainability of the Minster and its life by reducing the impact it has on the environment. Their terms of reference include the following:

*"Yours, O Lord, is the greatness and the power and the glory and the victory and the majesty, for all that is in the heavens and in the earth is yours. Yours is the kingdom, O Lord, and you are exalted as head above all". 1 Chronicles 29 verse 11.*

On Easter Day we received the bronze Eco Church award. We signed up to share in the Eco Church project, run by the internationally renowned Christian environmental charity A Rocha, when it was launched at St Paul's Cathedral early in 2016. We were delighted that due to the good practices already in place here we soon qualified to receive the bronze award and we continue to work hard to achieve the silver award later in 2017.

The stewardship of the Mystery Plays was a complicated and complex operation. The ambitious visual spectacle of the appearance of the Minster was achieved through significant thought and work so as not to harm the fabric and also to enable quiet

space within the Minster for private prayer at all times. Chapter Clerk, Andy Oates worked tirelessly to create and oversee a variety of new and different contracts for the very many different services that we needed to provide during the production period. Financial stewardship required detailed attention too and while costs for the production remained close to budget and many of the intangible benefits of the Plays were met, ticket sales were disappointing and fewer sponsorship packages were sold than anticipated. This required Chapter to make a greater financial contribution to the Plays than had been originally budgeted.

Beyond the very visible works happening in the precinct and in direct response to the events taking place in the wider-world Chapter reviewed its security arrangements in early 2016. This review led to the recruitment of a new Head of Security, Mark Sutcliffe, who arrived in May and quickly set about supporting the 9 strong Minster police team to improve their skills and to make them more visible in the precinct. Alongside this new controls were put in place to manage access to and from the private spaces of the Minster, namely via the Chapter House Yard.

Chapter reviews risk regularly on a quarterly basis, and Mark's experience has bolstered confidence in handling the operational risks associated with welcoming over 600,000 people into the precinct on an annual basis.



In another area of potential risk Chapter's advisory team was bolstered by the arrival of Dee Cooley, Safeguarding Advisor in January 2016. Her arrival gave Chapter confidence as she began to prepare files to submit to the Independent Review into Child Sexual Abuse, as all cathedrals were obliged to, and also attended to the roll-out of mandatory safeguarding training to all staff.

Acknowledging the significant financial contribution the York Minster Fund (YMF) and the Friends of York Minster have played in the life of the cathedral over recent decades and the importance of strong working relationships between such closely aligned organisations, a new regular meeting was initiated, enabling all three parties to share news and information and to work collaboratively on future funding campaigns. Neil Sanderson, the incoming Director of YMF has brought energy and new ideas to our fundraising ambitions and we look forward to a fruitful future.

The very foundations of Chapter's values of courage, trust and wisdom were shaken by the media-storm which followed Chapter's unanimous and difficult decision, taken in September, to cease bell-ringing at the Minster. This decision was taken in line with House of Bishops Policy on Safeguarding and followed a long period of consideration with Chapter having reviewed information from a multi-agency safeguarding investigation regarding one of the bell ringers. The decision was not taken lightly and with

appropriate review of the potential risks, but the resulting fall out and media-storm was one which Chapter would not have created needlessly, nor was it fully anticipated. Chapter remain resolute that the decision taken was the right one and is committed to creating a safe working environment and one in which everyone feels both welcome and safe to discover God's Love.

The last year has demanded Chapter review risk regularly, over and above the quarterly review of risk register. The very public scrutiny of certain events in the life of the Minster during 2016 has confirmed to Chapter it needs to pay even closer attention to active risk management in the future.

Finally, during the year, there were significant changes in the Senior Leadership Team: Eve Hartrick and Ruth Dunlop joined the organisation as Director of Finance and Director of People and Organisational Development respectively. Kathryn Blacker, Chapter Steward returned from maternity leave in September and Rebecca Thompson, Interim Chapter Steward and previously Superintendent of Works left to set up her own heritage construction consultancy business. We sent her on her way with our fond good wishes and a Stoneyard-produced installation for her garden!

### **The Very Revd Dr Vivienne Faull Dean of York**



## Financial Review

The following information is provided to give a broad understanding of the Chapter's financial results for 2016. The information is derived from the Chapter's 2016 Annual Report and Accounts which were approved by Chapter on 11 May 2017, received an unqualified opinion from the auditors JWPCreers LLP and will be delivered to the Church Commissioners for England. The financial statements incorporate the results of the Cathedral together with its wholly owned subsidiary, York Minster Enterprises Limited.

The full Annual Report and Accounts (which includes the auditors' report) contains sufficient information to give a full understanding of the financial affairs of the Cathedral, and can be obtained from the website for York Minster or from: The Finance Department, The Chapter of York, Church House, Ogleforth, York YO1 7JN.



The Very Revd V F Faull  
Dean of York



Canon Dr A S Green  
Canon Treasurer

## Results for the year

The results for the year to December 2016 show net outgoing resources of £391,000 on the core activities of the Minster and its Mission, before unrealised investment gains.

This is a significantly better result than the 2016 budget deficit, set in late 2015, of £915,000. One of the largest factors contributing to the results being ahead of budget was that the South Quire Aisle fabric project was budgeted at a cost to Chapter, but, due to generous funding received from the First World War Centenary Cathedral Repairs Fund, this project was fully funded in 2016.

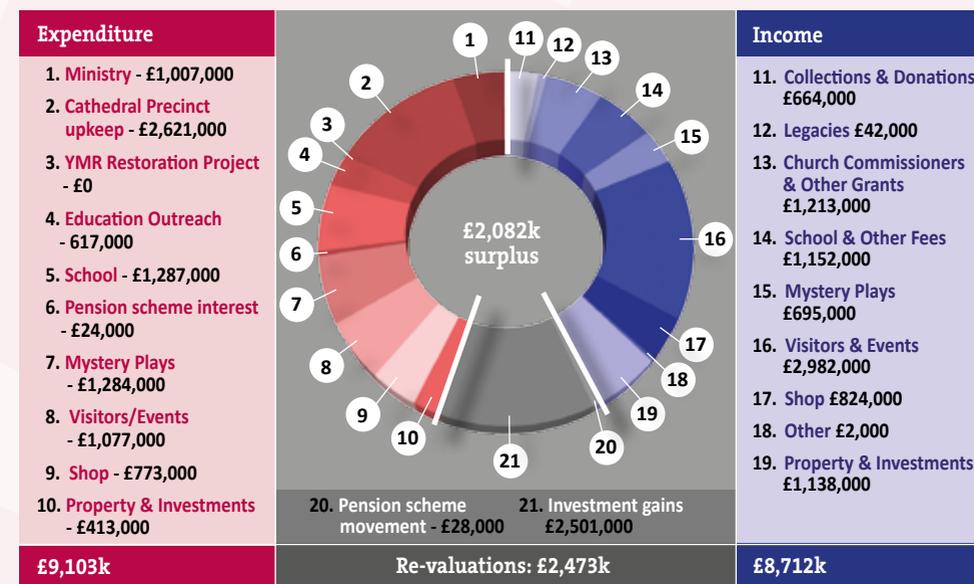
The constituents of incoming resources and expenditure in the Chapter accounts for 2016 and 2015 are represented in the charts on the following page. The right hand side of each chart represents the different components of income; the left side shows where expenditure was incurred and the base shows revaluation impacts.

The total income shown of £8,712,000 is £1,127,000 higher than in 2015. The principal reasons for this are: Mystery Play income of £695,000, an increase in grant income of £780,000; an increase in property and investment income of £185,000; and a decrease in legacy income of £622,000.

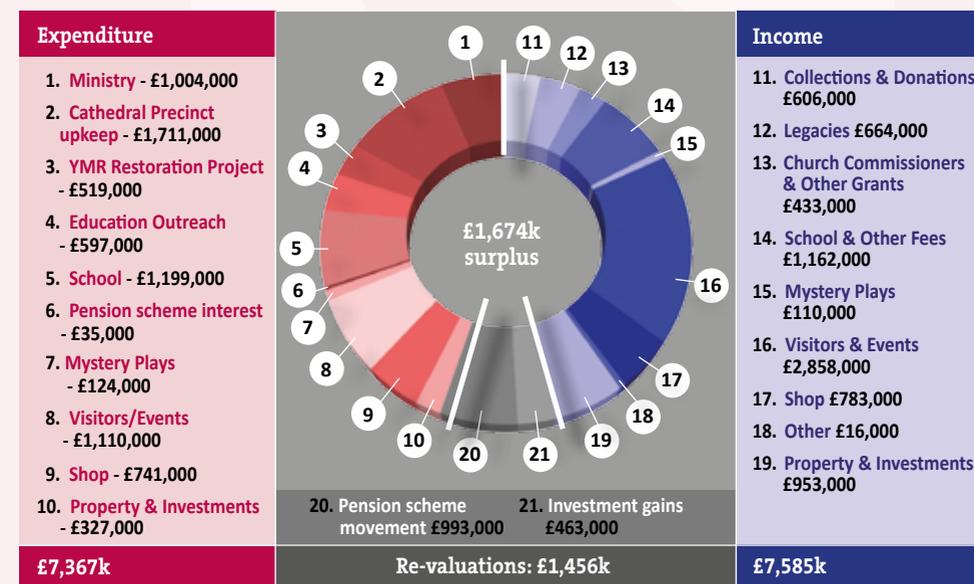
The York Minster Fund, Friends of York Minster and local trusts provided much valued financial support for various projects and for apprentice training. We have also been in receipt of grants from Arts Council England and All Churches Trust which have enabled work on the fabric and collections of the Cathedral.

## Income and Expenditure

### 2016 Statutory Accounts



### 2015 Statutory Accounts





Total expenditure, including YMR, is £1,736,000 higher than in 2015, at £9,103,000. Producing the Mystery Plays incurred costs of £1,284,000 in 2016. The other significant reasons for increased costs are that more funds were put towards Cathedral and precincts upkeep following completion of the YMR project (net effect £391,000 higher than 2015); education and outreach, including the school, was

£108,000 higher; investment management fees were £83,000 higher.

The effect of the valuation gains and losses and YMR are shown in the following table which is a summary of the Statement of Financial Activity shown in the full Annual Report and Accounts.

Summary of Statement of Financial Activity	2016 £'000s	2015 £'000s
Incoming Resources	8,712	7,585
Outgoing Resources	(9,103)	(6,848)
Net (outgoing)/incoming resources	(391)	737
YMR Restoration Project (Deficit)/surplus after YMR	- (391)	(519) 218
Net gains on investments	2,501	463
Actuarial (losses)/gains on pension scheme	(28)	993
Net increase in funds for the year	2,082	1,674
Funds brought forward	44,097	42,423
Funds carried forward	46,179	44,097
<b>Funds Split</b>		
Endowed	31,623	30,518
Restricted	1,555	1,509
Unrestricted	13,001	12,070



## York Minster Enterprises Limited

The trading subsidiary, which operates the Minster shops, performed well this year. Turnover was up by 5.2% to £824,000. This increase, along with a reduction in administrative expenses and receipt of Mystery Plays sponsorship income, enabled the company to make a contribution to the Minster of £117,000 (15: £58,000).

## Mystery Plays

Chapter made a significant financial commitment, in order to ensure that the Mystery Plays were a success. The legacy, in respect of both Mission and financial aspects, of undertaking this award winning event are starting to be felt, with marked increase in visitor numbers (both paying and worshippers) being seen in the latter part of the year.

The full financial statements which are available on the website, explain the £589,000 financial commitment made, and give a detailed overview of the Mystery Plays outcomes in the year.

## York Minster Revealed (YMR)

YMR was a five year project of restoration and interpretation with total approved cost in excess of £18million.

The project was completed in March 2016, and the total project cost was £15.4million. This was substantially funded by the Heritage Lottery Fund (£8.3million) and by a number of generous supporters through the York Minster Fund.

As the project ran over five years and the values involved were significant, the income and expenditure were shown separately to avoid a distortion of the results arising from core activities.

## Investments, Properties and Defined benefit pension scheme

The investments have performed extremely well in the year, generating a gain of £2,501,000 across the portfolio.

The non-investment properties have increased in value by £1,149,000 to £11,566,000; £800,000 of this increase is due to the transfer of 7 Minster Yard from investment properties to non-investment. This endowed property is currently being refurbished for future use by the Minster School. The remaining £349,000 increase is due to refurbishment costs of both 5&7 Minster Yard.

Investment properties were valued at £12,035,000 by Carter Jonas in 2012. Following the transfer of 7 Minster Yard, at valuation of £800,000, the investment properties are now held on the balance sheet at £11,235,000.

The deficit in respect of the defined benefit pension schemes is recognised as a balance sheet liability. Movement on this deficit, based upon actuarial valuations, is released or charged to the statement of financial activities in the year. There was a £28,000 loss on these schemes in the year. The latest actuarial valuation of the Church Workers Pension Fund (CWPF) scheme deficit has resulted in a deficit of £6,000 (gain of £993,000 in 2015), and the Church of England Funded Pension (CEFP) scheme for clergy has resulted in a deficit of £22,000. The CWPF is currently undergoing a re-valuation and results will be available for the 2017 annual report.

Following all of these revaluations there is a £2,082,000 net increase in funds for the year.

## Funds Carried Forward

Chapter is in a fortunate position due to careful governance and stewardship over the years to hold £46m of total funds as at 31 December 2016.

Total funds are made up of £31,623,000 endowed, £1,555,000 restricted and £13,001,000 unrestricted. The endowed funds provide the Chapter with an income but the capital cannot be spent. The restricted funds are held for purposes which were specified by the donors. The unrestricted funds include £1,517,000 of fixed assets, £726,000 designated funds and £560,000 pension reserve, leaving £10,198,000 free unrestricted reserves.

## Ways of Supporting the Minster

We are grateful to all who have contributed to the Minster during the year, the fulfilment of the Mission of the Minster continues due to the ongoing generous support received, without those gifts of time and donations the many activities that have taken place during 2016 would not have been possible, thank-you all.

There are many ways available to support the ongoing work, if you would like to be involved, or know more about any aspect, we would like to hear from you. Some ways of being involved are shown below:

### Becoming a volunteer

We have a valued team of committed and loyal volunteers, without whom the Minster could not operate. If you would like to know more about the volunteering positions available or to join the team please contact us.

### Donations

Given the age and size of the Minster, there are always projects to support, your donation will make a difference. If you wish to find out more, or make a one off donation, or set up regular giving contribution please contact us.

### York Minster Fund

Since its inception in 1967 the York Minster Fund (registered charity no. 252157) has raised money for the conservation and restoration of the Minster, helping to ensure its survival. There are patron schemes available, starting at £10 a month, and opportunities to become a corporate partner. For further information please contact [yymf@yorkminster.org](mailto:yymf@yorkminster.org)

### Friends of York Minster

The Friends are a member organisation who, since 1928, have been dedicated to helping the life and work of York Minster. For further information please contact [friends@yorkminster.org](mailto:friends@yorkminster.org)

### Leaving a gift in your Will

Legacies have always formed an important part of the Minster's income and making a will to include York Minster need not be complicated or expensive. Legacies can be given free of restrictions, or to support a specific area of our work.

### Contact details

Church House, 10-12 Ogleforth, York YO1 7JN  
Telephone: 01904 557200  
Email: [info@yorkminster.org](mailto:info@yorkminster.org)  
Web: [www.yorkminster.org.uk](http://www.yorkminster.org.uk)



# Legal and Administrative Information

**Full legal name of Cathedral** Cathedral and Metropolitan Church of St. Peter in York  
**Commonly used name** York Minster  
**Office Address** Church House, 10-14 Ogleforth, York, YO1 7JN  
**Visitor** The Archbishop of York, the Most Revd and Rt Hon John Tucker Mugabi Sentamu  
**High Steward** The Rt Hon The Earl of Halifax

Ms T Hunt  
 Rt Rev C Madden OSB  
 Prof J Stern  
 Sir W Worsley

## Members of the Minster Community

Mr H R Langham  
 Mr T Plimmer  
 Mr C Rundle  
 Ms S Thompson

## The College of Canons

The members during the year, in order of installation:

### The Chapter, as listed opposite

The Chapter, as listed on the previous page  
 The Revd Canon T G Grigg  
 The Revd Canon E E Bielby  
 The Revd Canon F J A Hewitt  
 The Revd Canon J D Purdy  
 The Revd Canon D G Hodgson (R.I.P. October 2016)  
 The Revd Canon S Sheriff  
 The Revd Canon D A Walker  
 Canon P N Collier  
 The Revd Canon A Bailey  
 The Revd Canon J C Weetman  
 The Revd Canon D W Smith (until February 2016)  
 The Revd Canon E Wilson  
 The Revd Canon C H Goulder  
 Canon L Ali  
 Canon R Liversedge  
 Canon P J Warry  
 The Revd Canon R F Rowling (until January 2016)  
 The Revd Canon R W Simpson  
 The Revd Canon J Reid (R.I.P. February 2016)  
 The Revd Canon S V Cope  
 The Revd Canon Dr N D Barnes  
 The Revd Canon D O Casswell  
 The Revd Canon W J Ford  
 The Rt Revd G H Webster EO  
 The Ven S R Bullock EO  
 The Rt Revd P J Ferguson EO  
 The Rt Revd J B Thomson EO  
 The Ven A C Broom EO  
 The Ven S J Rushton EO  
 The Rt Revd A M White EO  
 The Revd Canon Dr. D M Green (from September 2016)  
 The Revd Canon R E Harrison (from September 2016)  
 The Revd Canon WM Macnaughton (from Sep 2016)  
 The Revd Canon C Wilton (from September 2016)

## Chapter

The members during the year were:

**Dean** The Very Revd V F Faul  
**Canon Precentor** The Revd Canon P J Moger  
**Canon Chancellor** The Revd Canon The Revd Canon Dr C P Collingwood  
**Canon Pastor** The Revd Canon M D Smith  
**Residentiary Canon** The Ven D J Butterfield  
**Canon Treasurer** Canon Dr A S Green  
**Lay Canon** Canon Dr J E Winkley  
**Lay Canon** Canon N M Harkin  
**Lay Canon** Canon Dr R J Shephard

## The Cathedral Council

The members during the year were:

**Chairman** Canon P N Collier  
**Dean** The Very Revd V F Faul

### Members of Chapter:

The Revd Canon P J Moger  
 The Revd Canon Dr C P Collingwood  
 Canon Dr R J Shephard

### Members of the College of Canons:

The Revd Canon J C Weetman  
 The Ven S R Bullock

### Members Appointed by the Archbishop:

The Rt Hon The Earl of Halifax  
 Mr S Galloway  
 Dr J Grenville

**Reader**  
**Honorary Minor Canon**  
**Honorary Minor Canon**  
**Honorary Minor Canon**

Dr Diane Craven  
 The Revd Daniel Jones  
 The Revd David Mann  
 The Revd Dr Rowan Williams

## Staff

**Chapter Steward**  
**Interim Chapter Steward**

Kathryn Blacker  
 Mrs R Thompson  
 (until September 2016)

**Chapter Clerk**  
**Director of Finance**  
**Director of Finance**

Andy Oates  
 Peter Avis (until June 2016)  
 Eve Hartrick  
 (from June 2016)

**Director of Music**  
**The Master of the**

Robert Sharpe  
 Alex Donaldson

**Minster School**  
**Interim Superintendent of**  
**Works**

Paul Greene

**Director of Human Resources**

Susan Hunt (Paul Greene until May 2016)

**Director of People**

Ruth Dunlop  
 (from October 2016)

**Director of Communications**  
**Producer York Minster**

Sharon Atkinson  
 Nicola Corp  
 (until September 2016)

**Mystery Plays**  
**Director of Public Engagement**

Richard Butterfield  
 (until December 2016)

## Finance Committee

The members during the year were:

**Dean** The Very Revd Dr V F Faul  
**Canon Treasurer and Chairman** Canon Dr A S Green  
 Philip Ashton FCA  
 Paul Fox MRICS  
 Canon N M Harkin  
 Graham Millar FCA  
**Chapter Steward** Kathryn Blacker  
 Rebecca Thompson  
 (until September 2016)  
 Eve Hartrick  
 (from June 2016)  
 Peter Avis (until June 2016)

## Audit Committee

The members during the year were:

**Chairman** Graham Millar FCA  
 Philip Ashton FCA

## Fabric Advisory Committee

The membership of the Fabric Advisory Committee changed during the year, those members serving throughout the year are shown below:

	Serving to 1 May 2016	Serving from 1 May 2016
<b>Chairman</b>	Dr A Gillham	The Rt Revd M Perham
<b>Deputy Chairman</b>		Dr J Gough
	Mr M Stancliffe	Mr M Stancliffe
	The Rt Revd Dr T Ellis	Mr C Cotton
	Professor R Marks	Ms T Hunt
	Dr D Neave	Ms S VanSnick
	Mr C Downs	Dr J Grenville
	Mr T Suthers	Mr J McCosh
	Professor C Wilson	Dr I Rauch
	Mr A Graham	
<b>Secretary</b>	Mr D G Blackburn	Mr D Demack

## Advisers to Chapter

**Surveyor of the Fabric** Mr A Arrol, Arrol & Snell Ltd  
**Archaeologist** Mr S Harrison, Ryedale Archaeology Service Ltd  
**Auditor** JWP Creers LLP, Genesis 5, Heslington, York, YO10 5DQ  
**Bankers** HSBC bank, 13 Parliament Street, York Grays, Duncombe Place, York, YO1 7DY  
**Solicitors** Rathbones Brother Plc, 1 Curzon Street, London, W1J 5FB  
**Investment Managers** Sanderson Weatherall, 25 Wellington Street, Leeds, LS1 4WG

## Obituaries

- Lay Canon Jenny Reid, a member of the Minster's College of Canons since January 2010, died peacefully at James Cook University Hospital in Middlesbrough on February 12th 2016.
- The Revd. Canon David George Hodgson, a member of the College of Canons and Vicar of The Church of The Ascension Berwick Hills, Middlesbrough, died peacefully with his family around him on October 11th 2016.
- Post year end and prior to the approval of these financial statements, the Chairman of the Fabric Advisory Committee, The Rt. Revd M Perham, former Bishop of Gloucester, an Easter person to the end, died peacefully at home surrounded by his family on Easter Monday.



[www.yorkminster.org](http://www.yorkminster.org)



**2016**

**Report and Annual Accounts**

## THE CHAPTER OF YORK

### The Mission of York Minster

**York Minster, inviting everyone to discover God's love through our welcome, worship, learning and work.**

We have identified five key purposes; they will inform all we do;

- to play an active role, across the Diocese of York and the Northern Province of the Church of England supporting the work of the Archbishop, sharing our skills and knowledge and working with communities and partners to further our mission;
- to inspire people, through the story of Jesus Christ, through our worship, prayer and music and through the heritage and history of York Minster, onto a journey of personal and corporate transformation;
- to engage all our community in a participative and consultative way;
- to put learning and the transformation of ourselves and of others at the heart of all we do;
- to manage our business successfully, covering our costs and generating the funding necessary to further our mission and to sustain the Minster.

#### **Values:**

- Courage
- Trust
- Wisdom

#### Obituaries

- Lay Canon Jenny Reid, a member of the Minster's College of Canons since January 2010, died peacefully at James Cook University Hospital in Middlesbrough on February 12<sup>th</sup> 2016.
- The Revd. Canon David George Hodgson, a member of the College of Canons and Vicar of The Church of The Ascension Berwick Hills, Middlesbrough, died peacefully with his family around him on October 11<sup>th</sup> 2016.
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**THE CHAPTER OF YORK****Annual Report and Accounts  
For the year ended 31 December 2016**

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## THE CHAPTER OF YORK

### Administrative and reference details

<b>Full legal name of Cathedral</b>	Cathedral and Metropolitan Church of St. Peter in York
<b>Commonly used name</b>	York Minster
<b>Office Address</b>	Church House, 10-14 Ogleforth, York, YO1 7JN
<b>Visitor</b>	The Archbishop of York, the Most Revd and Rt Hon John Tucker Mugabi Sentamu
<b>High Steward</b>	The Rt Hon The Earl of Halifax

### CHAPTER

The members during the year were:

<b>Dean</b>	The Very Revd Dr V F Faulf
<b>Canon Precentor</b>	The Revd Canon P J Moger
<b>Canon Chancellor</b>	The Revd Canon Dr C P Collingwood
<b>Canon Pastor</b>	The Revd Canon M D Smith
<b>Residentiary Canon</b>	The Ven D J Butterfield
<b>Canon Treasurer</b>	Canon Dr A S Green
<b>Lay Canon</b>	Canon Dr J E Winkley
<b>Lay Canon</b>	Canon N M Harkin
<b>Lay Canon</b>	Canon Dr R J Shephard

### THE CATHEDRAL COUNCIL

The members during the year were:

<b>Chairman</b>	Canon P N Collier
<b>Dean</b>	The Very Revd Dr V F Faulf

#### Members of Chapter:

The Revd Canon P J Moger  
The Revd Canon Dr C P Collingwood  
Canon Dr R J Shephard

#### Members of the College of Canons:

The Revd Canon J C Weetman  
The Ven S R Bullock

#### Members Appointed by the Archbishop:

The Rt Hon The Earl of Halifax  
Mr S Galloway  
Dr J Grenville  
Ms T Hunt  
Rt Rev C Madden OSB  
Prof J Stern  
Sir W Worsley

#### Members of the Minster Community:

Mr H R Langham  
Mr T Plimmer  
Mr C Rundle  
Ms S Thompson

**THE CHAPTER OF YORK**
Administrative and reference details (continued)
**THE COLLEGE OF CANONS**

The members during the year, in order of installation:

The Chapter, as listed on the previous page

The Revd Canon T G Grigg	The Revd Canon R W Simpson
The Revd Canon E E Bielby	The Revd Canon J Reid (R.I.P. February 2016)
The Revd Canon F J A Hewitt	The Revd Canon S V Cope
The Revd Canon J D Purdy	The Revd Canon Dr N D Barnes
The Revd Canon D G Hodgson (R.I.P. October 2016)	The Revd Canon D O Casswell
The Revd Canon S Sheriff	The Revd Canon W J Ford
The Revd Canon D A Walker	The Rt Revd G H Webster EO
Canon P N Collier	The Ven S R Bullock EO
The Revd Canon A Bailey	The Rt Revd P J Ferguson EO
The Revd Canon J C Weetman	The Rt Revd J B Thomson EO
The Revd Canon D W Smith (until February 2016)	The Ven A C Broom EO
The Revd Canon E Wilson	The Ven S J Rushton EO
The Revd Canon C H Goulder	The Rt Revd A M White EO
Canon L Ali	The Revd Canon Dr. D M Green (from September 2016)
Canon R Liversedge	The Revd Canon R E Harrison (from September 2016)
Canon P J Warry	The Revd Canon WM Macnaughton (from Sep 2016)
The Revd Canon R F Rowling (until January 2016)	The Revd Canon C Wilton (from September 2016)

**Reader**

Dr Diane Craven

**Honorary Minor Canon**

The Revd Daniel Jones

**Honorary Minor Canon**

The Revd David Mann

**Honorary Minor Canon**

The Revd Dr Rowan Williams

**STAFF**
**Chapter Steward**

Kathryn Blacker

**Interim Chapter Steward**

Rebecca Thompson (until September 2016)

**Chapter Clerk**

Andy Oates

**Director of Finance**

Peter Avis (until June 2016)

**Director of Finance**

Eve Hartrick (from June 2016)

**Director of Music**

Robert Sharpe

**The Master of the Minster School**

Alex Donaldson

**Interim Superintendent of Works**

Paul Greene

**Director of Human Resources**

Susan Hunt (until May 2016)

**Director of People**

Ruth Dunlop (from October 2016)

**Director of Communications**

Sharon Atkinson

**Producer York Minster Mystery Plays**

Nicola Corp (until September 2016)

**Director of Public Engagement**

Richard Butterfield (until December 2016)

**THE CHAPTER OF YORK**
**Administrative and reference details (continued)**
**FINANCE COMMITTEE**

The members during the year were:

<b>Dean</b>	The Very Revd Dr V F Faull
<b>Canon Treasurer and Chairman</b>	Canon Dr A S Green Philip Ashton FCA Paul Fox MRICS Canon N M Harkin Graham Millar FCA
<b>Chapter Steward</b>	Kathryn Blacker Rebecca Thompson (until September 2016)
<b>Director of Finance and Secretary</b>	Eve Hartrick (from June 2016) Peter Avis (until June 2016)

**AUDIT COMMITTEE**

The members during the year were:

<b>Chairman</b>	Graham Millar FCA Philip Ashton FCA
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**FABRIC ADVISORY COMMITTEE**

The membership of the Fabric Advisory Committee changed during the year, those members serving throughout the year are shown below:

	<b>Serving to 1 May 2016</b>	<b>Serving from 1 May 2016</b>
<b>Chairman</b>	Dr A Gillham	The Rt. Revd M Perham (R.I.P. April 2017)
<b>Deputy Chairman</b>	Mr M Stancliffe The Rt Revd Dr T Ellis Professor R Marks Dr D Neave Mr C Downs Mr T Suthers Professor C Wilson	Dr. J Gough Mr M Stancliffe Mr C Cotton Ms T Hunt Ms S VanSnick Dr J Grenville Mr J McCosh Dr I Rauch Mr A Graham Mr D Demack
<b>Secretary</b>	Mr D G Blackburn	Mr D Demack

**ADVISERS TO CHAPTER**

Surveyor of the Fabric	Mr A Arrol, Arrol & Snell Ltd
Archaeologist	Mr S Harrison, Ryedale Archaeology Service Ltd
Auditor	JWPCreers LLP, Genesis 5, Heslington, York, YO10 5DQ
Bankers	HSBC bank, 13 Parliament Street, York
Solicitors	Grays, Duncombe Place, York, YO1 7DY
Investment Managers	Rathbones Brother Plc, 1 Curzon Street, London, W1J 5FB
Property Managers	Sanderson Weatherall, 25 Wellington Street, Leeds, LS1 4WG

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts

#### ACHIEVEMENTS AND PERFORMANCE

2016 began with much of the city under water, continued with 'our' RHS Chelsea garden receiving the People's Choice Award, the staging of the York Mystery Plays in the Minster, and, finally, changes to arrangements for bell-ringing. Beyond these events (which received much media coverage) we completed the York Minster Revealed (YMR) project (the largest restoration and conservation project in Europe) and welcomed increasing numbers of visitors to the Minster.

#### Becoming outward looking

Many of our community were affected directly or indirectly by the Boxing Day floods. Volunteers and staff ensured that the Minster opened (free of charge) in the immediate aftermath of the floods, many of them walking through water to get to us. The media response encouraged national generosity and the Dean became acting chair of the York Disaster Committee responsible for the disbursement of a total of £2 million to those affected. But the impact on visitor numbers was significant for the first quarter of the year. Minster staff worked closely with Make it York to tell the world that York was open for business, and the York Minster Mystery Plays reinforced that message.

The plays belong to all the people of York and beyond, and the Minster was privileged to be their guardians for a season. But the Great East Window, with its depiction of the beginning and end of all things, gave the best possible reason to bring the plays indoors. The production, Directed by Phil Breen and Designed by Max Jones gained critical acclaim, including Production of the Year at the inaugural York Culture Awards. Staging 41 performances over five weeks required the dedication of the entire staff team at the Minster, but above and beyond that the unprecedented contribution of the 400 front and back stage Mystery Makers. Their camaraderie and stamina, supported by floor and security management Lisa Power and Mark Sutcliffe was acclaimed by audiences, amongst them Emma Thompson whose hand-written thank you card read:

*"Dear Everyone,*

*We had the enormous privilege of seeing your blindingly epic production last night – a happy day!*

*I've never seen the York cycle and it was one of the most wonderful experiences I've ever had – everything about it was exceptional – the design breath-taking, the direction flawless and all the acting so perfectly in tune with the text, capturing its agony and wit and naiveté beautifully and movingly.*

*I wish I could have saluted you all in person, but was so happy to convey my thrill to Pontius and Mary.*

*Great good luck with the rest of the run and thank you for a most unforgettable night in that exquisite building.*

*With love from your admirer,*

*Emma Thompson."*

The production would not have been possible without the skilled and patient work of the stoneyard team led by Paul Greene and Ashley Hardy and the leadership of Producer Nicky Corp, who was ably supported by Production Manager Joan Humphreys, Production Support Steph O'Gorman and Laura Cookson, who in her role as PA to the Chapter Steward also juggled the very many needs of the production team. Chapter is indebted to them all.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Becoming outward looking (continued)**

A number of those who were involved in the Plays in a voluntary capacity have been returning to the Minster, some as regular members of our congregations, some as regular volunteers and some also as paid employees. What better way could there be of the Minster reaching out and inviting people to come to learn more about God's Love?

The Collections team has been supporting a number of churches and cathedrals across both Provinces over the past year in collections care and information. These include: Canterbury, Durham, St Paul's, Westminster Abbey, Liverpool, Hereford, Exeter, Christ Church Oxford, St. Helen with St Mary's York, Norwich, Ely and Alkirk. This work led to us contacting Cathedrals Fabric Commission for England to work with them on developing protocols for the production of Inventories. We are now leading this work to present to CFCE in November 2017.

The team has also led sessions showcasing our work on public engagement for Public Historians from across the world including South Africa, America, China, Brazil and Russia. York Minster's Learning department led a national Cathedral's Plus study day showcasing the Minster's work in this area. We have continued our work with the (Roman Catholic) Diocese of Middlesbrough welcoming groups of refugees throughout the year including during the Mystery Plays and Holocaust Memorial Day. We have also continued welcoming members of 2 Medical and 2 Signals Regiments to assist their personal and moral development programmes. Finally we used our partner contacts to link up the University of York's History department and York's Interfaith Group enabling us to host a successful Interfaith event on 'disagreeing well'.

In the autumn the Dean was invited by the City of York Council to facilitate the ongoing Community Consultation on development plans for York Central, a large brownfield site between the station and the National Railway Museum. No agreement has been possible for more than a decade so divine intervention may be necessary, and vital for the regeneration of the heart of the city.

#### **Extending our Reach**

The Mystery Plays supported a step change in our digital communications. The digital advertising campaign for the Plays reached 6 times more people than traditional channels (newspapers, magazines) with 5,249,748 discussions of "York Mystery Plays" on Twitter between 1 January and 30 June 2016. This powerful level of engagement highlights the growing audience preference for digital engagement and this is something we will build on in coming years.

Three other significant events during the course of the year also contributed to the Minster's increasing influence beyond York. Shortly after Easter, the Choir toured to Germany, performing a concert to capacity audience in Konstanz, and Sunday services in Salem Minster which were both full to capacity. Given the success of this tour, plans are already underway for a tour in 2017.

A partnership with Welcome to Yorkshire saw the Great East Window take centre stage in their entry to the Royal Horticultural Flower Show in May. The garden entitled "God's Own County" was designed by Matthew Wilson, and was awarded not only a silver medal but also the prestigious People's Choice Award. Staff from both the Works Department and the Glaziers Trust were instrumental in creating the garden on site in Chelsea. The garden received extensive on air BBC coverage and 3.53 million people tuned in for the People's Choice award.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Extending our Reach (continued)**

In October another partnership, this time with Illuminate York, enabled the Minster to be the star attraction of this annual light festival. Jason Bruges was commissioned to create a piece in response to the Minster and the breathtaking and playful "Light Masonry" featuring moving pillars of light, accompanied by the Minster's organists, was performed for four nights in October. This spectacle attracted a large number of family audiences and it was a joy to watch small people at first in awe at the setting but by the end dancing in the beams of light.

The Collections team also contributed to the changing programme which attracts visitors to the Minster, developing three exhibitions during 2016. Kirsty Mitchell, Collections Engagement Officer led on the redisplay of Chamber 4 in the Undercroft. She was inspired by York Minster's Mission and developed the exhibition to appeal to all faiths and none by focussing on life stages and how the Anglican Church marks these. Under the Spotlight was developed to showcase the props and costumes from the Mystery Plays. The teams used it as an opportunity to develop engagement with Minster visitors in new ways, and the impact was considerable and highly effective. Finally we welcomed Jorvik to the Treasury following the flood, working with them on a special exhibition whilst their own was rebuilt. The publication of Librarian Sarah Griffin's book York Stories on the collections of York Minster Library and Special Collections at the University profiled this very special collection further.

The raft of publicity which the Minster has attracted over these events has undoubtedly contributed to an increased number of folk coming to visit us. Our visitor figures from September to December 2016 repeatedly broke targets. Chapter would like to acknowledge the hard work and dedication of the Hosts Team across 2016, but particularly the formidable cohort of Assistant Visitor Operations Managers, Teresa Collingwood, Hannah Taylor, Emiliana Fois, Helen Batchelor and Rebecca Healey who lead, manage and motivate the team so well.

#### **Sharing God's love**

The Minster continued, throughout the year, to support the worship and mission and ministry of the Northern Province and the Diocese of York. We planned and hosted the consecrations of the Bishops of Bolton and Berwick, the ordination of 21 priests and 12 deacons, and the licensing and admission of 8 Readers. A consequence of the Mystery Plays was that the entire Nave space was filled with a stage and tiered seating, with entrances and exits on several levels. The memory of the Archbishop leading ordinands onto the stage having emerged from 'the gates of hell' will remain with many of us for some time!

The pattern of worship in Holy Week continued to develop, with the Easter Vigil on Easter Eve this year being extended to include the celebration of the First Eucharist of Easter, and making fuller use of the building. Throughout the year, Threshold, the monthly alternative worship on Sunday evenings became more firmly established, with thematic services taking their inspiration from the Mystery Plays.

The Mystery Plays – together with set up and take down – meant that we were unable to hold large scale special services between April and July. We made up for this in the Autumn, however, with services for a Sport and Christianity Conference (through York St John University), the national gathering of Anglican Cursillo, the centenary of the Royal College of Nursing, the conference of Town and City Sheriffs, the Sea Cadets (on Trafalgar Day), the diamond jubilee of the York Multiple Sclerosis Society, in addition to our regular engagement with the RAF (on Battle of Britain Sunday), the Army (on Remembrance Sunday) and the Legal Profession.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Sharing God's love (continued)**

Advent and Christmas were as busy as ever, with a full programme of internal and third-party services and concerts. This year, we were delighted to welcome, for the first time, the Christian Union of York's two universities for a carol service which exceeded all expectations, attracting 1800 worshippers.

As the work on YMR drew to an end, we were able to restore All Saints' Chapel to liturgical use, as the current home for the midday Eucharist throughout the week and the 8.00 Eucharist on Sundays. An aspect of the YMR project which has contributed significantly to our worship and music was the renewal of the Nave lighting: an entirely new scheme, with dimmable LED lights which use a fraction of the power consumed by their predecessors. This has greatly improved visibility for both congregation and choir in the Nave, and came into its own at the Lucia celebration in Advent.

Throughout the year, though, the daily round of Matins, Evensong and Eucharist has continued to underpin the life of the Minster, with attendances at Sunday Matins seeing growth throughout the year. The choral worship continues to inspire and uplift regular worshippers and visitors alike. We have continued to be especially fortunate in our appointment of choristers, choral scholars and songmen – and were delighted to appoint Rosie Parker, our first female choral scholar, in the autumn.

During the course of the year, the Music Department said farewell to David Pipe, who took up an appointment in the Roman Catholic Diocese of Leeds, and were delighted to appoint Ben Morris (formerly our Organ Scholar) to succeed him as Assistant Director of Music, with Jeremy Lloyd joining us as Assisting Organist in the autumn. We owe an immense debt to our music team, and especially to Robert Sharpe (Director of Music) and Tim Hone (Music and Liturgy Manager) for their leadership.

In September we were delighted to share with Christians Against Poverty (one of the charities we were supporting at the time) in celebrating their 20th anniversary. Many of those who work for the charity as employees and volunteers, as well as many supporters, came to share in a special Choral evensong followed by a reception in the North Transept. This is an example of just one of the ways we are seeking to work closely with those charities we support.

During 2016 we trialed and subsequently set up a regular service for parents/carers and toddlers. Minster Mice is now a fixture in the Minster calendar. Every fortnight on a Wednesday morning at 10am a growing number of small children either with a parent, a grandparent or another carer, gather on the carpet in front of the High Altar and enjoy a service of songs, story and prayer followed by a craft activity. After all this hard work they all gather in the Zouche chapel for refreshments and time for informal play. We are grateful to Reverend Ellie Bangay, Irene Butterfield and a faithful group of volunteers for enabling this significant development to take place. We are welcoming people into the Minster who would never have come in otherwise and some have also started worshipping with us at other times as well.

During this year we celebrated 17 Baptisms and admitted 4 children to Communion and having run several 'Exploring Christianity' groups 25 members of the community were Confirmed. We conducted 10 weddings and conducted or hosted 7 funerals or memorial services.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Transforming ourselves and others**

The Strategic Plan acknowledges both Chapter's gratitude and reliance on the volunteers who gift their experience and time to sustain the life of the Minster. Many of our volunteers were involved in discussions as Chapter developed its Volunteer Strategy. These conversations were led by Susan Mason, Chapter's respected Volunteer and HR Manager. The result of this work led to the publication of a plan in early October 2016, which was shared with every volunteer. A series of meetings held during November and December allowed volunteers to ask questions and raise concerns and a healthy debate continues about the way paid staff and volunteers come together as vital parts of the Minster Community to shape the future.

Vicky Harrison, Head of Collections led the team through a successful funding application to the Arts Council to receive a grant from the Arts Council England Museum Resilience Fund. The project Cathedral Collections: Unlocking Spiritual Capital began on 1 October and will run until 31 March 2018. The project will support work to understand our collection and to ensure we are only caring for the elements that enhance our story.

The Collections team, under the oversight of Canon Chancellor, Chris Collingwood, also led the project on working explicitly to our mission. A project group drawn from teams across the Minster worked with an external agency New Citizenship Project, in direct response to the strategic plan, where Chapter undertook to review all areas of activity to make sure all they commit to is aligned to inspiring everyone to discover God's Love.

The fruits of this project were reviewed by Chapter, and will inform the development of a programme and learning strategy and also the organisational development work of 2017.

During 2016 there was a busy and varied learning programme. The Lent Talks were based on the theme Mysteries of Faith. Bishops Terry Drainey and Libby Lane, Rachael Maskell MP, and two well-known priests, Chris Newlands and Rosemarie Mallett, each spoke about a particular part of the Bible that was significant for them in their lives.

The Ebor Lectures celebrated their tenth anniversary with a special lecture, A Journey around Justice, given in the Minster by Bishop James Jones. On that same occasion, prizes were presented for the newly-inaugurated essay competition, open to young people in the categories under-18 and under-25. This initiative will be an annual event seeking to encourage a younger generation to engage with public issues from a theological perspective.

The Sheldon Memorial Trust held a day-long seminar at the University of York on the life and legacy of sometime Dean, Eric Milner-White. The Chancellor gave a talk on EM-W's unique Epiphany Procession, which he created for the Minster in 1947. The Precentor and the Chancellor have also both contributed extensively to the education, training and formation of ordinands and candidates for lay ministry in the Diocese and further afield.

The York Minster Pilgrimage Group organised several quiet days in the year, notably at Thicket Priory, the home of Roman Catholic Carmelite sisters, and at Stanbrook Abbey, a Roman Catholic Benedictine women's monastery, which, as well as enabling people to grow in their faith, also provides the opportunity, not least, to build up ecumenical relationships.

#### **Responsible stewardship**

The completion of the YMR project concluded the work to the stone of the east-front of the cathedral and it was wonderful see the glory of that side of the Minster free from scaffold for the first time in nearly 10 years. Chapter, advised by the Director of York Glaziers Trust, Sarah Brown, took the decision to invest in ground-breaking protective glazing to the outside of the window. This enhances the golden appearance of the east-end as the sun rises in the morning.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Responsible stewardship (continued)**

The condition of the glass has also been enhanced, with monitoring demonstrating that the medieval stained glass of John Thompson's 1405 creation is never subjected to temperatures below 9C and that the impact of freezing and thawing on this stupendous yet fragile artwork has been arrested.

The Great East Window Phase II continued apace with the final sections of the tracery removed, the window will be fully restored by 2018.

As the scaffold came down on the east, it was quickly re-erected on the south to inspect and document the damage to the stone on that side of the Minster. The action of rain and run off from one stone to another has created cavities in certain places up to elbow depth. With 11 bays to the south quire aisle, this is certain to be another 10 year plus project and work to the first bay commenced with very generous support from the World War One Commemoration Fund.

Further down the south side, the Camera Cantorum was also scaffolded, again with generous support from the World War One Commemoration Fund. Stones and windows were replaced, with the project due for completion in the early months of 2017 to create a better environment for our choristers, and a fitting memorial to those former York Minster choristers who died in the Great War.

Elsewhere in the precinct work began at 7 Minster Yard, adjacent to the Red House which houses the Minster School pre-prep department, to provide free-flow provision (inside to outside with no step) for the Early Years Foundation Stage. The first pupils to benefit from this significant investment will be the intake of September 2017.

Chapter also began work to the roof of St. William's College, replacing broken tiles and repairing dormer windows to make the top two floors of this Grade 1 listed building water-tight.

Mindful of Chapter's ambition to build a sustainable future, the Minster Community created its own group during 2016, The LESS (Lifestyle, Ecology Sustainability and Stewardship) group come together to work across the Minster community with the congregation, staff and volunteers to build and strengthen the sustainability of the Minster and its life by reducing the impact it has on the environment. Their terms of reference include the following:

*"Yours, O Lord, is the greatness and the power and the glory and the victory and the majesty, for all that is in the heavens and in the earth is yours. Yours is the kingdom, O Lord, and you are exalted as head above all".*  
1 Chronicles 29 verse 11.

On Easter Day we received the bronze Eco Church award. We signed up to share in the Eco Church project, run by the internationally renowned Christian environmental charity A Rocha, when it was launched at St Paul's Cathedral early in 2016. We were delighted that due to the good practices already in place here we soon qualified to receive the bronze award and we continue to work hard to achieve the silver award later in 2017.

The stewardship of the Mystery Plays was a complicated and complex operation. The ambitious visual spectacle of the appearance of the Minster was achieved through significant thought and work so as not to harm the fabric and also to enable quiet space within the Minster for private prayer at all times. Chapter Clerk, Andy Oates worked tirelessly to create and oversee a variety of new and different contracts for the very many different services that we needed to provide during the production period. Financial stewardship required detailed attention too and while costs for the production remained close to budget and many of the intangible benefits of the Plays were met, ticket sales were disappointing and fewer sponsorship packages were sold than anticipated. This required Chapter to make a greater financial contribution to the Plays than had been originally budgeted.

## THE CHAPTER OF YORK

### Dean's Review of the Year for the 2016 Annual Report and Accounts (continued)

#### **Responsible stewardship (continued)**

Beyond the very visible works happening in the precinct and in direct response to the events taking place in the wider-world Chapter reviewed its security arrangements in early 2016. This review led to the recruitment of a new Head of Security, Mark Sutcliffe, who arrived in May and quickly set about supporting the 9 strong Minster police team to improve their skills and to make them more visible in the precinct. Alongside this new controls were put in place to manage access to and from the private spaces of the Minster, namely via the Chapter House Yard.

Chapter reviews risk regularly on a quarterly basis, and Mark's experience has bolstered confidence in handling the operational risks associated with welcoming over 600,000 people into the precinct on an annual basis.

In another area of potential risk Chapter's advisory team was bolstered by the arrival of Dee Cooley, Safeguarding Advisor in January 2016. Her arrival gave Chapter confidence as she began to prepare files to submit to the Independent Review into Child Sexual Abuse, as all cathedrals were obliged to, and also attended to the roll-out of mandatory safeguarding training to all staff.

Acknowledging the significant financial contribution the York Minster Fund (YMF) and the Friends of York Minster have played in the life of the cathedral over recent decades and the importance of strong working relationships between such closely aligned organisations, a new regular meeting was initiated, enabling all three parties to share news and information and to work collaboratively on future funding campaigns. Neil Sanderson, the incoming Director of YMF has brought energy and new ideas to our fundraising ambitions and we look forward to a fruitful future.

The very foundations of Chapter's values of courage, trust and wisdom were shaken by the media-storm which followed Chapter's unanimous and difficult decision, taken in September, to cease bell-ringing at the Minster. This decision was taken in line with House of Bishops Policy on Safeguarding and followed a long period of consideration with Chapter having reviewed information from a multi-agency safeguarding investigation regarding one of the bell ringers. The decision was not taken lightly and with appropriate review of the potential risks, but the resulting fall out and media-storm was one which Chapter would not have created needlessly, nor was it fully anticipated. Chapter remain resolute that the decision taken was the right one and is committed to creating a safe working environment and one in which everyone feels both welcome and safe to discover God's Love.

The last year has demanded Chapter review risk regularly, over and above the quarterly review of risk register. The very public scrutiny of certain events in the life of the Minster during 2016 has confirmed to Chapter it needs to pay even closer attention to active risk management in the future.

Finally, during the year, there were significant changes in the Senior Leadership Team: Eve Hartrick and Ruth Dunlop joined the organisation as Director of Finance and Director of People and Organisational Development respectively. Kathryn Blacker, Chapter Steward returned from maternity leave in September and Rebecca Thompson, Interim Chapter Steward and previously Superintendent of Works left to set up her own heritage construction consultancy business. We sent her on her way with our fond good wishes and a Stoneyard-produced installation for her garden!

**The Very Revd Dr Vivienne Faull  
Dean of York**

## THE CHAPTER OF YORK

### 2016 Financial Review

These accounts have been prepared under the historical cost convention as modified by the revaluation of investments and property, in accordance with applicable accounting standards and follow, with one exception, the Accounting and Reporting Regulations for English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 as modified in February 2015 (the Regulations). The departure relates to the treatment of York Minster Revealed ("YMR"). As this was a five year project, and the amounts involved sufficient enough to distort the figures, income and expenditure are shown separately within the accounts to allow a more meaningful comparison of the underlying activities of the Minster and its Mission. This project completed in March 2016.

#### **Overall Financial Position before York Minster Revealed**

The Chapter accounts for the year ended 31 December 2016 show a net deficit of £391,000 (2015 surplus of £737,000), before the effect of the YMR project and before taking account of gains or losses on the valuation of non-investment properties and investments.

Incoming resources pre York Minster Revealed amount to £8,712,000 (2015: £7,585,000). This is an increase of £1,127,000 on prior year, principally due to an increase in grants for fabric projects, such as Camera Cantorum and the Great East Window Phase II. There was also gross income of £695,000 generated in 2016 as a result of producing the York Minster Mystery Plays during the summer, there was no such event in the prior year. £38,000 of this Mystery Play income was in relation to sponsorship, and was received into the trading subsidiary.

Total resources expended on mission amount to £9,103,000 (2015: £6,848,000) which is an increase of £2,255,000 on prior year. While the YMR project has been in progress, a portion of the Stoneyard costs were allocated to the project which benefitted the Chapter's results pre YMR in 2015. The project was completed in March 2016 and therefore there are nine months of Stoneyard costs now shown within total expenditure, contributing to £910,000 increase in expenditure. The expenditure incurred in producing and hosting the Mystery Plays was £1,284,000. This was within the original budget figure set for expenditure in 2015.

The cost of generating funds, including Mystery Plays, was £3,571,000 (2015: £2,337,000), resources expended on mission were £5,532,000 (2015: £4,511,000) including governance costs.

#### **Financial effects of significant events**

##### **Mystery Plays**

As discussed in the Dean's report, the 2016 Mystery Plays were produced by Chapter, this was a significant undertaking and financial commitment decision made in 2015. The vast majority of the costs were incurred prior to the performances commencing and were in line with budget.

The uptake of tickets was not as successful as forecast, due to various factors, and the ticket income from this event was significantly reduced, as a result the net cost to Chapter for producing the Mystery Plays was £589,000.

The legacy of undertaking this significant and award winning event is starting to be felt. The visitor numbers have seen an increase in the last quarter of 2016, which caused the visitor income to exceed the prior year at £2,697,000 (2015: £2,679,000) despite the Minster being closed to visitors at various times during the performances which ran over five weeks in the summer. The visitor numbers, including worshippers, were behind 2015 levels, at 185,286 for the period to 28<sup>th</sup> May 2016 (2015: 218,338). The second half of the year saw an increase in total visitor numbers, with visitors in the period from June to December 2016 reaching 245,080 (2015: 233,250).

## THE CHAPTER OF YORK

### 2016 Financial Review (continued)

#### **York Minster Revealed**

Full Permission to Start was granted by the Heritage Lottery Fund (“HLF”) in September 2011 with an award of £9,797,000 for the implementation of the project, which had a total approved cost in excess of £18 million. The project was successfully completed in March 2016, with the final claim being agreed in June 2016. The revised total project cost was £15,361,520, of which HLF funded £8,333,624.

Although the YMR project was fully funded, some funds were received prior to the start of the project, being recognised as income in the year of receipt. As these funds were used, to meet particularly the costs of the Stoneyard work, the expenditure was recognised in the accounts as a cost.

The displays in the Undercroft and at the East End were capitalised in previous years, to be written off over the life of the project and the YMR costs therefore included the depreciation charge of £445,000 in 2015. These assets were fully written down as at 31 December 2015 and therefore there is no such depreciation charge in 2016.

Total income in respect of York Minster Revealed in 2016 was £346,000 (2015: £1,602,000) of which, the HLF grant element was £188,000 (2015: £869,000). The final grant claim was made in March 2016.

The total effect of YMR on the 2016 results is £nil (2015 cost of £519,000).

#### **Overall Financial Position post York Minster Revealed**

The total result for the year is a surplus of £2,082,000 (2015: surplus £1,674,000), following an increase in the value of investments of £2,501,000 (2015: £463,000) and an actuarial loss on the defined benefit pension scheme of £28,000 (2015: actuarial gain of £993,000).

There have been significant worldwide events in 2016 which triggered improvements in the Stock Market, resulting in an increase in the value of investments of £2,501,000 (2015: £463,000). The value at which the non-investment properties are carried in the accounts is historic cost, with the last professional re-valuation, carried out in 2012 by Carter Jonas having been taken as deemed cost in 2014. No depreciation has been charged against non-investment properties due to their high residual values based on current prices.

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Depreciation is not provided on investment properties, in line with revised Cathedral Accounting regulations. Investment properties require an independent formal professional valuation of investment properties to be carried out at least every five years with material movements between valuations being included in the accounts. The last professional valuation for all property was carried out at 31 December 2012, and a professional valuation has been scheduled for 2017. There has been no material change in the market value of investment properties since 2012.

The total funds as at 31 December 2016 are made up of £31,623,000 endowed, £1,555,000 restricted and £13,001,000 unrestricted funds. The endowed funds can only be held for income generation as the Chapter does not have the power to spend the capital. The restricted funds are held for specific purposes. £nil (2015 £207,000) has been transferred to the designated fund for long term major fabric maintenance of the Minster. Further detail is provided in Note 18 to the accounts.

## THE CHAPTER OF YORK

### 2016 Financial Review (continued)

#### Incoming Resources

Detail to support the incoming resources summary in the Consolidated Statement of Financial Activities is provided in Note 3 to the Accounts.

Items of particular note are:

Income from legacies reduced by £622,000 in the year to £42,000. The Friends of York Minster, York Minster Fund and local trusts provided much valued financial support for various projects and for apprentices. Income from these sources increased by £315,000 to £666,000, excluding amounts received in respect of the York Minster Revealed project.

Income from visitors increased by £18,000 to £2,697,000 (2015: £2,679,000) this is despite the necessary closures during the running of the Mystery Plays performances, one of the legacies of the Mystery Plays was an increase in visitor numbers in the second half of the year which generated a better than budgeted visitor income figure for this period.

Income from investment property has increased to £517,000 (2015: £414,000), this is a movement towards the 2013 levels of £556,000, principally due to several commercial properties having been re-let during the year.

#### Expenditure on Generating Funds

Further detail is provided in Note 4 to the Accounts. The cost of producing of the Mystery Plays in the summer was £1,284,000 (2015: £124,000). The costs were in line with the budget for this project, and this was the most significant driver to the increase of £1,234,000 to expenditure on raising funds.

#### Expenditure on Mission

An analysis is provided in Note 4 to the accounts.

#### Investment properties

The return on the investment portfolio was as follows:

	2016		2015	
	£'000	£'000	£'000	£'000
Total Return on investment property				
Gross rents receivable		517		414
Repairs and maintenance	158		161	
Agents management fees	37		28	
Other agent fees	11		24	
Quinquennials	10		-	
Legal fees	20		13	
Utility and other costs	10		12	
Insurance	5		5	
		251		243
Net income from investment property		266		171

## THE CHAPTER OF YORK

### 2016 Financial Review (continued)

#### Investment properties (continued)

The Cathedral Accounting Regulations require an independent formal professional valuation to be carried out at least every five years with material movements between valuations being included in the accounts. A valuation was carried out at 31 December 2012. Chapter can confirm that there is no material change since that date and that agents have been instructed to carry out a formal valuation in 2017. Further detail is provided in Note 8 and above.

#### Cathedral and precincts upkeep

The completion of the York Minster Revealed project in March 2016 led to an increase in major repairs and restoration costs of £968,000 as other significant fabric projects, notably Camera Cantorum and work on the South Quire Aisle were undertaken in the year.

#### Investments policy and performance

The investment objective is to ensure the creation of sufficient income and capital growth to enable the Chapter to carry out its purposes consistently year by year with due and proper consideration to the future needs and maintenance and if possible enhancement of the invested funds.

The investments held by the Chapter were managed during the period by two investment managers, Rathbone Investment Management Limited ("Rathbones") and CCLA Investment Management Limited ("CCLA").

Rathbones achieved a total return of 16.7% (2015 -0.46%) compared with the agreed benchmark of 18.3% (2015 - 2.66%). Funds held with CCLA in The CBF Church of England Property Fund produced a return of 2.6% (2015 14.7%) against the IPD Property Index of 2.8% (2015 13.6%).

	Total 2016 £'000	Total 2015 £'000
Total return on investments		
Gross Income from Investments	621	539
Unrealised gains	2,425	604
Gains/(losses) on disposals	76	(141)
Gains (Note 8)	2,501	463
	3,122	1,002
Investment management costs	101	44
Net gain	3,021	958

During the year the Finance Committee, Audit Committee and Chapter have reviewed the risks with respect to adopting a total return approach to permanent endowment funds. Chapter intend to adopt a total return approach to investments in 2017.

## THE CHAPTER OF YORK

### 2016 Financial Review (continued)

#### **Reserves policy**

Chapter aims to hold unrestricted free reserves at a level that enables management of financial risk, preservation and maintenance of our assets and for fulfilment of the mission. The unrestricted free reserves are held to ensure that financial commitments can be met as they fall due, sustain optimal levels of investment in the fabric of the Minster and allow investment and preservation of property portfolio over the longer term. The unrestricted free reserves also provide financial protection against income uncertainty (e.g. investment market risk or change in operating context).

Reserves are an inherent part of the risk management process. The need for reserves will vary depending on our financial position and our assessment of the many risks we face at a particular time. Reserves thresholds are assessed as part of our strategic planning process, currently on an annual basis. The need to maintain and strengthen reserves is also taken into account in the annual planning and budgeting process. The latest assessment of these requirements took place during the budgeting process in October 2016. As a result of this review, the target level of free unrestricted reserves is currently set at £7,500,000.

This threshold has been set by Chapter following an assessment of the following factors:

- The need to provide short-term protection against downward fluctuations in annual revenues, such as legacies;
- The need to provide long term strategic financial support to aid master-planning, fulfilment of our five year strategy and maintain our endowment property investment portfolio;
- The need to finance contingencies as and when required;
- The need to provide a financial cushion in the event of extreme circumstances affecting ability to operate;
- The need to protect Chapter from investment market risk.

The level unrestricted reserves held as at 31 December 2016 is £13,001,000 of which £726,000 are designated for long term major fabric of the Minster, £560,000 as a pension reserve and £1,517,000 are held as fixed assets, leaving £10,198,000 free unrestricted reserves. The level of these reserves is subject to volatility and under annual review.

#### **Designated funds**

£726,000 has been designated by Chapter for the long term major fabric maintenance of the Minster. There are no proposed transfers into this designated fund in 2016 due to there being an unrestricted deficit generated in the year. In the year to December 2015 an amount of £207,000 was transferred into this designated fund. This represented the total unrestricted legacy income plus 33% of the remaining unrestricted surplus (net of legacy income).

#### **Principal risks and uncertainties**

Chapter maintains a risk register, this is a live document which is re-visited on a quarterly basis, with control procedures being identified for each risk and the risk likelihood and severity being assessed.

## THE CHAPTER OF YORK

### Principal risks and uncertainties (continued)

The uncertainty provoked by the EU referendum as well as other risks surrounding the Cathedral make it vital for the Risk-register to be re-visited regularly. The register focuses on the risks that could impact upon organisational strategic aims and the uncertainties that may prevent achievement of the five year strategic plan.

A number of the principal risks and uncertainties facing the cathedral and its subsidiary undertaking, and Chapter's plans and strategies for managing these are set out in the Dean's report for the year in the 'Responsible Stewardship' section.

One of the significant risks identified in the risk register is the Cathedral sector risk that there is insufficient state or church wide capital funding to ensure the conservation and restoration of medieval Cathedral fabric. The Chapter is lobbying various potential funding bodies to ensure that the need and impact of the Cathedral sector is more widely understood.

There is a risk of over-reliance upon visitor income streams, a master-planning project is currently underway in order to identify additional income streams and diversification potential in order to address this risk.

There is uncertainty surrounding the full implications of Brexit and the financial risks associated with holding a significant amount of both equity and property investments in an uncertain economic climate. The reserves policy, which is stated above, was set with the risks of volatility of income and commitment to expenditure in mind. The current level of free reserves held enables Chapter to address any contingency as it arises.

The Audit Committee is cognisant of the range of risks that the Minster must manage, both strategically and operationally; given the number and significance of events, changes and developments that have taken place during 2016, the Committee reviewed the processes for assessing and managing risk. The results of this review were discussed with the auditors as part of the review of the annual report and accounts. Based on this work, the Committee has concluded that the internal controls and management systems have taken into account the lessons learned from experiences in 2016, and are appropriate for the coming year.

### Public Benefit

As a Cathedral of the Church of England the Chapter's statutory responsibility under the Cathedrals Measure 1999 is to be the seat of the Diocesan Bishop and a centre of worship and mission. The Dean's Report sets out in detail how Chapter provides a benefit to the public through its support for the Archbishop of York and the Church of England throughout the Northern Province, its provision of worship of world class standard, and the increasing excellence of its welcome, conservation and learning work with opportunity provided for all. The Report gives details of particular achievements in 2016.

The Cathedral has had due regard to the guidance set by the Church Commissioners on public benefit and, although the Cathedral is not governed by the Charity Commission, the Church Commissioners guidance has had due regard to the Charity Commissions guidance on public benefit.

## THE CHAPTER OF YORK

### Plans for future periods

Chapter is keenly aware of the challenges and opportunities it faces: we know we must continue to fund the vital restoration to the historic stone and glass of the Minster; we need to find resources to continue to care for the properties which make up the Minster precinct; the school must develop, listening both to the feedback of parents and the Independent Schools Inspectorate; maintaining our strong musical tradition requires significant investment of time, money and intellect, we are determined to remain at the forefront of the cathedral choral tradition; we couldn't sustain our operation without the support of some five hundred plus volunteers, and we must ensure we are able to retain and attract new people who wish to gift us their time and experience; we know we lack some of the core facilities we need to offer hospitality and welcome and so we must direct energy and effort to resolving this gap in our provision; we are mindful too of the fact that the Minster is an outward-facing institution, one which must respond to those who are coming through our doors, whatever their motivation, and that we must offer a consistently world-class welcome. The tasks ahead of us are manifold, complex and interconnected.

The creation of a Masterplan which sequences the many projects which Chapter must attend to, provides guidelines on standards, demonstrated return on investment, handles risk and manages resources is a necessity. The Masterplan will give Chapter confidence that it is managing its limited resources appropriately and providing sustainable stewardship for the generations to come.

### Structure, Governance and Management

#### **Constitution and Statutes**

The Cathedral is an ecclesiastical corporation, governed by the Constitution and Statutes for the Cathedral and Metropolitan Church of St Peter in York, prepared in accordance with the Cathedrals Measure 1999, confirmed by Instrument made on 23 April 2000 and revised with effect from 1 June 2008 by Amendment Instruments dated 29 May 2008.

#### **Role in the Diocese**

The Chapter of York plays an active role, across the Diocese of York and the Northern Province of the Church of England supporting the work of the Archbishop, sharing our skills and knowledge and working with communities and partners to further our mission.

#### **Organisational Structure**

##### ***The Visitor***

The Visitor of the Cathedral Church is the Archbishop of York, the Most Revd and Rt Hon John Tucker Mugabi Sentamu.

As Visitor, the Archbishop has the right to be present and to speak, but not vote, at any meeting of the Cathedral Council.

##### ***Body Corporate***

The members for the time being of the Chapter, the Council and the College of Canons of the Metropolitan Church of St Peter in York, shall be a body corporate with perpetual succession and a common seal.

## THE CHAPTER OF YORK

### Structure, Governance and Management (continued)

#### ***The Chapter***

The Chapter consists of the Dean, up to six Residentiary Canons and up to six lay members. A full list is on page 4.

Members of the Chapter are appointed under the terms of the Constitution and Statutes of the Minster currently in force. They are appointed by the Archbishop of York with the exception of the Dean who is appointed by the Crown. Under the terms of the Constitution and Statutes of the Minster, lay members of the Chapter are appointed for terms of three years, after consultation with the Dean. Members of Chapter must be actual communicants of the Church of England, and on admission to office swear an oath of allegiance to the Cathedral and its statutes.

The duty of the Chapter is to direct and oversee the administration of the Cathedral Church. It is required to meet on at least nine times in each calendar year. Each member of Chapter has one vote, the Dean as Chair having a second or casting vote.

New members of Chapter receive training externally through the Association of English Cathedrals (AEC). Chapter's arrangements for setting the pay and remuneration of key senior staff do not differ from the arrangements for appointing all lay staff.

#### ***The Council***

The Cathedral Council consists of a lay Chairman appointed by the Archbishop, the Dean and up to eighteen other members appointed for three years. The membership includes up to five members of the Chapter and two members of the College of Canons. A full list is on page 4. The Council is required to meet at least twice a year to further and support the mission and work of the Minster by advising the Chapter. The Council also receives the annual Budget and the annual Accounts.

#### ***The College of Canons***

The College of Canons consists of the Dean (Chair), the Residentiary and the lay members of the Chapter, the Suffragan Bishops and Archdeacons of the Diocese of York and nominated persons (both clergy and lay) all appointed by the Archbishop. A full list is on page 5. The College meets at least twice a year to hear reports from the Chapter and to receive the annual Accounts.

In addition to the Chapter change noted above, four new members were appointed to the College during the year: The Revd Canon Dr Daphne M Green, The Revd Canon Rachel E Harrison, The Revd Canon W Malcolm Macnaughton and The Revd Canon Christopher Wilton were installed on 25 September 2016.

#### ***The Finance Committee***

This Committee has the duty to advise Chapter in connection with its responsibilities in financial and investment management and in the management of property belonging to the Cathedral Church if required to do so. Members, listed on page 6, are selected for their financial or investment experience.

#### ***The Audit Committee***

This committee has responsibility to assess whether the risk management processes established and monitored by Chapter are appropriate to the circumstances of the Minster, and are responsive to changes in the operating and financial environment. Specifically, the Committee approves the scope of the external audit and reviews the audit findings prior to their being reported to the Finance Committee and Chapter.

## THE CHAPTER OF YORK

### Structure, Governance and Management (continued)

#### Statement of the responsibilities of the Chapter in respect of the financial statements

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

- a. preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- b. stating that they have complied in all material respects with the regulations on the subject prepared by The Cathedrals Administration and Finance Association or describing which regulations have not been complied with and giving reasons for non compliance;
- c. selecting suitable accounting policies and then applying them consistently;
- d. making judgements and estimates that are reasonable and prudent.
- e. keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time;
- f. safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- g. the maintenance and integrity of the corporate and financial information included on the Chapter's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Investment powers

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

- land
- funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Limited
- investments in which trustees may invest in under the general powers 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 nor its auxiliary buildings.

On behalf of the Chapter:



The Very Revd Dr V F Faull 11<sup>th</sup> May 2017

**Dean**

## THE CHAPTER OF YORK

### INDEPENDENT AUDITORS' REPORT TO THE CHAPTER OF YORK

We have audited the consolidated financial statements of the Chapter of York for the year ended 31 December 2016 which comprise the statement of financial activities, the balance sheets, the cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Chapter, as a body. Our audit work has been undertaken so that we might state to the Chapter those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE CHAPTER AND THE AUDITORS

As explained more fully in the statement of the Chapter's responsibilities, the Chapter is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 27 of the Cathedrals Measure 1999 and report in accordance with regulations made under that section. 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 Practice Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the Chapter's affairs as at 31 December 2016 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been properly prepared in accordance with the regulations specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

  
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Date

JWP Creers LLP  
Chartered Accountants and Registered Auditors  
Genesis 5  
Church Lane  
Heslington  
York YO10 5DQ

**THE CHAPTER OF YORK**
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2016 £'000	Total funds 2015 £'000
<b>Income and endowments from:</b>						
Donations and legacies		371	335	-	706	1,270
Grants in support of mission		-	1,213	-	1,213	433
Charges and fees arising in the course of mission		1,808	1	-	1,809	1,162
Trading and fundraising		3,844	-	-	3,844	3,751
Investments		1,113	25	-	1,138	953
Other income		2	-	-	2	16
<b>Total income before YMR</b>	<b>3</b>	<b>7,138</b>	<b>1,574</b>	<b>-</b>	<b>8,712</b>	<b>7,585</b>
<b>Expenditure on:</b>						
Raising funds		(3,520)	(4)	(47)	(3,571)	(2,337)
Ministry		(855)	(152)	-	(1,007)	(1,004)
Cathedral and precincts upkeep		(1,313)	(1,308)	-	(2,621)	(1,711)
Education and outreach		(1,892)	(12)	-	(1,904)	(1,796)
<b>Total expenditure before YMR</b>	<b>4</b>	<b>(7,580)</b>	<b>(1,476)</b>	<b>(47)</b>	<b>(9,103)</b>	<b>(6,848)</b>
<b>Net (outgoing)/incoming resources before York Minster Revealed ("YMR")</b>		<b>(442)</b>	<b>98</b>	<b>(47)</b>	<b>(391)</b>	<b>737</b>
YMR	6	-	-	-	-	(519)
<b>Net (outgoing)/incoming resources before investment gains</b>		<b>(442)</b>	<b>98</b>	<b>(47)</b>	<b>(391)</b>	<b>218</b>
Net gains on Investments		1,240	109	1,152	2,501	463
<b>Net income</b>		<b>798</b>	<b>207</b>	<b>1,105</b>	<b>2,110</b>	<b>681</b>
Gross transfers between funds		161	(161)	-	-	-
		<b>959</b>	<b>46</b>	<b>1,105</b>	<b>2,110</b>	<b>681</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	14	(28)	-	-	(28)	993
<b>Net movement in funds</b>		<b>931</b>	<b>46</b>	<b>1,105</b>	<b>2,082</b>	<b>1,674</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		12,070	1,509	30,518	44,097	42,423
<b>Funds carried forward</b>	<b>17</b>	<b>13,001</b>	<b>1,555</b>	<b>31,623</b>	<b>46,179</b>	<b>44,097</b>

Endowment funds are held for income generation and the Chapter does not have the power to spend the capital.

**THE CHAPTER OF YORK**
**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2016**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2016 £'000	Total funds 2015 £'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	7	325	-	10,910	11,235	12,035
Investments	7	10,799	927	10,486	22,212	19,753
		<u>11,124</u>	<u>927</u>	<u>21,396</u>	<u>33,447</u>	<u>31,788</u>
<b>Non-investment assets</b>						
Property	8	922	-	10,644	11,566	10,417
Equipment and plant	8	270	-	-	270	166
		<u>1,192</u>	<u>-</u>	<u>10,644</u>	<u>11,836</u>	<u>10,583</u>
<b>Total fixed assets</b>		<b>12,316</b>	<b>927</b>	<b>32,040</b>	<b>45,283</b>	<b>42,371</b>
<b>CURRENT ASSETS</b>						
Stocks	9	150	-	-	150	178
Debtors	10	742	287	-	1,029	1,601
Cash at bank and on deposit		1,512	383	(417)	1,478	1,943
		<u>2,404</u>	<u>670</u>	<u>(417)</u>	<u>2,657</u>	<u>3,722</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,159)	(42)	-	(1,201)	(1,165)
		<u>(1,159)</u>	<u>(42)</u>	<u>-</u>	<u>(1,201)</u>	<u>(1,165)</u>
<b>NET CURRENT ASSETS</b>		<b>1,245</b>	<b>628</b>	<b>(417)</b>	<b>1,456</b>	<b>2,557</b>
		<u>1,245</u>	<u>628</u>	<u>(417)</u>	<u>1,456</u>	<u>2,557</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,561</b>	<b>1,555</b>	<b>31,623</b>	<b>46,739</b>	<b>44,928</b>
		<u>13,561</u>	<u>1,555</u>	<u>31,623</u>	<u>46,739</u>	<u>44,928</u>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(560)	-	-	(560)	(831)
		<u>(560)</u>	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>(831)</u>
<b>TOTAL NET ASSETS</b>		<b>13,001</b>	<b>1,555</b>	<b>31,623</b>	<b>46,179</b>	<b>44,097</b>
		<u>13,001</u>	<u>1,555</u>	<u>31,623</u>	<u>46,179</u>	<u>44,097</u>
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general		11,715	-	-	11,715	10,513
Unrestricted designated		726	-	-	726	726
Restricted fabric fund		-	244	-	244	329
Restricted other funds		-	1,311	-	1,311	1,180
Endowment funds		-	-	31,623	31,623	30,518
Pension reserve		560	-	-	560	831
		<u>13,001</u>	<u>1,555</u>	<u>31,623</u>	<u>46,179</u>	<u>44,097</u>
<b>Total Cathedral funds</b>	17	<b>13,001</b>	<b>1,555</b>	<b>31,623</b>	<b>46,179</b>	<b>44,097</b>
		<u>13,001</u>	<u>1,555</u>	<u>31,623</u>	<u>46,179</u>	<u>44,097</u>

The financial statements were approved by the Chapter on 11<sup>th</sup> May 2017 and signed on their behalf by:



The Very Revd Dr V F Faul  
Dean



Canon Dr A S Green  
Canon Treasurer

**THE CHAPTER OF YORK**
**BALANCE SHEET AS AT 31 DECEMBER 2016**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2016 £'000	Total funds 2015 £'000
<b>FIXED ASSETS</b>						
<b>Investment assets</b>						
Property	7	325	-	10,910	11,235	12,035
Investments	7	10,799	927	10,486	22,212	19,753
		<u>11,124</u>	<u>927</u>	<u>21,396</u>	<u>33,447</u>	<u>31,788</u>
<b>Non-investment assets</b>						
Property	8	922	-	10,644	11,566	10,417
Equipment and plant	8	270	-	-	270	166
		<u>1,192</u>	<u>-</u>	<u>10,644</u>	<u>11,836</u>	<u>10,583</u>
<b>Total fixed assets</b>		<b>12,316</b>	<b>927</b>	<b>32,040</b>	<b>45,283</b>	<b>42,371</b>
<b>CURRENT ASSETS</b>						
Stocks	9	13	-	-	13	14
Debtors	10	1,057	287	-	1,344	1,895
Cash at bank and on deposit		1,275	383	(417)	1,241	1,747
		<u>2,345</u>	<u>670</u>	<u>(417)</u>	<u>2,598</u>	<u>3,656</u>
<b>LIABILITIES DUE WITHIN ONE YEAR</b>						
Creditors	11	(1,115)	(42)	-	(1,157)	(1,114)
		<u>(1,115)</u>	<u>(42)</u>	<u>-</u>	<u>(1,157)</u>	<u>(1,114)</u>
<b>NET CURRENT ASSETS</b>		<b>1,230</b>	<b>628</b>	<b>(417)</b>	<b>1,441</b>	<b>2,541</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>						
		<b>13,546</b>	<b>1,555</b>	<b>31,623</b>	<b>46,724</b>	<b>44,913</b>
<b>LIABILITIES DUE AFTER ONE YEAR</b>						
Defined benefit scheme liability	12	(560)	-	-	(560)	(831)
		<u>(560)</u>	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>(831)</u>
<b>TOTAL NET ASSETS</b>		<b>12,986</b>	<b>1,555</b>	<b>31,623</b>	<b>46,164</b>	<b>44,082</b>
<b>THE FUNDS OF THE CATHEDRAL</b>						
Unrestricted general fund		11,700	-	-	11,700	10,498
Unrestricted designated fund		726	-	-	726	726
Restricted fabric fund		-	244	-	244	329
Restricted other funds		-	1,311	-	1,311	1,180
Endowment funds		-	-	31,623	31,623	30,518
Pension reserve		560	-	-	560	831
		<u>12,986</u>	<u>1,555</u>	<u>31,623</u>	<u>46,164</u>	<u>44,082</u>
<b>Total Cathedral funds</b>	17	<b>12,986</b>	<b>1,555</b>	<b>31,623</b>	<b>46,164</b>	<b>44,082</b>

The financial statements were approved by the Chapter on 11<sup>th</sup> May 2017 and signed on their behalf by:

  
The Very Revd Dr V F Faulk  
Dean

  
Canon Dr A S Green  
Canon Treasurer

**THE CHAPTER OF YORK**
**CONSOLIDATED CASH FLOW STATEMENT AND SUPPORTING NOTES  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	1	(721)	(386)
<b>Cash flows from investing activities:</b>			
Rents received net of costs		266	171
Investment income received net of costs		520	494
Purchase of property, plant and equipment		(572)	(173)
Proceeds from sale of investments		2,069	18,260
Purchase of investments		(2,027)	(18,852)
		—	—
Net cash provided by/(used in) financing activities		256	(100)
<b>Cash flows from financing activities:</b>			
Receipt of Endowment		-	100
		—	—
<b>Change in cash and cash equivalents in the year</b>		<b>(465)</b>	<b>(386)</b>
Cash and cash equivalents at the beginning of the reporting year		1,943	2,329
		—	—
<b>Cash and cash equivalents at the end of the reporting year</b>		<b>1,478</b>	<b>1,943</b>

**1. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2016 £'000	2015 £'000
Net (expenditure)/income in the year	(391)	218
<b>Adjustments for:</b>		
Depreciation charges	119	556
Pension scheme contributions paid	(323)	(311)
Pension scheme interest cost	24	35
Income added to Endowment capital	-	(100)
Income from property and investments	(1,138)	(953)
Property management costs, rental collection fees and investment management costs	352	288
Decrease in stocks	28	26
Decrease/(increase) in debtors	572	(153)
Increase in creditors	36	8
	—	—
Net cash used in operating activities	(721)	(386)

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2016

#### 1. ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention as modified by the revaluation of investments and investment property, in accordance with applicable accounting standards and follow, with one exception, the Accounting and Reporting Regulations for English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 (the Regulations) as modified in February 2015.

The departure relates to the treatment of York Minster Revealed ("YMR"). As the amounts shown in relation to this five year project (which ran from 2011 until 2016) were significant, leading to a distortion of the figures, income and expenditure have been shown separately within the accounts to allow a more meaningful comparison of the underlying activities of the Minster and its Mission. More detail is provided in Note 7.

#### **Basis of Consolidation**

The group financial statements consolidate the accounts of the Chapter of York, its subsidiary undertaking, York Minster Enterprises Limited and the Minster School. Transactions between group entities are eliminated on consolidation. No Statement of Financial Activities (SOFA) is presented for the Chapter of York alone as permitted by the Regulations.

#### **Incoming Resources**

All incoming resources, including legacies, are included in the SOFA when the Chapter is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

Since 1 April 2002 assets given for use by the Chapter are recognised as incoming resources when receivable at an estimate of their open market value. Prior to the adoption of this policy, no value was attributed to donated assets.

#### **Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure on repairs, restoration and maintenance of the Cathedral is charged as incurred. Expenditure on Investment property is charged against revenue unless the work results directly in a substantial increase in the value of the property and also an increase in rental income when it is capitalised. Irrecoverable VAT has been added to the item of expenditure giving rise to it.

#### **Allocation of support costs**

The Accounting and Reporting Regulations require allocation of the support costs to those activities which they directly support. In the case of shared costs, these have been allocated in proportion to either the numbers of staff involved, their time or salary costs; whichever is most applicable to that category of expenditure. Audit and legal fees are allocated to governance costs which are included within support costs.

#### **Cathedral**

The Cathedral is not valued in the financial statements on the grounds that it is historic and inalienable and being held for the continuing use and mission of the Cathedral. The Cathedral is a priceless asset and is insured at a value agreed with the Ecclesiastical Insurance Group, representing the cost of restoration and repair in the event of a serious loss but not complete rebuilding.

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2016

#### 1. ACCOUNTING POLICIES (continued)

##### Heritage Assets

Heritage assets held by the Chapter are of historical or artistic importance and are held and maintained principally for their contribution to knowledge and culture or held to advance preservation or conservation objectives. The Chapter considers that the cost of obtaining a valuation of the historic heritage assets in its care would be disproportionate when compared with the benefit derived by the users of the accounts. No value is attributed to items included in the Cathedral Inventory as, being of architectural, archaeological, artistic or historic interest; they are for Cathedral use and cannot be measured at a monetary value with sufficient reliability. Going forwards any additional Heritage Assets acquired will be brought into the accounts at an independently determined valuation, and a record of movements maintained. Acquisitions of Heritage Assets are largely by donation. The Heritage Assets are deemed to have indeterminate lives and the Chapter do not therefore consider it appropriate to charge depreciation on future acquisitions. Expenditure which is required to preserve or prevent deterioration of the Heritage Assets is recognised in the Statement of Financial Activities when it is incurred.

##### Tangible Fixed Assets and Depreciation

The Cathedral Accounting Regulations require an independent formal professional valuation of investment properties to be carried out at least every five years with material movements between valuations being included in the accounts. Each year the properties are reviewed to ensure that the value is not significantly different from the last formal valuation.

The investment properties were valued at 31 December 2012 by Carter Jonas, Chartered Surveyors.

Investment properties are included at fair value at the reporting date, depreciation is not provided on investment property.

Non investment properties, which are occupied by clergy and lay employees of the Cathedral, the offices, library, school and Stoneyard are included at historical cost. On transition to Cathedrals regulations 2015 the previous professional revaluation, undertaken by Carter Jonas in 2012 has been used as the deemed cost on the non-investment properties, as permitted by section 7.3.4 of the regulations. Depreciation has not been charged on non-investment property due to the high residual value based on current prices. There is a policy and practice of regular maintenance of these properties and the property is unlikely to suffer obsolescence.

Since 1 January 2013, tangible fixed assets, other than property, costing more than £5,000 on acquisition (1 April 2002 to December 2012 £2,000) are capitalised and included at cost, including any incidental expenses of acquisition. These assets are depreciated to write off the cost over their expected useful lives at the following rates:

Computer and telephone equipment	3 years
All other equipment and plant	5 years

The Chapter consider that the properties need not be depreciated due to the policy of maintaining these assets to such a standard that they retain a high residual value.

Capitalised assets arising from expenditure at the East End and in the Undercroft on the YMR project have been written off over the life of the project, which ended in 2016.

##### Stock

Stock is valued at the lower of cost and net realisable value.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**1. ACCOUNTING POLICIES (continued)**
**Listed Investments**

The funds managed by Rathbone Investment Management Limited have been valued at the last traded price. The holdings in the CCLA Investment Fund are valued at the mid market price. The valuation of holdings in the CCLA Property Fund is based on the net asset value of a share.

Realised and unrealised gains or losses are shown on the SOFA.

**Fund Accounting**

Endowment funds are funds which are held for the permanent benefit of the Cathedral. There is no power to convert capital into income.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the Cathedral. Restrictions arise when specified by the funder or when funds are raised for a specific purpose.

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

Designated funds are funds set aside by the Chapter out of the unrestricted common fund for specific purposes or projects

**Pensions**

The Chapter participates in four contributory pension schemes for employees: the Church of England Funded Pension Scheme, the Church of England Defined Benefit Scheme (based on final salary, and which has been closed to new members as from 31 March 2002), the Church of England Pension Builder Scheme and the Teachers' Pension Defined Benefit Scheme. Contributions are paid to approved funds and are charged as expenditure in the year in which they accrue. Chapter also participates in the Church of England Funded Pensions Scheme, on behalf of one member of the clergy. Further details are provided in Note 14.

**2. EMPLOYEES**

	2016	2015
<b>The average number of employees (full time equivalents) was:</b>		
Chapter	117	130
York Minster Enterprises Limited	8	10
The Minster School	29	29
	—	—
	154	169
	====	====

As at 31 December 2016, there were 245 full and part time employees (217 at 31 December 2015).

	£'000	£'000
<b>The total cost of all paid staff of the Cathedral was:</b>		
Salaries and stipends	3,922	4,126
Redundancy payments	26	-
Employer's National Insurance costs	320	310
Employer's pension costs	744	730
	—	—
	5,012	5,166
	====	====

**THE CHAPTER OF YORK**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**

**2. EMPLOYEES (continued)**

There was one employee (2015 one) whose earnings fell in the band between £60,000 and £70,000. Employer pension contributions of £11,466 (2015 £10,287) were paid in the year in respect of this employee.

Two employees were made redundant during the course of 2016 and the payments in respect of these redundancies are shown above.

The members of Chapter received the following remuneration for the year ended 31 December 2016

	Stipend	Pension Contributions	Total
	£	£	£
The Very Revd Dr V F Faul	38,821	11,539	50,360
The Revd Canon P J Moger	29,501	9,231	38,732
The Revd Canon Dr C P Collingwood	29,570	9,231	38,801
The Revd Canon M D Smith	29,522	9,231	38,753

The Ven D Butterfield and the Lay Canons Green, Winkley, Harkin and Shephard received no remuneration for their voluntary work.

The Dean and Residentiary Canons receive stipends in accordance with the scales laid down by the Church Commissioners, the Archbishops Council and the Church of England Pensions Board. In addition, in line with a number of other cathedrals, Residentiary Canons may receive augmentation payments in respect of their responsibilities.

Four (2015 five) members of Chapter were reimbursed a total of £7,953 (2015 £8,153) in respect of travel and subsistence whilst carrying out the business of the Chapter. One member of Chapter received payment of £1,950 (2015 £nil) in respect of services rendered as a deputy songman during the course of 2016.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**

3.	<b>INCOMING RESOURCES</b>	Unr. Funds	Rest. funds	End. funds	Total funds 2016	Unr. funds	Rest. funds	End. funds	Total funds 2015
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	<b>Donations and legacies:</b>								
	Congregational collections and giving	236	-	-	<b>236</b>	244	-	-	244
	Donations	102	246	-	<b>348</b>	114	64	-	178
	Tax recoverable under Gift Aid								
	On voluntary donations	33	-	-	<b>33</b>	37	-	-	37
	Income from Friends and local trusts	-	47	-	<b>47</b>	5	142	-	147
	Legacies	-	42	-	<b>42</b>	181	383	100	664
		371	335	-	<b>706</b>	581	589	100	1,270
	<b>Grants in support of mission:</b>								
	Church commissioners	-	138	-	<b>138</b>	-	143	-	143
	York Minster Fund	-	619	-	<b>619</b>	-	204	-	204
	Other revenue and capital grants	-	456	-	<b>456</b>	-	86	-	86
		-	1,213	-	<b>1,213</b>	-	433	-	433
	<b>Charges arising in course of mission:</b>								
	Facility and other fees	128	1	-	<b>129</b>	171	-	-	171
	Mystery Plays Income	657	-	-	<b>657</b>	-	-	-	-
	Gross income of the choir school	1,023	-	-	<b>1,023</b>	991	-	-	991
		1,808	1	-	<b>1,809</b>	1,162	-	-	1,162
	<b>Trading and fundraising:</b>								
	Charges to visitors	2,697	-	-	<b>2,697</b>	2,679	-	-	2,679
	Gift aid on entrance charges	158	-	-	<b>158</b>	158	-	-	158
	Shop income	862	-	-	<b>862</b>	783	-	-	783
	Other activities	127	-	-	<b>127</b>	131	-	-	131
		3,844	-	-	<b>3,844</b>	3,751	-	-	3,751
	<b>Investments:</b>								
	Investment property income	517	-	-	<b>517</b>	414	-	-	414
	Investment income	596	25	-	<b>621</b>	518	21	-	539
	Interest on cash deposits	-	-	-	-	-	-	-	-
		1,113	25	-	<b>1,138</b>	932	21	-	953
	Other income	2	-	-	<b>2</b>	16	-	-	16
	<b>Total incoming resources</b>	<b>7,138</b>	<b>1,574</b>	<b>-</b>	<b>8,712</b>	<b>6,442</b>	<b>1,043</b>	<b>100</b>	<b>7,585</b>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**4. EXPENDITURE**

	Note	Unr. Funds £'000	Rest. funds £'000	End. funds £'000	Total funds 2016 £'000	Unr. funds £'000	Rest. funds £'000	End. funds £'000	Total funds 2015 £'000
<b>Expenditure on raising funds:</b>									
Facilities for visitors		919	-	-	<b>919</b>	958	-	-	958
Mystery Plays expenditure		1,284	-	-	<b>1,284</b>	14	110	-	124
Shop expenditure		660	-	-	<b>660</b>	650	-	-	650
Investment property expenses		251	-	-	<b>251</b>	243	-	-	243
Investment management fees		50	4	47	<b>101</b>	21	2	21	44
Defined benefit scheme deficit interest		24	-	-	<b>24</b>	35	-	-	35
Allocated support costs		332	-	-	<b>332</b>	283	-	-	283
		<u>3,520</u>	<u>4</u>	<u>47</u>	<u><b>3,571</b></u>	<u>2,204</u>	<u>112</u>	<u>21</u>	<u>2,337</u>
<b>Ministry:</b>									
Clergy stipends and working expenses		42	138	-	<b>180</b>	35	143	-	178
Clergy housing costs		43	-	-	<b>43</b>	42	-	-	42
Clergy support costs		66	-	-	<b>66</b>	58	-	-	58
Services, music and congregational costs		526	14	-	<b>540</b>	588	6	-	594
Allocated support costs		178	-	-	<b>178</b>	132	-	-	132
		<u>855</u>	<u>152</u>	<u>-</u>	<u><b>1,007</b></u>	<u>855</u>	<u>149</u>	<u>-</u>	<u>1,004</u>
<b>Cathedral and precincts upkeep:</b>									
Major repairs and restoration		443	1,308	-	<b>1,751</b>	356	427	-	783
Maintenance and interior upkeep		170	-	-	<b>170</b>	195	-	-	195
Cathedral insurance		102	-	-	<b>102</b>	93	-	-	93
Precincts, security and gardens upkeep		252	-	-	<b>252</b>	260	-	-	260
Other costs		88	-	-	<b>88</b>	120	-	-	120
Allocated support costs		258	-	-	<b>258</b>	260	-	-	260
		<u>1,313</u>	<u>1,308</u>	<u>-</u>	<u><b>2,621</b></u>	<u>1,284</u>	<u>427</u>	<u>-</u>	<u>1,711</u>
<b>Education and outreach:</b>									
Choir school costs	16	1,287	-	-	<b>1,287</b>	1,199	-	-	1,199
Educational activities		201	1	-	<b>202</b>	147	-	-	147
Archives and library		176	3	-	<b>179</b>	173	-	-	173
Charitable and other giving		113	8	-	<b>121</b>	135	5	-	140
Allocated support costs		115	-	-	<b>115</b>	137	-	-	137
		<u>1,892</u>	<u>12</u>	<u>-</u>	<u><b>1,904</b></u>	<u>1,791</u>	<u>5</u>	<u>-</u>	<u>1,796</u>
<b>Total expenditure</b>		<u><b>7,580</b></u>	<u><b>1,476</b></u>	<u><b>47</b></u>	<u><b>9,103</b></u>	<u><b>6,134</b></u>	<u><b>693</b></u>	<u><b>21</b></u>	<u><b>6,848</b></u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**5. GOVERNANCE AND SUPPORT COSTS**

	Unrestricted funds	Restricted funds	Total funds 2016	Total funds 2015
	£'000	£'000	£'000	£'000
<b>Support costs</b>				
Governance costs	12	-	12	35
Staff costs	536	-	536	465
Information technology	133	-	133	120
Training and recruitment	46	-	46	44
Insurance	19	-	19	32
Health and safety	27	-	27	35
General office costs	129	-	129	131
	<u>902</u>	<u>-</u>	<u>902</u>	<u>862</u>
	<u><u>902</u></u>	<u><u>-</u></u>	<u><u>902</u></u>	<u><u>862</u></u>
<b>Support costs allocated</b>			2016	2015
			£'000	£'000
Cost of generating funds			332	283
Ministry			178	132
Cathedral and precincts upkeep			258	260
Education and outreach			115	137
York Minster Revealed			19	50
			<u>902</u>	<u>862</u>
			<u><u>902</u></u>	<u><u>862</u></u>

**6. YORK MINSTER REVEALED**

Income and expenditure relating to York Minster Revealed has been shown separately as explained in the Accounting Policies (Note 1).

	Unrestricted Funds	Restricted funds	Total funds 2016	Unrestricted funds	Restricted funds	Total funds 2015
	£'000	£000	£'000	£'000	£'000	£'000
<b>Incoming resources</b>						
HLF grants	-	188	188	-	869	869
YMF grants	-	158	158	-	733	733
	<u>-</u>	<u>346</u>	<u>346</u>	<u>-</u>	<u>1,602</u>	<u>1,602</u>
	<u><u>-</u></u>	<u><u>346</u></u>	<u><u>346</u></u>	<u><u>-</u></u>	<u><u>1,602</u></u>	<u><u>1,602</u></u>
<b>Expenditure on raising funds</b>						
Support costs allocation	-	(19)	(19)	(50)	-	(50)
Project costs	-	(327)	(327)	-	(1,626)	(1,626)
Depreciation	-	-	-	-	(445)	(445)
	<u>-</u>	<u>(346)</u>	<u>(346)</u>	<u>(50)</u>	<u>(2,071)</u>	<u>(2,121)</u>
	<u><u>-</u></u>	<u><u>(346)</u></u>	<u><u>(346)</u></u>	<u><u>(50)</u></u>	<u><u>(2,071)</u></u>	<u><u>(2,121)</u></u>
<b>Net outgoing sources</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(50)</u></u>	<u><u>(469)</u></u>	<u><u>(519)</u></u>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**6. YORK MINSTER REVEALED (continued)**

The accounts for 2016 include depreciation costs of £nil, (2015 £445,000), the net book value of the fixed assets in the YMR fund is £nil (2014: £nil). The capitalised assets have been written off over the life of the YMR project. As the capital cost has already been fully funded, the net book value of these assets at 31 December is £nil.

**7. INVESTMENT FIXED ASSETS**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Property - at valuation</b>				
At 1 January 2016	325	-	11,710	12,035
Transfer of property to Non-Investment	-	-	(800)	(800)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	325	-	10,910	11,235
	<hr/>	<hr/>	<hr/>	<hr/>

The transfer in the year is in respect of 7 Minster Yard which is being utilised for school use in 2017 so has been transferred to non-investment, own use, property.

The investment properties were valued at 31 December 2012 by Carter Jonas, Chartered Surveyors.

The Cathedral Accounting Regulations require the investment properties to be carried at fair value at the reporting date.

An independent formal professional valuation is carried out at least every five years with material movements between valuations being included in the accounts. Each year the properties are reviewed to ensure that the value is not significantly different from the last formal valuation.

Both residential and commercial properties such as those held by Chapter have generally retained their values and in view of this Chapter can confirm that no material difference has arisen as at 31 December 2016. A valuation is planned to be undertaken in 2017.

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Investments</b>				
<b>Consolidated accounts</b>				
Investments at market value 1 January 2016	9,603	822	9,328	19,753
Additions	1,293	113	621	2,027
Proceeds from disposals	(1,337)	(117)	(615)	(2,069)
Net increase on disposals and revaluation	1,240	109	1,152	2,501
	<hr/>	<hr/>	<hr/>	<hr/>
Investments at market value 31 December 2016	10,799	927	10,486	22,212
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Analysed as follows:</b>				
UK equities				12,253
Overseas equities				7,047
Fixed interest				2,170
Deposits by investment managers				742
				<hr/>
				22,212
				<hr/>

The additional £1 investment in the entity only Balance Sheet is in respect of its wholly owned subsidiary, York Minster Enterprises Limited.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**8. NON-INVESTMENT FIXED ASSETS**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Property</b>				
At 1 January 2016	922	-	9,495	10,417
Additions	-	-	349	349
Transfer from Investment properties	-	-	800	800
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	922	-	10,644	11,566
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The transfer in the year is in respect of 7 Minster Yard which is being utilised for school use in 2017 so has been transferred from investment to non-investment, own use, property. All non-investment properties are freehold re-stated in 2015, (in line with the revised cathedrals regulations 2015) to be carried at deemed historic cost. They were valued at existing use value as at 31 December 2012 by Carter Jonas, Chartered Surveyors and this value has been used as deemed cost. Depreciation has not been charged on non-investment property due to the high residual value based on current prices. There is a policy and practice of regular maintenance of these properties and the property is unlikely to suffer obsolescence.

	2016 £'000	2015 £'000
<b>These properties are designated as follows:</b>		
Clergy housing	4,725	4,725
Administration	922	922
Stoneyard	740	740
Staff housing	1,304	1,260
School	3,075	1,970
Library	800	800
	<hr/>	<hr/>
	11,566	10,417
	<hr/> <hr/>	<hr/> <hr/>

	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000
<b>Equipment and plant</b>			
Cost at 1 January 2016	1,472	1,493	2,965
Additions	223	-	223
Disposals	(312)	-	(312)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,383	1,493	2,876
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
As at 1 January 2016	1,306	1,493	2,799
Charge for the year	119	-	119
On Disposals	(312)	-	(312)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,113	1,493	2,606
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
31 December 2016	270	-	270
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 December 2015	166	-	166
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**

9. <b>STOCKS</b>	Chapter 2016 £'000	Consolidated 2016 £'000	Chapter 2015 £'000	Consolidated 2015 £'000
Goods for resale	-	137	-	164
Consumables	13	13	14	14
	<u>13</u>	<u>150</u>	<u>14</u>	<u>178</u>

10. <b>DEBTORS</b>	Chapter 2016 £'000	Consolidated 2016 £'000	Chapter 2015 £'000	Consolidated 2015 £'000
Trade debtors	445	445	388	388
Other debtors	82	82	62	62
Prepayments and accrued income	489	496	1,135	1,143
Amounts due from subsidiary undertakings	322	-	302	-
Tax recoverable - investments	6	6	8	8
	<u>1,344</u>	<u>1,029</u>	<u>1,895</u>	<u>1,601</u>

Trade debtors include school fees (for the spring term) which are shown as deferred income in Note 12.

11. <b>CREDITORS</b>	Chapter 2016 £'000	Consolidated 2016 £'000	Chapter 2015 £'000	Consolidated 2015 £'000
Trade creditors	360	368	277	282
Other creditors	76	76	76	76
Accruals	191	203	296	319
Deferred income	353	353	336	336
Taxes and social security	177	201	129	152
	<u>1,157</u>	<u>1,201</u>	<u>1,114</u>	<u>1,165</u>

Deferred income as at 31 December 2016 and 2015 relates to school fees invoiced in advance for the spring term.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**12. DEFINED BENEFIT SCHEME LIABILITY**

	Chapter 2016	Consolidated 2016	Chapter 2015	Consolidated 2015
	£'000	£'000	£'000	£'000
<b>Liabilities due after one year</b>				
Church workers pension fund 'DBS' deficit	537	537	831	831
Church of England funded pension scheme	23	23	-	-
	<u>560</u>	<u>560</u>	<u>831</u>	<u>831</u>

The latest valuations of the pension schemes are detailed in Note 15 to the financial statements.

The Church Workers Pension Fund was last valued as at 31 December 2013, the valuation to 31 December 2016 is currently being undertaken. The balance sheet liability as determined by the scheme actuaries as at 31 December 2016, is £537,000.

The Church of England funded pension scheme (CEFPS) valuation was carried out as at 31 December 2015, and therefore not available when the 31 December 2015 financial statements were produced and approved. Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable by The Chapter of York were set out as being £23,000.

**13. FUTURE COMMITMENTS AND CONTINGENT LIABILITIES**
**Commitments under operating leases**

The Chapter's commitments to make payments under operating leases in the coming year can be analysed between the years in which the commitments expire as follows:

	2016 £'000	2015 £'000
<b>Expiry</b>		
Under one year	1	14
Two to five years	14	11
	<u>15</u>	<u>25</u>

**14. PENSIONS**

The Chapter of York participates in Church Workers Pension Fund (CWPF) for lay staff, the Teacher's Pension Defined Benefit Scheme for teachers at the Minster school, and the Church of England Funded Pension scheme (CEFPS) on behalf of the clergy.

The CWPF has three sections, a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

The CWPF Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. At 31 December 2016, the Chapter had 15 active members and 28 deferred pensioner members in the Fund.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**14. PENSIONS (continued)**
**Defined Benefits Scheme section of the CWPF**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. This Scheme was closed to new members with effect from 31 March 2002.

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 costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2016: £86,922, 2015: £105,311), in addition to this any impact of deficit contributions (see below) are also paid, giving a total cost of £398,222 for 2016 (2015: £416,611).

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 Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £12.9m.

Following the valuation, the Chapter of York has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 23.7% of pensionable salary and expenses of £12,800 per year. In addition deficit payments of £311,300 per year have been agreed for 3.50 years from 1 April 2015 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Chapter of York's financial statements. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2016	2015
	£'000	£'000
Balance sheet liability at 1 January	831	2,100
Deficit contribution paid	-311	-311
Interest cost (recognised in SoFA)	11	35
Remaining change to the balance sheet liability*(recognised in SoFA)	6	-993
Balance sheet liability at 31 December	537	831

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

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**14. PENSIONS (continued)**
**Defined Benefits Scheme of the CWPF (continued)**

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 deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	1.00%	1.60%	1.80%

The next valuation of the scheme is being carried out as at December 2016.

The above scheme was replaced with a Defined Contribution Scheme, which is also part of the Church Workers Pension Fund. Although called a Defined Contribution Scheme (DCS), it is not a true DCS as it operates on a "with profits deferred annuity basis" which comes under the "hybrid" pension scheme. The deferred annuity basis means that the scheme has an element of defined benefit and the advice is that it should be treated as such.

Following the introduction of Auto enrolment, effective from the 1 July 2014 for the Chapter of York, the members of the DCS and new members were enrolled into the Church of England Pension Builder Scheme (PBS) within the Church Workers Pension Fund.

**Church of England Pension Builder Scheme section of CWPF**

The Pension Builder Scheme (PB 2014) section of CWPF for lay staff is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of this employer and the other participating employers.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

At 31 December 2016, the Chapter of York had no active members, 26 deferred members and 31 pensioners in the Pension Builder Classic section and 130 active members, 21 deferred members and 2 pensioners in the Pension Builder 2014 section.

Pension Builder Classic 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 Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. 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 CHAPTER OF YORK****NOTES TO THE ACCOUNTS - 31 DECEMBER 2016****14. PENSIONS (continued)****Church of England Pension Builder Scheme section of CWPF (continued)**

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.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

Chapter contributes at rates between 4% and 22% of basic salary and the employees are required to contribute 3%.

**Church of England funded pension scheme (CEFPS)**

The Chapter of York also participates in the Church of England Funded Pensions Scheme, on behalf of the clergy, there is one member of the scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the 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 towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
  - For investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
  - A 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2%;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**
**14. PENSIONS (continued)**
**Church of England funded pension scheme (CEFPS) (continued)**

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below. Contributions since 2015 are shown for reference.

% of pensionable stipends	January 2015 to December 2017	January 2018 to December 2025
Deficit repair contributions	14.1%	11.9%

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2016 £	2015 £
Balance sheet liability at 1 January	28,000	31,000
Deficit contribution paid	-3,000	-3,000
Interest cost (recognised in SoFA)	1,000	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-3,000	-1,000
Balance sheet liability at 31 December	23,000	28,000

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

This liability represents the present value of the deficit contributions agreed s at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2016	December 2015	December 2014
Discount rate	1.5% pa	2.5% pa	2.3% pa
Price inflation	3.1% pa	2.4% pa	2.7% pa
Increase to total pensionable payroll	1.6% pa	0.9% pa	1.2% pa

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

Contributions are paid to approved funds and charged as expenditure in the year in which they accrue.

**Minster School**

The Minster School contributes to the Church Workers Pension Fund as detailed above, and the Teachers' Pension Defined Benefit Scheme. The contribution to the Teachers' Pension Defined Benefit Scheme are at rates set by the scheme actuary at 16.48% (2015 14.1%) and advised to the board by the scheme administrator. This scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school.

## THE CHAPTER OF YORK

### NOTES TO THE ACCOUNTS - 31 DECEMBER 2016

#### 15. ASSOCIATED ENTITIES AND RELATED PARTIES

##### **Controlled by the Chapter**

York Minster Enterprises Limited, a wholly owned subsidiary, undertakes trading activities on behalf of the Chapter and transfers profits back to the Chapter through Gift Aid.

St William's College is a registered charity, administered by the Chapter of York as Trustee. The management of the charity is carried out by a committee comprising members of the Chapter of York and officers employed by the Chapter. St William's College Enterprises Limited is its wholly owned trading subsidiary.

St William's College used the services of the Stoneyard of the Chapter during the year to the value of £147,000 (2015 £67,000). The Chapter paid rents to the value of £17,500 (2015 £21,000), in respect of offices occupied by departments of the Chapter.

The Chapter paid £nil (2015 £12,000) to St William's College Enterprises Ltd in respect of room hire and charges for filming.

Included in debtors is an amount of £11,000 (2015 £41,000) settled shortly following the year end and, £4,400 of creditors (2015 £nil) relating to St William's College and St William's College Enterprises Limited.

##### **Not controlled by the Chapter**

The Friends of York Minster, income received in the year amounted to £47,000 (2015 £32,000).

York Minster Fund, income received in the year amounted to £619,000 (2015 £936,000).

Whilst both these charities give substantial support to York Minster the powers of both of these charities as regards distribution of income are discretionary.

##### **The York Glaziers' Trust**

This charity has a close relationship with the Chapter which is one of the principal clients and which also has the power to nominate one half of the trustees. Work carried out by the Trust in the year ended 31 December 2016 for the Chapter amounted to £655,000 (2015 £632,000). The Chapter invoiced the Trust £11,000 for services provided in the year (2015 £1,000). As at 31 December 2016 amounts totalling £6,000 (2015 £1,000) are shown as owing from the Trust to Chapter and amounts totalling £42,000 (2015 £41,000) shown as owing to the Trust by Chapter.

#### 16. THE MINSTER SCHOOL

Whilst the ultimate responsibility for the School rests with the Chapter, the operation is managed by the Committee of the Governors. The finances of the School are consolidated in the Chapter's accounts.

Contributions from the Chapter towards the fees of the choristers, which are eliminated on consolidation, amounted to £299,000 (2015 £312,000).

**THE CHAPTER OF YORK**
**NOTES TO THE ACCOUNTS - 31 DECEMBER 2016**

17. STATEMENT OF FUNDS				Gains on	
Consolidated funds	At	Movement in resources		Investments/ Transfers	At
	01.01.2016	Incoming	Outgoing	31.12.2016	31.12.2016
	£'000	£'000	£'000	£'000	£'000
<b>Endowment</b>					
General	29,860	-	(44)	1,068	30,884
Fabric	83	-	-	9	92
School – Milner White	149	-	(1)	20	168
Pattison fund	20	-	-	2	22
Richardson fund	81	-	-	11	92
Development Music	225	-	(1)	30	254
Eric Rothwell	100	-	(1)	12	111
	<u>30,518</u>	<u>-</u>	<u>(47)</u>	<u>1,152</u>	<u>31,623</u>
<b>Restricted</b>					
Fabric fund	329	1,223	(1,308)	-	244
School	902	20	(12)	(33)	877
Hore Pension	133	3	-	11	147
Library	40	-	-	(40)	-
Vestments	1	-	-	-	1
Church Commissioners	-	138	(138)	-	-
Development office	19	-	-	-	19
Bigelow	85	3	-	10	98
York Minster Revealed	-	346	(346)	-	-
Arts Council England	-	60	(3)	-	57
Archbishops Council	-	112	-	-	112
Other	-	15	(15)	-	-
	<u>1,509</u>	<u>1,920</u>	<u>(1,822)</u>	<u>(52)</u>	<u>1,555</u>
<b>Unrestricted</b>					
Common fund	11,344	7,138	(7,580)	1,373	12,275
Designated	726	-	-	-	726
	<u>12,070</u>	<u>7,138</u>	<u>(7,580)</u>	<u>1,373</u>	<u>13,001</u>
<b>Total funds</b>	<u>44,097</u>	<u>9,058</u>	<u>(9,449)</u>	<u>2,473</u>	<u>46,179</u>

**THE CHAPTER OF YORK****NOTES TO THE ACCOUNTS - 31 DECEMBER 2016****17. STATEMENT OF FUNDS (continued)****Chapter funds**

The total consolidated funds held are £46,179,000 (2015 £44,097,000) the individual entity funds held by the Chapter are £46,164,000 (2015 £44,082,000) these exclude £15,000 of York Minster Enterprises Limited reserves which are included within the consolidated unrestricted total funds above.

**Endowment funds**

The endowment funds represent those funds, which must remain invested or continue to be used by the Chapter.

The endowment fabric fund represents a single gift where the capital should remain invested and the income spent on the fabric.

The Pattison Endowment fund represents a donation in the form of accumulation units in The Equities Investment Fund for Charities. The Capital and Income is to be held as Endowment until 1 March 2050 when it becomes unrestricted.

The Eric Rothwell fund represents a single legacy where the capital should remain invested and the income spent on music.

**Restricted funds****Fabric fund**

The fabric fund comprises all revenues from property or capital sums given, granted or bequeathed to the Chapter expressly for the maintenance, repair or restoration of the Minster. In 2016 the following amounts were received,

- £613,000 York Minster Fund grant income in respect of Great East Window phase II and the Camera Cantorum fabric restoration projects;
- £390,000 from the First World War Centenary Cathedral Repairs Fund, £214,000 in respect of Camera Cantorum and £176,000 in respect of the works to the South Quire Aisle;
- £97,000 restricted fabric donations made during the year;
- £44,000 Friends of York Minster funding towards the Great East Window phase II project;
- £42,000 legacy income, restricted for fabric;
- £32,000 All Churches Trust Limited grant income in respect of the work to the Camera Cantorum;
- £5,000 training grant received in respect of a first year apprenticeship.

**School funds**

The School funds represent six funds. Three (2015 three) of these funds (Duncombe, Noble and Broadhurst) relate to the School where varied restrictions are placed on their use. In addition, the GP Brown, Hollings and Fox funds relate to the choristers and musical education. There was a transfer of £120,000 from the Duncombe Fund to unrestricted funds in the year. This was done in order to part fund the refurbishment of 7 Minster Yard, the 'White House'. The total refurbishment costs incurred in the year to 31 December 2016 in respect of 7 Minster Yard were £304,000. This is an endowed property which is being refurbished for school use.

**THE CHAPTER OF YORK****NOTES TO THE ACCOUNTS - 31 DECEMBER 2016****17. STATEMENT OF FUNDS (continued)****Restricted funds (continued)****Hore Pension fund**

The Hore Pension fund concerns pension provisions for Songmen.

**Library fund**

The library fund was the residue of income received in relation to a claim made for subsidence in 2011. The work was completed in 2011 and this was the remaining element. It was agreed that this could be released to unrestricted reserves due to no additional works being required, this is reflected in the transfer made in 2016.

**Vestments fund**

The Vestments fund represents a legacy with specific restrictions for use on vestments costs.

**Church Commissioners fund**

The Church Commissioner fund represents the standard grant paid to each cathedral. An application to use the surplus in 2016 for the salary costs of a non-Commissioner Canon was approved by the Church Commissioners.

**Development office fund**

The Development Office funds represent monies raised by the Development Office to be spent in accordance with the purposes specified by the donor.

**Bigelow fund**

The Bigelow fund relates to fabric.

**York Minster Revealed fund**

York Minster Revealed fund was a specific project to reveal more of the Minster through a programme of conservation, improved training in craft skills and enhanced access and interpretation. This project was partly funded (54.5%) from Heritage Lottery grant income and was successfully completed in March 2016.

**Arts Council England fund**

The Arts Council England fund represents a grant received from the Museum Resilience Fund towards the 'Cathedral Collections: Unlocking Spiritual Capital' project. This is an eighteen month project which is due to complete in March 2018.

**Archbishops Council fund**

£112,000 was received from the Archbishops Council in the year towards the costs of a new sound system in the Minster, work is anticipated to start in 2017 on this project.

**Other restricted funds**

Other restricted funds represent smaller restricted donations received, these have all been fully expensed in the year. £14,000 of the income received in 2016 was restricted to music and £1,000 was restricted to learning.