



2020

Annual Report and 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

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Annual Report and Accounts
For the year ended 31 December 2020

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The Chapter presents its Annual Report and Accounts for the year ended 31 December 2020 which comprises: Dean’s Review, Report of the Auditors, Consolidated Statement of Financial Activity (SoFA), Consolidated Balance Sheet of the group, Cathedral Balance Sheet, Consolidated Cash Flow Statement, Accounting Policies and Notes to the Financial Statements.

The Annual Report is prepared in accordance with the reporting requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018).

THE CHAPTER OF YORK
Administrative and reference details

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 Dr John Tucker Mugabi Sentamu (until 7 June 2020) The Archbishop of York, The Most Revd and Rt Hon Stephen Geoffrey Cottrell (from 9 July 2020)
High Steward	The Rt Hon The Earl of Halifax

CHAPTER

The members during the year were:

Dean	The Right Revd Dr J H Frost
Canon Chancellor	The Revd Canon Dr C P Collingwood (until 31 August 2020)
Canon Pastor	The Revd Canon M D Smith
Canon Missioner	The Revd Canon M A McLean
Canon Precentor	The Revd Canon Dr V L Johnson (from 11 January 2020)
Lay Canon & Canon Treasurer	Canon Dr A S Green (until 8 March 2020)
Interim Canon Treasurer	The Revd Canon M D Smith (from 8 March 2020 until 10 December 2020)
Lay Canon & Canon Treasurer	Canon A D Dunsmore (Lay Canon from 10 September 2020 and Canon Treasurer from 10 December 2020)
Lay Canon	Canon Dr R J Shephard (until 24 September 2020)
Lay Canon	Canon J K Hattam
Lay Canon	Canon Sir W R Worsley
Lay Canon	Canon L E Tembey (from 10 September 2020)
Lay Canon	Canon C A Townson (from 10 September 2020)
Lay Canon	Canon P J S Thompson (from 10 September 2020)

THE CHAPTER OF YORK
Administrative and reference details (continued)

THE CATHEDRAL COUNCIL

The members during the year were:

Chairman Canon P N Collier
Dean The Right Revd Dr J H Frost

Members of Chapter:

The Revd Canon Dr C P Collingwood (until 31 August 2020)
Canon Dr R J Shephard (until 24 September 2020)
The Revd Canon M A McLean (from 11 June 2020)
Canon A D Dunsmore (from 22 October 2020)
Canon L E Tembey (from 22 October 2020)
Canon P J S Thompson (from 22 October 2020)

Members of the College of Canons:

The Ven A C Broom
The Revd Canon C Wilton

Members Appointed by the Archbishop:

The Rt Hon The Earl of Halifax
Mr S Galloway
Rt Rev C Madden OSB (until 5 January 2021)
Prof J Stern
Canon Sir W R Worsley (until 26 June 2020)
Dr J Gillespie
Mr M Shepherd

Members of the Minster Community:

Mr C Rundle
Mrs C Funnell
Mrs R Hicks
Mr J Morley

THE COLLEGE OF CANONS

The members during the year, in order of installation:

The Chapter, as listed on the previous page

The Revd Canon F J A Hewitt
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 C H Goulder
Canon L Ali
Canon R Liversedge
Canon P J Warry
The Revd Canon E E Bielby
The Revd Canon R W Simpson (until 16 December 2020)
The Revd Canon S V Cope

The Revd Canon W J Ford (until 31 August 2020)
The Rt Revd G H Webster 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 (until 28 February 2021)
The Revd Canon R E Harrison (until 30 June 2020)
The Revd Canon W M Macnaughton

The Revd Canon C Wilton

**Minor Canon Succentor
Reader**

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

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

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Administrative and reference details (continued)
STAFF

Chapter Steward	Kathryn Blacker
Chapter Clerk	Andy Oates LL.B. (Hons)
Director of Finance	Eve Hartrick FCCA (until 3 July 2020)
Director of Music	Robert Sharpe MA, FRCO, FRSA, Hon FGCM
Head teacher of the Minster School	Angela Mitchell (until 31 December 2020)
Director of Works & Precinct	Alex McCallion FRICS
Director of People	Ruth Dunlop FCIPD (until 31 August 2020)
Director of Communications	Sharon Atkinson (until 31 October 2020)
Director of Visitor Experience & Operations	Patricia Dunlop MA, AMA
Interim Chief Financial Officer	Jo Clarkson FCA (from 4 July 2020 until 31 October 2020)
Director of Corporate Services	Jo Clarkson FCA (from 1 November 2020)

FINANCE COMMITTEE

The members during the year were:

Canon Treasurer and Chairman	Canon Dr A S Green (until 8 March 2020)
Interim Canon Treasurer	Canon M D Smith (from 8 March 2020 until 10 December 2020)
Canon Treasurer and Chairman	Canon A D Dunsmore (from 10 December 2020)
Dean	The Right Revd Dr J H Frost
	Graham Millar FCA
	Philip Ashton FCA
	Paul Fox MRICS
	Rodger Hobson
	Daniel Grew
Chapter Steward	Kathryn Blacker

Non-member but in attendance:

Director of Finance and Secretary	Eve Hartrick FCCA (until 3 July 2020)
Interim Chief Financial Officer/Director of Corporate Services and Secretary	Jo Clarkson FCA (from 4 July 2020)

AUDIT & RISK COMMITTEE

The members during the year were:

Chairman	Graham Millar FCA
	Philip Ashton FCA
	Neil Harkin (until 15 November 2020)
	Canon J K Hattam (from 21 January 2021)

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

Chairman	Dr J Gough
Deputy Chairman	Mr M Stancliffe Mr C Cotton Ms T Hunt Ms S VanSnick Dr J Grenville Mr J McCosh Dr I Rauch Mr A Graham The Very Revd M Tavinor
Secretary	Mr D Demack

ADVISERS TO CHAPTER

Surveyor of the Fabric	Mr A Arrol, Arrol & Snell Ltd
Archaeologist	Mr S Harrison, Ryedale Archaeology Service Ltd
Bankers	HSBC Bank plc, 13 Parliament Street, York, YO1 8XS
Solicitors	Grays Solicitors LLP, Duncombe Place, York, YO1 7DY Langleys Solicitors LLP, Queens House, Micklegate, York YO1 6WG
Investment Managers	Rathbones Brothers Plc, 1 Curzon Street, London, W1J 5FB CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Property Managers	Sanderson Weatherall LLP, 25 Wellington Street, Leeds, LS1 4WG

INDEPENDENT AUDITOR	BHP LLP, Rievaulx House, 1 St Mary's Court, York, YO24 1AH
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THE CHAPTER OF YORK

Dean's Review of the Year for the 2020 Annual Report and Accounts

ACHIEVEMENTS AND PERFORMANCE

How, on earth, might one frame a review of this exceptionally challenging year?

The Dean's Review is written as the home nations approach the beginning of the end of a third national lockdown and during the largest vaccination roll-out in the UK since the end of the Second World War. It is tempting, therefore, to give COVID-19, the pandemic and its terrible impacts, the last word on 2020.

In electing *not* to do so, in not giving COVID 19 the last or framing word on 2020, it is nevertheless right and proper (even in a financial document with a clear accounting purpose) to recall the deaths of over 100,000 people in the UK – and the deaths of many millions within the human family, each one precious in the sight of friends and family members. We remember the human numbers: the livelihoods upturned, the lives lost.

Each day at the Minster, as a vulnerable community of pilgrims, we have turned to face into these realities in prayer: through support and intercession for others, in solidarity with the grieving and in lament before the living God for all that has been lost. We seek not to look away, but to keep both eyes open; to embrace not only the financial, but also the intensely human, numbers involved: seeing each person as precious, embraced by the love and future of Christ, who wept at the death of his friend. I will not, however, seek to give COVID-19 the final word or allow the pandemic to frame or define our perspective on 2020: for there have been too many signs of wisdom, courage and loving human service in 2020 to do so. To misquote a former Bishop of Durham: "even COVID cannot keep a good God, or the goodness of human beings, down!"

So where to begin? And how to frame this past year?

The floods of February 2020, and the ensuing near total loss of visitor income suffered by York-based visitor attractions, turned out to provide early preparation – a rather moist 'dry run' as it turned out - for all that was to befall us in March 2020 and the days after the first National Lockdown.

Working closely with the Association of Leading Visitor Attractions (ALVA) members of the Minster's executive team had already begun to model the potential financial impacts of a number of future scenarios on the Minster's business model when COVID-19 struck and lockdown was imposed. After lockdown, therefore, we were in a good position to refocus and redirect our revenue modelling exercise to deliver a number of possible future revenue-stream scenarios, based on assumptions stress-tested with ALVA and with key sector peers (we have three 'peer Cathedrals' in England: Canterbury, St Paul's and Westminster Abbey).

Our revenue modelling exercise anticipated a significant in-year loss of up to £5.2m against projected revenue streams (i.e. from visitor income and its associated commercial activity; from our investment portfolio and from rental income. We hoped, and trusted, that the generosity of our congregations would hold up). Another key feature of the modelling exercise involved the inexact but necessary science of seeking to anticipate quarter by quarter progress in the recovery of visitor numbers, and in the visitor income and commercial activity flowing from them. For the second half of 2020 it was the working assumption of the Minster's Senior Executive Team that such a recovery might begin to be seen in the early part of 2023 – but only at 75% of 2019 levels. We have kept our assumptions, and the mapping of future revenue streams, under continual monitoring and review.

The data only confirmed and reinforced recognition by the Chapter of York (the governing body of York Minster), that decisive action would have to be taken: (i) to protect the Minster's limited free reserves (with so much of the Minster's investment portfolio being tied up in restricted or endowed funds: for example, in

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Dean's Review of the Year for the 2020 Annual Report and Accounts

ACHIEVEMENTS AND PERFORMANCE (continued)

'glass, stone and music' rather than being available to pay wages); and (ii) to secure York Minster itself as a going concern.

Between April and May 2020 the Chapter of York provided decisive leadership and clear direction to enable and initiate a restructuring for sustainable growth. For Chapter, each word was significant, and provided a purposeful framework and context for the processes, decisions and actions that would follow: there would need to be a restructuring to reduce the Minster's cost base (e.g. in 2019 wage costs had approached c. £5m per annum against an annual turnover of c. £10m); the restructuring would need to deliver the greater integration and effectiveness of work-streams and a sustainable organisation, over the financial medium to long term, in which there could be growth (not merely survival) in every area of operational activity designed to deliver the Minster's core purpose and mission.

In two phases of restructuring the Chapter of York took hard but, I believe, the right decisions: to close its Minster School (for some years TMS had required, effectively, a subsidy of £750k per annum by the Chapter of York to remain financially viable); to secure the future of York Minster's internationally renowned choral tradition (through a new partnership with St Peter's School, York); and to work with elected staff representatives to deliver a process which saw, with great sadness, the departure of 55 valued colleagues from the Minster's staff community.

In parallel with the restructuring process, the Chapter of York sought to increase liquidity and generate income: placing over 150 employees into the Government's Job Retention (Furlough) Scheme; and submitting multiple applications for grants (*inter alia* from the National Church Institutions of the Church of England and the Heritage Lottery Fund Emergency Fund).

At this point it would be hard, if not impossible, to overstate the significance of the support that has been received from the York Minster Fund (YMF) in 2020: generous and timely financial support from YMF has enabled Chapter to continue delivery of planned restoration programmes and, crucially, to honour its long-term commitment to the work and future of an incomparably skilled community of stonemasons and glaziers.

I would like to take this opportunity, on behalf of the Chapter of York, to acknowledge the support it has received from YMF in 2020, not least through the endeavours of its Director, Neil Sanderson; the Chair of the Board of Trustees, Richard Shaw; and from YMF's Board of Trustees. I would like to put on record the Chapter of York's continuing gratitude for the foundation of YMF in 1967. The founders' vision in creating YMF continues to deliver richly for the good of York Minster, as the relationship between the Chapter of York and YMF continues to evolve in promising ways.

Where might we look to find a final or framing word on 2020?

It is, I believe, to thanksgiving and gratitude we should turn: not simply to frame our past, but as a discipline and practice in the journey ahead. A moment's reflection on this complex 'community of communities' prompts a spirit of thankfulness and gratitude: for the commitment, good humour (most of the time!), care and quality of our Cathedral Clergy; for worshipping congregations and our Community Committee, so ready to serve, receptive to Zoom and filled with God's life; for unstinting hours invested in the Minster's present and future by members of the Chapter of York and by a host of volunteers; for Kathryn Blacker, our Chapter Steward, the Senior Executive Team and for all those whose wisdom, work and skills enrich our lives; and for +Stephen, our beloved Archbishop,

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ACHIEVEMENTS AND PERFORMANCE (continued)

who has brought such light, joy and grace to his Cathedral Church and its people, as we seek to live Christ's story together.

As I look back on 2020, it is to thanksgiving I turn and to life-framing words from the Psalmist:

"I will give thanks to you, Lord, with my whole heart;

I will tell of all your marvellous works." (Psalm 9:1)

OBJECTS AND ACTIVITIES

The Metropolitan Church of St Peter in York, York Minster is first and foremost the seat of the Archbishop and a centre for worship and mission. This responsibility sits at the heart of Chapter's five year plan 2015-2020 and is witnessed through a clear articulation of Chapter's Mission "Inviting everyone to discover God's Love"

Key priorities were anticipated to be the arrival of the new Archbishop, the appointment of new Lay Canons and the beginning of work to create the next edition of the strategic plan. Each of those objectives has been met, but against the backdrop of pandemic and the need for the Senior Executive Team to respond again and again to the changing operating context.

Ministry

The beginning of the year saw the installation of the Canon Precentor Vicky Johnson on January 10th. Having taken the decision to close the Cathedral on the 16th March, in advance of government announcements, the Liturgy and Music Team moved quickly to make worship available online, ably supported by the Communications Team. Migrating our community to Zoom came with benefits and complications as one would imagine: yet the daily pattern of worship continued online throughout 2020 and now we cannot imagine being a community who only comes together in person. Covid has changed us, and our worship offer will continue as a mixed economy available both in person and online.

With the Cathedral closed, the Clergy team worked to provide different offerings online, live-streaming choral worship, developing thought provoking webinars and offering the opportunity over Lent and Easter for people to send prayers to be said by a member of the Clergy Team by the Paschal Candle a focus for prayer.

Ongoing lockdown meant it was not possible to celebrate Archbishop Sentamu's Ministry in the way the cathedral, Diocese and Province had anticipated and in the end, Archbishop Sentamu's laying down of the crozier on the High Altar was filmed and made available online a simple, powerful and fitting end to this ministry as Archbishop. Archbishop Stephen's ministry began in as unexpected and unusual ways, with the Confirmation of Election completed over Zoom for the first time, followed by a simple ceremony to reverse the actions Sentamu had completed only five weeks before. Archbishop Stephen entered the Quire, observed by only a small congregation and in a reversal of the usual Installation service, knocked to be let out of the Cathedral, welcomed on the west-steps of the Minster by the socially distanced crowd who had gathered. Again, Archbishop Stephen's enthronement was different to what had gone before and what had been anticipated. With the nave of the cathedral inverted and the high altar under the Great West Window, Archbishop Stephen was enthroned on the 18th October, again with a smaller congregation and with no opportunity for hospitality afterwards.

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Dean's Review of the Year for the 2020 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

The usual solemn Eucharist was held on All Souls Day, but the Clergy team also led a “Day to remember all those who have died this year” enabling people to come into the cathedral and light a candle or say a prayer, acknowledging the profound losses affecting many this year, but also that the normal pattern of celebrating life and grieving loss had not been possible.

We were unable to welcome as many people to the Minster during Advent and Christmas as we continued to work within social distancing guidelines. The Clergy team, led by Canon Precentor Vicky Johnson created a worship programme which included many of the familiar lessons and music available both online and to small numbers of people in the Minster. The absence of congregational carol singing was felt by all, with the Archbishop imploring people to sing in the shower – it is still permitted – during his Christmas day sermon.

Cathedral and Precincts Upkeep

Work on all capital projects ceased with the closure of the Cathedral, and Director of Works Alex McCallion spent much of the first lockdown endlessly rescheduling projects to understand potential completion dates when we were finally permitted to re-open. The Works Department returned to the precinct ahead of the re-opening of the Minster (construction projects permitted to continue under lockdown restrictions) and work continued on the South Quire Aisle, and on windows CHn5 and S34. Work to the organ continued apace with the instrument rebuilt during the summer and autumn of 2020 with the scaffolding being dismantled leaving the full majesty of the restored pipe work for all to see. Work to clean the Pulpitum, the Kings’ Screen was undertaken by our masons, ably led by Lead Mason, Lee Godfrey. One fortuitous outcome of Lockdowns 2 and 3 was the opportunity for the Harrison and Harrison Lead Voicer Andy Scott to be in the building during a long period of closure to voice the instrument. The entirety of the programme of work delivered by the Works Department during 2020 would not have been possible without the generosity of the York Minster Fund.

Around the Precinct, the significant contribution of the Minster Police Team under the leadership of Mark Sutcliffe and Kadir Turcan deserves special mention as the team have worked throughout lockdown in the Precinct to ensure the ongoing safety and security of this place. Further mention should also go to the Minster’s Gardeners Martin Ball, who sadly died in September 2020, Lee Waudby and Morgan Cames who have worked daily to ensure the Minster’s green spaces, and in particular Dean’s Park, provided much needed sanctuary for the people of York.

The end of 2020 also saw the end of the 11 year tenure of Andrew Arrol as Surveyor of the Fabric. Andrew’s legacy at the Minster lives on in the beautiful and dynamic space he created in the South Piazza. Andrew’s service was celebrated at an Evensong service in Advent where Dean Jonathan was able to bestow the title of Surveyor of the Fabric Emeritus on him. All at the Minster wish him and Meg a happy retirement. Andrew handed the hard hat and plans onto Oliver Caroe who was appointed in June 2020 and assumes office on the 1st January 2021.

Education and Outreach

Lockdown brought the cessation of our learning and outreach activities in early March, and given the long lead time and planning for this activity, it has not been possible to welcome learning groups into the Minster or to undertake outreach activities. Lockdown also temporarily closed the Old Palace and Library to visitors. A notable highlight in this area was the exhibition “The Heart of Yorkshire: Creativity and Culture in York Minster’s Collections” curated by Dr Helen Rawson, Head of Heritage and displayed in the Chapter House. This exhibition added to the experience for those who were able to visit the Minster in the periods between

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Dean's Review of the Year for the 2020 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

lockdowns and demonstrated the depth and breadth of not only the Collection but the knowledge and skills of the team.

Across the Precinct, the Minster School was inspected by ISI in January 2020, receiving an “Excellent” outcome. Testament to the hardwork of new Head Angela Mitchell. Under the leadership of the Chair, the School Board grew in purpose and agility and we launched a new school website in May. The school staff team responded to the need to provide online learning, as well as care for the children of key-workings, during the latter half of the Easter term and on into the summer term. It was against these signs of growth and with the wider financial position in mind that Chapter had to take the difficult decision to consult on and then finally to close the School. Angela Mitchell and Sophie Schoukroun deserving credit for the support they gave pupils and parents as they secured places at schools for the autumn term 2020. As mentioned above the future of the choral tradition was secured with an agreement for all Choristers to move to St. Peter’s. That the children have been able to transition so smoothly is due to the great support received from Bill Woolley, Jeremy Walker, Andy Falconer and Sarah Opie at St. Peter’s and also to the work of the team here, Robert Sharpe, Ben Morris and Dee Cooley in ensuring arrangements and policies were in place. Chapter have been immensely grateful for the support of the many families who have travelled this path alongside us.

July saw the retirement of the Canon Chris Collingwood as having served seven years as Canon Chancellor, during that time overseeing the Collections and Learning teams, promoting work across various partnerships notably with the University of York and also developing and championing new ways of people accessing the Minster, memorably with the Silence in the Minster evenings. Known and loved within the community for opening their home and limitless hospitality, Chris and Sue will be missed and the community gathered on several occasions, both in person and over Zoom to extend love and best wishes to them for their retirement in North Yorkshire.

Community and Congregation

Our community migrated to Zoom with various levels of competence from all concerned in mid-March and certain aspects of our shared life remain there. Services, support groups, webinars, meetings and learning have all happened online, often with greater frequency and with the opportunity to gather more people together than in real life. The use of breakout rooms within Zoom has enabled more and varied voices to be heard. Online is here to stay. For those unable to take advantage of the digital offering the Clergy team, headed by Canon Michael sustained a regular round of telephone calls to ensure people remained connected and cared for. Across all parts of our community individuals found way to support one another whether practically, emotionally or spiritually. We are all keen for the moment we are permitted to be together.

During the first lockdown Sister Linda and Sister Karan of the Order of the Holy Paraclete, previously resident in Minster Court, took the decision to return to join the rest of their order in Whitby and elected to stay and move into other ministries. The Dean discussed options with Sister Jocelyn and it was agreed that this was the time to conclude this phase of the long standing relationship and to work and pray together to determine what comes next.

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Dean's Review of the Year for the 2020 Annual Report and Accounts

OBJECTS AND ACTIVITIES (continued)

Responsible Stewardship

Work was underway in early January 2020 to appoint new Lay Canons to supplement the expertise on Chapter and to fill all the available places ahead of the new Cathedral Measure. Interviews were held and four candidates were selected to be approved by the Archbishop. This appointment process then paused during lockdown until finally, Alan Dunsmore, Lynne Tembey, Nimble Thompson and Claire Townson were admitted as members of Chapter in September. We thank each of them for their willingness to step forward and serve and their patience.

September was also the month in which Canon Dr. Richard Shephard stepped down from Chapter, due to ill health, having served that body for 5 years, but the Minster for over 35, variously as Headmaster, Chamberlain and Director of Development. Richard's attention to detail, his loyalty to the Minster, his generosity and service and unparalleled capacity for bringing people together have served Chapter well and he will be missed from those meetings, but still valued as a member of the Community. News of Richard's untimely death came in February 2021 and before the completion of this report.

Mid way through the year, and un-connected to the change process Director of Finance Eve Hartrick, left to take up a new role working as Director of Corporate Services at Leeds Cares. Eve's diligent, methodical approach and can do attitude will be sorely missed by her colleagues, and we all wish her well in her new role.

The complexities for all those tasked with running an organisation were extreme and unrelenting during 2020. Income streams stopped, investments fluctuated and property rentals were challenged, nothing was certain, but uncertainty. However, acting quickly but carefully, the majority of Minster staff were placed in the all new "furlough" scheme, buying us time to review options and to model various income scenarios. The future did indeed look bleak in spring 2020 and therefore working to Chapter's clear direction, with strong support as ever from Finance Committee, the Dean and Chapter Steward set about the two phase restructuring outlined above. This work was not easy, it never is. However, the consultation process demonstrated the diligence, hard-work, creativity and generosity of our work-force. Teams worked together to find solutions to the proposals put forward by Chapter. Employee representatives worked tirelessly in group and individual meetings to find solutions and compromises. Collective Consultation meetings were thorough and respectfully challenging, but positive. The project teams managed the change process alongside their regular duties while many of them faced uncertainty about their own roles. Therefore, it is important to place on record thanks to the employee reps and to the project teams for all their hard work and the generous spirit in which the two consultations were delivered.

Much of what has been achieved during 2020 stands the organisation in good stead to face the opportunities and challenges of a post-pandemic future: resilience in the face of ongoing uncertainty; agility in delivering a mixed ecology of online and in person worship and work; the ability to take difficult decisions and then deliver them with care, wisdom and humility. This work has taken many hands, and many minds and it is work we are proud of as we serve alongside one another to secure the future flourishing of this place.



The Right Revd Jonathan Frost

Dean of York

25.02.21

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2020 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 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 December 2018 (the Regulations).

The Chapter accounts for the year ended 31 December 2020 show a net deficit of £2,317,000 (2019: surplus of £332,000), before taking account of gains or losses on the valuation of investments and the defined benefit pension scheme. The impacts of the Covid-19 pandemic are evident in this significant deficit as we were required to close our doors to sightseeing visitors for a significant portion of the year.

Incoming resources amount to £6,483,000 (2019: £10,335,000). This is a decrease of £3,852,000 on prior year, principally due to much decreased revenue from our visitor operation as referred to above.

Total resources expended on mission amount to £8,801,000 (2019: £10,023,000) which is a decrease of £1,222,000 on prior year. There was a reduction in expenditure on raising funds of £660,000 due to reduced variable costs of visitor and retail operations due to periods of closure. Ministry costs have increased by £23,000 after a change in where costs of chorister fee bursaries are shown in the accounts following the closure of the Minster School and the education of the choristers at St Peters School offset by a reduction in spend on clergy housing of £94,000. Cathedral and precinct upkeep decreased by £480,000 on 2019 levels, £372,000 of this is in the area of major repairs and restoration where again projects have been deferred as a result of periods of lockdown and stay at home orders. Education and outreach costs increased by £30,000 overall, this is the net of increases in the costs of the choir school of £132,000 as a result of the costs of closure and £102,000 reduction in costs across our other areas of education and outreach due to reduced activity as a result of closures. The overall costs of the restructuring that took place during 2020 are broken down across the different areas above, but in total costs of £1,019,000 were incurred in respect of redundancies and settlements during the consultation processes that took place during 2020. These one-off costs will lead to annual savings of up to £2.5m in the coming years as a result of reduced salary costs and lower operating costs.

The expenditure on raising funds was £2,005,000 (2019: £2,664,000), resources expended on mission were £6,797,000 (2019: £7,359,000) including governance costs.

Overall Financial Position

Following net gains on investments of £335,000 (2019: net gains of £2,980,000) the decrease in total funds for the year is £1,982,000 (2019: increase of £3,312,000). There was an actuarial gain on the defined benefit pension scheme of £13,000 (2019: gain of £15,000). In 2020 the provision which was recognised in respect of the defined benefit pension scheme deficit has reduced to £255,000 of which £138,000 is due after one year.

Despite the plunge in investment values seen in the first quarter of 2020 as the full impact of the coronavirus pandemic became clear, the markets recovered throughout the rest of the year, resulting in a modest increase in the value of equity investments of £653,000 (2019: increase of £2,980,000). After a fall in global GDP of 3.5% in 2020, global economic growth projections remain impacted by the effects of the pandemic, and while the IMF predict the UK economy to grow by 4.5% in 2021, this is a downgrade from their October 2020 estimate of 5.9%.

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

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2020 Financial Review (continued)

Overall Financial Position (continued)

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 to be carried out at least every five years with material movements between valuations being included in the accounts.

The latest full professional valuation for investment property was carried out at 31 December 2017, this was undertaken by Sanderson Weatherall LLP, and resulted in a re-valuation upwards of £2,740,000 in the market value of investment properties since the last valuation in 2012. The next valuation is due in 2022.

Two properties moved from own use assets to investment assets in the course of 2020, this being 6 & 7 Minster Yard. These were formerly part of the School but are now fully let to a third party. The total value of these buildings transferred into investment property is £2,275,000, with a £318,000 valuation impairment being recognised in net gains and losses in respect of 7 Minster Yard.

There was a net cash outflow of £2,419,000 (2019: inflow of £404,000) in the year bringing total cash and cash equivalents to £1,911,000, (2019: £4,056,000). The net cash outflow from operating activities was £3,355,000 (2019: £685,000) and income from investing activities was £1,210,000 (2019: £1,089,000). More detail is given on page 29.

The consolidated funds of the Cathedral as at 31 December 2020 are £50,668,000 (2019: £52,637,000) these consist of £34,815,000 (2019: £34,961,000) endowed, £2,133,000 (2019: £1,518,000) restricted and £13,763,000 (2019: £16,158,000) unrestricted funds.

The endowed funds are held for the permanent benefit of the Cathedral. The restricted funds are held for specific purposes. Given there are net outgoing unrestricted resources of £2,738,000 pre investment losses and gains (2019: incoming unrestricted resources of £274,000), £nil (2019: £96,000) has been transferred to the designated fund for long term major fabric maintenance of the Minster. The balance on this designated fund has remained at £1,151,000 (as at 31 December 2020). An additional designated fund of £343,000 has been created during the course of 2020 in respect of chorister fee amounts due to St Peter's School on an annual basis. Further detail is provided in Note 17 to the accounts.

Income

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:

Net income from donations and legacies has reduced in the year by £1,090,000. Congregational collections and giving is down £140,000 due to the stopping of cash collections during services this year. Donation income has increased decreased by £126,000, due to the reduced opportunities for donations while the Minster was closed and the lower levels of giving when open. Legacy income has reduced by £567,000 as, although some generous legacies have been received in 2020, they do not match the value of the £734,000 legacy received from B. D. Bearne in 2019. The Friends of York Minster, York Minster Fund and local trusts provided much valued financial support for various projects, including improving the catering facilities in the Minster, and for

THE CHAPTER OF YORK
2020 Financial Review (continued)

apprentices. Income from these sources amounted to £1,931,000 (2019: £1,544,000). Other revenue and capital grants received increased by £347,000 to £372,000. £195,000 of this is Church of England Cathedral sustainability funding to support salary costs of heritage craftspeople and choir members during the course of 2020 and £30,000 is restoration work funding from All Churches Trust. The remainder is contributions towards costs of closure of the Minster School.

Income from visitors, excluding gift aid, decreased by £2,677,000 to £868,000 (2019: £3,545,000). This reflects a year where we were closed to the sightseeing public for four and a half months, from mid-March to the end of June and then again in November, and had significant capacity limits under Covid-secure requirements for a further six months (July to October and December). This has resulted in a net decrease of 409,291 (2019: increase of 13,209) non-worshipper visitors (-73.6%) year on year, taking the total non-worshipper visitors in 2020 to 146,830 (2019: 556,121). Total visitors, including worshippers, were down in a similar significant fashion, with 147,439 (2019: 706,484) being welcomed in the year with worshipper numbers and holding of public worship services similarly restricted.

Expenditure

Further detail is provided in Note 4 to the accounts. There has been an increase in support costs of £54,000 in the year to £1,070,000. These support costs are split between expenditure categories, as shown in Note 5. The increase in support costs is due to increased governance and staff costs offset by reduced training, health & safety and general office costs. Governance costs have increased due to legal and professional fees associated with the staff consultations, restructure and school closure during the course of the year. Staff costs have increased due to costs of redundancy. General office costs are down as a result of many support staff spending three quarters of the year working from home.

Expenditure on Raising Funds

The cost of raising funds has reduced by £660,000 in the year to £2,004,000 (2018: £2,664,000). Visitor experience expenditure has reduced in the year by £218,000 and shop expenditure has reduced by £377,000, reflecting the reduced trade during 2020. Investment property expenses and management fees are down 79,000 due to the reduced activities taking place in our investment property portfolio and reduced investment portfolio size earlier in 2020. Support costs allocated are up £12,000.

THE CHAPTER OF YORK
2020 Financial Review (continued)
Investment properties

The return on the investment portfolio was as follows:

	2020		2019	
	£'000	£'000	£'000	£'000
Total return on investment property				
Gross rents receivable		673		689
Repairs and maintenance	125		182	
Agents management fees	34		19	
Other agent fees	18		21	
Quinquennials	-		37	
Legal fees	30		11	
Utility and other costs	11		7	
		(218)		(277)
Net income from investment property		455		412
Property revaluation		(318)		-
Net income/gains from investment property in the year		137		412

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 formal valuation was carried out at 31 December 2017 by Sanderson Weatherall LLP. Further detail is provided in Note 6 and above.

Charitable activities

Ministry costs have increased by £23,000 to £1,202,000. Support costs allocated to Ministry have increased by £5,000, stipend and working costs have increased by £123,000 mainly due to the change in how the costs of the choristers education is shown from September 2020 following the closure of the Minster School and the arrangement to educate the choristers at St Peter's School. Clergy housing costs have decreased by £94,000. This is largely due to refurbishment work carried at the Deanery during 2019, the magnitude of which has not been repeated in 2020.

Cathedral and Precincts Upkeep

Cathedral and precincts upkeep has decreased by £480,000 to £3,353,000 (2019: £3,833,000). £372,000 of this decrease is due to reduced levels of work undertaken in the year on the stone and glass under the South Quire Aisle and 20 Year Glass project. Included within precincts upkeep is work amounting to £12,000 in respect of the endowment property portfolio.

THE CHAPTER OF YORK

2020 Financial Review (continued)

Education and Outreach

Expenditure on education and outreach has increased by £30,000 to £2,377,000 (2019: £2,347,000). Costs of the choir school have increased by £132,000 as a result of the costs of closure of the school. This is offset by reductions in costs in other areas; education activities costs have decreased by £66,000 as there have been no school visits since March 2020, archives and library costs have fallen by £33,000 as a result of the Covid-related closures and charitable and other giving has fallen by £39,000 in the year. Support costs allocated have increased by £36,000.

Equity 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 of 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 Brothers Plc ("Rathbones") and CCLA Investment Management Limited ("CCLA"). Rathbones achieved a twelve month return of 5.7% (2019 18.5%) compared with the agreed benchmark of 2.3% (2019 17.6%). Funds held with CCLA in The CBF Church of England Property Fund produced a return of -0.5% (2019 5.461%) against the IPD Property Index of -0.8% (2019 2.2%).

	Total 2020 £'000	Total 2019 £'000
Total return on equity investments		
Gross income from investments	443	647
Unrealised gains/(losses)	(22)	(2,926)
Gains/(losses) on disposals	675	(54)
	<hr/>	<hr/>
Gains/(losses)	653	2,980
	<hr/>	<hr/>
Investment management costs	1,096 (83)	3,627 (103)
	<hr/>	<hr/>
Net surplus/(deficit) in the year	1,013	3,524
	<hr/>	<hr/>

Total return investment policy

The Church of England (Miscellaneous Provisions) Measure 2014 received Royal Assent on 14th May 2014. This enabled Cathedrals to adopt a total return approach to investment. In September 2017 Chapter duly passed a total return resolution in accordance with the Measure and determined that the total unapplied return at 31 December 2016 amounted to £30,320,000.

THE CHAPTER OF YORK

2020 Financial Review (continued)

Equity investments policy and performance (continued)

At the time of resolution, the trust for investment was determined at £1,303,000 being based on the 1996 book value of endowed assets, this is adjusted for inflation each year. As at 1 January 2020 the trust for investment was £1,428,000, £11,000 has been allocated to the trust for investment from the unapplied total return in the year. The trust for investment as at 31 December 2020 is £1,439,000.

The income from the endowment's investments has been recognised as endowment income in the year and £867,000 of this income has been allocated out of the unapplied total return and applied for Cathedral purposes, this allocation is shown within unrestricted and restricted other income. Chapter made an allocation of £76,000 (2019: £239,000) from unapplied total return for Cathedral purposes, this was to enable essential repairs and refurbishment to endowed investment properties in the year. Chapter consider that this is a prudent distribution of the available endowment funds.

Other realised and unrealised gains and losses on the disposal and revaluations of investments and property amounted to a gain of £335,000 (2019: gain of £2,980,000) in the year. The endowed element of this gain, £2,000, (2019: gain of £1,358,000) was transferred to the endowment funds and does not affect the surplus for the year under the Cathedral Measure 1999.

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 target level of free unrestricted reserves in 2020 has remained unchanged at £12,500,000 (2019: £12,500,000).

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 CHAPTER OF YORK

2020 Financial Review (continued)

Reserves policy (continued)

The level of unrestricted reserves held as at 31 December 2020 is £13,720,000 (2019: £16,158,000), net of the pension reserve held of £255,000 (2019: £367,000). £1,493,000 (2019: £1,151,000) has been designated by Chapter for long term major fabric of the Minster and Chorister fees at St Peter's School and £1,858,000 (2019: £2,010,000) are held as tangible fixed assets and property, leaving £10,363,000 (2019: £12,997,000) free unrestricted reserves.

The level of free unrestricted reserves as at 31 December 2020, as described above, excluding designated amounts and fixed assets, is below the target level. The level of these reserves includes unrealised gains and is subject to volatility and under annual review and monitoring.

Many of the financial commitments which demanded an increase of the free reserves target to £12.5m in 2018 from a previous target of £7.5m have now been met including the organ project and sound system installation. During the course of 2021, the required target free unrestricted reserves will be reviewed to arrive at an appropriate value in the light of future commitments alongside the need to hold a baseline amount to provide for contingencies and financial support. The experience of the pandemic in 2020 and its impact on our reserves will provide welcome context for these considerations.

Designated funds

When there are unrestricted net incoming resources generated, pre investment gains, Chapter has a policy to transfer unrestricted funds to the designated fund. Any transfer made represents 33% of the unrestricted net incoming resources (net of legacy income) plus total unrestricted legacy income. As at 31 December 2020 £1,151,000 (2019: £1,151,000) has been designated by Chapter for the long term major fabric maintenance of the Minster. There was a transfer of £nil (2019: £96,000) into this designated fund in the year due to there being an unrestricted deficit of £2,738,000 pre gains and transfers generated.

A new designated fund has been created during 2020 in respect of the annual Chorister fee bursary payable to St Peter's School in respect of the education of the York Minster Choristers from September 2020. The balance on this fund is £343,000, the value of the 60% bursary cost for our 40 choristers.

Principal risks and uncertainties

Chapter maintains a risk register, 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. That document was reviewed in February 2020 and the risk of pandemic noted. Daily operational risk management meetings were then put in place as we sought to ready ourselves for what seemed inevitable. Risk (Covid/Security/H&S/Safeguarding) is still reviewed operationally on a daily basis and recorded via the Daily Briefing update. SET reviews risk on a weekly basis and Chapter continue to receive regular updates on the risk register and areas of concern.

We anticipated the principal risk and uncertainty of 2020 to be Brexit, yet the year has brought with it unparalleled uncertainties, and, with the markets in freefall in spring 2020 and images of overflowing hospitals in Europe, Chapter's short and mid-term financial position looked gloomy. It was therefore against this backdrop Chapter took bold and immediate steps to address the financial position, to re-set expenditure and to restructure for sustainable growth. Those bold steps, taken early have had a two-fold impact: first, the bottom line looks healthier than it was anticipated it might in early reforecasts and second, because of that we have

THE CHAPTER OF YORK

2020 Financial Review (continued)

been overlooked in grant applications because our reserves look too healthy. An un-looked for consequence of responsible stewardship.

The strategies in place pre Covid, to diversify income streams and to invest in endowed property assets to increase yield and value, have been proven to be right. And, while it is clear it will take some while for the international tourism market to return to 2019 levels, our visitor income in summer 2020 was limited not by demand but by the requirement to socially distance, how many visitors we could admit at any one time. Therefore, we are confident, when we are enabled to open during 2021 and into 2022 there will be a thriving domestic tourism market for us to tap into. We have worked to support City of York Council, Make it York and York BID to ensure York is regarded as a place that is both open for business (when permitted to be so) and also somewhere safe and enjoyable to visit.

The Neighbourhood Plan develops that theme of sustainable growth and of creating different income streams. As noted above, Chapter's reserves policy has undoubtedly enabled it to weather 2020 and on into 2021 in better fettle than might have been imagined in April 2020. However, Chapter will need to devote time in 2021 to deciding how best to use these reserves to in the short to mid- term to sustain the business but also to promote future growth. This careful, future looking, growth orientated mindset will need to be balanced with the work the York Minster Fund is doing to review its own "Disaster Recovery Fund".

Finally on Covid, we have planned for many, many different ways of opening the Cathedral, and therefore have many different numbers and scenarios that can be modelled and indeed adopted as required. But, the last year has taken its toll. The organisation is leaner, there is clearer alignment and better process are in place but alongside the excitement about future plans, there is also a weariness for those who travelled far and held a great deal during 2020. For those of us gathered in March 2020 as we took the decision to close the Minster, we expected a sprint, maybe a middle distance, not the marathon we have run and are still running, and therefore one risk is that we don't attend to the care of one another as we continue our work together. Live to that risk, and ensuring people do get rest and time to recuperate we believe we are managing that risk as best we can.

Covid aside, there is uncertainty in the Cathedral world over the timing of governance changes. The new Cathedral Measure, 2021, was approved by Ecclesiastical Committee in February 2021 and it is anticipated will receive Royal Assent by Easter. York was selected as one of the pilot cathedrals to undertake a dummy application process with the Charity Commission, and is therefore likely to be one of the first Cathedrals to formally register, in all likelihood, at some point before the end of 2021. This will in itself bring further uncertainty as Chapter will need to review its relationships with the two committees who hitherto have been part of the Corporate Body, College of Canons and Cathedral Council. Moreover, each Canon, will need to become accustomed to the new regime of being a Trustee. Support in place from the National Church Institutions as we live this change during 2021 and it is likely that some of the bedding down of these new structures will continue on into 2022.

The long-term funding landscape for Cathedrals remains as perilous as it was pre- pandemic. True, many Cathedrals have benefitted from large grants from the Culture Recovery Fund: but York has not. Chapter has benefitted from the furlough scheme, but once September 2021 comes, all state support of the Cathedral will cease and Chapter will be back fending for itself. We continue to support central church initiatives and those of the Association of English Cathedrals as they continue to lobby for state funding for the fabric and upkeep of Cathedrals.

THE CHAPTER OF YORK

2020 Financial Review (continued)

Going concern

The Minster was once again closed to sightseeing visitors for the first part of the 2021 year. At the time of writing the Government's road map out of the restrictions is in action with regular monitoring of the impacts of this. The loss of visitor income since the start of 2021 has largely been offset in forecasts by the commitment of the Government to continue with the 5% VAT reduction on hospitality and leisure business activity to September 2021 and then to increase to only 12.5% until March 2022. Budgets and cash flow forecasts have been prepared to the December 2022 and whilst there remains a significant threat to income streams, Chapter are satisfied that the steps that are being put in place to limit exposure to this reduction in income are appropriate, and the Cathedral has the ability to continue as a going concern for at least twelve months from the approval of these financial statements identified as part of this process.

The Audit and Risk Committee reported to Chapter on the 2020 year as follows:

"We recognise that controls across the Chapter's operations are working satisfactorily, an assessment confirmed by the auditors.

"2020 has been a torrid year for the Minster but the Management Team is to be congratulated on how quickly it tackled the situation and in the process took some very painful and difficult decisions. While the restructuring and reorganisation won't bring financial security immediately the Minster is now in a better place to go forward but the next few years will need careful forecasting, flexibility and management."

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 2020.

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.

Plans for future periods

As in previous years, Chapter remains well aware of the both the challenges and opportunities ahead. The uncertainty of the ongoing COVID-19 pandemic continues to impact on Chapter's business interests and activities in many ways: it is unlikely we will see a return to 2019 levels of inbound tourism until at least 2023.

The events of 2020 required Chapter to look carefully at cost base and make difficult decisions about headcount and expenditure: that belt tightening alongside welcome financial support from the CRJS, York Minster Fund, National Church Institutions and Cultural Recovery Fund has enabled Chapter to focus carefully on what it hopes to achieve in the next five years in the run up to the anniversary year 2027. We have refocused for sustainable growth. Having used the interim plan developed during 2020 through the year Chapter then commissioned the Senior Executive Team to consult on and develop a new strategic plan for the years 2021-2025 – building on the foundations of the plan 2015-2020. The very real need to diversify income streams is becoming a plan in its own right. A final version of the Neighbourhood Plan will be deposited with the Local Council before it moves to

THE CHAPTER OF YORK

Plans for future periods (continued)

referendum later in 2021. If adopted, this plan will give Chapter the roadmap to develop and sustain the six-hectare Precinct over the next twenty years. Projects which will sit in the first phase of that plan include: the creation of a Refectory in the Old School Building, the conversion of Church House to residential accommodation, the creation of new facilities for the Works Department, establishing new visitor facilities on the south side of the precinct, updating the residential property portfolio to maximise rental yields, and also improving liturgical furniture and furnishings in the Minster. Each of these projects sit alongside the ongoing works to care for the Fabric of the Minster itself, concentrating in the next five-year period on the stone and glass to the south quire aisle and also the continuation of the partnership with York Glaziers Trust to protect the fragile medieval glass in the Minster.

Although total net assets of £50,668,000 are held as at 31 December 2020, £48,870,000 of these are fixed assets; £25,698,000 of which are held as property and £22,786,000 equity investments. This reflects the long-term strategy for ensuring financial stability. It is a priority for Chapter to focus on increasing and diversifying its operating and fundraised income to meet the tasks ahead of us which are manifold, complex and interconnected.

Chapter passed a resolution on 14th September 2017 to adopt a total return policy in respect of endowed funds. This approach allows any increase in the value of an investment to be used as income, whilst protecting the value of the original gift, or trust for investment. Following this resolution the investment managers were instructed to remit income to Chapter based on this approach. Subsequently 4% is currently being applied to the funds in calculating the amount to be remitted to Chapter each month, this is subject to regular review.

This aligns the total return accounting treatment with cash realisation from the investments. The decision was taken to ensure that Chapter invests in a way that has appropriate regard to the furtherance of its aims both now and in the future.

At the time of budget setting for 2021, it was noted that low investment yields in the course of 2020 had meant that the 4% applied to funds had eroded capital somewhat. Therefore it was agreed to reduce the value of the annual drawdown to Chapter from £780,000 per annum to £750,000 with effect from 2021.

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.

A detailed review of the Constitution and the Statutes, undertaken on behalf of Cathedral Council in autumn 2017, identified several provisions that required updating revision. A wide-ranging package of proposed revisions was subsequently produced, discussed with Chapter and the Archbishop, and put out to public consultation in April 2018. A key priority was the modernisation of Chapter as a governing executive to ensure that it was fit for purpose, in particular by removing the multi-layered restrictions (none of which were required by the 1999 Measure) that severely restricted the Archbishop's power to appoint the appropriate number of lay members onto Chapter. The proposed revisions also created new non-residentiary and non-canonical classes of Chapter member, enabling new members to be drawn from a far broader pool of talent and expertise than had previously been possible.

THE CHAPTER OF YORK

Structure, Governance and Management (continued)

Constitution and Statutes (continued)

The revision proposals took due note of the helpful assessments of cathedral governance structures and management issues that were produced during this period for General Synod by the Church of England Cathedrals Working Group.

The revision process required by Part II of the 1999 Measure was completed in June 2018. The updated Constitution and Statutes were formally adopted by Amendment Instruments dated 8 June 2018 and came into force on 29 June 2018.

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; this was the Most Revd and Rt Hon John Tucker Mugabi Sentamu until 7th June 2020, then the Most Revd and Rt Hon Stephen Cottrell from 9th July 2020. 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

The Chapter consists of the Dean, up to six Residentiary Canons and up to seven non-residentiary 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, non-residentiary members of the Chapter are appointed for terms of three years, after consultation with the Dean. Members of Chapter will normally 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.

THE CHAPTER OF YORK

Structure, Governance and Management (continued)

The Chapter (continued)

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 non-residentiary 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.

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 and Risk 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

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

Collectively members of Chapter are 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 subsidiary;
- 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 Right Revd Dr JH Frost 13 May 2021

Dean of York

THE CHAPTER OF YORK

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

Opinion

We have audited the financial statements of The Chapter of York (the 'parent entity') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Chapter balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Chapter's Annual Report, other than the financial statements and our auditor's report thereon. Chapter are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent

THE CHAPTER OF YORK

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF YORK (continued)

otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Chapter

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

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

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (continued)

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

THE CHAPTER OF YORK

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF YORK (continued)

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

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

1. We gained an understanding of the legal and regulatory framework applicable to the Chapter of York and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.
2. We focused on laws and regulations relevant to the entity which could give rise to a material misstatement in the financial statements. Our testing included agreeing the financial statement disclosures to underlying supporting documentation, discussions with management, Chapter, and those staff with direct responsibility for the compliance of laws and regulations, review of Chapter minutes and legal expenses.
3. We addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or Chapter that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Jane Marshall (Jun 10, 2021 15:41 GMT+1)

Jane Marshall (Senior Statutory Auditor)

For and on behalf of
BHP LLP
Rievaulx House
1 St Mary's Court
Blossom Street
York
YO24 1AH

Date: Jun 10, 2021

THE CHAPTER OF YORK
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income and endowments from:						
Donations and legacies		342	78	-	420	1,510
Grants		1	2,284	-	2,285	1,436
Charitable activities		518	-	-	518	1,089
Other trading activities		1,285	36	-	1,321	4,979
Investments		235	14	867	1,116	1,336
Other income		1,675	16	(867)	824	5
Total income	3	4,056	2,428	-	6,484	10,355
Expenditure on:						
Raising funds		(1,829)	(39)	(136)	(2,004)	(2,664)
Charitable activities:						
Ministry		(997)	(206)	-	(1,203)	(1,179)
Cathedral and precincts upkeep		(1,754)	(1,587)	(12)	(3,353)	(3,833)
Education and outreach		(2,214)	(27)	-	(2,241)	(2,347)
Total expenditure	4	(6,794)	(1,859)	(148)	(8,801)	(10,023)
Net income/ (expenditure) before investment gains		(2,738)	569	(148)	(2,317)	332
Net gains/(losses) on Investments	6	287	46	2	335	2,980
Net income/(expenditure)		(2,451)	615	(146)	(1,982)	3,312
Gross transfers between funds		-	-	-	-	-
		(2,451)	615	(146)	(1,982)	3,312
Other recognised losses:						
Actuarial gains/(losses) on defined benefit pension schemes (DBS)	12	13	-	-	13	15
Net movement in funds		(2,438)	615	(146)	(1,969)	3,327
Reconciliation of funds:						
Total funds brought forward		16,158	1,518	34,961	52,637	49,310
Funds carried forward	17	13,720	2,133	34,815	50,668	52,637

THE CHAPTER OF YORK
CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds 2020 £'000	Total funds 2019 £'000	Total funds £'000
FIXED ASSETS						
Investment assets						
Property	6	550	-	15,225	15,775	13,805
Investments	6	10,556	1,588	10,642	22,786	22,582
		<u>11,106</u>	<u>1,588</u>	<u>25,867</u>	<u>38,561</u>	<u>36,387</u>
Non-investment assets						
Property	7	922	-	9,001	9,923	12,211
Equipment and plant	7	386	-	-	386	538
Total fixed assets		<u>12,414</u>	<u>1,588</u>	<u>34,868</u>	<u>48,870</u>	<u>49,136</u>
CURRENT ASSETS						
Stocks	9	155	-	-	155	148
Debtors	10	1,185	228	-	1,413	1,201
Cash at bank and on deposit		976	354	(53)	1,277	3,696
		<u>2,316</u>	<u>582</u>	<u>(53)</u>	<u>2,844</u>	<u>5,045</u>
LIABILITIES DUE WITHIN ONE YEAR						
Creditors	11	(872)	(37)	-	(909)	(1,293)
NET CURRENT ASSETS		<u>1,444</u>	<u>545</u>	<u>(53)</u>	<u>1,936</u>	<u>3,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,858</u>	<u>2,133</u>	<u>34,815</u>	<u>50,806</u>	<u>52,888</u>
LIABILITIES DUE AFTER ONE YEAR						
Defined benefit scheme liability	12	(138)	-	-	(138)	(251)
TOTAL NET ASSETS		<u>13,720</u>	<u>2,133</u>	<u>34,815</u>	<u>50,668</u>	<u>52,637</u>
THE FUNDS OF THE CATHEDRAL						
Unrestricted general		12,482	-	-	12,482	15,374
Unrestricted designated		1,493	-	-	1,493	1,151
Restricted fabric fund		-	1,029	-	1,029	448
Restricted other funds		-	1,104	-	1,104	1,070
Endowment funds		-	-	34,815	34,815	34,961
Pension reserve		(255)	-	-	(255)	(367)
Total Cathedral funds	17	<u>13,720</u>	<u>2,133</u>	<u>34,815</u>	<u>50,668</u>	<u>52,637</u>

The financial statements were approved by the Chapter on 13 May 2021 and signed on their behalf by:



**The Right Revd Dr JH Frost
Dean**



**Alan Dunsmore
Canon Treasurer**

THE CHAPTER OF YORK
BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2020	Total funds 2019
		£'000	£'000	£'000	£'000	£'000
FIXED ASSETS						
Investment assets						
Property	6	550	-	15,225	15,775	13,805
Investments	6	10,556	1,588	10,642	22,786	22,582
		<u>11,106</u>	<u>1,588</u>	<u>25,867</u>	<u>38,561</u>	<u>36,387</u>
Non-investment assets						
Property	7	922	-	9,001	9,923	12,211
Equipment and plant	7	375	-	-	375	530
		<u>12,403</u>	<u>1,588</u>	<u>34,868</u>	<u>48,859</u>	<u>49,128</u>
TOTAL fixed assets						
CURRENT ASSETS						
Stocks	9	9	-	-	9	8
Debtors	10	1,401	229	-	1,630	1,442
Cash at bank and on deposit		870	354	(53)	1,171	3,529
		<u>2,280</u>	<u>583</u>	<u>(53)</u>	<u>2,810</u>	<u>4,979</u>
LIABILITIES DUE WITHIN ONE YEAR						
Creditors	11	(782)	(37)	-	(819)	(1,241)
		<u>1,498</u>	<u>546</u>	<u>(53)</u>	<u>1,991</u>	<u>3,738</u>
NET CURRENT ASSETS						
TOTAL ASSETS LESS CURRENT LIABILITIES						
		<u>13,901</u>	<u>2,133</u>	<u>34,815</u>	<u>50,849</u>	<u>52,866</u>
LIABILITIES DUE AFTER ONE YEAR						
Defined benefit scheme liability	12	(138)	-	-	(138)	(251)
		<u>13,763</u>	<u>2,133</u>	<u>34,815</u>	<u>50,711</u>	<u>52,615</u>
TOTAL NET ASSETS						
THE FUNDS OF THE CATHEDRAL						
Unrestricted general fund		12,525	-	-	12,525	15,352
Unrestricted designated fund		1,493	-	-	1,493	1,151
Restricted fabric fund		-	1,029	-	1,029	448
Restricted other funds		-	1,104	-	1,104	1,070
Endowment funds		-	-	34,815	34,815	34,961
Pension reserve		(255)	-	-	(255)	(367)
		<u>13,763</u>	<u>2,133</u>	<u>34,815</u>	<u>50,711</u>	<u>52,615</u>
Total Cathedral funds	17	<u>13,763</u>	<u>2,133</u>	<u>34,815</u>	<u>50,711</u>	<u>52,615</u>

The financial statements were approved by the Chapter on 13 May 2021 and signed on their behalf by



**The Right Revd Dr JH Frost
Dean**



**Alan Dunsmore
Canon Treasurer**

THE CHAPTER OF YORK
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in operating activities	1	(3,355)	(685)
Cash flows from investing activities:			
Rents received net of costs		136	412
Investment income received net of costs		360	544
Purchase of property, plant and equipment		(9)	(548)
Proceeds from sale of investments		7,879	3,149
Purchase of investments		(7,156)	(2,468)
Net cash provided by investing activities		1,210	1,089
Cash flows from financing activities:			
Receipt of endowment		-	-
Change in cash and cash equivalents in the year		(2,145)	404
Cash and cash equivalents at the beginning of the reporting year		4,056	3,652
Cash and cash equivalents at the end of the reporting year		1,911	4,056

1. Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net (expenditure)/income in the year	(2,317)	322
Adjustments for:		
Depreciation charges	161	179
Pension scheme contributions paid	(119)	(127)
Pension scheme interest cost	20	18
Income added to Endowment capital	-	-
Income from property and investments	(1,116)	(1,336)
Property and investment management costs	620	380
(Increase)/decrease in stocks	(7)	5
(Increase)/decrease in debtors	(213)	(226)
Increase/(decrease) in creditors	(384)	90
Net cash used in operating activities	(3,355)	(685)

Cash and cash equivalents and net debt comprise the following balances:

	At 1 January £'000	Cash flows £'000	Other non- cash changes £'000	At 31 December £'000
Cash at bank and in hand	3,696	(2,419)	-	1,277
Cash held with investment managers for reinvestment	360	(226)	-	134
Cash held on reserve by investment managers	-	500	-	500
Total cash and cash equivalents	4,056	(2,145)	-	1,911

Included within cash held with investment managers, £68,000 (2019: £115,000) relates to the endowment fund, which is unavailable for use until it is applied to the income fund.

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****1. ACCOUNTING POLICIES****Basis of preparation**

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 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 December 2018.

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

Basis of consolidation

The group financial statements consolidate the accounts of the Chapter of York and its subsidiary undertaking, York Minster Enterprises Limited. 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.

In addition, the cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided in note 15.

Going concern

The Chapter has considered whether the use of the going concern basis of preparation is appropriate. In doing this they have considered whether there are any material uncertainties which would prevent the cathedral's ability to continue as a going concern. One of the most significant events which has impacted upon this assessment is the ongoing COVID-19 (Coronavirus) pandemic post year end with the Minster closed again to paying visitors under the national lockdown restrictions imposed from 4 January 2021, planning to reopen to sightseeing visitors on 17 May 2021 if restriction relaxation allows. Budgeting and cash flow forecasting has been undertaken for the period to 31 December 2022 which shows that the Chapter has sufficient cash and reserves to enable it to continue for this period and beyond. Forecasting and cash flow is being reviewed and monitored as the ongoing roadmap of restriction relaxation takes place and the work done in this respect provides assurance to Chapter that the Cathedral remains a going concern for at least the next 12 months from the approval of the accounts.

Income

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.

For donations to be recognised, Chapter will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of Chapter and it is probable that they will be fulfilled.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Income (continued)

For legacies, entitlement is the earliest of Chapter being notified of an impending distribution or the legacy being received. At this point the income is recognised. On occasion legacies will be notified to Chapter however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

School fee income is recognised in the term in which the invoice is due. Any amounts invoiced in advance of the term are deferred on the balance sheet.

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.

Expenditure

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

Support costs are those functions that assist the work of the cathedral but do not directly undertake either charitable or fundraising activities. 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.

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. Heritage assets include the cathedral and items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Heritage Assets (continued)

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.

With effect from 1 January 2019, 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.

Investment properties

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 2017 by Sanderson Weatherall LLP, Chartered Surveyors. Investment properties are included at fair value at the reporting date, depreciation is not provided on investment property.

Tangible Fixed Assets and Depreciation

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 is calculated by reference to unexpired lives and estimated residual values based on current prices. For those properties whose unexpired life is estimated at more than 50 years, an annual impairment review is carried out.

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 OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Tangible Fixed Assets and Depreciation (continued)

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 and the property is unlikely to suffer obsolescence therefore any element of depreciation would be immaterial.

Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all costs of purchase.

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 and allocated to the relevant fund.

Total return approach to investments

The Chapter of York passed a resolution on 14 September 2017 to adopt a total return policy in respect of personally endowed funds. This approach allows any increase in the value of an investment to be used as income. The decision was taken to ensure that Chapter invests in a way that has appropriate regard to the furtherance of its aims both now and in the future.

Chapter identified the relevant fund and apportioned it into the value of the original endowment (which forms the Investment Fund) and the unapplied investment return (which forms the unapplied total return). Chapter used their best endeavour to arrive at the value of the original endowment but acknowledge the inherent uncertainty caused by lack of records documenting ancient endowments.

All endowed investment returns are designated as unapplied total return until Chapter decide how it is to be used. At the discretion of Chapter, some of the unapplied total return may be allocated to the income fund to be spent on its aims.

Chapter may also allocate a limited amount of the unapplied total return to the investment funds. The amount that can be allocated to the investment fund is capped. The cap is calculated by using the rise in inflation from a particular date, being either the date of resolution if no previous allocation has been made, or date of the last allocation to the investment fund.

Fund Accounting

Endowment funds are funds which are held for the permanent benefit of the Cathedral.

Chapter has adopted a total return approach to investments, the permanently endowed funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation.

Gains and losses on the sale of properties and investments and changes in the value of properties and investments, together with any related costs, are transferred to the Endowment Fund which has been designated as a separate fund not available for allocation as part of the surplus for the year.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Funds accounting (continued)

Chapter may, however, determine which part of the unapplied total return may be applied for the purposes of the Cathedral and which part should be available for accumulation as part of investments.

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.

These four contributory pension schemes are multi-employer pension schemes whereby it is not possible to attribute the schemes assets and liabilities to specific employers.

Further details are provided in Note 14.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The following judgments have had the most significant effect on amounts recognised in the financial statements:

Non-investment fixed assets

Tangible fixed assets are depreciated to their residual value over their useful life. The useful life is based on the management's estimate of the period that the assets will generate revenue and will be reviewed annually for continued appropriateness. For non-investment properties the residual value is based on the management's assessment of current prices. The carrying values will be tested for impairment when there is an indication that the value of an asset might be impaired.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
1. ACCOUNTING POLICIES (continued)
Critical accounting estimates and areas of judgement (continued)
Investment property

Investment properties are subject to an external professional valuation every 5 years. Between the external valuations the management assess whether there have been any material changes to the valuation.

Total return

On passing the resolution to adopt a total return policy in 2017, Chapter identified the relevant fund and apportioned it into the value of the original endowment (which forms the Investment Fund) and the unapplied investment return (which forms the unapplied total return). Chapter used their best endeavour to arrive at the value of the original endowment but acknowledge the inherent uncertainty caused by lack of records documenting ancient endowments.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when Chapter is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. EMPLOYEES

	2020	2019
The average number of employees (full time equivalents) was:		
Chapter	120	132
York Minster Enterprises Limited	8	10
The Minster School	16	25
	144	167

As at 31 December 2020, there were 167 full and part time employees, including Church Commissioner funded clergy (267 at 31 December 2019).

	£'000	£'000
The total cost of all paid staff of the Cathedral was:		
Salaries and stipends	3,849	4,485
Redundancy & Settlement payments	1,019	87
Employer's National Insurance costs	352	359
Employer's pension costs (including DBS deficit)	480	482
	5,700	5,413

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
2. EMPLOYEES (continued)

There were three employee (2019: one) whose earnings fell in the band between £60,000 and £70,000, two employees (2019: none) whose earnings fell in the band between £70,000 and £80,000, one employee (2019: none) whose earnings fell in the band between £80,000 and £90,000 and one employee (2019: none) whose earnings fell in the band between £90,000 and £100,000. Employer pension contributions of £62,937 (2019 £6,110) were paid in the year in respect of these employees.

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council, and the Church of England Pensions Board. No supplement to these scales are paid. These payments are set out below.

	Stipend	Pension Contributions	Total
	£	£	£
The Right Reverend Dr J H Frost	37,485	11,751	49,236
The Revd Canon Dr C P Collingwood	19,177	6,558	25,735
The Revd Canon M D Smith	28,836	8,861	37,697
The Revd Canon V Johnson	28,998	8,128	37,126
The Revd Canon M McLean	28,929	11,440	40,369

The Lay Canons Shephard, Hattam, Worsley, Temby, Dunsmore, Thompson and Townson 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 (2019: five) members of Chapter were reimbursed a total of £10,431 (2019: £23,017) in respect of travel and subsistence whilst carrying out the business of the Chapter.

Chapter owned properties were occupied by employees for parts of the year at a market rent. The total rent received during the year in respect of these was £16,900.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
3. INCOME

Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2020 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2019 £'000
Donations and legacies:								
Congregational collections and giving	99	-	-	99	239	-	-	239
Donations	41	8	-	49	74	101	-	175
Tax recoverable under Gift Aid on voluntary donations	17	-	-	17	34	-	-	34
Income from Friends and local Trusts	-	41	-	41	-	281	-	281
Legacies	185	29	-	214	7	774	-	781
	342	78	-	420	354	1,156	-	1,510
Grants:								
Church Commissioners	-	158	-	158	-	148	-	148
York Minster Fund	-	1,891	-	1,891	-	1,263	-	1,263
Other revenue and capital grants	1	235	-	236	-	25	-	25
	1	2,284	-	2,285	-	1,436	-	1,436
Charitable activities:								
Facility and other fees	28	-	-	28	154	-	-	154
Gross income of the Minster school	490	-	-	490	935	-	-	935
	518	-	-	518	1,089	-	-	1,089
Other trading activities:								
Charges to visitors	868	-	-	868	3,545	-	-	3,545
Gift aid on entrance charges	70	-	-	70	273	-	-	273
Shop income	344	-	-	344	1,050	-	-	1,050
Other activities	3	36	-	39	111	-	-	111
	1,285	36	-	1,321	4,979	-	-	4,979

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
3. INCOME (continued)

Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2020 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2019 £'000
Investments:								
Investment property income	26	-	647	673	13	-	676	689
Investment income	209	14	220	443	312	20	315	647
	235	14	867	1,116	325	20	991	1,336
Other income:								
Other income	8	-	-	8	5	-	-	5
Furlough income	816	-	-	816	-	-	-	-
Allocation of endowment income	851	16	(867)	-	967	24	(991)	-
	1,675	16	(867)	824	972	24	(991)	5
Total income	4,056	2,428	-	6,484	7,719	2,636	-	10,355

4. EXPENDITURE
Expenditure on raising funds:

Facilities for visitors	932	36	-	968	1,186	-	-	1,186
Shop expenditure	395	-	-	395	772	-	-	772
Investment property expenses	119	-	99	218	131	-	146	277
Investment management fees	43	3	37	83	51	4	48	103
Defined benefit scheme deficit interest and expenses	20	-	-	20	18	-	-	18
Allocated support costs	320	-	-	320	308	-	-	308
	1,829	39	136	2,004	2,466	4	194	2,664

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

4. EXPENDITURE (continued)

	Note	Unr. Fund £'000	Rest. Fund £'000	End Fund £'000	Total 2020 £'000	Unr. Fund £'000	Rest. Fund £'000	End. Fund £'000	Total 2019 £'000
Charitable activities - Ministry:									
Clergy stipends and working expenses		96	158	-	254	83	148	-	231
Clergy housing costs		45	-	-	45	138	-	1	139
Clergy support costs		62	-	-	62	51	-	-	51
Services, music & congregational costs		635	48	-	683	581	23	-	604
Allocated support costs		159	-	-	159	154	-	-	154
		997	206	-	1,203	1,007	171	1	1,179
Charitable activities – Cathedral and precincts upkeep:									
Major repairs and restoration		707	1,587	-	2,294	578	2,087	-	2,665
Maintenance and interior upkeep		235	-	-	235	265	-	-	265
Cathedral insurance		134	-	-	134	133	-	-	133
Precincts, security and gardens upkeep		340	-	12	352	330	-	92	330
Other costs		85	-	-	85	85	-	-	85
Allocated support costs		253	-	-	253	252	-	-	252
		1,754	1,587	12	3,353	1,654	2,087	92	3,833
Charitable activities – Education and outreach:									
Minster school costs	16	1,475	18	-	1,493	1,473	24	-	1,473
Educational activities		116	-	-	116	182	-	-	182
Archives and library		190	9	-	199	227	5	-	232
Charitable and other giving		95	-	-	95	134	-	-	134
Allocated support costs		338	-	-	338	302	-	-	302
		2,214	27	-	2,241	2,318	29	-	2,347
Total expenditure		6,794	1,859	148	8,801	8,461	2,291	287	10,023

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

5. GOVERNANCE AND SUPPORT COSTS

	Cost of raising funds	Charitable activities	2020	Cost of raising funds	Charitable activities	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Governance costs	32	82	114	10	31	41
Staff costs	228	545	773	198	472	670
Information technology	22	37	59	32	51	83
Training and recruitment	6	13	19	15	31	46
Insurance	8	15	23	7	13	20
Health and safety	2	4	6	7	14	21
General office costs	22	54	76	39	96	135
	320	750	1,070	308	709	1,016

Support costs, stated after audit fees charged of £15,000 (2019: £15,000), are allocated on the basis of headcount of staff engaged in each activity.

6. INVESTMENT FIXED ASSETS

Chapter and consolidated

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£'000	£'000	£'000	£'000
Property – at valuation				
At 1 January 2020	550	-	13,255	13,805
Additions	-	-	-	-
Transfers from non-investment property	-	-	1,970	1,970
Net movement in market value	-	-	-	-
At 31 December 2020	550	-	15,225	15,775

The investment properties were valued at 31 December 2017 by Sanderson Weatherall LLP, Chartered Surveyors. The Cathedral Accounting Regulations require the investment properties to be carried at fair value at the reporting date.

The transfer of £1,970,000 is in respect of part of 7 Minster Yard (£720,000) and 6 Minster Yard in its entirety (£1,250,000) from non-investment property to investment assets as they were both rented to a third party in the course of 2020. They have been transferred into investment assets at 31 December 2020 fair value.

An independent formal professional valuation of the full portfolio 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. The next professional valuation is due to take place in the year ended 31 December 2022.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
**6. INVESTMENT FIXED ASSETS (continued)
Chapter and consolidated**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Investments				
Consolidated accounts				
At 1 January 2020	11,244	769	10,569	22,582
Additions	3,657	322	3,119	7,098
Proceeds from disposals	(3,831)	(350)	(3,366)	(7,547)
Net movement in market value	287	46	320	653
Transfers between funds	(801)	801	-	-
At 31 December 2020	10,556	1,588	10,642	22,786

	2020 £'000	2019 £'000
Analysed as follows:		
UK equities	11,049	10,655
Property/other assets	646	680
Overseas equities	8,512	8,785
Fixed interest	1,945	2,102
Cash held for reinvestment	134	360
Cash held on reserve	500	-
	22,786	22,582

There is an additional £1 investment in the entity balance sheet in respect of its wholly owned subsidiary, York Minster Enterprises Limited.

	2020 £'000	2019 £'000
Total net gain/(loss) on investment:		
Property revaluation	(318)	-
Investment disposal and revaluation	653	2,980
	335	2,980

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
7. NON-INVESTMENT FIXED ASSETS

Chapter and consolidated	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Property				
At 1 January	922	-	11,289	12,211
Transfer to investment property	-	-	(2,288)	(2,288)
At 31 December 2020	922	-	9,001	9,923

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.

The transfer to investment property above are in respect 6 Minster Yard (£1,250,000) and 7 Minster Yard (£1,038,000) with the latter being impaired by £318,000 on valuation at fair value when transferred to Investment Fixed Assets.

	2020 £'000	2019 £'000
These properties are designated as follows:		
Clergy housing	5,226	6,151
Administration	922	922
Stoneyard	740	740
Staff housing	1,515	590
School	720	3,008
Library	800	800
	9,923	12,211

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
7. NON-INVESTMENT FIXED ASSETS (continued)

	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
Consolidated - Equipment and plant			
At 1 January 2020	2,040	1,493	3,533
Additions	9	-	9
At 31 December 2020	2,049	1,493	3,542
Depreciation			
At 1 January 2020	1,502	1,493	2,995
Charge for the year	161	-	161
At 31 December 2020	1,663	1,493	3,156
Net book value			
At 31 December 2020	386	-	386
At 31 December 2019	538	-	538
	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
Chapter - Equipment and plant			
At 1 January 2020	2,030	1,493	3,523
Additions	-	-	-
At 31 December 2020	2,030	1,493	3,523
Depreciation			
At 1 January 2020	1,500	1,493	2,993
Charge for the year	155	-	155
At 31 December 2020	1,656	1,493	3,149
Net book value			
At 31 December 2020	375	-	375
At 31 December 2019	530	-	53

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
8. HERITAGE ASSETS

As stated in the accounting policies, no value has been placed on the cathedral building and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

The Care of Cathedrals Measure 2011 requires cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the cathedral church. Primarily this consists of the cathedrals collection of 300,000 objects, from textiles to silver, books to archaeology. No additions to the inventory in the last four years have met the definition of a heritage asset and there have been no transactions involving heritage assets in the same time period.

9. STOCKS

	Chapter 2020 £'000	Consolidated 2020 £'000	Chapter 2019 £'000	Consolidated 2019 £'000
Goods for resale	-	146	-	140
Consumables	9	9	8	8
	9	155	8	148

10. DEBTORS

	Chapter 2020 £'000	Consolidated 2020 £'000	Chapter 2019 £'000	Consolidated 2019 £'000
Trade debtors	48	48	282	282
Other debtors	321	321	319	319
Prepayments and accrued income	1,034	1,043	562	580
Amounts due from subsidiary undertakings	226	-	259	-
Tax recoverable	1	1	20	20
	1,630	1,413	1,442	1,201

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

11. CREDITORS

	Chapter 2020 £'000	Consolidated 2020 £'000	Chapter 2019 £'000	Consolidated 2019 £'000
Trade creditors	228	245	263	270
Other creditors	48	50	55	55
Accruals	280	340	319	329
Deferred income	93	93	378	378
Pension scheme creditors	116	116	116	116
Taxes and social security	54	65	110	145
	819	909	1,241	1,293

Deferred income as at 31 December 2020 relates to deferred commercial rent income. At 31 December 2019 this also included school fees invoiced in advance for the spring term and deferred commercial rent income.

12. DEFINED BENEFIT SCHEME LIABILITY AND PROVISIONS

	Chapter 2020 £'000	Consolidated 2020 £'000	Chapter 2019 £'000	Consolidated 2019 £'000
Liabilities due after one year				
Church of England Funded Pension Scheme	-	-	8	8
Church Workers Pension Fund 'DBS' deficit	138	138	243	243
	138	138	251	251

The latest valuations of the pension schemes are detailed in Note 14 to the financial statements.

The last Church of England funded pension scheme (CEFPS) valuation was carried out as at 31 December 2018. Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable by The Chapter of York were set out as being £39,000 as at 31 December 2018. The liability outstanding at 31 December 2020 is £2,000 (2019: £13,000) with £2,000 (2019: £5,000) of these liabilities due within one year.

A valuation of the Church Workers Pension Fund DBS is carried out once every three years. The most recent valuation was carried out as at 31 December 2016. Chapter ceased to make contributions to this scheme from 1 January 2019 and the 2019 actuarial valuation has been prepared on this basis, the balance sheet liability as at 31 December 2020 is £250,000 (2019: £354,000). £111,698 (2019: £111,698) of this liability is due within one year. A 2019 valuation of the scheme has been completed, but this has not been signed off by The Church of England Pensions Board.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

13. CONTINGENT ASSETS, LIABILITIES AND FUTURE COMMITMENTS

Commitments and contingent liabilities

Grand Organ Project

As at 31 December 2020 there is a commitment in respect of the Grand Organ refurbishment project. An element of this work is being done in house and total project costs are anticipated to be £2m. The contract was signed to instruct the organ builders, Harrison & Harrison, in April 2017. The contract sum is £1.5m, this is subject to inflation over the term of the contract to 2020.

Additional contracts amounting £70,000 were also committed to in 2017 to instruct a consultant, works to the organ blower and also case-pipe refurbishment and redecoration as part of the project. Given the organ is part of the fabric of the Cathedral, this project is a major repair and restoration, with expenditure being charged as incurred, in line with the accounting policy. The majority of this commitment has been discharged over the course of 2020, with outstanding costs of around £170,000 remaining at the end of 2020.

Commitments under operating leases

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

	2020 £'000	2019 £'000
Expiry		
Under one year	7	9
Two to five years	1	8
	8	17

14. PENSIONS

The Chapter of York participates in the Church Workers Pension Fund (CWPF) for lay staff and the Church of England Funded Pension scheme (CEFPS) on behalf of the clergy. Until 31st December 2020 it also participated in the Teacher's Pension Defined Benefit Scheme for teachers at the Minster school,

The CWPF has three sections, a section known as the Defined Benefits Scheme ("DBS"), 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. On 1 January 2019, other than deficit funding, contributions to the DBS section of the Fund ceased and all active members were transferred to the Pension Builder section. At 31 December 2020, the Chapter had no (2019: no) active members and 30 (2019: 32) deferred pensioner members in the DBS section of the Fund.

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****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 and contributions to this scheme ceased with effect from 1 January 2019.

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 (2020: £nil, 2019: £nil), in addition to this any impact of deficit contributions (see below) are also paid, giving a total charge of £111,698 for 2020 (2019: £111,698).

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 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m for all participating employees. A valuation of the scheme as at December 2019 was underway at the 31 December 2020.

Following the valuation, the Chapter of York has entered into an agreement with the Church Workers Pension Fund to pay deficit payments of £111,698 and expenses of £9,800 per year for 5 years from 1 April 2018 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.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
14. PENSIONS (continued)

The movement in the provision is set out below:

	2020	2019
	£'000	£'000
Balance sheet liability at 1 January	354	452
Deficit contribution paid	-112	-112
Interest cost (recognised in SoFA)	4	8
Remaining change to the balance sheet liability*(recognised in SoFA)	4	6
Balance sheet liability at 31 December	250	354

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

£111,698 (2019: £111,698) of this balance sheet liability is due within one year and included within current liabilities.

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 2020	December 2019	December 2018
Discount rate	0.30%	1.20%	1.90%

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.

Defined Benefits Scheme of the CWPF (continued)

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.

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****14. PENSIONS (continued)****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 multi-employer defined benefit schemes.

At 31 December 2020, the Chapter of York had no active members (2019: none), 20 (2019: 21) deferred members and 37 (2019: 39) pensioners in the Pension Builder Classic section and 132 (2019: 153) active members and 84 (2019: 47) deferred members in the Pension Builder 2014 section. Chapter contributes at a rate of 9.5% of basic salary and the employees are required to contribute 3%.

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 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 (2020: £285,427, 2019: £331,819).

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 2016. A valuation as at 31 December 2019 was underway as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

Church of England Funded Pension Scheme (CEFPS)

The Chapter of York also participates in the Church of England Funded Pensions Scheme, a defined benefit pension scheme, on behalf of the clergy. There are three (2019: two) members 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 and it is not possible to attribute the Scheme's assets and liabilities to specific employers. The CEFPS is therefore treated as defined contribution scheme for accounting purposes. The pensions costs charged to the SoFA in the year of £25,593 (2019: £14,135) are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below) giving a total charge of £34,593 (2019: £19,135).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 actuarial report revealed a deficit of £50m (2015: £236m) based on assets of £1,818m (2015: £1,308m) and a funding target of £1,868m (2015: £1,544m), assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

14. PENSIONS (continued)

Church of England Funded Pension Scheme (CEFPS) (continued)

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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.

	2020	2019
	£	£
Balance sheet liability at 1 January	13,000	39,000
Deficit contribution paid	(9,000)	(6,000)
Interest cost (recognised in SoFA)	0	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(2,000)	(21,000)
Balance sheet liability at 31 December	2,000	13,000

*Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends. £2,000 (2019: £5,000) of this balance sheet liability is due within one year and included within current liabilities.

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 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****14. PENSIONS (continued)****Minster School**

The Minster School contributed to the Church Workers Pension Fund as detailed above, and the Teachers' Pension Defined Benefit Scheme (TPS). The contribution to the TPS are at rates set by the scheme actuary at 23.6% (2019: 23.6%) 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 TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The pension costs charged to the SoFA in the year of £136,658 (2019: £107,941) are contributions payable towards benefits and expenses accrued in that year in respect of the TPS.

Contributions to the TPS ceased at 31st December 2020 when the final employees in the scheme left Chapter's employment.

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, under the Deed of Covenant dated 27th March 1998.

St William's College Trust is a registered charity, administered by the Chapter of York as sole 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 the wholly owned trading subsidiary of St William's College Trust. The Chapter invoiced the Trust for services provided during the year to the value of £67,437 (2019: £53,656). The Chapter paid rents to the value of £125 (2019: £25,107), in respect of offices occupied by departments of the Chapter to St William's College and fees to the value of £nil (2019: £nil) in respect of hire of venue space to St William's College Enterprises Limited. Included in debtors is an amount of £48,306 (2019: £16,652) settled shortly following the year end and £nil of creditors (2019: £5,242) relating to St William's College and St William's College Enterprises Limited. The charitable objects of St William's College Trust are not concurrent with the purposes of the Chapter of York and their results are therefore not consolidated.

Not controlled by the Chapter

The Friends of York Minster, income received in the year amounted to £40,500 (2019: £262,989). York Minster Fund, income received in the year amounted to £1,926,638 (2019: £1,290,321). 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 CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****15. ASSOCIATED ENTITIES AND RELATED PARTIES (continued)****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. A partnership agreement was entered into in July 2017 setting out the arrangements for working together to safeguard and sustain the highest standard for the maintenance, restoration and conservation of historic stained glass at the cathedral.

There is no direct financial exchange between partners in relation to the agreement, contract works are paid upon receipt of monthly invoices for agreed work done. Work carried out by the Trust in the year ended 31 December 2020 for the Chapter amounted to £316,844 (2019: £491,865).

Goods purchased from the Trust by York Minster Enterprises Limited amounted to £nil (2019: £8,640). The Chapter invoiced the Trust £15,300 for services provided in the year (2019: £12,067). As at 31 December 2020 amounts totalling £5,388 (2019: £4,143) are shown as owing from the Trust to Chapter and amounts totalling £36,728 (2019: £45,220) shown as owing to the Trust by Chapter.

16. THE MINSTER SCHOOL

Whilst the ultimate governance responsibility for the School rested with the Chapter, the day to day matters of finance and operation were delegated to the School Management Committee whose members were appointed by Chapter. The finances of the School are consolidated in the Chapter's accounts. The school was closed at the end of the 2019-20 academic year as part of Chapter's response to the impact of Covid-19 losses on the financial health of the organisation, with the choristers being educated at St Peter's School York from September 2020.

Contributions from the Chapter towards the fees of the choristers until the date of the school's closure, which are eliminated on consolidation, amounted to £201,000 (2019: £314,000).

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
17. STATEMENT OF FUNDS
Current year movement:

	At 1 Jan 2020 £'000	Movement in resources			At 31 Dec 2020 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
Consolidated funds					
Endowment					
General	34,096	-	(145)	(19)	33,933
Fabric	101	-	-	3	104
School – Milner White	188	-	(1)	6	193
Pattison fund	28	-	-	(4)	24
Richardson fund	102	-	-	3	105
Development Music	323	-	(1)	9	331
Eric Rothwell	123	-	(1)	4	126
	34,961	-	(148)	2	34,815
Restricted					
Fabric fund	774	958	(896)	24	860
School	755	14	(20)	16	765
Hore Pension	171	2	(1)	3	175
Church Commissioners	-	159	(159)	-	-
Development office	19	-	-	-	19
Bigelow	118	2	-	3	123
Minster Community Outreach	6	-	-	-	6
Friends of York Minster – Vestments	-	3	(3)	-	-
Minster School Parents Association	-	4	-	-	4
Grand organ refurbishment project	(325)	1,036	(541)	-	170
Cathedral Sustainability Fund	-	196	(185)	-	11
Other	-	54	(54)	-	-
	1,518	2,428	(1,859)	46	2,133
Unrestricted					
Common fund	15,007	4,056	(6,794)	(43)	12,226
Designated – fabric	1,151	-	-	-	1,151
Designated – chorister fees	-	-	-	343	343
	16,158	4,056	(6,794)	300	13,720
Total funds	52,637	6,484	(8,801)	348	50,668

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
17. STATEMENT OF FUNDS (continued)
Prior year movement:

	At 1 Jan 2019 £'000	Movement in resources			At 31 Dec 2019 £'000
		Incoming £'000	Outgoing £'000	Gains on investments / transfers £'000	
Consolidated funds					
Endowment					
General	33,123	-	(283)	1,256	34,096
Fabric	91	-	(1)	11	101
School – Milner White	166	-	(1)	23	188
Pattison fund	22	-	-	6	28
Richardson fund	90	-	-	12	102
Development Music	289	-	(2)	36	323
Eric Rothwell	109	-	-	14	123
	33,890	-	(287)	1,358	34,961
Restricted					
Fabric fund	-	2,351	(1,290)	(287)	774
School	682	20	(25)	78	755
Hore Pension	153	3	(1)	16	171
Church Commissioners	-	148	(148)	-	-
Development office	19	-	-	-	19
Bigelow	103	2	-	13	118
Minster Community Outreach	6	-	-	-	6
Archbishops Council	41	-	-	(41)	-
Grand organ refurbishment project	403	69	(797)	-	(325)
Other	1	43	(30)	(14)	-
	1,408	2,636	(2,291)	(235)	1,518
Unrestricted					
Common fund	12,957	7,719	(7,445)	1,776	15,007
Designated - fabric	1,055	-	-	96	1,151
	14,012	7,719	(7,445)	1,872	16,158
Total funds	49,310	10,355	(10,023)	2,995	52,637

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
17. STATEMENT OF FUNDS (continued)
Chapter funds

The total consolidated funds held are £50,668,000 (2019: £52,637,000) the individual entity funds held by the Chapter are £50,711,000 (2019: £52,615,000) these exclude £43,000 of York Minster Enterprises Limited negative 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. A resolution was passed by Chapter on 14 September 2017 that a policy of total return approach to permanently endowed funds be adopted, as allowed under The Church of England (Miscellaneous Provisions) Measure 2014 which received Royal Assent on 14th May 2014. The Chapter agreed that the base value of the endowment should be the 1996 historic book value of permanently endowed funds uplifted by inflation. The base value of the endowment, trust for investment, was established to be £1,303,000 at the time the resolution was passed.

The unapplied total return at the date of adoption was £30,320,000. Only the income generated by the permanently endowed assets in the year has been allocated to restricted and unrestricted income, this has been allocated through the other income line of the SoFA.

	Trust for Investment £'000	Unapplied Total Return £'000	2020 Total £'000
Total relevant fund at 1 January 2020:	1,428	33,533	34,961
Movements in the year:			
Allocation to Capital	11	(11)	-
Investment return: dividends & interest	-	220	220
Investment return: property rental income	-	647	647
Investment return: realised & unrealised gains	-	320	320
Less: investment management costs	-	(38)	(38)
Less: Allocation for Cathedral purposes	-	(76)	(76)
Total before application of income	1,439	34,595	36,034
Unapplied total return allocated to income in the year	-	(867)	(867)
Total relevant fund at 31 December 2020	1,439	33,728	35,167

In addition to the £867,000 (2019: £991,000) investment income allocated from endowment and made available for application for the purposes of the Cathedral, Chapter has determined that £76,000 (2019: £239,000) of the total unapplied return is available for allocation for the purposes of the Cathedral.

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

17. STATEMENT OF FUNDS (continued)

Endowment funds (continued)

This allocation to the Cathedral was to enable continuing essential repairs and refurbishment to endowed investment properties, carried out in 2020, and has been disclosed as a payment from the endowment fund. Chapter consider that this is a prudent distribution of the available endowment funds. The remaining unapplied total return at 31 December 2020 amounting to £33,727,000 (2019: £33,533,000) should be allocated for accumulation as part of investments.

	Trust for Investment £'000	Unapplied Total Return £'000	2019 Total £'000
Total relevant fund at 1 January 2019:	1,410	32,480	33,890
Movements in the year:			
Allocation to Capital	18	(18)	-
Investment return: dividends & interest	-	315	315
Investment return: property rental income	-	676	676
Investment return: realised & unrealised gains	-	1,358	1,358
Less: investment management costs	-	(48)	(48)
Less: Allocation for Cathedral purposes	-	(239)	(239)
Total before application of income	1,428	34,524	35,952
Unapplied total return allocated to income in the year	-	(991)	(991)
Total relevant fund at 31 December 2019	1,428	33,533	34,961

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

The Milner – White fund originated in 1955 when the original gift of capital was made by the then Dean, Eric Milner-White. The income from the fund is to be used for the general purposes of the school so long as the school is under the full and unrestricted control of The Chapter of York. If the school is discontinued or ceases to be under the control of The Chapter of York then the income is to be used for the general purposes of such one or more other Church of England choir schools as the Dean and Residentiary Canons of York shall determine, with a preference to a choir school in the Province of York.

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

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****17. STATEMENT OF FUNDS (continued)****Endowment funds (continued)**

The Richardson fund represents a single gift of £66,000 in 2009, the capital should remain invested and the income spent on fabric.

The Development Music fund represents gifts of £167,000 in 2006, £17,000 in 2007, and £40,000 from the Friends of Cathedral Music in 2018. The capital should remain invested and the income spent on music, the income from the element received from Friends of Cathedral Music gift of £40,000 is restricted to support boy choristers.

The Eric Rothwell fund represents a single legacy where the capital of £100,000, gifted in 2015, should remain invested and the income applied for the maintenance of standards of choral music in the Cathedral.

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 2020 the following amounts were received,

- £854,000 grant income from York Minster Fund towards the South Quire Aisle fabric project, twenty year glass protection project, research & development project and apprenticeship funding;
- £29,000 legacy income from the estate of A Dean restricted for the sole purpose of building repairs and maintenance of the fabric of the cathedral;
- £2,000 legacy income from the estate of JL Carr for the fabric fund of the cathedral;
- £40,500 Friends of York Minster grant for a Blue High Mass set and towards improving the catering facilities inside the Minster;
- £30,000 All Churches Trust Limited grant income in respect of fabric;
- £1,500 restricted fabric donations made during the year;
- £4,000 income transfer from the fabric and Richardson endowment funds for fabric work.

THE CHAPTER OF YORK
NOTES TO THE ACCOUNTS - 31 DECEMBER 2020
17. STATEMENT OF FUNDS (continued)
Restricted Funds (continued)
School funds

The School funds represent funds which are held by Chapter and restricted for school use.

The Duncombe fund is restricted for use by the school. Dean Duncombe died in 1880 and a memorial fund was started, which was used to attract choristers. Part of this original fund was given to help with the running and development of the school.

The Noble fund is restricted for musical instruments for use by the pupils at the school. Broadhurst, Brown, and Hollings Music funds are restricted for boy choristers and the income from these funds is currently used to fund bursary requests and musical education. The Fox fund is restricted for school use and has been set aside to fund girls and non-chorister bursary applications. Milner-White is an endowed fund with the income being restricted for school use.

Subsequent to the school's closure in 2020, the restrictions on these funds are being reviewed to enable their application to chorister and musical education under the new arrangements with St Peter's School, York.

The movement within these restricted school funds is shown below:

	Movement in resources				At 31 Dec 2020
	At 1 Jan 2020	Incoming	Outgoing	Gains on investments / transfers	
	£'000	£'000	£'000	£'000	£'000
Restricted school funds					
Duncombe	31	1	(5)	1	28
Noble	43	-	-	1	44
Broadhurst	31	-	-	1	32
GP Brown Chorister	55	1	-	1	57
Hollings Music	305	4	(5)	6	310
Fox	290	4	(6)	6	294
Milner-White endowed	-	4	(4)	-	-
	755	14	(20)	16	765

Hore Pension fund

The Hore Pension fund concerns pension provisions for Songmen.

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****17. STATEMENT OF FUNDS (continued)****Restricted Funds (continued)****Church Commissioners fund**

The Church Commissioners fund represents the Section 21 grant made towards the stipend and other costs of a dean and two residentiary canons of the cathedral. An application to use the surplus in 2020 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.

Minster Community Outreach fund

This fund represents money raised by the Minster Community in previous years towards community outreach by the learning team, £6,000 is carried forward for future use.

Minster School Parent's Association

At the time of the closure of the school in July 2020, the Minster School Parent's Association held £4,000 in a separate bank account. It was agreed with the officers that this account would be closed and the balance transferred to Chapter to be held as a restricted fund for the purposes of an event to celebrate and commemorate the school at such a time as Covid restrictions will allow.

Grand Organ refurbishment fund

This represents restricted income received in respect of the Grand organ refurbishment project. This project involves the removal, refurbishment and subsequent replacement of the Grand Organ. The project commenced in 2017 and is anticipated to complete in 2020. The York Minster Fund agreed in 2019 to underwrite £500,000 of the cost of this project which enabled a deficit fund balance to be carried forward into 2020. With the onset of the Covid-19 pandemic, emergency funding was agreed with York Minster Fund which included the funding of all the remaining expenditure on the Grand Organ refurbishment. These funds have been paid in full prior to the 31st December in anticipation of the outstanding costs of the project to be incurred, some of which fall in the first quarter of 2021 as the programme has been slightly delayed by the pandemic. The balance on the fund of £170,000 represents these anticipated costs.

THE CHAPTER OF YORK**NOTES TO THE ACCOUNTS - 31 DECEMBER 2020****17. STATEMENT OF FUNDS (continued)****Restricted Funds (continued)****Cathedral Sustainability Fund**

In response to the impacts of the Covid-19 pandemic, the National Church Institutions made additional funding available to Cathedrals via the pre-existing Cathedral Sustainability Fund. The Chapter of York have been in receipt of two grants from this fund during the course of 2020:

- £150,000 from Cathedral Sustainability Fund in respect of heritage craftspeople salaries which is fully expensed
- £45,363 in respect of choir chosts, of which a balance of £10,146 remains unspent at 31st December 2020.

Other restricted funds

Other restricted funds represent the following restricted donations received, and endowed income transferred in the year. These have been fully expensed in the year:

- £33,000 from the NLHF Covid Emergency Fund (received via YMF) for costs associated with reopening in a Covid-secure compliant manner in summer 2020
- £4,800 share of pledged NCI grant towards costs of the PCR2 file review that took place during 2020
- £2,500 received from York Minster Choristers Association – Francis Jackson Choral Fund;
- £1,000 received from Museum Development Yorkshire for Heart of Yorkshire Exhibition costs;
- £1,000 endowed income from Friends of Cathedral Music for boy chorister bursary;
- £6,000 endowed income from development music fund for music; and
- £2,300 endowed income from Eric Rothwell endowment fund for music.

Unrestricted funds

The Common fund comprises all other revenues, which shall be expended upon the general purposes of the Minster.

The Designated fabric fund represents funds designated out of the Common fund for long term major fabric maintenance of the Minster. Due to there being a net unrestricted deficit of £2,738,000 (2019: surplus of £274,000), £nil (2019: £96,000), was designated in the period. The closing balance of the designated fund is £1,151,000 (2019: £1,151,000).

THE CHAPTER OF YORK

NOTES TO THE ACCOUNTS - 31 DECEMBER 2020

17. STATEMENT OF FUNDS (continued)

Unrestricted Funds (continued)

An additional designated fund in respect of chorister fee amounts due to St Peter's School, York has been created in the year and £343,000 has been transferred into this fund. The creation of this designated fund was a requirement of the contract entered into with St Peter's School to educate the York Minster choristers from September 2020 following the closure of The Minster School in July 2020.

18. AUDITOR'S REMUNERATION

	2020	2019
	£'000	£'000
For audit services	15	15
For other services	-	-
	<hr/> <hr/>	

19. POST BALANCE SHEET EVENTS

The impacts of the Covid-19 pandemic have continued to be experienced in the period since the balance sheet date of these accounts. With the UK entering a third, and what transpired to be prolonged, period of lockdown on 5 January 2021, the Minster's doors were once again closed to the sightseeing public and this continues through until the start of the third phase of the Covid Roadmap to recovery announced by the Prime Minister on 23 February 2021. We will not therefore not be able to welcome them back before 17 May 2021 at the earliest, although our shops will be able to reopen at the second phase which takes effect from 12 April at the earliest.

The forecasting work done at the time of the initial lockdown served well with preparing for possible outcomes in 2020 and has been extended and developed upon as more clarity has been gained on likely opening dates and social distancing restriction plans over time.

Much in line with the prevailing view at the time of the 2019 accounts sign-off in July 2020, the likely scenario, upon which our forecasting work has been prepared, is assuming a recession which is as deep and long as the one that followed the 2008 crash, with domestic visitors likely to make up the majority of our visitor base in 2021 and a return to welcoming overseas visitors from the likes of China and North America in 2022. Chapter feel confident that the level of free reserves held at the year-end will enable operation to continue for at least the next twelve months from the date of approval of these financial statements.

The impacts of lockdown and the furloughing of staff during the first quarter of 2021 has again resulted in a review of the timetable of some key fabric projects and thus expenditure has been managed accordingly. York Minster Fund's ongoing additional support into 2021 is extremely welcome, having initially been set up in the 1960's when the central tower started to subside and that disaster needed funding, the Fund agreed last year to provide disaster funding support to Chapter and this has been extended into 2021.