

Photo: Blossom trees in Cathedral Square. Additional young trees were located in Cathedral Square during Spring 2022 as part of a National Trust initiative to help plant 600 blossom trees across the city.



Annual Report and Accounts 2022

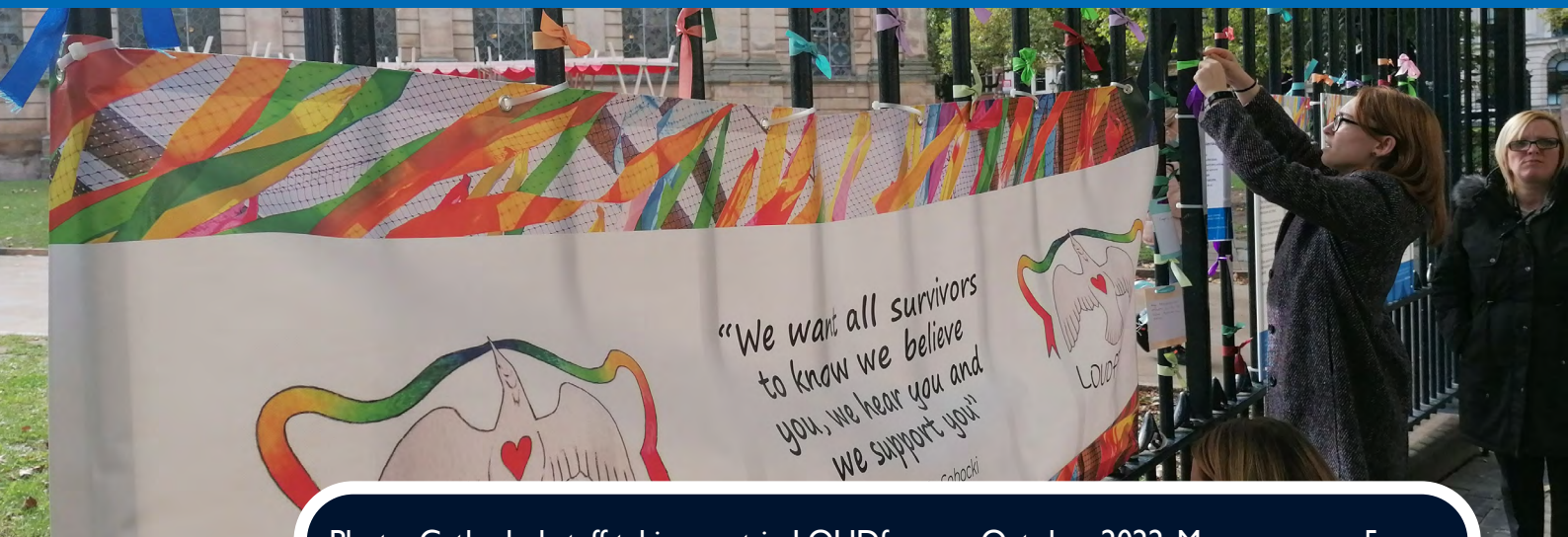


Photo: Cathedral staff taking part in LOUDfence – October 2022. More on page 5.

Contents

I	Annual Report and Accounts 2022
4	A Message from The Dean
6	A message from the CEO
8	Changes to our team
9	Liturgy
11	Other Mission and Outreach
12	Music Department
14	Events
16	Communications
17	Administration
18	Education and Learning
20	Divine Beauty Project
21	Facilities and Vergers
22	Structure, Governance and Management
24	Safeguarding
25	Financial Review
29	Investments Powers and Policy
31	Chapter's Responsibilities Statement
32	Independent Auditor's Report
36	Key Contacts
37	Accounts



Photo: Artwork produced by survivors of abuse, used by Gillian Ahlgren during her workshop about spirituality and recovery from trauma in October 2022. More information on page 5.

Our purpose is to worship Almighty God, to serve all God's people and to share the good news of Jesus Christ in our diverse urban context.



Our Mission

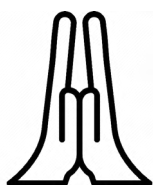
Birmingham Cathedral is a Christian Church of the Anglican Communion and the seat of the Bishop of Birmingham. As a Church of England cathedral church and a vibrant worshipping community, we serve the people and communities of the Diocese of Birmingham.

We offer hospitality and welcome as a place of gathering and connection for people of all faiths and none in order to witness to God's love for all and to serve the common good.

Our Vision

We desire to be a church that is a transforming presence at the heart of the communities we seek to serve. The process of enacting our vision is guided by three strategic priorities:

Pray



Serve



Grow



Our Values

As followers of Jesus Christ, we seek to grow in faith, hope and love.

Our work is guided by the values of wisdom, compassion, justice, inclusion and courage.

faith hope love
wisdom justice
compassion inclusion
courage





Photo: The Very Reverend Matt Thompson opening Christmas in Cathedral Square – November 2022.

A Message from The Dean

By The Very Reverend Matt Thompson – The Dean of Birmingham

Many people will remember 2022 as the year we celebrated the Platinum Jubilee for Queen Elizabeth II, and then bade our final farewells to Her Late Majesty only a few short months later.

I feel that we can be appropriately proud of our response as a community of worshippers, volunteers and staff in how we welcomed more than 20,000 people through our doors during the 10 days of national mourning. People visited the cathedral to pay their respects to Her Late Majesty, by signing books of condolence, lighting candles and offering their prayers. The response from every part of our community was generous and committed in ensuring that the cathedral played its part in serving the people of our city region at such a crucial time.

Here in Birmingham, people will also remember 2022 as the year in which the city region hosted a successful Commonwealth Games. We also bade a fond farewell to our diocesan bishop, Bishop David, and attended two national cathedrals conferences – the first in Newcastle and the other in Manchester.

The cathedral played its part in all these major events during a year which also saw attendances at services and events return to something approaching their pre-pandemic levels. Here are just some of the ways we fulfilled our strategic vision during this very busy year!



Pray:



While the death of Her Late Majesty was a significant time for us in terms of our liturgical response, we also held a great many other services during the year. In October, we held the service of farewell for Bishop David, at which we gave thanks to God for his ministry, and at which he laid up his crozier at the end of his episcopate amongst us.

In March, we marked the emergence of the nation from the pandemic, with a Service of Reflection and Lament. We were pleased to be able to provide a full Holy Week programme and ordination services. At the end of the year, we held a full programme of carol services and events – all signs of a return to normal levels of activity and attendance – for which we are very thankful.

Serve:



During the Commonwealth Games we welcomed visitors from all parts of the globe which was a real joy. In our grounds, we provided an innovative temporary space for dialogue and reflection which we called the Common Wealth Table. This was a project developed in partnership with Intervention Architecture, Arts&Heritage, and Birmingham 2022. This 30-seater table became a key feature of Cathedral Square throughout the summer, and was hugely appreciated by the public.

It proved popular with a whole range of different groups, who used it to facilitate dialogue between different communities within Birmingham – one

striking example of this was a dialogue between members of the Indian and Pakistani communities held in our grounds to commemorate the 75th anniversary of Indian Independence. The project also enabled activities with refugee groups to take place.

In the Autumn, we hosted a significant piece of work known as LOUDfence, which allowed survivors and victims of abuse to articulate their prayers and feelings about their experiences on the railings of our grounds and in the porch of the cathedral itself. In preparation, we worked with abuse survivors, in partnership with St Chad's Cathedral, the Catholic Archdiocese, and Survivors Voices. Ribbons and prayers were tied to our fences and inside our entrance as a sign of positive visibility for survivors and gave an opportunity for the Church to say sorry for its failings in this area. The exploration of this was deepened by our Gore Lecture by Professor Gillian Ahlgren, helping us reflect on Spirituality, recovery and growth after trauma.

Grow:



It was a pleasure to be able to return to a more familiar pattern of cathedral community life in 2022. It was great to return to holding Corporate Communion in May, and Community Day in October. We have also spent time reflecting together during the year on our experiences during Covid, and held two significant conversations on the Living in Love and Faith process.





Photo: Anna Pitt preparing the photo of Her Late Majesty Queen Elizabeth II during the period of national mourning in September 2022.

A message from the CEO

By Anna Pitt – Chief Executive

The period of mourning for Queen Elizabeth II represented a very special time in the life of the cathedral.

Our staff team had worked for several years on a very detailed plan, and when the sad time came, the plan was executed with dignity, discipline, and much care.

Both staff and volunteers worked tirelessly welcoming tens of thousands of visitors through our doors during the period of national mourning, and there was a real sense of shared endeavour in showing the servant heart of the cathedral. Our Admin Team worked hard to

create schedules for our staff and volunteers, so we could welcome visitors to the cathedral every day from 7 am to 9 pm. A special mention goes to staff who delayed or cancelled annual leave and committed many hours of overtime during that period.

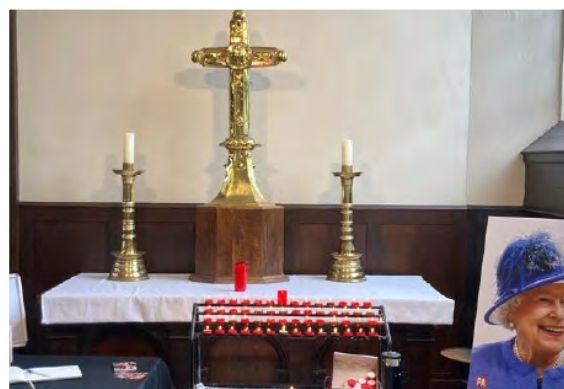
We set up a memorial tree for children to write messages of reflection, and gave out over 10,000 commemorative postcards. We were also visited by various local and national media outlets.

As a result of a deepening connection with Newcastle Cathedral's team, we were grateful to welcome Jon Canessa, who has been instrumental in the delivery of their welcome and outreach work, to offer our staff training in early 2022.

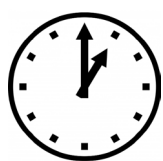


"I feel that we can be appropriately proud of our response as a community of worshippers, volunteers and staff in how we welcomed more than 20,000 people through our doors during the 10 days of national mourning. People visited the cathedral to pay their respects to Her Late Majesty, by signing books of condolence, lighting candles and offering their prayers. The response from every part of our community was generous and committed in ensuring that the cathedral played its part in serving the people of our city region at such a crucial time."

The Very Reverend Matt Thompson –
The Dean of Birmingham



Operation London Bridge – a team effort!



Over
250
additional hours of staff time



Over
10,000
commemorative postcards



Over
20,000
visitors

Changes to our team

There were a number of significant changes to the cathedral team in 2022.



Photo: The Reverend Colleen Shekerie
– Cathedral Chaplain

We welcomed:

- Sheila Watley (Head of Finance)
- Rebecca Preece (Head of Communications)
- Robert Petrie (Facilities Support Officer)
- Steve Hatton (Maintenance Technician)
- Anne Kelly (Admin Support Officer)
- The Revd Colleen Shekerie (Cathedral Chaplain)
- Beth Taylor (Soprano Choral Scholar)
- Sarah Colgan (Soprano Choral Scholar)
- Hope Pugh (Alto Lay Clerk)
- Jim Bate (Bass Lay Clerk)
- Isaac Boulter (Bass Lay Clerk)
- Tom Howell (Organ Scholar)

In 2022 we bid farewell to:

- Pete Foster (Head of Facilities)
- Jerome Reed (Verger)
- Chris Baxter (Verger)
- Jonathan Heron (Bass Lay Clerk)
- Isabella Abbot-Parker (Soprano Choral Scholar)
- Lottie Day (Soprano Choral Scholar)
- Charles Francis (Organ Scholar)

Other staff changes:

In January, our Admin Support Officer/PA to the CEO, Emma Kupsa was promoted to PA to the CEO/HR Support Officer. Emma is currently studying for her CIPD level 3 qualification in People Practice.

Ben Thompson took on the additional role of Communications Support Officer.



Photo: The Right Reverend David Urquhart, who retired as Bishop of Birmingham in 2022.





Photo: Ordination of Priests – June 2022

Liturgy

By The Reverend Canon Dr Josephine Houghton
– Canon Precentor

2022 saw the joyful return of some cherished services, together with a number of new opportunities.

On the last Friday of January, we were glad to hold A Service of Light incorporating Benjamin Britten's *A Ceremony of Carols*, followed on the Sunday by the RSCM Orchestral Evensong.

In April, I was privileged to lead prayers with those who gathered in Cathedral Square for the Workers' Day Memorial Service, and in May we welcomed Bishop Anne and members of the Mothers' Union for their Festival Eucharist.

It was lovely to welcome children and staff from a range of schools around the diocese for school leavers' services in July, together with members of the Diocesan Board of Education. In the same month, we celebrated lay learning during The Way of Discipleship Service led by Bishop David with Guy Donegan-Cross.

On a sweltering day in August, we used the opportunity created by the Common Wealth Table to hold an outdoor Eucharist with prayers for the environment.

Following a service of Choral Evensong in June at which we celebrated Queen Elizabeth II's Platinum Jubilee, our joy turned to mourning as we marked her death in September. It was very moving to welcome people who attended special services during this period in person and online.

There was a farewell of a very different nature in October, as colleagues and friends bid farewell to Bishop David at a service of Choral Evensong on St Luke's Day, the anniversary of his consecration, as he retired as Bishop of Birmingham.

I should like to record my personal gratitude to the Bishop, Dean and Chapter for granting me a period of sabbatical leave in the Autumn, and to all who held the cathedral's worship with care during this time.

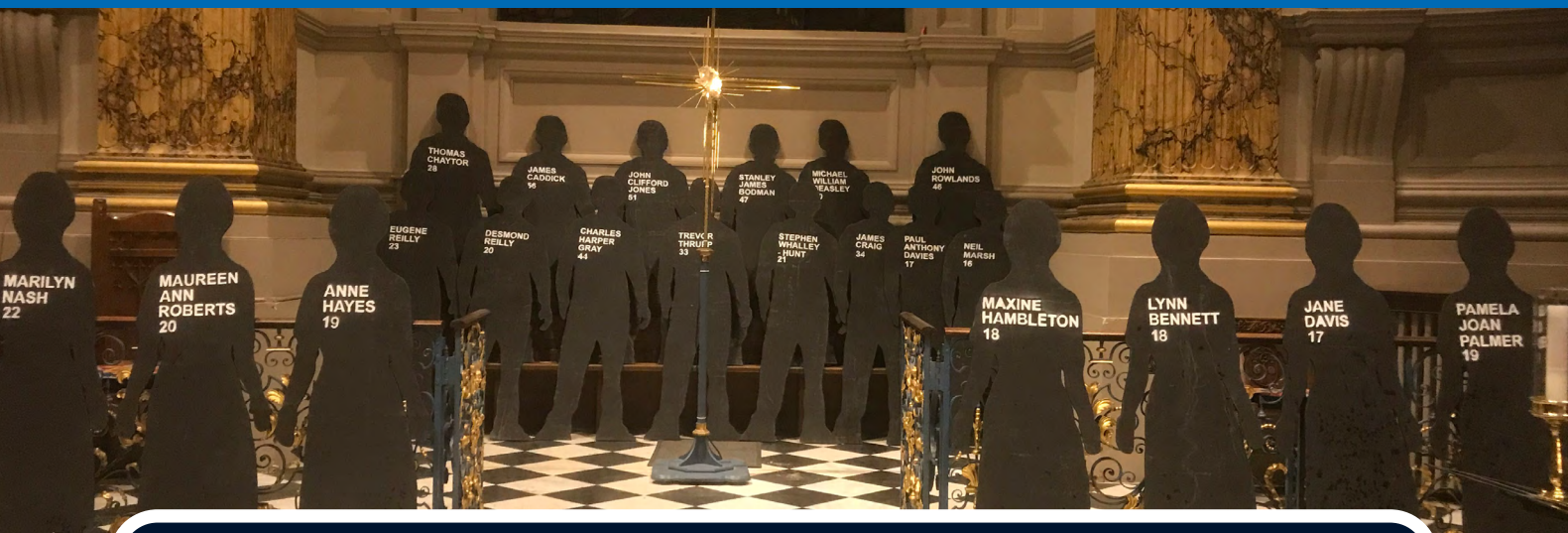


Photo: Birmingham Pub Bombings memorial service – victims display – November 2022



Photo: RSCM Orchestral Evensong – January 2022



Photo: The Common Wealth Table outdoor Eucharist – August 2022

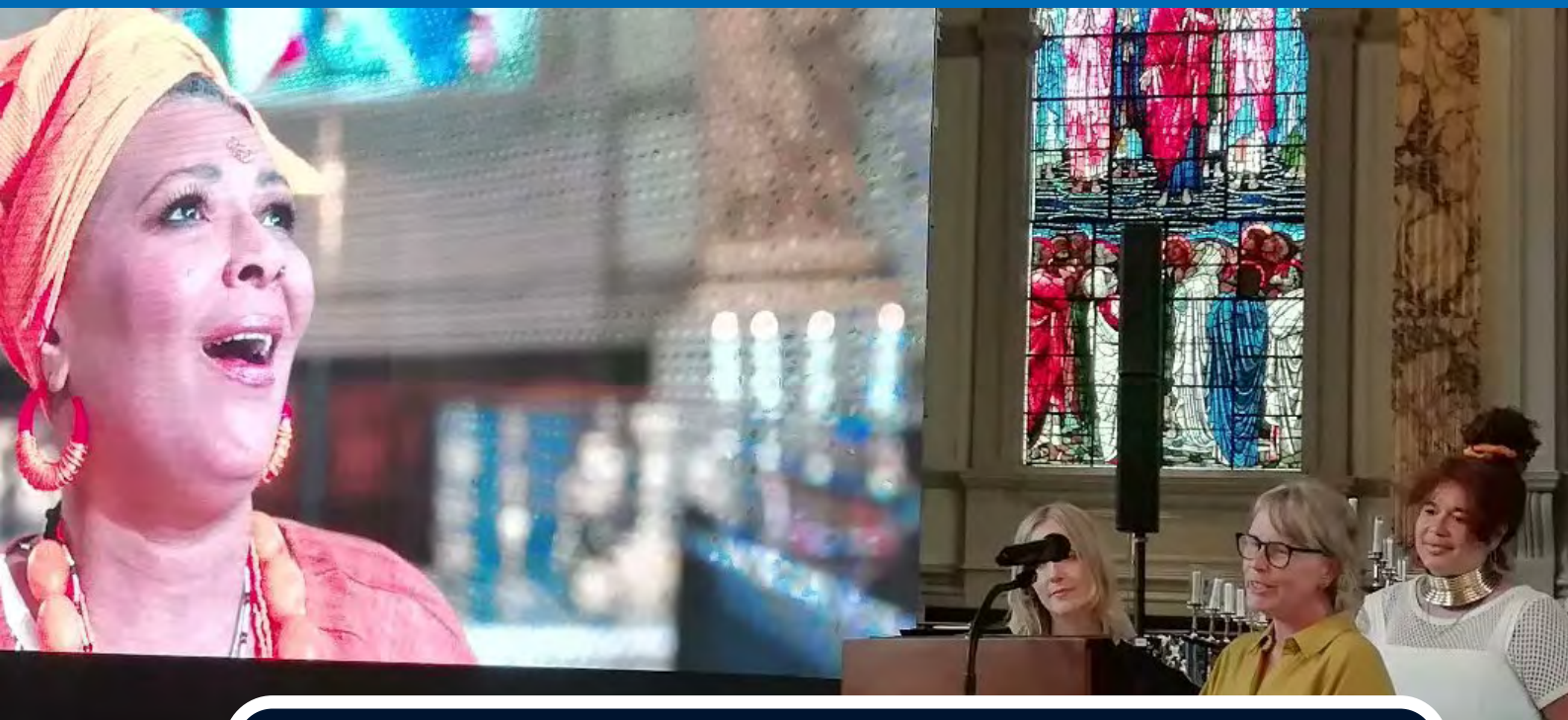


Photo: Alberta Whittle's 'Congregation' premiere – June 2022

Other Mission and Outreach

By The Reverend Canon Andy Delmege –
Canon Missioner

Alberta Whittle

An ongoing collaboration with Grand Union led to Alberta Whittle's film *Congregation (Creating Dangerously)* being premiered at the cathedral on Emancipation Day. This was attended by a large and diverse audience.

This followed on from a talk we held a few months earlier by Professor Corinne Fowler, who helped us reflect on the issues raised by sensitive history more widely.

Let's Feed Brum

We have continued our work serving homeless and other vulnerable people. Our partnership with Let's Feed Brum enables breakfast to be served outside our doors twice a week. An important feature of this is that it is very personal. Deep relationships are built up over time.

It was a pleasure that we were able to come back indoors for the Christmas dinner, where Christmas cheer was provided to over 200 guests. We have begun working with Methodist colleagues on Street Banquet, a monthly meal for those who are hungry.

It has been wonderful seeing members of the cathedral community joining this in various ways.



Photo: David Hardie conducting Messiah – December 2022

Music Department

By David Hardie – Head of Music, and Ashley Wagner – Assistant Head of Music

2022 was a year of rebirth in the music department. Social distancing ended at Easter, removing restrictions on recruitment of choristers.

We were also able to resume three annual highlights for the first time since pre-Covid, one being singing Britten's *Ceremony of Carols* with harp in January, one being singing Handel's *Messiah* with orchestra to a packed cathedral in December, and the other being the chorister bowling trip.

The Girls and Lower Voices also gave a fine concert of music by Purcell and Parry in November, singing with brass students from the Royal Birmingham Conservatoire. At Christmas, the Boys, Girls and Lower Voices sang in concert

with Thomas Trotter at Birmingham Town Hall, while the next day Schola Philippi recorded an acclaimed broadcast for BBC Radio WM. The whole choir was particularly busy following the death of Queen Elizabeth II, with sung services every day of the period of national mourning.

Our Lunchtime Recital Series continued in 2022, welcoming a variety of performers – both soloists and ensembles. During the year various organists performed the complete organ works of César Franck for his 200th anniversary. We have also re-established links with the Royal Birmingham Conservatoire and received instrumentalists from there for the first time since pre-Covid. Audience numbers were particularly high during the Commonwealth Games.





Photo: Ashley Wagner introducing young musicians to the organ during 'Try the Organ Day' – June 2022

Try the Organ Day

The first “Try the Organ Day” was a success, with 15 young pianists of differing abilities trying the organ for the first time.

Ashley Wagner and Charles Francis led the event, which included demonstrations, an information/activity booklet, props (including some specially acquired organ pipes) and, most importantly, the chance for everyone to have a go. Some people brought along piano pieces that they were learning, others played by ear or improvised and some played a few chords or notes. The feedback that we had was extremely positive and hopefully we can introduce more people to the instrument.

Chorister recruitment



Over

300

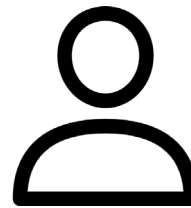
children auditioned for our choir by singing “Happy Birthday” through relationships with local schools



Around

20%

invited back for a second audition



10

new choristers recruited

Photo: The Cathedral Choir singing at our Messiah concert – December 2022



Events

By Tracy Taylor – Head of Commercial Events

The Events department enjoyed a very busy and successful 2022, and the cathedral has hosted some wonderful events.

These have included a number of dinners, drinks receptions and networking events, as well as a variety of concerts, including the Black British Classical Foundation Concert. We also hosted a second successful year of Christmas in Cathedral Square.

The appointment of Rose Lawrence as Diary and Events Support Officer at the end of 2021

has been a huge benefit to us. This increased capacity has enabled us to welcome new partners and strengthen our relationships with existing partners.

We have also successfully recruited a team of stewards to support and help us deliver our events. A few of the important roles with which the steward team will support include acting as fire marshals, supporting the Verger team, and looking after our bar service during events. We can now offer both alcoholic and non-alcoholic refreshments and snacks. This has significantly increased our revenue stream.



Candlelight Concerts

We have had a great year working with Kzesmos to offer a monthly calendar of musical tributes, and these will continue throughout 2023. We also began working with a new partner at the end of 2022, and enjoyed two great evenings of vocal tributes. This will also continue during 2023.

Photo: Musicians playing for a special VIP Commonwealth Lunch during the Commonwealth Games – July 2022





Christmas in Cathedral Square 2022 was a huge success for all involved. The market was busy during daytimes and evenings, offering local crafts, food, and drinks. 2022 saw a range of new traders, a new bar, brighter lights and live music.



Photo: Media interview taking place with Councillor Brigid Jones during the period of national mourning – September 2022.

Communications

By Rebecca Preece – Head of Communications

The communications department has undergone many changes in 2022. In April, Rebecca Preece joined the team as Head of Communications, followed by the permanent appointment of Ben Thompson as Communications Support Officer in August. These appointments have enabled us to build and develop a new approach for communications following the pandemic.

The cathedral website was re-launched in July 2022 – streamlining a lot of the information being provided, introducing an online calendar of events, and providing a platform for news to be shared more easily. We have also been able to play livestreams on the website (and also via our Facebook page in addition to YouTube), create interactive photos of our windows, and improve the accessibility of our communications. This has also included making subtle but impactful changes to our use of colour, fonts and text sizes across our branding.

Ben completed a two-day introductory course in using InDesign, which has immensely helped in streamlining and improving the look, feel and production of our printed communications. Rebecca has been engaging with various training and activities with the Chartered Institute of Public Relations (CIPR).

2022 offered many opportunities to strengthen our relationships with local and national media, especially during the period of national mourning and throughout The Commonwealth Games, where we made appearances on the BBC, Sky News and ITV, and local, national and international news sites.

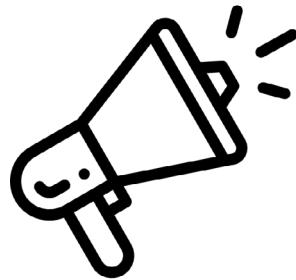


Our social media presence in 2022

1,200
posts



2,800
post shares



Over
80,000
people reached



Administration

By April Steadman – Head of Admin

The Admin Department is a key part of the cathedral's day-to-day running, and remains an integral part of communication, both internally and externally.

The cathedral notice sheet continues to be an important means of providing information to the cathedral congregation, including upcoming services, events, news, and the cathedral chantry roll along with other names for prayer. This is distributed electronically and we are always glad to add people to the distribution list. There are also a small number of printed copies left in the stand at the cathedral entrance.

HR, Safeguarding and DBS records play a vital role within the cathedral community and require continual updating and reviewing.



Photo: Our admin team; Anne Kelly (left), April Steadman (centre) and Emma Kupsa (right)

This also includes liaising with the Diocesan Safeguarding Team on a regular basis.

Recruitment also forms part of this work, including regular liaison with the interview panel and candidates, and assisting the successful candidates from the interview stage through to starting their employment with us.

Education and Learning

By Jane McArdle – former Head of Learning

During 2022, the Education and Learning Department continued to give weekly guided tours, as well as starting our Divine Beauty tours.

We held a number of children's activities in the cathedral across the year and produced two new illustrated trails for families.

We held our first Children's Poetry Festival in partnership with Birmingham Festival 2022, which proved a great opportunity for us to connect with schools from across the city and attract over 1000 entries.

We were lucky to have students from the University of Birmingham volunteering with us during 2022, providing additional support to allow us to put on more engaging and fun activities.

We ran some of our first Divine Beauty sessions for schools in the autumn, which gave children the opportunity to learn more about Edward Burne-Jones and the significance of our stained-glass windows.

We also continued to deliver our Music for Schools sessions, in collaboration with the Music Department.

In 2023, we plan to expand on how we use the wealth of history and culture our building offers to inspire a new generation.



Photo: Over 1000 entries were entered into our Children's Poetry Festival and were displayed on the railings in Cathedral Square during Summer 2022

Photo: Family activities were held during school holidays, including music-based activities in collaboration with the cathedral Music Department.

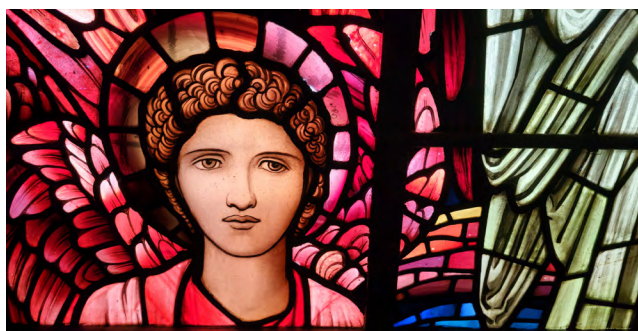




Photo: Divine Beauty schools session in the cathedral – Autumn 2022

Divine Beauty Project

By Anna Pitt – CEO



2022 was the year we received final approval to proceed with the delivery phase of our Divine Beauty Project, after successfully securing additional funding from the National Lottery Heritage Fund and The Dulverton Trust.

This was a huge achievement by the supporters, staff and volunteers involved. We are pleased to have appointed Peter Chana as our Project Manager and Rhian Tritton as our Activity and Interpretation Officer to support with the delivery of the project in 2023.

In preparation for the delivery phase, our communications team has set up and started using new Divine Beauty social channels, which launched with a 'virtual advent calendar' throughout December.

We have also held multiple schools' workshops, inviting children to come and learn about the making of the windows with interactive activities. During the Commonwealth Games, we were delighted to bring the story of our stained-glass windows outside into Cathedral Square with multiple short performances depicting the commissioning of the windows, which were enjoyed by visitors in Cathedral Square.



Follow our progress



@DivineBeautyBhm

#DivineBeautyProject



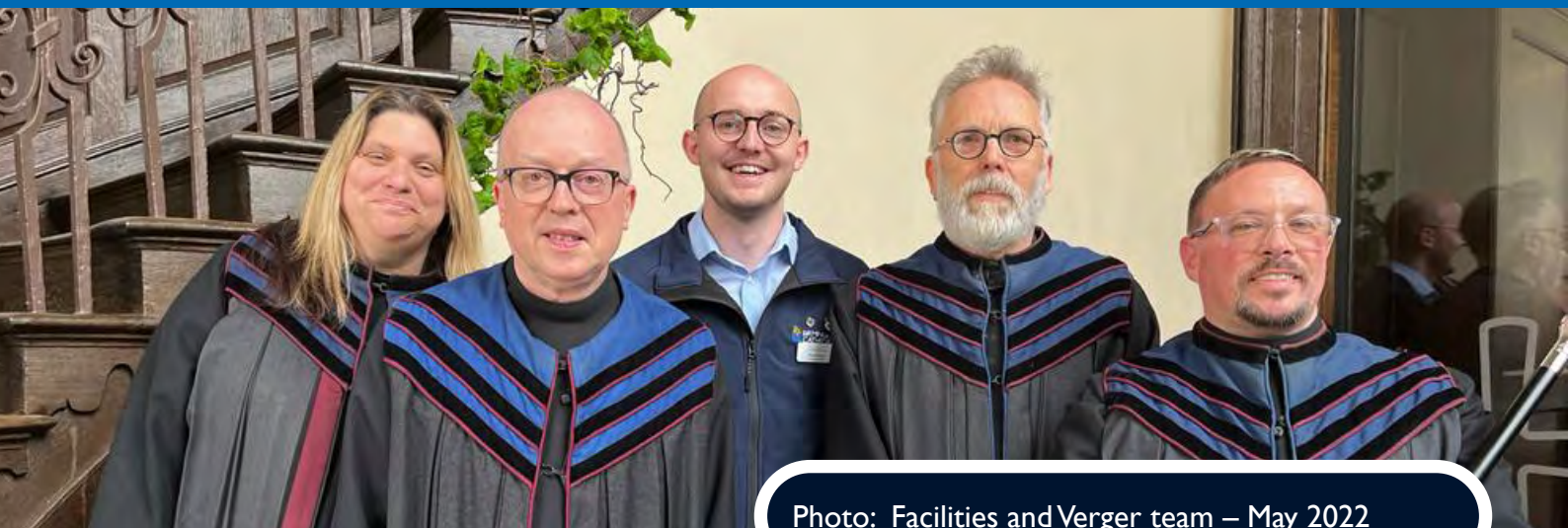


Photo: Facilities and Verger team – May 2022

Facilities and Vergers

By Mike Farrand – Head of Facilities

The facilities department has been guiding the cathedral through its transition out of lockdown, and into a new era of post-Covid cathedral life.

Former Head of Facilities, Pete Foster, worked hard to instil a safety-minded focus that will continue into 2023 and beyond. In December, Mike Farrand was appointed the new Head of Facilities and will be starting the post in January 2023.

The diocesan office's move from 1 Colmore Row to the Citadel during 2022 prompted the cathedral Chapter, supported by the cathedral Architect and Fabric Advisory Committee, to develop a new office space within the cathedral. After a careful and considered planning period, the building works began in September. The building project will see a new hub created for the cathedral team to work in a closer environment, enabling greater collaboration with less need for online meetings and correspondence, which were a hallmark of the pandemic. The new cathedral office will be completed in February 2023, and the cathedral team are very excited to embark on this new journey.

The facilities team grew in 2022, with our new Maintenance Technician, Steve Hatton, working hard to protect and care for the amazing cathedral building that so many visitors enjoy.

Once again, our ongoing relationship with the Colmore BID Security Team continues to be an essential element of creating a safe space in and around the cathedral.

Structure, Governance and Management

Birmingham Cathedral is an ecclesiastical corporation. The cathedral has a charitable purpose as defined in the Cathedrals Measure 1999. As an ecclesiastical corporation, the cathedral is excluded from the Charities Act 2011 and not regulated by the Charity Commissioners. However, the cathedral does qualify as a charity for taxation purposes. Whilst not being registered with the Charity Commission, Chapter has due regard for the guidance set down by the Commission regarding benefit to the general public, by:

- Encouraging school children, families and older education groups to visit the cathedral for guided tours
- Offering hospitality and welcome to those of all faiths and none
- Working in partnership with the ecumenical community across Birmingham to offer opportunities for shared prayer and mutual flourishing
- Working in partnership with the local council, military personnel and civic dignitaries to offer shared opportunities for gathering for the common good of the communities we serve
- Offering opportunities for local charities and community organisations to use Cathedral Square to raise the profile of excellent projects and support networks across the city
- Engaging with inter-faith partners, parishes across the West Midlands and local schools through a strong working relationship with the Diocese
- Growing our Free Music for School project, working with local schools to provide musical opportunities
- Developing links with Birmingham Museum and Art Gallery, Victorian Society and Birmingham Civic Society through our heritage projects raising awareness of our 'Divine Beauty' campaign

Birmingham Cathedral's governing document is the Constitution and Statutes, incorporating the Cathedrals Measure Act 1999. The most recent review and update of the Constitution and Statutes took place in 2015.

The cathedral is Mother Church to the Diocese of Birmingham, a diocese of nearly 200 parish churches. The cathedral and Diocesan Board of Finance share a Service Level Agreement covering various administrative functions (including safeguarding). This makes for effective and dynamic working relationships, and enables the cathedral to maintain a strong presence in the diocese.



Birmingham Cathedral Chapter is formed of both clergy and lay people, who act as fiduciaries and manage the cathedral's affairs. The Dean and both Residentiary Canons are members, along with four members nominated by the Cathedral Congregation and appointed at the Annual Parochial Church Meeting (APCM), and three Bishop's appointments. The Chapter is chaired by the Dean or Acting Dean in an Interregnum.

'Body Corporate' of the cathedral consists of Cathedral Chapter, Cathedral Council and Cathedral College of Canons. Cathedral Chapter also has a Finance & Risk Sub-Committee, which has an independent, financially qualified member appointed by Chapter amongst its membership. Cathedrals are run by their Chapters, which have the task of administering the affairs of the cathedral. Chapter has chosen to send all new Chapter appointments on a residential training course specifically for Chapter members run by the Association of English Cathedrals.

Birmingham Cathedral Council meets three times a year to further and support the work of the cathedral and advise the Chapter. Membership of Cathedral Council consists of: The Dean; two nominated Chapter Members; two members of the College of Canons; three lay members representing the interests of the cathedral congregations; one Area Dean from a deanery within the diocese; two lay people appointed by Bishop's Council; one person appointed by Birmingham Churches Together; and a maximum of six people appointed by the Bishop of Birmingham. The Council is chaired by Andrew Lancaster, a lay member of Council appointed by Bishop David Urquhart. The Bishop of Birmingham can attend and speak at the Council although they are not a member.

The College of Canons comprises the Dean and Residentiary Canons, The Bishop of Aston, The Archdeacon of Aston (currently in vacancy), The Venerable Jenny Tomlinson and Honorary and Lay Canons. The College meets once a year to consider cathedral affairs. It also has the task of electing a new diocesan bishop in accordance with the Appointment of Bishops Act 1533.

Chapter is responsible for the maintenance and integrity of the corporate and financial information included on the cathedral's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Photo: The outside of Birmingham Cathedral lit up during The Commonwealth Games – July 2022



Safeguarding

We are pleased to report that we have made progress in implementing the recommendations of the 2021 SCIE Audit. From that report we developed an action plan to provide a framework for implementing the recommendations.

A task group within the cathedral team – made up of a cross section of colleagues from Clergy, Music, Facilities, HR – has been working on some of the operational changes required. Examples of this work include; updating contact posters, implementation of concern forms and subsequent regular review, updating of the induction process and continued engagement with the parish dashboard portal.

The Cathedral Safeguarding Committee has been reconvened with new terms of reference, and a remit to oversee the implementation of the report recommendations and more broad oversight of how a culture of safeguarding is nurtured in the cathedral. The committee has external, independent representation and draws on support from the DSA.

We use the parish dashboard to report to the safeguarding committee on matters of urgency, the only outstanding urgent matters required are a report on safeguarding to the APCM and a review of the Cathedral's activities (which is scheduled to take place at the Chapter Away Day on 27 June).

Other matters to follow up are non-compliance with safeguarding training in a small number of people in the cathedral community. We are pleased that we have a structure in place, and the input of excellent volunteers (such as Sandra Bailey, Chapter Safeguarding Lead) to support Chapter's first priority of Safeguarding within the cathedral.



Financial Review

By Sue Davis – Chair of Chapter Finance and Risk Committee

I am very much ‘picking up where we left off’ with this year’s financial review. At the beginning of the year we received the payment agreed in 2021 for the extension of the lease on our property in St Philip’s place, a sum of £540,000. As I reported last year, Chapter had decided this sum would not be added to our investment portfolio, but would be used to support our present plans for service and mission. In the first instance, this meant we were able to meet the costs of creating our new office space in the building without resorting to borrowing - a major benefit which will mean the project ‘breaks even’ within 4.5 years. At the same time, as the Divine Beauty project moved apace, Chapter were able to agree with confidence to underwrite any shortfall between its costs and the monies raised to support it. (We are equally confident that the superb fundraising efforts being made will meet their targets.)

Last March we were delighted to be joined by Sheila Watley as our new Head of Finance. Making the move to running our own finance function has proved to be a major undertaking, and its complexity has underlined how important it was to do. We have for many years relied on the Diocese for this work, but as we move to our new status, responsible to the Charity Commission as well as to the national Church, it is essential that we ourselves hold both control and responsibility for our financial management and accounting. We are enormously grateful to Sheila for the huge efforts she has made in this regard.

Finally a note on our investments. During 2022 the income from dividends on our investments remained stable, but at the year end the portfolio itself suffered a major drop after the Kwaseng budget episode. We do continue to keep our investments under careful review, and enjoy excellent support from our specialist advisors. We are conscious of our responsibilities, not only to derive a benefit from our assets, but also to consider the moral and ethical issues around where we invest. We follow the CoE guidance in this respect, and thus are intending to look carefully in the current year at our exposure to fossil fuels, which is indirect, and not a major proportion of our holdings, but nonetheless need re-evaluation.



Photo: The Birmingham-themed Chelsea Flower Show display in Cathedral Square – Summer 2022

By Sheila Watley – Head of Finance

Our overall income for the year under review is £2,217,797 compared to £839,614 in 2021. During the year, there was an overall increase in all income after having restrictions during the previous two years. The lease extension of St Phillips House contributed the largest portion to the increase in income.

The Church Commissioners provide for the stipends of the Dean and the Residentiary Canons and the Cathedral also receives a grant towards the cost of the lay salaries. We continue to be immensely grateful to the Church Commissioners, All Churches Trust, and the many grant making trusts and individual donors who share our mission vision.

Overall expenditure is £1,246,146 compared to £970,738 in 2021. This increase in Cathedral expenses is attributable to undertaking the Permission to start of the Divine Beauty project and the new office refurbishment throughout 2022.

Chapter reports a net overall surplus position before investment valuation movement of £971,651 after the budgeted transfer of restricted and designated funds. This overall surplus was comprised of a £425,913 surplus on general reserves, a net expenditure of £16,934 on designated reserves, a £600,216 surplus on restricted reserves and net expenditure of £37,544 on endowment funds. The movement on restricted reserves reflects the recognition of the NHLF Divine Beauty grant in the current year which is to be spent over 2023 and 2024. Chapter considers this to be a comfortable position given the loss in 2021 and the period of recovery in 2022.

The valuation of our investment portfolio has seen an decrease of £596,518 as at 31 December 2022 compared to the 2021 valuation.

Balance Sheet Position

Chapter consider that the balance sheet, together with the notes to the financial statements show broadly that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held.

While the net assets at the balance sheet date totalled £8,881,245 (2021: £8,506,112), it must be remembered that included in this total are property and investments that are held within the endowment fund, the capital of which cannot be spent. The endowment fund's value amounted to £7,474,448 (2021: £8,089,630). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot necessarily be used for the general purposes of the cathedral.



Factors that may impact on future financial performance

There are a number of factors which can impact on the Cathedral's ability to meet its objectives which are outside its direct control. As is the case for all charities with historical endowment, the Cathedral remains vulnerable to changes in the value and returns upon its investments. This is mitigated by employing specialist fund managers and advisors to help develop an appropriate investment policy.

The ability of the Cathedral to generate other regular income sources such as event/ special service fee income, congregational giving, and donations has a significant impact on the delivery of the Cathedral's missional objectives. Whilst we have seen a significant uplift in income from events/lettings in 2022, we remain very aware of the impact of external factors.

Reserves Policy

Free reserves are maintained for the following purposes:

- To avoid bank borrowing if there is a temporary shortfall in income or a surge in expenditure
- To provide for emergencies

The reserves policy of the cathedral is formulated in line with recommendations of the Charity Commission of England and Wales. The basic policy statement is as follows: "The Cathedral Chapter aims to maintain the equivalent of at least 3 months operating expenditure in cash and readily liquid assets in the general unrestricted fund. This excludes all designated funds and loans. The policy is to be reviewed on an annual basis".

The free reserves position as of 31 December 2022 is showing a surplus and is in a comfortable position albeit the reserves policy is not yet fully achieved. This position continues to be pursued actively by Chapter, through robust monitoring of unrestricted expenditure and income generation. In addition, Chapter are working with investment managers to review their investment policy, with a view to creating greater access to capital growth on endowment funds to support the reserves policy.

Designated Funds

The cathedral may, with the approval of Chapter, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered adequate for their retention. The most significant designated reserve is the Divine Beauty (Legacies) of £42,515.

Restricted and Endowment Funds

The cathedral holds and administers a number of restricted and endowment funds. As of 31 December 2022, restricted funds totalled £939,324 (2021: £350,189) and endowment funds totalled £7,474,448 (2021: £8,089,630). Neither is available for the general purposes of the cathedral.

Remuneration of Key Management Personnel

Emoluments of higher paid lay employees are determined by Chapter with reference to regular appraisals, remuneration and salary benchmarking, and consequent recommendation of changes. The emoluments of cathedral clergy are set by and funded by the Church Commissioners on a national basis.

Disclosure of Information to the Auditors

Members of Chapter who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the cathedral's auditors are unaware
- We have taken all the steps that we ought to have taken as members of Chapter in order to make ourselves aware of any relevant audit information and to establish that the cathedral's auditors are aware of that information



In October we purchased two new digital screens. One of these is an A-board, which can be seen outside the cathedral, and the other is a touch-screen kiosk for visitors to explore during their visit. We have been working with members of the cathedral community to improve their content and increase their usage.

Investments Powers and Policy

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 Ltd
- Investments in which trustees may invest under the general power of investment in the Trustee Act 2000
- The improvement or development of property belonging to the cathedral, except that endowment funds may not be used to improve or develop the cathedral itself

The cathedral's non-property investments were held with Brewin Dolphin and CCLA during the year. Brewin Dolphin manage a portfolio on a discretionary basis, with the remaining funds within CCLA on a self-managed basis.

Management of the cathedral's investments is overseen by the Chapter's Finance & Risk Committee, which includes members appointed for their relevant expertise and experience. The relationship with the cathedral's investment advisors is governed by a Statement of Investment Principles. The agreed investment objective is the creation of sufficient income to enable the cathedral to carry out its purposes effectively and without interruption, the level of income to be agreed from time to time with the Chapter on the advice of the Finance & Risk Committee. A further objective is the maintenance and long-term enhancement of the capital, and the income derived from this in real terms. Chapter is in the process of reviewing the suitability of adopting a Total Return basis to its endowment fund investments for accounting purposes.

Going Concern

After making enquires, Chapter is satisfied that the cathedral has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis. This is on the basis of forecasts prepared by management, which show that the cathedral has sufficient financial headroom to continue operating for a period of at least 12 months, thanks in part to the underlying security of certain income streams.

Principal Risks and Uncertainties

Chapter reviews the Cathedral Risk Register on a quarterly basis. Reporting to Chapter by the Finance & Risk Committee includes a consideration of risks (financial/operational/reputational damage) which could impact seriously on the cathedral's operation and development. The Finance & Risk Committee oversees the implementation of the recommendations arising out of this review process. This table indicates a sample of the main risks affecting the cathedral and mitigation strategies.

Divine Beauty Project (conservation of Burne-Jones stained-glass windows)	Risk of damage to the windows as they are removed and conserved. Risk of damage when scaffolding is installed.	Treat	Extensive condition report and project execution plan developed by reputable stained-glass conservators. Cathedral Architect acting as project lead and project administrator overseeing the work. Thorough tender process to appoint conservators
Risk of additional safeguarding and pastoral care	Increased demand on clergy. Increased demand for specialist training; domestic and sexual violence, mental health first-aid; neuro-diversity awareness.	Tolerate	Resis team working very closely together to monitor. Good support networks amongst congregation. New role of Cathedral Chaplain developed and recruited to in November 2022
Risk from partners working on shared projects	Possibility of partners working outside of agreement in a way that brings reputational damage	Tolerate	Due diligence undertaken on all partners prior to agreements. Risk assessments in place for all activity
Fraud / error	Increased number of budget holders with access to spending capacity.	Tolerate	Delegated authority and controls in place. Rigorous cash handling procedure in place. Regular review of management accounts

Chapter's Responsibilities Statement

Chapter has overall responsibility for ensuring that the cathedral has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

- An annual budget approved by Chapter
- Regular consideration of both financial results and other performance indicators
- Delegation of authority and segregation of duties

Chapter is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to cathedrals in England & Wales requires the Chapter to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the cathedral and of the incoming resources and application of resources of the cathedral for that period.

In preparing these financial statements, Chapter is required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the cathedral will continue in operation

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the cathedral and enables Chapter members to ensure that the financial statements comply with the Cathedrals Measure 1999, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the governing document. Chapter is also responsible for safeguarding the assets of the cathedral and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

We have audited the financial statements of Birmingham Cathedral (the 'cathedral') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of 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:

- give a true and fair view of the state of the cathedral's affairs as of 31 December 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respect the guidelines specified by the Church Commissioners under the power given to them by 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 cathedral 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.



Matters on which we are required to report by exception

In the light of our knowledge and understanding of the cathedral and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report.

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

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

Conclusion relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the cathedral's ability to continue as a going concern for a period of at least 12 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

Chapter are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Responsibilities of Chapter

As explained more fully in the Chapter responsibilities statement set out in this report, 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 cathedral'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 cathedral or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

We have been appointed as auditor under section 27 of the Cathedrals Measure 1999 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:



Our assessment focussed on key laws and regulations the cathedral has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Cathedrals Measure 1999, Care of Cathedrals Measure 2011, taxation legislation, data protection, anti-bribery and employment legislation. We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the cathedral and how the cathedral is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the cathedral's control environment and how the cathedral has applied relevant control procedures, through discussions with Chapter Members and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the cathedral's fund accounting through discussion with management and by performing analytical and substantive testing to gain assurance that funds are accurately classified in the accounts and used for their permitted purposes.
- obtaining an understanding of the cathedral risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Key Contacts

Chapter Members

The Very Reverend Matt Thompson
The Reverend Canon Dr Josephine Houghton
The Reverend Canon Andy Delmege
Sandra Bailey
Judith Whalley
Richard Brooks
Sue Davis
Patricia Williams
Sharon Palmer
Tony Green

Fabric Advisory Committee

Canon Dr Terry Slater (Chair)
Robert Kilgour
Richard Morris
Dr Paul Spencer-Longhurst
Thomas Kupper
Nicola Dyer
Rita McLean
Mary Trumper (Secretary, not voting)

Finance and Risk Committee

The Very Reverend Matt Thompson
Reverend Canon Josephine Houghton
Sue Davis (Chair)
Tony Green

Auditors

Cooper Parry Group Ltd, Statutory Auditors,
Cubo Birmingham, Office 401, 4th Floor, Two
Chamberlain Square, Birmingham, B3 3AX

Cathedral Architect

Kathryn Harris - Nick Cox Architects
Heyford Park House, Camp Rd, Upper Heyford,
Bicester, OX25 5HD

Investment Managers

Brewin Dolphin
9 Colmore Row, Birmingham, B3 2BJ

CCLA Investment Management Ltd
Senator House, 85 Queen Victoria Street,
London, EC2V 6DZ

Bank details

The Royal Bank of Scotland PLC, 79/83 Colmore
Row, Birmingham, B3 2AP
Relationship Manager: Jasbinder Sandhu

Legal Advisors

Anthony Collins Solicitors, 134 Edmund Street,
Birmingham, B3 2ES

Keelys LLP, 28 Dam Street, Lichfield, WS13 6AA

Commercial Property Management

CBRE, 55 Temple Row, Birmingham, B2 5LS

Archaeologist

Richard Morris & Associates, Bromlow House,
Upper Bromlow, Minsterley, Shropshire, SY5 0EA

Cathedral Administrator

Anna Pitt - CEO



Accounts

Statement of financial activities

For the year ended 31 December 2022

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022	Total 2021
		General £	Designated £	Funds £	Funds £	£	£
Income & Endowments From:							
Donations & legacies		93,576	5,102	9,176	-	107,854	79,373
Grants in support of mission		26,584	-	1,109,927	-	1,136,311	448,708
Charges and fees arising in the course of mission		3,413	-	1,240	-	4,653	3,925
Trading & fundraising		153,772	-	4,814	-	158,586	60,635
Income from property & investments		798,389	-	5,592	-	803,981	249,783
Other income		6,212	-	-	-	6,212	(2,810)
Total Income	2	1,081,946	5,102	1,130,749	-	2,217,797	839,614
Expenditure On:							
Raising funds		109,490	8,518	91,757	37,544	247,309	149,739
Charitable activities:							
Ministry		306,375	7,082	262,529	-	575,986	453,491
Cathedral & precincts upkeep		166,271	3,822	87,095	-	257,188	249,672
Education & outreach		3,075	641	28,567	-	32,283	13,112
Community, parish & congregation		68,778	1,973	60,529	-	131,280	102,364
Other expenditure		2,044	-	56	-	2,100	2,360
Total Expenditure	4	656,033	22,036	530,533	37,544	1,246,146	970,738
Net (outgoing)/ incoming resources before (losses)/gains on investment		425,913	(16,934)	600,216	(37,544)	971,651	(131,124)
Net (losses)/ gains on investments	5,7	-	-	(18,880)	(577,638)	(596,518)	522,751
Net (Expenditure)/ Income		425,913	(16,934)	581,336	(615,182)	375,133	391,627
Transfers between funds	13	(10,544)	2,745	7,799	-	-	-
Net movement in funds:		415,369	(14,189)	589,135	(615,182)	375,133	391,627
Total Funds brought forward	20	(1,723)	68,016	350,189	8,089,630	8,506,112	8,114,485
Total Funds carried forward		413,646	53,827	939,324	7,474,448	8,881,245	8,506,112



Balance sheet

As of 31 December 2022

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Fixed Assets -							
Investment Assets							
Property	6	-	-	-	1,550,000	1,550,000	1,550,000
Investments	7	-	-	147,283	4,728,619	4,875,902	5,503,183
		-	-	147,283	6,278,619	6,425,902	7,053,183
Tangible Fixed Assets							
Property	8	-	-	-	1,165,000	1,165,000	1,165,000
Equipment and Office Refurbishment	9	182,975	-	6,623	-	189,598	19,173
Total Fixed Assets		182,975	-	153,906	7,443,619	7,780,500	8,237,356
Current Assets							
Debtors	11	43,125	-	729,241	-	772,366	51,510
Cash at bank and in hand		258,985	53,827	65,951	30,829	409,592	273,844
Total Current Assets		302,110	53,827	795,192	30,829	1,181,958	325,354
Creditors: Amounts falling due within one year	12	(71,439)	-	(9,774)	-	(81,213)	(56,598)
Net Current Assets		230,671	53,827	785,418	30,829	1,100,745	268,756
Total Net Assets		413,646	53,827	939,324	7,474,448	8,881,245	8,506,112
The Funds of the Cathedral							
Endowment Funds	13	-	-	-	7,474,448	7,474,448	8,089,630
General Funds	13	413,646	-	-	-	413,646	(1,723)
Designated Funds	13	-	53,827	-	-	53,827	68,016
Restricted Funds	13	-	-	939,324	-	298,124	350,189
Total Funds		413,646	53,827	939,324	7,474,448	8,881,245	8,506,112

The notes 1 to 20 form part of these financial statements.

The financial statements were approved by the Chapter and authorised for issue on

Matt Thompson
The Very Rev'd Matt Thompson
Dean

and signed on their behalf by:

Sue Davis
Sue Davis
Chair of Finance and Risk Committee



Statement of cash flows

For the year ended 31 December 2022

	Total 2022 £	Total 2021 £
Cash flows from operating activities:		
Net cash used in operating activities (page 34)	(515,805)	(407,579)
Cash flows from investing activities:		
Rents received	94,650	94,794
Rent premium received	540,000	-
Investment income received	169,331	154,989
Purchase of property, plant & equipment	(183,191)	(6,285)
Proceeds from the sale of investments	347,514	175,645
Purchase of investments	(316,751)	(134,969)
Net cash provided by investing activities	651,553	284,174
Cash flows from financing activities:		
Repayments of borrowing	-	-
Net cash provided by/(used in) financing activities	-	-
Change in cash & cash equivalents in the reporting period	135,748	(123,405)
Cash & cash equivalents at 1 January	273,844	397,249
Cash & cash equivalents at 31 December	409,592 =====	273,844 =====

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

	2022 £	2021 £
Net income / (expenditure) for the reporting period	971,651	(131,124)
Adjustments for:		
Depreciation charges	12,766	8,475
Income from property & investments	(803,981)	(249,783)
(Increase)/ decrease in debtors	(720,856)	(19,806)
Increase/(decrease) in creditors	24,615	(15,341)
	(1,487,456)	(276,455)
Net cash used in operating activities	(515,805) =====	(407,579) =====

Analysis of cash & cash equivalents

	2022 £	2021 £
Cash in hand/at bank	30,282	30,865
Cash held on deposit	379,310	242,979
Total cash & cash equivalents	409,592 =====	273,844 =====



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

	At 1 January	Cash flows	Other non- cash changes	At 31 December
	£	£	£	£
Cash at bank and in hand	273,844	135,748	-	409,592
Cash held with investment managers for reinvestment	48,433	(19,035)	-	29,398
Total cash and cash equivalents	322,277	116,713	-	438,990
Bank loans falling due after one year	-	-	-	-
Total net cash	322,277	116,713	-	438,990

Within cash held with investment managers for reinvestment, £29,398 (2021: £48,433) relates to the endowment fund, which is unavailable for use until it is applied to the income fund.

Within cash at bank and in hand £30,829 (2021: £37,656) relates to the endowment fund, which is unavailable for use until it is applied to the income fund.



Notes to the financial statements

For the year ended 31 December 2022

I. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the provision of the December 2018 Regulations on Accounting and Reporting by 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 December 2018 Regulations take into consideration the requirements of the Statement of Recommended Practices for Charities (SORP 2019) and applicable accounting standards (FRS102).

The Cathedral meets the definition of a public benefit entity under FRS102.

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments and certain properties.

Going Concern

At the time of signing the accounts, Chapter consider that the Cathedral will continue to operate for a period of at least 12 months from the date of signing these accounts due to the level of funding already secured with its principal funders (Church Commissioners), projections from investment managers and increasing number of clients hiring cathedral space (including cathedral square). At the balance sheet date, the Cathedral held sufficient cash balances. The Cathedral has sufficient reserves, enough of which are unrestricted (including designated funds which could be re-purposed if required) and are sufficient to absorb short-term in-period deficits if required.

Chapter, at the time of signing, have also reconsidered their investment policy, the effect of which will mean increased access to unrestricted funds (from capital growth in investments) to fund the mission and ministry of the cathedral.

The financial forecasts prepared show that the Cathedral will be able to operate within the facilities available to it.

On that basis Chapter have prepared these financial statements on a going concern basis.

The other principal accounting policies and estimation techniques are as follows:

Fund accounting:

The Chapter maintains various types of funds as follows:

Endowment funds:

Endowment funds represent grants, donations and legacies received where the donor has stipulated that the income may be used for general purposes, but the capital must be retained.

Restricted funds:

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

Unrestricted funds:

Designated funds are amounts which have been put aside out of unrestricted funds at the discretion of the Chapter for specific purposes.

Undesignated funds represent unrestricted income which is expendable at the discretion of the Chapter in the furtherance of the objects of the Cathedral Chapter. Such funds may be held in order to finance both working capital and capital investment.

Tangible fixed assets:

In accordance with FRS 102 investments properties are carried at their fair value and this is considered by Chapter annually and the aggregate surplus or deficit is recognised in the Endowment Fund. The investment property was last professionally valued as at December 2022. No depreciation is provided on investment properties.

Non-investment properties relate to clergy housing. Previously these were carried at market value based on an external professional valuation every 5 years. In the interim period Chapter reviewed the carrying valuation of the properties for impairment by reference to the Nationwide House Prices Indices. Depreciation is not charged on the grounds of immateriality. Upon adoption of SORP 2019 (FRS 102) Chapter elected under the transitional rules to adopt the previous valuation of the properties as deemed cost. The properties are subject to a quinquennial maintenance programme and maintain a high residual value. In the interim period Chapter reviewed the carrying valuation of the properties for impairment by reference to the Nationwide House Prices Indices

Depreciation has been provided on office equipment in the first year. Larger items will be depreciated over the life of the asset, as assessed by Chapter members. Depreciation of non-property assets is charged by equal annual instalments at rates estimated to write off their cost less any residual value over the expected useful life. For computer and office equipment this is 3 years. Assets under construction (including, in 2022, the costs of the office refurbishment) are not depreciated until they are substantially complete and in use.

The Cathedral building and the inventory as heritage assets

Under S24(1) of the Care of Cathedrals Measure 2011, Cathedrals are required to keep an inventory of items owned by the Cathedral that are of architectural, archaeological, artistic or historic interest. The Measure also issues strict guidelines about the acquisition and disposal of such assets.

No value is attributed to these assets on the balance sheet in accordance with section 6.2 of the Accounting and reporting Regulations for English Anglican Cathedrals. The Chapter have further considered the requirements of FRS 102, which postdates the Regulations and are of the opinion that the policy is compliant with this standard on the basis that information on the historical cost of the assets is not available.

The Cathedral churchyard as a heritage asset

The historic churchyard of St Philip's is the Cathedral precinct under the Care of Cathedrals Measure 2011, and like the Cathedral building is of archaeological and historic interest. No value has been attributed in the balance sheet to the churchyard or any of the items that form part of it.

No value is attributed to these assets on the balance sheet in accordance with section 6.2 of the Accounting and reporting Regulations for English Anglican Cathedrals. The Chapter have further considered the requirements of FRS 102, which postdates the Regulations and are of the opinion that the policy is compliant with this standard on the basis that information on the historical cost of the assets is not available.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Realised gains and losses are calculated. Realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

The Cathedral does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Cathedral is that of volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors.



Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Financial Instruments

The Cathedral has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments” of FRS102 in full to all of its financial instruments. Trade debtors which are receivable within 1 year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses. Trade creditors payable within 1 year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

Income

All income is recognised in the Statement of Financial Activities when the Cathedral is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable.

Grant income:

Grant income is recognised when the amount can be measured reliably and there is clear entitlement and certainty of receipt. Grants received which are subject to pre-conditions for entitlement or use specified by the donor which have not been met at year end are included in creditors.

Donations and legacies:

Donations and legacies are recognised when the amount can be measured reliably and there is clear entitlement and certainty of receipt.

Rent and Investment income:

Rent and investment income is accounted for when receivable.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Cathedral pay out resources, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings and all costs are allocated to a specific category.

Cost of Raising Funds:

These are the costs of managing the Endowment and Restricted funds in investments and properties.

Charitable Activities:

Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Cathedral and their associated support costs as follows:

Ministry – these are the direct costs to order the worship and promote the mission of the Cathedral. These include the costs for the clergy employed by the Chapter, the costs of supporting their work across the city and diocese of Birmingham and the costs related to services, music and other Cathedral activities.

Cathedral and precincts upkeep – these are the costs required to ensure the ongoing maintenance and upkeep of the Cathedral building and fabric.

Education and outreach – these include costs associated with the Cathedral education programme of activities, including staff costs and payments to other local organisations and charities.

Community, parish and congregation – these are the costs (including staff costs) associated with supporting the Cathedral's work with its community, parish and congregation and the annual contribution to the Birmingham Diocesan Board of Finance in respect of Common Fund.

Other expenditure – this includes bank charges, provisions against slow moving stocks or trade debtors as deemed necessary in the normal course of business.

Support Costs – these consist of central management, administration and governance costs. These are costs which are incurred directly in the support of charitable activities. They are allocated to categories of expenditure based on the proportion of staff time spent on each area of activity.

Value added tax

The Cathedral recovers 45% of all VAT paid, subject to the current partial exemption rules, apart from that on purchases from the gift shop where 100% is recovered. VAT is charged at full rate on all taxable sales.

Pensions

The Cathedral contributes to the Church Workers Pension Fund for lay staff. Contributions to the Church of England Funded Pension Scheme for the Cathedral clergy are fully funded by the (Section 21) grant receivable from the Church Commissioners. Both these schemes are multi-employer pension schemes.

The pension costs charged as expenditure represent the Cathedral's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the lay worker pension scheme to which the Cathedral participates is accrued at current value in creditors distinguishing between contributions falling due within one year and after more than one year. Details of the scheme is given in note 17 to the financial statements.

Deficit funding in respect of the clergy in the Church of England Funded Pension Scheme is fully met by the Church Commissioners and hence the deficit funding liability is included in the financial statements of the Church Commissioners who have responsibility for this liability.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Accounting estimates

The Cathedral makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of investment property

The Cathedral carries its investment property at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Cathedral engaged independent valuation specialists to determine fair value at 31 December 2022. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.



Assumptions surrounding the church workers pension scheme

The Cathedral contributes to the Church Workers Pension Fund for other staff. Although this scheme is determined to the multi-employer pension schemes, as required under FRS102, the Cathedral recognises its agreed deficit funding liabilities on its balance sheet. The key actuarial assumptions that underpin the required deficit funding contributions liability are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 17 could have a significant impact on the required deficit funding contributions and resulting balance sheet liability.

Area of judgement

Non-depreciation of freehold properties

Depreciation is not provided on buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

All 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.

2. Income and Endowments from:

	Unrestricted Funds General	Designated	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£	£
Donations & Legacies						
Congregational collections and giving	47,747	-	2,923	-	50,670	50,762
Donations	34,982	5,102	5,573	-	45,657	16,930
Tax recoverable under gift aid	10,847	-	680	-	11,527	11,681
	<u>93,576</u>	<u>5,102</u>	<u>9,176</u>	<u>-</u>	<u>107,854</u>	<u>79,373</u>
	=====	=====	=====	=====	=====	=====
Grants in support of mission						
Church Commissioners	-	-	404,122	-	404,122	315,736
All Churches Trust	25,000	-	-	-	25,000	25,000
National Heritage	-	-	633,305	-	633,305	59,260
Other Grants	1,584	-	72,500	-	74,084	48,712
	<u>26,584</u>	<u>-</u>	<u>1,109,927</u>	<u>-</u>	<u>1,136,511</u>	<u>448,708</u>
	=====	=====	=====	=====	=====	=====
Charges & fees arising in the course of mission						
Facility and other fees	3,413	-	1,240	-	4,653	3,925
	=====	=====	=====	=====	=====	=====
Trading & fundraising activities						
Income from lettings of Cathedral/churchyard	153,079	-	301	-	153,380	57,776
Gross income of the shop and other activities	693	-	4,513	-	5,206	2,859
	<u>153,772</u>	<u>-</u>	<u>4,814</u>	<u>-</u>	<u>158,586</u>	<u>60,635</u>
	=====	=====	=====	=====	=====	=====

Income Continued

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022	Total 2021
	General	Designated				
	£	£	£	£	£	£
Income from property and investments						
Property	634,650	-	-	-	634,650	94,794
Investments	162,769	-	5,419	-	168,188	154,952
Interest receivable on short term deposits	970	-	173	-	1,143	37
	798,389	-	5,592	-	803,981	249,783
	=====	=====	=====	=====	=====	=====
Other income						
Other items	6,212	-	-	-	6,212	(2,810)
	=====	=====	=====	=====	=====	=====

3. Property Income

	Nursery Drives	St Philip's House	Total 2022	Total 2021
	£	£	£	£
Rents and Service Charges	24,650	70,000	94,650	94,794
Rent premium	-	540,000	540,000	-
	24,650	610,000	634,650	94,794
Less: Charges	(2,841)	(30,764)	(33,605)	(7,704)
	21,809	579,236	601,045	87,090
	=====	=====	=====	=====

The freehold of St Philip's House, St Philip's Place is subject to a lease for one hundred and twenty-five years from 10 February 2022.



4. Expenditure on:

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022	Total 2021
	General £	Designated £	£	£	£	£
Raising Funds						
Cost of services directly recoverable	13,815	5,038	911	-	19,764	2,476
Gross cost of shop and other activities	70	-	-	-	70	449
General marketing costs	2,904	150	3,885	-	6,939	12,123
Cost of fundraising	1,085	-	1	-	1,086	671
Investment property costs	24,000	-	-	6,780	30,780	4,800
Investment management costs	-	-	-	30,764	30,764	24,066
Property Costs	2,841	-	-	-	2,841	2,904
Support costs	64,775	3,330	86,960	-	155,065	102,250
	109,490	8,518	91,757	37,544	247,309	149,739
	=====	=====	=====	=====	=====	=====
Ministry Costs						
Clergy stipends and working expenses	2,097	-	137,006	-	139,103	138,840
Clergy housing costs	42,389	-	-	-	42,389	28,818
Clergy support costs	6,710	-	26,662	-	33,372	2,046
Service costs	52,541	-	3,765	-	56,306	6,624
Music costs	155,428	4,582	9,853	-	169,863	14,615
Support costs	47,210	2,500	85,243	-	134,953	262,548
	306,375	7,082	262,529	-	575,986	453,491
	=====	=====	=====	=====	=====	=====
Cathedral & precincts upkeep						
Maintenance & interior upkeep	144,112	2,678	32,714	-	179,504	142,521
Cathedral insurance	22,159	-	-	-	22,159	20,552
Support costs	-	1,144	54,381	-	55,525	86,599
	166,271	3,822	87,095	-	257,188	249,672
	=====	=====	=====	=====	=====	=====



5. Investment income and losses

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2022	Total 2021
	General	Designated				
	£	£	£	£	£	£
Dividends receivable	162,769	-	5,419	-	168,188	154,952
Interest receivable	970	-	173	-	1,143	37
Property income	634,650	-	-	-	634,650	94,794
	<u>798,389</u>	<u>-</u>	<u>5,592</u>	<u>-</u>	<u>803,981</u>	<u>249,783</u>
	=====	=====	=====	=====	=====	=====
Realised (losses)/gains	-	-	-	(25,162)	(25,162)	3,363
Unrealised (losses)/gains	-	-	(18,880)	(552,476)	(571,356)	519,388
	<u>-</u>	<u>-</u>	<u>(18,880)</u>	<u>(577,638)</u>	<u>(596,518)</u>	<u>522,751</u>
	=====	=====	=====	=====	=====	=====
Total income & losses	<u>798,389</u>	<u>-</u>	<u>(13,288)</u>	<u>(577,638)</u>	<u>207,463</u>	<u>772,534</u>
	=====	=====	=====	=====	=====	=====

6. Investment property

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
At valuation: 1 January 2022	-	-	1,550,000	1,550,000
Change in market value	-	-	-	-
At valuation: 31 December 2022	<u>-</u>	<u>-</u>	<u>1,550,000</u>	<u>1,550,000</u>
	=====	=====	=====	=====

The Endowment Fund represents the freehold of St Philip's House, St Philip's Place which is subject to a lease of one hundred and twenty-five years from 10 February 2022. The investment property was professionally valued by Richard Connolly BSc MRICS of CBRE Ltd as at 31 December 2022.



7. Investments

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Investments at 1 January 2022	-	166,163	5,337,020	5,503,183
Purchases	-	-	316,751	316,751
Sales	-	-	(347,514)	(347,514)
Transfers	-	-	-	-
Change in market value	-	(18,880)	(577,638)	(596,518)
Investments at 31 December 2022	-	147,283	4,728,619	4,875,902
	=====	=====	=====	=====
Investments are categorised as follows:				
Listed investments	-	-	4,699,221	4,699,221
Unlisted investments	-	147,283	29,398	176,681
	-	147,283	4,728,619	4,875,902
	=====	=====	=====	=====

Unlisted investments consist of freely marketable shares in The Central Board of Finance Investment Funds and COIF administered by the CCLA Fund Managers. The investment transactional costs for the year were £30,764 (2021: £24,066).

8. Fixed assets - Property

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
	£	£	£		£
At deemed costs 1 January 2022 and 31 December 2022	-	-	1,165,000	1,165,000	1,165,000
	=====	=====	=====	=====	=====

All fixed asset properties are freehold and used as follows:

	Deemed Cost 2022	Deemed Cost 2021
	£	£
For Cathedral use:		
38 Goodby Road	575,000	575,000
4 Nursey Drive	295,000	295,000
12 Nursery Drive	295,000	295,000
	1,165,000	1,165,000
	=====	=====

The properties are for the use of the clergy of the Cathedral. The occupiers are provided with this accommodation rent free to enable them to perform their duties.

9. Fixed assets – equipment and office refurbishment

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Cost				
At 1 January 2022	29,633	9,825	-	39,458
Additions	182,368	823	-	183,191
As 31 December 2022	<u>212,001</u>	<u>10,648</u>	<u>-</u>	<u>222,649</u>
	=====	=====	=====	=====
Accumulated depreciation				
At 1 January 2022	17,062	3,223	-	20,285
Depreciation charge for the year	11,964	802	-	12,766
At 31 December 2022	<u>29,026</u>	<u>4,025</u>	<u>-</u>	<u>33,051</u>
	=====	=====	=====	=====
Net book value				
At 31 December 2022	<u>182,975</u>	<u>6,623</u>	<u>-</u>	<u>189,598</u>
	=====	=====	=====	=====
As 31 December 2021	<u>12,571</u>	<u>6,602</u>	<u>-</u>	<u>19,173</u>
	=====	=====	=====	=====

10. Employees and office holders

The average monthly number of employees during the year was as follows:

	2022	2021
Clergy	3	3
Vergers	5	6
Music & services	11	12
Administration	9	8
	<u>28</u>	<u>29</u>
	=====	=====

Average number of full-time equivalent staff:

	2022	2021
Clergy	3	3
Vergers	4	3
Music & services	4	4
Administration	8	7
	<u>19</u>	<u>17</u>
	=====	=====



Employee and office holder costs during the year were as follows:

	2022 £	2021 £
Salaries & Stipends	645,782	490,556
Employer's National Insurance	48,683	34,579
Employer's Pension Contributions	62,177	62,722
Employer's Apprenticeship Levy	458	448
Total Costs	<u>757,100</u> =====	<u>588,305</u> =====

One member of staff was paid in the banding of £60,000 - £70,000 for the year (2021: no member of staff was paid more than £60,000.)

Remuneration of key management personnel

Key management personnel are deemed to be those having authority and responsibility delegated to them by Chapter for planning, directing and controlling the activities of the Cathedral. During 2022 they were:

The Dean	The Very Reverend Matt Thompson
Canon Precentor	The Revd Canon Josephine Houghton
Canon Missioner	The Revd Andy Delmege
Chief Executive	Anna Pitt

Remuneration, pensions and expenses for these four people amounted to £216,431 (2021: £201,230)

Remuneration to members of Chapter

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 annual by the Church Commissioners, Archbishops' Council and the Church of England Pensions Board. No supplement to these scales is paid. These payments are set out below:

	Salaries & Stipends £	Employer's National Insurance £	Employer's Pension Contributions £	Employer's Apprenticeship Levy Contributions £
Remuneration of members of Chapter				
The Very Revd Matt Thompson	37,955	3,687	11,677	172
The Revd Canon Josephine Houghton	29,201	3,350	9,342	150
The Revd Canon Andy Delmege	29,201	2,635	9,342	136
	<u>96,357</u> =====	<u>9,672</u> =====	<u>30,361</u> =====	<u>458</u> =====

The Very Revd Matt Thompson and The Revd Andy Delmege were also provided with the use of a house free of rent and council tax in furtherance of their duties. The Revd Canon Josephine Houghton was provided with a housing allowance.

No remuneration was paid to lay members of Chapter in their capacity as Chapter members.

Reimbursement of expenses incurred totalling £197 (2021: £65) was paid in total to one (2021: one) member of Chapter during the year.

11. Debtors

	2022 £	2021 £
Trade debtors	96,060	29,892
Other debtors	669,382	15,727
Prepayments	6,924	5,891
	772,366	51,510
	=====	=====

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	12,743	19,162
Other creditors (including Social Security and other taxes)	33,126	14,869
Accruals	35,344	22,567
	81,213	56,598
	=====	=====

13. Movements in funds

	Balance b/f at 1.1.2022 £	Income £	Expenditure £	Capital movements £	Transfers £	Balance c/f at 31.12.2022 £
Restricted Funds						
Mission & Development Fund	3,754	234	(1,957)	-	-	2,031
Altar Linen Fund	300	-	-	-	-	300
Belliss Fund	1,096	14	-	-	-	1,110
Choir Tours Fund	-	3,675	(1,752)	-	-	1,923
Music Fund	5,375	6,003	-	-	-	11,378
Chorister Hardship Fund	6,455	-	-	-	-	6,455
St Philip's Singers Fund	985	-	-	-	-	985
FCM Song School	18,222	516	-	-	-	18,738
Flower Fund	6,568	2,078	(4,217)	-	-	4,429
Harridine Bequest	30,892	751	-	(3,369)	-	28,274
St Philip's Education (Christchurch) Fund	53,410	2,014	(33,156)	(9,876)	-	12,392
Restricted Arts Fund	-	20,000	(27,754)	-	7,754	-
Arts – Measure of Us	624	-	-	-	-	624
Arts – Something Good	403	-	-	-	-	403
Tercentenary Pilgrimages Fund	1,428	-	-	-	-	1,428
The Provost's Book Fund	3,986	52	-	-	-	4,038
FCM Music Trust Fund	22,531	-	-	-	-	22,531
Howlett Bequest	3,628	24	-	-	-	3,652
Bells Restoration Fund	57,306	-	-	-	-	57,306
Bulbs	544	-	-	-	-	544
Divine Beauty	27,887	689,014	(57,170)	-	-	659,731
Sound Equipment	806	-	-	-	-	806
Church Commissioners Stipends	-	136,848	(136,848)	-	-	-
Church Commissioners Section 23	-	185,504	(185,504)	-	-	-
Church Commissioners Section 28 CSFI	-	48,256	(48,256)	-	-	-
Church Commissioners Section 23 CSF2	-	33,513	(33,558)	-	45	-



Movements in funds continued

	Balance b/f at 1.1.2022	Income	Expenditure	Capital movements	Transfers	Balance c/f at 31.12.2022
	£	£	£	£	£	£
Fundraising campaign:						
Mission Fund	12,352	100	-	-	-	12,452
Music Fund	12,193	2,153	(1)	-	-	14,345
Music Endowment	79,444	-	(360)	(5,635)	-	73,449
	<u>350,189</u>	<u>1,130,749</u>	<u>(530,533)</u>	<u>(18,880)</u>	<u>7,799</u>	<u>939,324</u>
	=====	=====	=====	=====	=====	=====
Designated Funds						
Divine Beauty (Legacy)	42,515	-	-	-	-	42,515
Civic Duties Fund	14,189	5,102	(22,036)	-	2,745	-
Security Fund	6,500	-	-	-	-	6,500
Maintenance Fund	4,812	-	-	-	-	4,812
	<u>68,016</u>	<u>5,102</u>	<u>(22,036)</u>	<u>-</u>	<u>2,745</u>	<u>53,827</u>
	=====	=====	=====	=====	=====	=====
Unrestricted Funds						
General unrestricted fund	(1,723)	1,081,946	(656,033)	-	(10,544)	413,646
	<u>(1,723)</u>	<u>1,081,946</u>	<u>(656,033)</u>	<u>-</u>	<u>(10,544)</u>	<u>413,646</u>
	=====	=====	=====	=====	=====	=====
Endowment Funds						
General Endowment Fund	8,089,630	-	(37,544)	(577,638)	-	7,474,448
	<u>8,089,630</u>	<u>-</u>	<u>(37,544)</u>	<u>(577,638)</u>	<u>-</u>	<u>7,474,448</u>
	=====	=====	=====	=====	=====	=====

Details of inter-fund transfers in the year are as follows:

		Unrestricted Funds General	Designated	Restricted Funds	Endowment Funds	Total 2022
		£	£	£	£	£
General Fund to Restricted Arts Fund	1	(7,754)	-	7,754	-	-
General Fund to Church	2	(45)	-	45	-	-
Commissioners Section 23 CSF2						
General Fund to Civic Duties Fund	3	(2,745)	2,745	-	-	-
		<u>(10,544)</u>	<u>2,745</u>	<u>7,799</u>	<u>-</u>	<u>-</u>
		=====	=====	=====	=====	=====

1. This represents the support of General Funds towards the expenditure on Restricted Arts Funds activities which exceeded the funding available.
2. This represents a transfer to support the activities being funded by the Church Commissioners Section 23 CSF2 grant.
3. This represents transfer to fund Civic Duties activities where the costs exceeded the previously designated fund.

Prior Year Comparatives for fund movements

	Balance b/f at 1.1.2021 £	Income £	Expenditure £	Capital movements £	Transfers £	Balance c/f at 31.12.2021 £
Restricted Funds						
Mission & Development Fund	3,751	3	-	-	-	3,754
Altar Linen Fund	300	-	-	-	-	300
Belliss Fund	1,095	1	-	-	-	1,096
Choir Tours Fund	-	-	-	-	-	-
Music Fund	2,075	5,375	-	-	(2,075)	5,375
Chorister Hardship Fund	6,455	-	-	-	-	6,455
St Philip's Singers Fund	985	-	-	-	-	985
FCM Song School	17,079	516	-	1,143	(516)	18,222
Flower Fund	4,911	2,625	(2,468)	-	1,500	6,568
Harridine Bequest	26,536	726	-	3,630	-	30,892
St Philip's Education (Christchurch) Fund	61,826	1,951	(20,075)	9,708	-	53,410
Arts – Measure of Us	624	-	-	-	-	624
Arts – Something Good	403	-	-	-	-	403
Tercentenary Pilgrimages Fund	1,428	-	-	-	-	1,428
The Provost's Book Fund	3,986	2	-	-	-	3,986
FCM Music Trust Fund	22,531	-	-	-	-	22,531
Howlett Bequest	3,625	3	-	-	-	3,628
Bells Restoration Fund	57,306	-	-	-	-	57,306
Bulbs	544	-	-	-	-	544
Divine Beauty	50,367	59,550	(82,030)	-	-	27,887
Sound Equipment	806	-	-	-	-	806
CSF Funding	-	28,124	(28,124)	-	-	-
Church Commissioners Stipends	-	137,006	(137,006)	-	-	-
Church Commissioners Section 23	-	178,730	(172,730)	-	-	-
Church Commissioners Lay Clerks Grant	-	-	-	-	-	-
Church Commissioners Additional Section 21	-	-	-	-	-	-
Fundraising campaign:						
Mission Fund	12,252	100	-	-	-	12,352
Music Fund	5,475	2,074	(2)	6,646	(2,000)	12,193
Music Endowment	80,802	-	(360)	-	(1,000)	79,442
	<u>365,162</u>	<u>416,786</u>	<u>(448,795)</u>	<u>21,127</u>	<u>(4,091)</u>	<u>350,189</u>
	=====	=====	=====	=====	=====	=====
Designated Funds						
St Philip's Singers fund	1,000	-	-	-	(1,000)	-
Special Music Fund	655	-	-	-	(655)	-
Divine Beauty (Legacy)	42,515	-	-	-	-	42,515
Strategic Development	3,000	-	-	-	(3,000)	-
New Income Development Fund	13,000	-	-	-	(13,000)	-
Civic Duties Fund	15,000	-	(812)	-	-	14,819
Security Fund	6,500	-	-	-	-	6,500
Maintenance Fund	4,813	-	-	-	-	4,813
	<u>86,483</u>	<u>-</u>	<u>(812)</u>	<u>-</u>	<u>(17,655)</u>	<u>68,016</u>
	=====	=====	=====	=====	=====	=====
Unrestricted Funds						
General unrestricted fund	36,598	432,198	(492,265)	-	21,746	(1,723)
	<u>36,598</u>	<u>432,198</u>	<u>(492,265)</u>	<u>-</u>	<u>21,746</u>	<u>(1,723)</u>
	=====	=====	=====	=====	=====	=====



Prior Year Comparatives for fund movements continued

	Balance b/f At 1.1.2021 £	Income £	Expenditure £	Capital Movements £	Transfer between Funds £	Balance c/f At 31.12.2021 £
Endowment Funds						
General Endowment Fund	7,626,242	(9,370)	(28,866)	501,624	-	8,089,630
	<u>7,626,242</u>	<u>(9,370)</u>	<u>(28,866)</u>	<u>501,624</u>	<u>-</u>	<u>8,089,630</u>
	=====	=====	=====	=====	=====	=====

Details of inter-fund transfers in the year are as follows:

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021
		General £	Designated £	£	£	£
Music Fund to General Fund	1	1,000	-	(1,000)	-	-
St Philips Singers Fund to General Fund	2	1,000	(1,000)	-	-	-
Special Music Fund to General Fund	3	655	(655)	-	-	-
Unrestricted Fund to Flower Fund	4	(1,500)	-	1,500	-	-
FCM Song School Fund to General Fund	5	516	-	(516)	-	-
Strategic Dev Fund to General Fund	6	3,000	(3,000)	-	-	-
Music Fund to General Fund	7	2,075	-	(2,075)	-	-
New Income Contingency to General Fund	8	13,000	(13,000)	-	-	-
St Philips Ed Fund to General Fund	9	2,000	-	(2,000)	-	-
		<u>21,746</u>	<u>(17,655)</u>	<u>(4,091)</u>	<u>-</u>	<u>-</u>
		=====	=====	=====	=====	=====

1. This represents donations received towards the music costs of the Cathedral.
2. This represents a transfer back of designated funds due to St Philip's Singers becoming inactive
3. This represents transfer of a small designated amount back to general fund to tidy up funds.
4. This represents the Cathedral's contribution towards the flower costs for Easter and Christmas.
5. This represents the dividends received towards the costs of the Cathedral's choral scholars.
6. This represents the reduction of the Strategic Fund requirements.
7. This represents donations received towards the music costs of the Cathedral.
8. This represents a move of funds due to not requiring the new income development fund any longer.
9. This represents costs incurred for education/learning

Designated Fund

St Philips Singers Fund

Special Music Fund

Divine Beauty Fund (Legacy)

Strategic Development Fund

New Income Development Fund

Civic Duties Fund

Security Fund

Maintenance Fund

Restricted Fund

Purpose

This fund was created from a legacy received from a member of the St Philip's Singers.

This fund is used by the Director of Music for special events requiring additional musicians.

This fund is to be used towards the costs of the Divine Beauty project.

This fund is to be used towards developing a strategic plan for the Cathedral.

This fund is to be used towards costs incurred in the pursuit of new income streams for the Cathedral.

This fund is to be used towards the costs the Cathedral will incur to meet its civic duties on the death of a prominent person.

This fund is to be used towards the match funding required for a grant towards improving the Cathedral's security.

This fund is to be used for maintenance of the Cathedral.



Mission & Development Fund	This fund consists of donations made by the friends and family of Simon Richmond. It is intended to be used for evangelism and /or development of the Cathedral in memory of Simon Richmond.
Altar Linen Fund	This comprises of a donation toward new altar linen.
Belliss Fund	This fund was provided on the understanding that the Cathedral would keep the Belliss monument in good order.
Choir Tours Fund	The Choir raises money from sales of compact discs, tapes, raffles, donations and other sources to fund their tours.
Music Fund	This fund consists of funds raised or donated in support of the Cathedral's choirs and music.
Chorister Hardship Fund	This comprises grant received from the Friends of Cathedral Music.
St Philip's Singers Fund	This fund comprises money raised by the St Philip's Singers that will be used for their needs.
FCM Song School	These funds represent grants from Friends of the Cathedral Music which are devoted to these purposes.
Flower Fund	Funds received specifically towards the provision of flowers in the Cathedral.
Harridine Bequest Fund	A bequest received towards the cost of building a new Cathedral.
St Philip's Education (Christchurch) Trust	This fund is to support the Cathedral's education work.
Arts – Measure of Us/Something Good Funds	Grants received towards the cost of further arts projects.
Tercentenary Pilgrimages	Grants received to help towards the cost of arranging pilgrimages from all Birmingham Deanery's to their Mother Church.
The Provost's Book Fund	The Provost's book fund represents funds provided to aid the former Provost with his research.
FCM Music Trust Fund	This fund represents a grant from the Friends of Cathedral Music to support the proposed Birmingham Cathedral Music Trust.
Howlett Bequest Fund	This fund is to provide maintenance and cleaning for the Howlett family grave in Birmingham; to establish the "Seraphim" award used to promote music in the Cathedral; and to encourage links with Eastern Europe, Germany and Russia. Having discharged all our responsibilities with regard to the will the Cathedral's only remaining duty is to keep the family grave at Yardley Cemetery in good order. Therefore £4,000 is to be kept in this fund for this purpose with the remaining funds being used towards the Cathedral music.
Bells Restoration Fund	This fund is to be used towards the restoration of the Cathedral bells and was created with a legacy received for this purpose.
Bulbs	This fund is to be used towards the planting and maintenance of daffodil bulbs in the Cathedral grounds.
Divine Beauty	This fund is to be used towards the costs of the Divine Beauty project, and includes grants from organisations such as the National Lottery Heritage Fund, The Dulverton Trust and other kind funders.
Sound Equipment	This fund represents donations received towards the costs of the replacement sound equipment.
Church Commissioners Stipends	This fund comprises of the grant received from Church Commissioners to pay the clergy of the Cathedral.
Church Commissioners Section 23	This fund comprises of the grant received annually from Church \commissioners towards the salary costs of lay staff.
<u>Fundraising Campaign</u>	
Mission fund	Campaign donations made to support the mission objectives of the campaign.
Music Fund	Campaign donations made to support music in the Cathedral.
Music Endowment Fund	Capital fund for income to be used towards the music of the Cathedral.
Endowment Fund	
General endowment fund	These are historic permanent endowment funds. The Chapter can utilise the income generated from these funds towards its general charitable activities.



14. Contingent assets and liabilities

At 31 December 2022 the Cathedral has been notified of grant awards totalling up to £Nil (2021: £151,000) which have not been recognised in the financial statements, as the Cathedral does not have unconditional entitlement to the funds Chapter has made a commitment of up to £169,431 to underwrite any shortfall in fundraising efforts for the Divine Beauty project.

15. Capital commitments

There are capital commitments of £54,349 which are contracted for but not provided in the financial statements as at 31 December 2022 (2021: £nil).

16. Operating lease commitments

At 31 December 2022 the Chapter had annual commitments under non-cancellable operating leases as follows:

	2022 £	2021 £
Expire date		
Within 1 year	17,120	8,000
Between 2 to 5 years	48,280	16,000

17. Pension costs

Birmingham Cathedral participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Defined Benefits Scheme

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SoFA during the year are contributions payable towards benefits and expenses accrued in that year (2021: Nil, 2020: Nil) plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of Nil for 2021 (2020: Nil).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool, 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 DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m 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 DBS was £11m.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £4,300 per year rising to £4,700 per year from March 2021.

Pension Builder Scheme

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable (2022: £31,816, 2021: £24,340).

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

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

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

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

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:



	2022	2021
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability*(recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

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

	December 2022	December 2021	December 2020
Discount rate	0.00%	0.00%	0.00%

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.

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

18. Related party transactions

The Cathedral shares office space with the Birmingham Diocesan Board of Finance and paid an amount of £2,408 (2021: £10,960) in respect of this.

Birmingham Diocesan Board of Finance recharged housing costs related to the Canon Missioner of £12,883 (2021: £13,126) and other recharges of £1,785 (2021: £1,454) were made during the year.

Common fund paid to Birmingham Diocesan Board of Finance for the year ending 31 December 2022 was £49,735 (2021: £49,735).

19. Connected entity

The Friends of Birmingham Cathedral is a registered charity (number 1064150) that exists wholly for the benefit of the Cathedral but is not controlled by Chapter. Only income received from the entity is included in the Cathedral's financial statements. The summary financial performance and position of the charity for the year is as below Relevant information about its income and assets is:

	2022	2021
	£	£
Gross income		28
Expenditure		-
Amount paid to the Cathedral		-
Funds b/fwd	14,201	14,173
Funds c/fwd		14,201

Owing to circumstances outside of the control of Birmingham Cathedral, the most recent financial statements for The Friends of Birmingham Cathedral could not be obtained. Next year, information will be supplied in respect of the 2023 and 2022 year-ends. No transactions arose in the year to 31 December 2022 between Birmingham Cathedral and The Friends of Birmingham Cathedral.



20. Prior year comparative statement of financial activities

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Income & Endowments From:							
Donations & legacies		73,738	-	5,635	-	79,373	99,604
Grants in support of mission		45,588	-	403,120	-	448,708	485,697
Charges and fees arising in the course of mission		3,105	-	820	-	3,925	2,258
Trading & fundraising		58,700	-	1,935	-	60,635	17,873
Income from property & investments		244,507	-	5,276	-	249,783	229,805
Other income		6,560	-	-	(9,370)	(2,810)	372
Total Income	2	432,198	-	416,786	(9,370)	839,614	835,609
Expenditure On:							
Raising funds		105,306	781	14,786	28,866	149,739	140,797
Charitable activities:							
Ministry		148,499	-	304,992	-	453,491	441,092
Cathedral & precincts upkeep		141,175	-	108,497	-	249,672	145,663
Education & outreach		461	-	12,651	-	13,112	-
Community, parish & congregation		94,927	-	7,437	-	102,364	92,972
Other expenditure		1,897	31	432	-	2,360	1,987
Total Expenditure	4	492,265	812	448,795	28,866	970,738	822,511
Net (outgoing)/ incoming resources before (losses)/gains on investment		(60,067)	(812)	(32,009)	(38,236)	(131,124)	13,098
Net gains on investments	5,6,7	-	-	21,127	501,624	522,751	720,295
Net (Expenditure)/ Income		(60,067)	(812)	(10,882)	463,388	391,627	733,393
Transfers between funds	13	21,746	(17,655)	(4,091)	-	-	-
Net movement in funds:		(38,321)	(18,467)	(14,973)	463,388	391,627	733,393
Total Funds brought forward	21	36,598	86,483	365,162	7,626,242	8,114,485	7,381,092
Total Funds carried forward		(1,723)	68,016	350,189	8,089,630	8,506,112	8,114,485





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Photo: Perry the Bull statue as part of The Commonwealth Games family trail – Summer 2022.

