PETERBOROUGH CATHEDRAL

MEMBERS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

PETERBOROUGH CATHEDRAL

CONTENTS

	Page
Statement of members responsibilities	1
Acting Dean's review of the year	2 - 3
Chapter's report	4 - 9
Independent auditors' report	10 - 11
Statement of financial activities	12 - 13
Balance sheet	14
Cash flow statement	15
Notes to the accounts	16 - 29

PETERBOROUGH CATHEDRAL

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the members are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

PETERBOROUGH CATHEDRAL

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

ACTING DEAN'S REVIEW OF THE YEAR

In September 2015 we welcomed Canon Tim Alban Jones as a new Residentiary Canon on Chapter. Tim is also the Bishop's Chaplain and will be spending approximately 20% of his time on Cathedral business.

The year has been marked by a great deal of activity in delivering several major capital projects, and by growing concern about how to reduce the Cathedral's level of debt and annual operating deficit.

In April we welcomed HRH the Duke of Gloucester to open the new West Doors at the culmination of Phase 1 of the 'Letting it Speak for Itself' Project, funded largely by the Heritage Lottery Fund to whom we are very grateful. The new porch, doors and exterior landscaping greatly enhance the appearance of the West Front, and make access into the Cathedral much easier. The work has attracted many favourable comments and has been worth the long (and at times cold) wait. Work began in August on Phase 2, which involves major conservation work on the Knights' Chamber and No.25 Minster Precincts and the furnishing of those properties as a new Visitor and Learning Centre. It is expected that this will open later in 2016.

In July work began on re-pitching the Cathedral organ, a long-awaited project for which funds and permissions at last coincide. The work is expected to take 18 months and involves lengthening each of over 5,000 pipes in order to bring the instrument to concert pitch. In the mean time we rely upon a hired electronic organ to accompany the Cathedral Choir.

In the summer of 2015 we received the good news that our bid to the World War I Centenary Grants Fund, administered by the Cathedrals' Fabric Commission, had been successful. Money was received for important conservation work on the tesserae pavement in the presbytery, which was in a deteriorating condition, and for repairs to the louvres on the north side of the bell tower.

Unfortunately, the costs of both of these projects significantly overran, despite a substantial contingency having been put in place. This has caused the Chapter's cashflow to be placed under considerable pressure, and necessitated additional support to be sought from the Development and Preservation Trust, the Friends of Peterborough Cathedral, and the Cripps Trust.

Alongside the cash flow issues caused by these capital problems, the Chapter has also been seeking to rectify its continuing operating deficit. Plans for a major property development project on the site of Garden House unfortunately failed to secure permission from all of the relevant bodies, as did a second project to develop the site as a car park. In November the creation of the new role of Head of Operations and the appointment of Stuart Orme to fill it was a deliberate response to the deficit situation by seeking to develop the Chapter's capacity to generate fresh income from events and other sources. However this is taking time and at the end of the financial year the deficit position had worsened.

The position became critical at the end of the financial year, coinciding with a period when the Dean, Charles Taylor, was away on sabbatical leave. Some creditors being made to wait for an unacceptably long time before receiving payment, and urgent action required both to reduce the Cathedral's level of third party debt and to run future day to day operations at a surplus rather than a deficit.

During the year the old Education building was vacated in order to be let to LDA, who rent the adjoining Table Hall. The new Education Centre will be in No.25 Minster Precincts when it opens. In autumn 2015 the Church Commissioners decided to put the Vineyard on the open market, and Chapter was not in a position to purchase this.

There has been much discussion concerning the future location of the Music Department, which since the launch of Peterborough 900 had been intended to find its eventual home in the Becket Chapel and adjacent premises. This view has now been revised, with a much stronger preference being expressed for Laurel Court. This will be a bigger project involving new building work, and cannot proceed until fund raising is much further advanced. It is therefore likely that it will take some time before this can be taken forward, especially in view of the wider financial situation reported above.

In Lent 2015 a consultation was carried out with the congregation, Cathedral Council, College of Canons and members of staff concerning the development of a long-term vision for the Cathedral. This was followed by a Reflection Day for the Chapter to process the results, but further work still needs to be done to produce a document which can help to shape the Cathedral's future priorities.

Safeguarding has also received attention this year, with the Diocesan Safeguarding Group reviewing one of our historic cases and providing advice and guidance on how we can improve our safeguarding procedures. These are now being implemented as part of a wide-ranging programme of safeguarding measures including the updating of our policy and wider provision of training for staff and volunteers.

Throughout the year the usual full range of events and services took place with the enthusiastic commitment of our dedicated staff and volunteers, many of whom bring a deeply vocational attitude to their work, and for whom we give thanks to God.

The Revd Canon Jonathan Baker

CHAPTER'S REPORT

Mission statement

The Cathedral's mission is to promote the glory of God and to be a sign of his kingdom in the world.

Role of the Cathedral

The Cathedral Church of St. Peter, St. Paul and St. Andrew in Peterborough is the seat of the Bishop of Peterborough and is a centre for mission and the worship of Almighty God. It is the Mother Church of the Diocese and as such has a central role as a ministerial resource for the Diocese by providing a variety of liturgical services and supporting the ministry of the Bishop.

Building strong and lasting relationships with other bodies and organisations has always been an active policy of the Chapter. Indeed it believes that it is only through mutual understanding and an appreciation of the problems faced by sympathetic organisations that it can further develop its ministry and be truly integrated as a part of the local community and economy and of the Diocese and region.

Governance

The Cathedral is governed in accordance with the Cathedrals Measure 1999. A new Constitution and Statutes were drawn up by the Transitional Council established in accordance with the Cathedrals Measure 1999 and came into effect on the 29th June 2001. Further amendments were subsequently made and these were approved by the Cathedral Council at their meeting on 2nd April 2009. Executive responsibility for the strategic direction, worship, pastoral care, together with the day-to-day management of the Cathedral's financial and property assets, rests with the Chapter. In addition, there are two non-executive bodies: the Cathedral Council and the College of Canons. The Chapter is required to provide reports to the Council on the general direction and mission of the Cathedral in addition to reporting on the annual budget, audited accounts and any proposed revisions of the Constitution and Statutes. The College of Canons meets to discuss matters concerning the Cathedral. It also receives and considers the annual report and audited accounts. When called on to do so the College also offers counsel to both the Bishop and the Chapter on matters affecting the Cathedral and Diocese. The detailed responsibilities for each body are contained in the Constitution and Statutes for the Cathedral. The Chapter met on ten occasions during the year. The Cathedral Council and the College of Canons both met twice.

The Statutes also decree that there shall be a Finance Committee, which at Peterborough is called the Advisory Committee on Finance (ACF), to advise the Chapter on financial and investment management and also the management of property belonging to the Cathedral. This committee includes external independent members with professional experience in these fields. The Fabric Advisory Committee (FAC) is an independent body, appointments to which are made by the Chapter and the Cathedrals Fabric Commission for England. It is charged with monitoring applications by the Chapter to make modifications and additions to the fabric of the Cathedral. In addition to these committees the Cathedral is also required to have an Administrator (known at Peterborough as the Dean's Assistant), Architect, Auditor and Master of the Music (known at Peterborough as the Director of Music since September 2004). The Chapter is also required to establish a Cathedral Community Committee which at Peterborough is called the Community Forum.

Role of the Chapter

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

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the cathedral and its connected entities;
- stating that they have complied in all material respects with the regulations on the subject prepared by Cathedrals Administration and Finance Association (CAFA) or describing which recommendations have not been complied with and giving reasons for the non-compliance and observed the methods and principles in the Charities SORP ;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the cathedral can be ascertained with reasonable accuracy at any time, and,
- safe-guarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 and its ancillary buildings.

Organisational Structure

The Chapter

The Dean	The Very Revd Charles Taylor (to October 2016)
Acting Dean	The Revd Canon Jonathan Baker (from October 2016)
Canon Missioner	The Revd Canon Jonathan Baker
Canon Precentor	The Revd Canon Bruce Ruddock
	The Revd Canon Timothy Alban-Jones (from September 2015)
	The Revd Canon Ian Black
Treasurer	Mr Nicholas Robertson
	Mr John Henniker-Major
	Mrs Maria Steele
	His Honour Neil McKittrick (from September 2015)

PETERBOROUGH CATHEDRAL

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

The Cathedral Council

Chair	Dr Lawrence Howard
The Dean	The Very Revd Charles Taylor (to October 2016)
Acting Dean	The Revd Canon Jonathan Baker (from October 2016)
Chapter	The Revd Canon Jonathan Baker
	The Revd Canon Bruce Ruddock
	His Honour Neil McKittrick
	Mr Nicholas Robertson
College of Canons	The Revd Canon Michael Webber
	The Revd Canon John Westwood
Cathedral Community	Dr Charles Coxon
	Dr Peter Brotherton
Bishop's Council	Mr Andrew Roberts
Diocesan Board of Finance	Mr Michael Truman
Architecture & Conservation	Mr Jim Daley
Six other persons	Mr John MacMahon (Vice-President, House of Laity)
	The Revd Canon Lee Francis-Dehqani (Rural Dean)
	Mrs Joanne Dalrymple-Smith
	Mr Richard Foulkes
	Mrs Rebecca Sellick
	Mr Simon Nurser

The College of Canons

The Revd Canon Timothy Alban-Jones
The Revd Canon Miles Baker
The Revd Canon Stephen Benoy
The Revd Canon Jane Butler
The Revd Canon Neil Clarke
The Revd Canon Mandy Cuthbertson
The Revd Canon John Hall
Canon Liz Holdsworth
Canon Andrew Presland
The Revd Canon Gillian Jessop
Canon Elizabeth Knight
The Revd Canon Lesley McCormack
The Revd Canon Jim Mynors
The Ven Richard Ormston
Canon Richard Pestell
The Revd Canon Richard Stainer
The Revd Canon Michael Webber
The Revd Canon Jonathan Baker
The Revd Canon Roger Bellamy
The Revd Canon Ian Black
The Revd Canon Sarah Brown
The Revd Canon William Croft
The Revd Canon Lee Francis-Dehqani
The Rt. Revd John Holbrook
The Revd Canon Julie Hutchinson
The Revd Steve Prior
The Revd Canon Margaret Johnson
The Revd Canon Tony Lynett
Canon Clive Morton
The Revd Canon Charlie Nobbs
Canon Sir John Parsons
The Revd Canon Bruce Ruddock
The Ven Gordon Steele
The Revd Canon John Westwood

The Advisory Committee on Finance

Chairman	The Revd Canon Jonathan Baker
Other members	
Mr Simon Nurser	Mr Nicholas Robertson
The Revd Canon Ian Black	Mr Nicholas Pitts-Tucker
Mr Des Crichton	Mr Peter Southern

The Fabric Advisory Committee

Chairman	Mr Graham Smallbone
Other members	
The Revd Canon Bruce Ruddock	Dr Ron Baxter
The Revd Canon Dr Donald Gray	Ms Jane Kennedy
Mr Robert Carr	Mr John Smith
Ms Kelly Christ	

Staff

During the year a total of 51 staff were employed. There were 15 full-time staff and 36 part-time or casual staff. Numbers are averaged during the year

Notes

Not included in the current year figures are 2 posts funded by HLF since October 2014, a Heritage Learning Assistant and a Volunteer Co-ordinator.

One full time member of the Gardens and Ground staff operates in the grounds of the Bishopric Estate for which the Chapter receives payment.
In addition to these paid staff there are some 300 volunteers who enable many areas of the Cathedral's work to flourish. Without their special and greatly valued contribution; the Cathedral would not be able to deliver its core objectives of mission and ministry.

Professional Advisors

The Chapter is exceedingly grateful for the support it receives from its professional advisors. In their individual ways they have each contributed in no small way to the mission and ministry of this great Cathedral Church.

Cathedral Architect	Mr Stephen Oliver
Archaeological Consultant	Dr Jackie Hall
Bankers	Barclays Bank plc
	HSBC Bank plc
Solicitors	Hunt and Coombs Solicitors
Property Consultants	Barker Storey Matthews
	Jolliffe Daking LLP
Auditors	Rawlinsons Chartered Accountants
Stockbrokers	Vartan & Son
Site Co-Ordinator	Mr Geoff Sayers MBE
Health & Safety Auditors	Michael White Associates
Security Services	Businesswatch UK Fire and Security Ltd

Achievements and Performance

The Cathedral has received exceptionally generous support to enable it to deliver and develop its mission and ministry. The major source of income has been that received from trusts and other grant making bodies.

Major individual grants, from the Church Commissioners, The Hastings Music Endowment Fund and The Sir Cyril Thomas Cripps Endowment Fund have enabled the provision of the full range of ministry, particularly that of supporting the ministry of the diocesan Bishop, provided a high standard of choral music to enhance liturgy, and have ensured the effective planned maintenance of the cathedral church itself.

The support of both the Friends of Peterborough Cathedral and the Peterborough Cathedral Development and Preservation Trust has been highly valued. These two organisations, especially their council members and trustees, have driven the financial support for the *Peterborough 900* vision. The Chapter also wishes to record its gratitude to the Heritage Lottery Fund which is providing very significant funds towards the major heritage and education project.

Cathedral Chapter Outcomes

The individual reports from the Acting Dean and Canon Missioner, the Canon Precentor and the Cathedral Architect give a flavour of the significant work that has been undertaken over the year. The Cathedral continues to make a positive difference to the ever widening community it seeks to serve.

Schools and families

In March 2015, Mark Tomlins, Schools and Families Officer (SFO) left the Cathedral and returned to full-time teaching. Judith Horspole, part-time Heritage Learning Assistant (HLA) since September 2014, oversaw the delivery of schools' tours for 9 months until January 2016 with the appointment of Alexandra Carton as full-time SFO.

The break between SFOs, the loss of a permanent space for schools and on-going works inside the Cathedral meant that a skeleton service of visits was in operation. The HLA and a small group of volunteers led tours and workshops when they could and development and outreach work was put on hold. The HLA continued to develop bespoke activities for Bishop Creighton Academy and ran a holiday club for local children during the summer; both projects as part of the HLF activity plan. The HLA liaised with the interfaith council to host the annual Interfaith Celebration in November 2015. The number of children participating in a schools' tour was 1,803.

During the first three months of 2016 the department conducted a full audit of provision for schools and families' activities including Cathedral spaces, staffing and resources. Development of new activities to support the national curriculum and locally agreed syllabuses for Religious Education was begun. The fit-out of the new learning centre and the planning for a series of school-holiday programmes was also initiated. A five year learning strategy and action plan was drafted and will provide the department with a clear vision for learning across the site underpinned by five key aims:

- Understand the learning needs of our users and potential users
- Broaden our programmes, learning and participation opportunities
- Develop inspiring and accessible learning environments
- Develop learning partnerships
- Expand the volunteer resource

The Revd Canon Jonathan Baker (Missioner)

Worship

As in previous years, the worshipping life of the Cathedral has been as rich and varied as ever. In addition to the "core business" of regular, daily services, the Cathedral has hosted ordinations, confirmations, the Licensing of Lay Ministers, memorial services, civic services, weddings, baptisms, funerals, schools services and worship for pilgrim groups. It was a particular privilege to hold the funeral of Chris Turner, the renowned footballer, in the Cathedral in late April and to install our latest Residentiary Canon, Tim Alban Jones, in the autumn. Visiting choirs have continued to serve us well during the school holidays and on some Saturdays throughout the year and many have commented on the warmth of the welcome they receive here. Once again, Christmas and Easter were hugely busy and attracted enormous congregations, as they did across the country in as a whole.

Cathedral worship, especially special services, depends upon loyal, hardworking and committed staff, volunteers, the Music Department, servers, flower arrangers, brass cleaners and many more. They all continue to work tirelessly to ensure that we offer to God the best we possibly can.

The Revd Cannon Bruce Ruddock (Precentor)

Financial Overview

As the Acting Dean has indicated in his report, the number of major Capital projects undertaken during the year and the continuing underlying operating deficit have put considerable strain on both the Cathedral's personnel and on its finances.

Since the year end, extensive discussions have taken place with the Cathedral's bankers and with the Church Commissioners as to how the issues of the level of third party debt and the operating deficit should be addressed. With their support and guidance, detailed plans have been put in place together with supporting financing facilities and these plans will be implemented in the current and following financial years.

Jessica Merson (Bursar)

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the board of members

The Revd Canon Jonathan Baker
(Acting Dean of Peterborough)

Dated: 26.1.17

PETERBOROUGH CATHEDRAL

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PETERBOROUGH CATHEDRAL

We have audited the accounts of Peterborough Cathedral for the year ended 31 March 2016 set out on pages 12 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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 the Charities Act 2011.

PETERBOROUGH CATHEDRAL

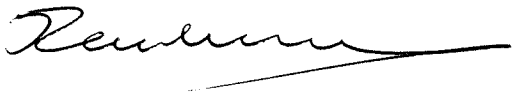
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PETERBOROUGH CATHEDRAL

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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



Rawlinsons Chartered Accountants

Chartered Accountants
Statutory Auditor
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 31/1/17

Rawlinsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

PETERBOROUGH CATHEDRAL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Endowment funds £	Total 2016 £	Total 2015 £
Incoming resources	2						
Voluntary income and grants receivable		234,550	-	2,713,088	-	2,947,638	1,724,213
Charges and fees		72,977	-	-	-	72,977	51,554
Income from property and investments		400,841	-	-	-	400,841	387,086
Income from activities generating funds		183,819	-	-	-	183,819	205,751
Other income		15,600	-	4,003	-	19,603	22,908
Total incoming resources		907,787	-	2,717,091	-	3,624,878	2,391,512
Resources expended							
Costs of generating funds	3						
Cost of visitor facilities		163,415	-	-	-	163,415	154,102
Net incoming resources available for mission		744,372	-	2,717,091	-	3,461,463	2,237,410
Expenditure on mission	4						
Ministry		287,177	-	257,529	-	544,706	587,403
Cathedral and precincts upkeep		775,945	8,496	1,341,523	-	2,125,964	1,487,938
Education and outreach		5,959	-	61,845	-	67,804	52,511
Other expenditure		35,955	-	120,000	-	155,955	38,700
Total charitable expenditure		1,105,036	8,496	1,780,897	-	2,894,429	2,166,552
Total resources expended		1,268,451	8,496	1,780,897	-	3,057,844	2,320,654
Net (outgoing)/incoming resources before transfers		(360,664)	(8,496)	936,194	-	567,034	70,858
Gross transfers between funds		785,603	-	(820,603)	35,000	-	-
Net (outgoing)/incoming resources carried forward		424,939	(8,496)	115,591	35,000	567,034	70,858

PETERBOROUGH CATHEDRAL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Net (outgoing)/incoming resources brought forward	**424,939**	**(8,496)**	**115,591**	**35,000**	**567,034**	**70,858**
Other recognised gains and losses						
Revaluation of tangible fixed assets	-	-	-	-	-	497,507
Gains/(losses) on investments	-	-	-	**(851)**	**(851)**	150,298
Net movement in funds	**424,939**	**(8,496)**	**115,591**	**34,149**	**566,183**	718,663
Fund balances at 1 April 2015	**7,570,645**	**84,958**	**121,968**	**1,082,217**	**8,859,788**	8,141,125
Fund balances at 31 March 2016	**7,995,584**	**76,462**	**237,559**	**1,116,366**	**9,425,971**	8,859,788

PETERBOROUGH CATHEDRAL

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £ Consolidated	2016 £ Cathedral	2015 £ Consolidated	2015 £ Cathedral
Fixed assets					
Tangible assets	8	**6,678,127**	**6,678,127**	5,852,345	5,852,345
Investments	9	**6,629,861**	**6,629,961**	6,565,423	6,565,523
		13,307,988	**13,308,088**	12,417,768	12,417,868
Current assets					
Stocks		**41,080**	**41,080**	38,958	38,958
Debtors	10	**466,215**	**466,115**	255,065	254,965
Cash at bank and in hand		**5,033**	**5,033**	56,200	56,200
		512,328	**512,228**	350,223	350,123
Creditors: amounts falling due within one year	11	**(1,493,363)**	**(1,493,363)**	(872,398)	(872,398)
Net current liabilities		**(981,035)**	**(981,135)**	(522,175)	(522,275)
Total assets less current liabilities		**12,326,953**	**12,326,953**	11,895,593	11,895,593
Creditors: amounts falling due after more than one year	12	**(2,900,982)**	**(2,900,982)**	(3,035,805)	(3,035,805)
Net assets		**9,425,971**	**9,425,971**	8,859,788	8,859,788
Capital funds					
Endowment funds	13	**1,116,366**	**1,116,366**	1,082,217	1,082,217
Income funds					
Restricted funds	14	**237,559**	**237,559**	121,968	121,968
Unrestricted funds:					
Designated funds	15	**76,462**	**76,462**	84,958	84,958
Other charitable funds		**7,995,584**	**7,995,584**	7,570,645	7,570,645
		9,425,971	**9,425,971**	8,859,788	8,859,788

The accounts were approved by the Chapter on 19.1.17

The Revd Canon Jonathan Baker
The Acting Dean

Nicholas Robertson
Treasurer and Member of Chapter

PETERBOROUGH CATHEDRAL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes		2016 £		2015 £
Net cash inflow/(outflow) from operating activities	**17**		**827,901**		(34,439)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		**(875,985)**		(92,701)	
Payments to acquire investments		**(65,289)**		-	
Net cash outflow from capital expenditure and financial investment			**(941,274)**		(92,701)
Net cash outflow before financing			**(113,373)**		(127,140)
Financing					
New long term bank loan		-		2,648,000	
Repayment of long term bank loan		**(131,994)**		(2,763,852)	
Endowment fund income		-		260,333	
Endowment fund expenditure		**35,000**		-	
Net cash (outflow)/inflow from financing			**(96,994)**		144,481
(Decrease)/increase in cash	**18**		**(210,367)**		17,341

1 Accounting policies

1.1 Basis of preparation

The Association of English Cathedrals has issued Guidelines under the Cathedral's Measure 1999 (updated February 2015) for the preparation of accounts to a national standard, based on the Charity Commissioners Statement of Recommended Practice. These accounts have been prepared in accordance with those Guidelines, under the Constitution and Statutes enacted under the above Measure, and in accordance with generally accepted accounting practice, as embodied in the appropriate accounting standards.

These accounts for the year ended 31 March 2016 are the first accounts of Peterborough Cathedral prepared taking into account the effects of FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

Peterborough Cathedral meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

During the year expenditure has exceeded income resulting in significant cashflow difficulties, which continued after the end of the year. Since the year end the Cathedral has been working closely with the Church Commissioners in order to improve the position. This has resulted in a loan facility being made available from the Church Commissioners of £1.25m and an increased facility with the bank, which is guaranteed by the Church Commissioners.

Work is underway to reduce operating costs and generate additional income, including via the sale of properties. Until a balanced budget is achieved, the Cathedral is dependent upon the continued support of their bankers and the Church Commissioners, which is not expected to be withdrawn.

On this basis, members of the Chapter consider it appropriate to prepare these accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the facilities by the bank or the Church Commissioners.

1.3 Basis of consolidation

The consolidated financial statements include those of Peterborough Cathedral and all of its subsidiaries. All financial statements are made up to 31 March 2016.

All inter-group transactions and balances between Peterborough Cathedral and its subsidiaries are eliminated on consolidation.

Accounting policies are consistent across the group.

1.4 Subsidiary undertakings

Peterborough Cathedral (Enterprises) Limited is a wholly owned subsidiary company of Peterborough Cathedral Holdings Limited. Peterborough Cathedral own 100% of the share capital of Peterborough Cathedral Holdings Limited, and therefore is the controlling party.

1.5 Incoming resources

Cash donations, gifts, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

Grant income is recognised when there is an entitlement to the income and where it can be measured with reasonable certainty. Specifically, where a grant has been agreed subject to expenditure being made, income is recognised as the expenditure is incurred.

1 Accounting policies **(Continued)**

Bank interest is included in the SOFA on receipt. Dividends are included in the SOFA when they are received, at the net amount receivable.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and property are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	20% per annum on cost on a straight line basis

1.7 Investments

Stocks and shares quoted on a recognised stock exchange are included in the balance sheet at market value as at the year end. The differences between market value at the year end and the opening value of the investments are shown as unrealised gains or losses and shown in the SOFA. Similarly the difference between the balance sheet value and the proceeds of sale of an investment are shown as realised gains or losses and shown in the SOFA. Unlisted investments are also shown at market value to show the true fund value.

1.8 Stock

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

1.9 Property

Properties are capitalised on the balance sheet and are subject to periodic valuation. Properties have been analysed between investment assets and non investment assets, which are held for use by Chapter.

The properties are not depreciated due to the high value placed on the buildings, the longevity of their existence which in turn suggests the longevity of their future existence, and the fact that their value increases with every valuation. Minor improvements to buildings are written off in the year in which such costs are incurred.

The Cathedral Church has also not been valued due to its architectural and historic interest. This exclusion is in accordance with the Care of Cathedrals Measure 1999.

1.10 Tax status

The Chapter of Peterborough Cathedral is a charity, but is exempt from registration under the Places of Worship Registration Act, 1855 Section 9; reiterated in the Charities Act 2011, Schedule 3 - Exempt charities.

The Chapter of Peterborough Cathedral therefore is a Charitable Foundation established by Statute under English Law.

1 Accounting policies **(Continued)**

1.11 Related entities

Funds not included in the consolidated accounts:

(i) Friends of Peterborough Cathedral
The 'Friends' have a separate constitution and a council to which approximately one third of its members are nominated by the Cathedral. The Council gives nominated grants based only on applications by the Cathedral. Cash is released to the Cathedral on production of suppliers invoices demonstrating that expenditure has taken place.

The income received in the 12 months to 31/03/16 is £60,000
The income received in the 12 months to 31/03/15 is £104,792

The latest available audited accounts of the Friends of Peterborough Cathedral to 31 December 2015 indicate that they hold funds of £111,898 (2014 - £115,139).

(ii) Peterborough Cathedral Development and Preservation Trust
The Trust has its own constitution and trustees, among whom the Cathedral are represented. The Trust gives grants to support the Cathedral on projects which it has agreed to fund.

The income received in the 12 months to 31/03/16 is £378,451
The income received in the 12 months to 31/03/15 is £281,735

The latest available audited accounts of the Trust to 31 March 2016 indicate that the Trust holds total funds of £190,892 (2015 - £249,991). Included within other creditors at the year end is a balance due to Peterborough Cathedral Development and Preservation Trust of £127,685 (2015 - nil).

(iii) Anthony Mellows Memorial Fund
The Chapter are the sole trustees of this fund which was set up to publish the ancient abbey records. The full cost to the Cathedral of the management of this process is recovered in full from this fund.

(iv) The Sir Cyril Thomas Cripps Endowment Fund
This Endowment Fund is controlled by a Deed which places control under the Diocesan Board of Finance. Income from the investments are mandated to the Fabric account and restricted to expenditure on the fabric of the Cathedral.

The income received in the 12 months to 31/03/16 is £221,250
The income received in the 12 months to 31/03/15 is £44,400

The latest available accounts of the Trust to 31 December 2014 indicate that the Fund holds total funds of £855,526 (2013 - £861,801).

(v) The Hastings Music Endowment Fund

This Fund has its own constitution and trustees, among whom the Cathedral are represented. One of the main objects is to support the music and worship in Peterborough Cathedral.

The income received in the 12 months to 31/03/16 is £115,259
The income received in the 12 months to 31/03/15 is £97,165

The latest available audited accounts of the Fund to 31 March 2016 indicate that the Fund holds total funds of £1,845,829 (2015 - £1,898,507).

PETERBOROUGH CATHEDRAL

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

2 Incoming Resources

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
1. Voluntary income				
Congregational collections and giving	**87,142**	**-**	**87,142**	93,468
Donations	**120,345**	**-**	**120,345**	109,641
Tax recoverable	**22,063**	**-**	**22,063**	26,349
Legacies receivable	**5,000**	**4,500**	**9,500**	67,018
	234,550	**4,500**	**239,050**	296,476
2. Grants receivable				
Church Commissioners	**-**	**232,910**	**232,910**	231,794
Catalyst Fund	**-**	**111,000**	**111,000**	260,333
Heritage Lottery Fund	**-**	**1,225,768**	**1,225,768**	444,661
The Hastings Music Endowment Fund	**-**	**105,671**	**105,671**	97,165
Income from Friends and PC Trust	**-**	**424,421**	**424,421**	299,384
Cripps Endowment Fund	**-**	**221,250**	**221,250**	44,400
Other grants	**-**	**387,568**	**387,568**	50,000
	-	**2,708,588**	**2,708,588**	1,427,737
3. Charges and fees				
Facility fees	**65,885**	**-**	**65,885**	40,059
Gross income of the education centre	**7,092**	**-**	**7,092**	11,495
	72,977	**-**	**72,977**	51,554
4. Income from activities generating funds				
Visitor income	**66,832**	**-**	**66,832**	64,192
Cathedral shop	**73,469**	**-**	**73,469**	67,440
Coffee & Cookies	**-**	**-**	**-**	29,588
Benedict Rooms	**43,518**	**-**	**43,518**	44,531
	183,819	**-**	**183,819**	205,751
5. Income from property and investments				
Property	**400,841**	**-**	**400,841**	387,086
	400,841	**-**	**400,841**	387,086

2 Incoming Resources **(Continued)**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
6. Other income				
Mellows Trust	-	4,003	4,003	2,823
Music and choir income	7,463	-	7,463	12,655
Other items	8,137	-	8,137	7,430
	15,600	4,003	19,603	22,908
	907,787	2,717,091	3,624,878	2,391,512

3 Costs of generating funds

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Cost of visitor facilities	163,415	-	163,415	154,102
	163,415	-	163,415	154,102

4 Expenditure on mission

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2016 £	Total 2015 £
1. Ministry					
Clergy stipends and working expenses	-	-	137,527	137,527	140,859
Clergy housing costs	-	-	8,295	8,295	17,007
Clergy support costs	-	-	6,036	6,036	50,437
Services and music	287,177	-	105,671	392,848	379,100
	287,177	-	257,529	544,706	587,403
2. Cathedral and precincts upkeep					
Major repairs	60,367	-	695,939	756,306	117,469
HLF project	-	-	552,749	552,749	446,410
Cathedral: general repairs and maintenance	113,297	-	-	113,297	44,838
Utilities	49,787	-	-	49,787	71,251
Cleaning	28,906	-	-	28,906	17,534
Cathedral insurance	35,800	-	-	35,800	36,220
Rental property maintenance and utilities	75,618	-	-	75,618	99,142
Bank interest	133,704	-	-	133,704	92,505
Precincts: general repairs and maintenance	95,547	-	21,744	117,291	220,631
Loan interest	661	-	-	661	322
Depreciation	41,707	8,496	-	50,203	76,704
Support costs	140,551	-	71,091	211,642	264,912
	775,945	8,496	1,341,523	2,125,964	1,487,938
3. Education and outreach					
Educational activities	5,959	-	55,335	61,294	46,786
Archives and library	-	-	6,510	6,510	5,725
	5,959	-	61,845	67,804	52,511
4. Other expenditure					
Marketing and fundraising costs	19,722	-	120,000	139,722	30,984
Share of governance costs	16,233	-	-	16,233	7,716
	35,955	-	120,000	155,955	38,700
	1,105,036	8,496	1,780,897	2,894,429	2,166,552

5 Governance costs

	2016	2015
	£	£
Other governance costs comprise:		
Audit Fees	7,850	7,500
Audit fees - other services	8,383	216
	16,233	7,716

6 Employees

Number of employees

The average number of employees during the year was:

	2016	2015
	Number	Number
	52	51

Employment costs	**2016**	2015
	£	£
Wages and salaries	**689,344**	540,734
Social security costs	**57,466**	40,329
Other pension costs	**34,686**	33,268
	781,496	614,331

There were no employees earning in excess of £60,000. Employer pension costs of £34,686 (2015 - £33,268) were paid to a money purchase scheme.

7 Chapter remuneration

	2016	2015
	£	£
The Dean of Peterborough	**49,053**	**47,542**
Canon Baker	**38,492**	**37,164**
Canon Ruddock	**40,351**	**39,296**

The remuneration of, and the pension provision for the above, are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board.

During the year no expenses were reimbursed to the non clergy members of Chapter.

8 Tangible fixed assets

Consolidated and Cathedral	**Freehold property £**	**Fixtures and fittings £**	**Total £**
Cost			
At 1 April 2015	5,697,679	584,585	6,282,264
Additions	873,464	2,521	875,985
At 31 March 2016	**6,571,143**	**587,106**	**7,158,249**
Depreciation			
At 1 April 2015	-	429,919	429,919
Charge for the year	-	50,203	50,203
At 31 March 2016	**-**	**480,122**	**480,122**
Net book value			
At 31 March 2016	**6,571,143**	**106,984**	**6,678,127**
At 31 March 2015	5,697,679	154,666	5,852,345

The property valuation is based on a professional valuation carried out by Barker Storey Matthews and is dated 31st March 2015.

9 Fixed asset investments

Consolidated	Investments £	Freehold property £	Total £
Market value at 1 April 2015	20,450	6,544,973	6,565,423
Acquisitions at cost	-	65,289	65,289
Revaluation	(851)	-	(851)
Market value at 31 March 2016	**19,599**	**6,610,262**	**6,629,861**

Cathedral	Investments £	Freehold property £	Total £
Market value at 1 April 2015	20,550	6,544,973	6,565,523
Acquisitions at cost	-	65,289	65,289
Change in value in the year	(851)	-	(851)
Market value at 31 March 2016	**19,699**	**6,610,262**	**6,629,961**

The property valuation is based on a professional valuation carried out by Barker Storey Matthews and is dated 31st March 2015.

10 Debtors

	2016 £ Consolidated	**2016 £ Cathedral**	2015 £ Consolidated	2015 £ Cathedral
Trade debtors	**45,517**	**45,517**	26,795	26,795
Other debtors	**358,493**	**358,393**	201,247	201,147
Prepayments and accrued income	**62,205**	**62,205**	27,023	27,023
	466,215	**466,115**	255,065	254,965

11 Creditors: amounts due within one year	2016 £ Consolidated	2016 £ Cathedral	2015 £ Consolidated	2015 £ Cathedral
Bank loans	**250,000**	**250,000**	250,000	250,000
Bank overdrafts	**159,200**	**159,200**	-	-
Trade creditors	**746,206**	**746,206**	516,893	516,893
Taxes and social security costs	**15,571**	**15,571**	5,928	5,928
Other creditors	**183,617**	**183,617**	32,836	32,836
Accruals	**138,769**	**138,769**	66,741	66,741
	1,493,363	**1,493,363**	872,398	872,398

12 Creditors: amounts falling due after more than one year	2016 £	2015 £
Consolidated and Cathedral		
Bank loans	**2,244,154**	2,376,148
Trade creditors	**656,828**	659,657
	2,900,982	3,035,805
Analysis of loans		
Wholly repayable within five years	**2,494,154**	2,626,148
Included in current liabilities	**(250,000)**	(250,000)
	2,244,154	2,376,148
Loan maturity analysis		
In more than one year but not more than two years	**380,000**	380,000
In more than two years but not more than five years	**640,000**	640,000
In more than five years	**1,880,982**	2,015,805
	2,900,982	3,035,805

Mortgages are secured on land and property at 3, 4, 5, 6, 6a, 7, 8, 9, 9a,16, 17, 24, 26, 27, and 27a, 28 and the Western Range Flats, Minster Precincts, Peterborough.

13 Endowment funds

Consolidated and Cathedral		Movement in funds				
	Balance at 1 April 2015	Income	Expenditure	Investment gains	Transfers	Balance at 31 March 2016
	£	£	£	£	£	£
Fabric Endowment Fund	141,684	-	-	(851)	-	**140,833**
Choral Scholarship Fund	64,363	-	-	-	-	**64,363**
Hussey Memorial Fund	26,525	-	-	-	-	**26,525**
Fillingham Endowment Fund	94,035	-	-	-	-	**94,035**
The William Robinson Trust	412,000	-	-	-	-	**412,000**
Other Funds	1,831	-	-	-	-	**1,831**
Millard Endowment Fund	81,446	-	-	-	-	**81,446**
Catalyst Fund	260,333	-	-	-	35,000	**295,333**
	1,082,217	-	-	(851)	35,000	**1,116,366**

The Fabric Endowment Fund is held for the fabric of the Cathedral.

The Choral Scholarship Trust is held for the support of choristers within the Cathedral.

The Hussey Memorial Fund, Fillingham Endowment Fund and other endowment Funds are held for capital purposes.

During 2010 Chapter were notified that they were the residuary beneficiary of the estate of the Late Mary Hargrave. The funds are to be held in a separate fund named The William Robinson Trust, after her father. Two-fifths of the income from that fund is required to be paid to the adopted daughter of the Late Mary Hargrave during her lifetime. The legacy will therefore be treated as an endowment during the lifetime of the beneficiary, after which, the fund will become unrestricted.

14 Restricted funds

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

Consolidated and Cathedral		Movement in funds			
	Balance at 1 April 2015	Income	Expenditure	Transfers	Balance at 31 March 2016
	£	£	£	£	£
General Endowment Fund	89,733	-	-	-	**89,733**
PC Trust Grants	-	130,146	(130,146)	-	-
PC Trust Organ Fund	-	248,305	(208,714)	-	**39,591**
Friends of Peterborough Cathedral Grants	-	45,971	(45,971)	-	-
Archbishops Council	-	342,929	(342,929)	-	-
Church Commissioners	-	232,910	(232,910)	-	-
The Hastings Music Endowment Fund	-	105,671	(105,671)	-	-
Heritage Lottery Fund	-	1,225,768	(440,165)	(785,603)	-
Mellows Trust	32,235	4,003	(4,003)	-	**32,235**
Cripps Endowment Fund	-	221,250	(221,250)	-	-
Listed Places of Worship	-	23,112	(23,112)	-	-
Allchurches Trust	-	269,831	(269,831)	-	-
Henry Mott Memorial Fund	-	4,500	(4,500)	-	-
Catalyst	-	111,000	-	(35,000)	**76,000**
	121,968	2,717,091	(1,780,897)	(820,603)	**237,559**

The General Endowment Fund has been used to fund property investment assets.

The PC Trust Grants, Friends of Peterborough Cathedral Grants, Heritage Lottery Fund and South West Tower Fund all relate to funding received for major works to the property.

The CBF Fabric Fund is held for the fabric of the Cathedral.

The Hastings Music Endowment Fund relates to income received to support the music of the Cathedral.

The Mellows Trust Fund is to support the archives of the Cathedral, and is being spent over a number of years.

The Cripps Endowment Fund and JH Woolcock legacy were given to support the repairs and maintenance of the Cathedral.

The transfer into the Catalyst Wall Fund is income generated from the Catalyst Endowment Fund to cover the cost of maintenance of the walls within the Cathedral precincts.

Other funds are various restricted income that has been received and fully spent in the year.

15 Designated funds

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

Consolidated and Cathedral	Balance at 1 April 2015	Movement in funds Income	Expenditure	Balance at 31 March 2016
	£	£	£	£
Fixed asset depreciation fund	84,958	-	(8,496)	**76,462**
	84,958	-	(8,496)	**76,462**

The fixed assets depreciation fund is in respect of restricted income that has been raised for the purpose of providing funds towards the cost of the fixed assets. The funds, having been used for the new projects, have been transferred to general reserves and are being released to general funds as the asset is being depreciated.

16 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total
	£	£	£	£	£
Fund balances at 31 March 2016 are represented by:					
Tangible fixed assets	6,520,219	76,462	-	81,446	**6,678,127**
Investments	5,828,997	-	89,733	711,231	**6,629,961**
Current assets	40,713	-	147,826	323,689	**512,228**
Creditors: amounts falling due within one year	(1,493,363)	-	-	-	**(1,493,363)**
Creditors: amounts falling due after more than one year	(2,900,982)	-	-	-	**(2,900,982)**
	7,995,584	76,462	237,559	1,116,366	**9,425,971**

17 Net cash inflow from operating activities

	2016 £	2015 £
Reconciliation to changes in resources		
Changes in resources before revaluations	**567,034**	70,858
Net endowment fund income	**(35,000)**	(260,333)
Depreciation of tangible fixed assets	**50,203**	86,144
Increase/(decrease) in stocks	**(2,122)**	2,461
Increase in debtors	**(211,150)**	(114,070)
Increase in creditors	**458,936**	180,501
	827,901	(34,439)

18 Reconciliation of net cash flow to movement in net debt

	2016 £	2015 £
(Decrease)/increase in cash	**(210,367)**	17,341
Repayment of long term bank loan	**131,994**	115,852
Movement in net debt	**(78,373)**	133,193
Net debt at 1 April 2015	**(2,569,948)**	(2,703,141)
Net debt at 31 March 2016	**(2,648,321)**	(2,569,948)

19 Analysis of net debt

	At 1 April 2015 £	Cash flow £	Non-cash changes £	At 31 March 2016 £
Cash at bank and in hand	56,200	(51,167)	-	5,033
Bank overdrafts	-	(159,200)	-	(159,200)
Endowment fund cash awaiting reinvestment	-	-	-	-
Debt due within one year	(250,000)	131,994	(131,994)	(250,000)
Debt due after one year	(2,376,148)	-	131,994	(2,244,154)
	(2,569,948)	**(78,373)**	**-**	**(2,648,321)**