



REPORT AND ACCOUNTS
YEAR ENDED 31ST MARCH 2011

SALISBURY CATHEDRAL

REPORT AND ACCOUNTS

YEAR ENDED 31ST MARCH 2011

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**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

LEGAL AND ADMINISTRATIVE INFORMATION

Full name: The Cathedral Church of the Blessed Virgin Mary
Address: 6 The Close, Salisbury, Wiltshire, SP1 2EF
Governing statutes: Salisbury Cathedral Constitution and Statutes dated 21st June 2001

Members of Chapter:

Dean: The Very Reverend June Osborne

Canons Residentiary: Canon DJC Davies (Precentor)
Canon M Bonney (Treasurer)
Canon E Probert (Chancellor)

Canons in Holy Orders: Canon Dr J Coates
The Right Reverend S Conway (resigned April 2010)
The Venerable A Jeans (appointed May 2010)

Lay Canons Mr C Barnett
Mrs J Barker
Dr L Brown
Mrs E Turton

Chapter Clerk: Brigadier CMG Elcomb

Members of Council: Lord Sharman (Chairman - appointed May 2010)
General Sir J Wilsey (Chairman - resigned May 2010)
The Bishop of Salisbury
The Dean of Salisbury
Canon DJC Davies (Precentor)
Canon M Bonney (Treasurer)
Canon E Probert (Chancellor)
Mr M Archer
Lady M Bessborough
Mr R Key MP
Mr E Mirzoeff (resigned May 2010)
Mr T Mynott
Lady C Newbigging
Rev Canon H Pearson (appointed November 2010)
Sir H Phillips
Rev Canon Dr C Rutledge (resigned November 2010)
Mr N Salisbury
Mr A Scott
Dame R Spencer
Rev Dr A Wood

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LEGAL AND ADMINISTRATIVE INFORMATION (Continued)

Finance Advisory Group:	Mrs J Barker (Chairman) Mr J Joll Mr L March Sir David Newbigging (retired October 2010) Mrs E Osborne Mr A Scott
Fabric Advisory Committee:	Sir Hayden Phillips (Chairman) Dr B Cherry Dr J Crook Mr P Dean Reverend Dr A Doig The Very Reverend V Stock Miss I Macneal (English Heritage advisor)
Lay managers:	Mr R Allan, Head of Finance Mr D Coulthard, Director of Marketing and Communications Mr P Edds, Head of Buildings and Estate (resigned December 2010) Mr D Halls, Director of Music Mr T Hone, Head of Liturgy and Music Mrs C House-Norman, Director of Development Mrs S Rickett, Director of Education (appointed December 2010)
Website address:	http://www.salisburycathedral.org.uk
Professional advisers:	
Bankers:	LloydsTSB plc, 38 Blue Boar Row, Salisbury, SP1 1DB
Solicitors:	Parker Bullen, 45 Castle Street, Salisbury, SP2 7JR
Auditors:	Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury, SP1 2LZ
Investment managers:	Schroders, 31 Gresham Street, London, EC2V 7QA
Land agent:	Strutt & Parker, 41 Milford Street, Salisbury, SP1 2BP
Architect:	St Ann's Gate Architects St Ann's Gate, The Close, Salisbury, SP1 2EB
Archaeologist:	T Tatton-Brown, Fisherton Mill House, Mill Road, Salisbury, SP2 7RZ

**Salisbury Cathedral Chapter
presents its annual report and its audited accounts
for the year ended 31 March 2011.**

INTRODUCTION

This report summarises the main activities of the Cathedral and its associated organisations during the year which ended on 31 March 2011. The Cathedral is the Mother Church of the Diocese: we welcome all, but also seek to engage more actively with congregations in the parishes, sharing our expertise (especially musical and artisan), seeking to identify what will support parochial ministry and to identify shared objectives. We have expanded further our education programme within the diocese and are working with many external organisations to build constructive partnerships.

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THE GOVERNANCE OF THE CATHEDRAL

The governance of the Cathedral is regulated by statute, the principal of which is the *Cathedrals Measure 1999*. This establishes the basic principles with which all cathedrals must comply and a structural framework to inform governance mechanisms. The *Cathedrals Measure* requires each cathedral to produce its own separate statutes. These statutes interpret the dictates of the *Measure* according to local or historic use, and in particular specify the functions and responsibilities of individuals, both clerical and lay, and establish the administrative framework.

Cathedral Chapter

Salisbury's statutes were promulgated on 1 July 2001. They determine that the governing body of the Cathedral is the Chapter, consisting of the Dean, the three Residentiary Canons (Precentor, Chancellor and Treasurer), two non-residentiary canons elected by the clerical members of the College of Canons, two lay members elected by the lay canons of the College and two co-opted members appointed by Chapter. With the exception of the Dean and Residentiary Canons members hold office for three years but are eligible for re-election or re-appointment. Induction and training of new members is the responsibility of the Chapter Clerk who produces a programme of briefings and visits to ensure familiarity with the administration, management and finances of the Cathedral. During this reporting period one new Chapter member was appointed and inducted.

Cathedral Council

The Cathedral Council was established under the *Cathedrals Measure* to "further and support the work of the Cathedral, spiritual and temporal, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter". It met twice during the year under the chairmanship of General Sir John Wilsey, taking reports on the Cathedral's mission, activities and finances and a briefing on the progress of the Cathedral's fabric repair programme.

College of Canons

The *Cathedrals Measure* requires the Cathedral to establish a College of Canons consisting of every canon of the Cathedral, including the Bishop, the Dean, the suffragan bishops and every archdeacon. In its membership the College expresses the close relationship between the Cathedral and the rest of the diocese of Salisbury. The College met twice during the year, installing eleven new members, bidding farewell to seven and admitting one Sarum Canon.

Executive

The routine administration of the Cathedral is overseen by the Senior Leadership Team which meets formally as the executive body of Chapter. This body, chaired by the Dean, comprises the Residentiary Canons, the senior lay managers and the Director of Music. Each clerical member of the Executive historically exercises oversight on behalf of Chapter of one or more functional areas. The Chapter Clerk is responsible for administration and finance and answers to Chapter, a collective body in this respect. The senior lay managers have responsibility for each functional area: Liturgy and Music, Marketing and Communication, Buildings and Estate, Finance, Development and Education. These appointments are accountable to Chapter through the Chapter Clerk who is responsible to Chapter for implementing policy and for all aspects of the routine management of its affairs.

Risk Management

The risk register records the principal risks to which the Cathedral's strategic plan is exposed. This is reviewed regularly by the Senior Leadership Team Executive and systems are in place to mitigate them as they are identified. Risk assessments are undertaken as necessary. The level and extent of the Cathedral's insurance cover is reviewed at least annually to ensure that it is appropriate and Chapter's actions are considered carefully in the light of potential reputational risk.

SALISBURY CATHEDRAL YEAR ENDED 31ST MARCH 2011

THE MISSION OF THE CATHEDRAL

With almost 800 years of history behind it Salisbury Cathedral is a place of prayer, pilgrimage and deep spirituality. It is also a dynamic centre of Christian worship and a professional organisation. With a current staff of around 85 full time equivalents we arrange and host more than 1,200 services each year and with some 600 volunteers we cater to the needs of a quarter of a million visitors who enter the Cathedral annually. A high level of activity and widely acknowledged high standards of delivery have been achieved under Chapter's mission statement that

“Salisbury Cathedral exists to make real the glory and presence of God in the world.”

Our commitment is to:

- live out the teachings of Jesus Christ in today's world
- celebrate the presence of God through worship, music and art
- offer a warm welcome to all who come to the Cathedral
- strengthen church and community life in the diocese
- challenge injustice at home and abroad
- promote learning, personal development and spiritual growth

Strategic Planning

The Cathedral's vision document was published in October 2006 under the title *'Faith in the Future - Our Vision'*. This strategic document confirms our commitment to our values and purpose: it records our vision statements as objectives committing us to:

- build a more diverse congregation whilst enhancing our music and liturgy
- create opportunities to promote discovery, learning and education
- welcome more visitors and enhance the visitor experience
- champion social justice and promote reconciliation
- work with the wider diocese and external organisations
- create the right physical environment
- work honestly and openly together
- secure our financial future

Chapter's Strategic Plan, the core management working document designed to implement these objectives, was formally approved in December 2007. Its subordinate document, the Masterplan, addresses the built environment and was approved a month later. Progress on achieving the objectives set out in the Plan has been monitored. Chapter is carrying out a periodic review of those objectives with a view to ensure they continue to be both relevant and achievable. The Major Repair Programme remains the highest priority, but strategic planning will continue with specific objectives being rooted in the commitments set out in *'Faith in the Future - Our Vision'* and listed above.

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REVIEW OF ACTIVITIES

Worship and Music

The daily pattern of morning and evening Offices and celebrations of the Eucharist throughout the year lie at the heart of the Cathedral's liturgical life. The Cathedral hosts Diocesan services including ordinations, baptisms, confirmations and the Diocesan Choirs Festival and other regular services include staff prayers, the ministry of healing, Taizé services and Contemplating Prayer. We added to the pattern of liturgical life with assemblies, Eucharists and a range of annual commemorative and celebratory events for schools within the Close and we accommodated many carol services for local schools and organisations. The Cathedral exercises a significant pastoral ministry to individuals and families who come for baptisms, weddings, funerals, interments and memorial services. In particular, the last year included the funerals of Major Josh Bowman, a young serving officer, and of Laurence Notley and Jenny Bowen, both close members of our Cathedral community.

The vergers take care of the practical and ceremonial arrangements for all Cathedral services and events, maintaining high liturgical standards while helping participants to feel welcome and at ease. We have made heavy demands on the vestry staff in seeking to maintain the full pattern of our liturgical life while accommodating an increasing diversity of activity and our ministrants, servers, acolytes, readers, flower arrangers and stewards are essential to the programme. We have particularly enjoyed the flowers during the past year for which huge thanks are due to the team of arrangers for their imaginative responses to the changing liturgical seasons in their first year under Michael Bowyer's creative leadership and Susan Branch's administration.

Music is a vital part in the Cathedral's worship: in addition to singing Choral Evensong daily during the school term, together with the Eucharist and Mattins on Sundays, the choir has regularly visited different parts of the Diocese to sing concerts. We have hosted a series of organ recitals and many informal lunchtime concerts, the latter allowing visiting groups to experience performing in the Cathedral. We are grateful to the many visiting choirs for their contribution to our worship during choir holidays. Our own Junior Choir has had another successful year and we have enjoyed the contribution made by the Cathedral Chamber Choir. Within the Department, we said farewell to Pam Court, who has been part of our team for a number of years. In particular, she has looked after the arrangements for visiting choirs with meticulous care. We wish her a long and happy retirement.

In more detail, the year began memorably with *The Way of the Cross*, staged in several venues around Salisbury, but culminating in the drama of the Crucifixion in the Cathedral Close and the Resurrection in the Cathedral itself. This great piece of collaborative work was inspired by the imaginative energies of the Precentor, with key contributions from many members of the Cathedral community. Concerts after Easter included a visit from the National Youth Choir of Great Britain and a performance of Britten's *War Requiem* and the Salisbury International Arts Festival included a wonderful performance of the Monteverdi *Vespers*, greatly enhanced by some imaginative liturgical action. In July we joined the Diocesan community to say goodbye to Bishop David: a farewell Evensong included some of his favourite music after he had ordained new Priests in the morning.

September began with a complex event for the Royal British Legion in which the Cathedral's musical resources, including our Junior Choir, were enhanced by a multi-media presentation. The season around All Souls was commemorated liturgically and the Choral Foundation concert included Brahms' *German Requiem*, a challenging choice to which the enhanced choral forces responded magnificently under David Halls' direction. *Be a Chorister for a Day* continues to be very successful recruitment event and investment in this area continues to ensure that there is a strong pool at the subsequent chorister voice trials.

In November we held the Advent Processions on three evenings, rather than the usual two, in response to the high demand for places at these most memorable services and then said farewell to Bishop Stephen in preparation for his move to Ely. The busy programme of Christmas events and concerts included the highlight of the choir's performance of Handel's *Messiah*. The Cathedral's programme of Christmas Processions and services took place despite extreme weather conditions - a

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REVIEW OF ACTIVITIES (continued)

huge tribute to the staff and volunteers who kept the Cathedral functioning as normal, welcoming those who managed to brave the elements to be with us.

The new year has already seen some memorable events including a striking art exhibition of images by Sophie Hacker inspired by Messiaen's organ suite *La Nativité*, stunningly played by Daniel Cook and the year under review came to a climactic close with the unforgettable, sell-out performance of Elgar's *The Dream of Gerontius*, with The London Philharmonic Orchestra, conducted by Edward Gardner.

Visitors and marketing

It was a year which saw the world's economy in recession, the country's airspace closed due to the Icelandic ash cloud, snow and ice enveloping the country for several weeks and a significant overall reduction in inbound visitors to the UK. Perhaps not the time to expect a substantial increase in visitors and tourist income but this is exactly what Salisbury Cathedral saw last year. It was hard work, made more difficult as the department restructured in the summer to reduce size and cost, but the results are a huge testament to the Marketing and Visitor Services team and the many volunteers who support it. The trend for visitor attractions as a whole is towards a greater focus on special events, exhibitions and initiatives to constantly improve the experience for visitors: the Cathedral is working hard to do just that and although the decline in visitor figures over the years proves that we need to run faster just to maintain our position, it seems that in 2010/11 we started to move forward again.

Visitor numbers increased against the previous year by 5% to 234,000, the first rise since 2004. This was partly influenced by the opening of the Donations Desk on Sundays during the summer months, facilitated by altering the time of Evensong to 4.30pm. However, even if these 'extra' numbers are discounted a rise in visitors is still clearly visible. The experiment was felt by most to be a positive experience with the result that the later time for Evensong has now been adopted throughout the year. The increase in visitor income was still more substantial, with an extra £110k contributed via the Donations Desk towards its total of over £950k. Income from the Shop and Refectory also increased, with the total revenue from visitor activities during the year totalling some £2m. A small increase in the recommended donation helped, but it is pleasing to see that this rise did not affect the numbers visiting the building.

The Group Travel sector has remained a priority, with the department's new structure enabling greater focus on relationships with major suppliers like Golden Tours and EvanEvans as well as the Stonehenge Tour, which contributed 4,000 visitors in its first year. These and other efforts led to a 9% increase in group visitors overall, and half of the increase in visitor income at the Donations Desk came from this source. Our research showed a slight rise in visitors' already high rating of their visit to Salisbury Cathedral. A substantial part of the credit for this must go to the excellent guiding teams led by Dudley Heather and his new deputy Steve Dunn, as well as the chaplains led by Michael Turner. Other developments highlighted in the research were the continued decline in US visitors - "They're just not travelling", say our contacts in the travel industry - and an increase in family visitors. The latter trend reflects the hard work to improve our provision for families by the Education Department with their new Children's Trail and Explorer Bags.

After last year's big increase Tower Tours maintained their popularity, with nearly 8,000 visitors 'reaching the heights'. Scheduling took a little while to settle down as we sought to adjust to an earlier closing time but in September we found a better balance. David Acton has done a fantastic job as Head Tower Guide, his start of season training sessions are now part of the rhythm of the year, as are his regular ramblings in the 'At Eight Doors' newsletter!

It was a busy year for art in the Cathedral as the new policy bore fruit with exhibitions and installations by Sophie Hacker and Bruce Munro, as well as the Liminality Exhibition which presented works by eight different sculptors. All the exhibitions have contributed to the life of the Cathedral as well as bringing visitors and media profile which we would not otherwise have gained. Our Open Day

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REVIEW OF ACTIVITIES (continued)

was very well attended, with the Photography Competition launched that day drawing many hundreds of entries from around the world. We also enjoyed a number of Public Relations and media highlights, the pick probably being the worldwide coverage generated by our partnership with the ‘Pillars of the Earth’ mini-series and Blue Peter’s screening of the changing of the spire lights.

In the Shop income increased again, with trends during the year including the continued popularity of Union Jack merchandise and a noticeable increase in spending by South American visitors - another indication of globalisation at work. The Refectory celebrated its new contract by growing customer numbers by 4% and income by 6%, partly driven by the healthy rise in the Cathedral’s own visitor figures - although the snow of December made a noticeable dent!

Education

The Education Centre goes from strength to strength, enjoying its best year to date (see figure 1 below) in terms of numbers of learners using our services and in the number of different events and visit organised and delivered overall. This reflects planned growth in the core work focussing on formal learning opportunities with schools, colleges and universities but also an increase in the wider educational remit of lifelong learning.

Fig. 1 - Number of events and visitors using the Education Centre per annum

	2006	2007	2008	2009	2010
No. of different visits/events	151	183	207	223	257
No. of visitors	5,723	7,527	7,838	8,073	9,008

Work with families is an expanding part of this latter programme: we now offer families experiences ranging from specially devised trails through the Cathedral to tailored holiday workshops, with interactive activities at festival times and story-telling sessions. 600 family members have taken part over the year, a figure which does not include many more who have made use of the special trail leaflets and ‘Explorer bags’ or who have attended one of the special interactive events such as the ‘Time Out’ developing spirituality day or the interactive Easter reflection stations. There has been a similar increase in lifelong learning opportunities for adults. A total of 17 courses have taken place in the Art for Adults programme (12 in the previous year) alongside new ventures such as a poetry course, discussions and talks with artists to complement the Cathedral’s ‘Liminality’ exhibition.

Visits from schools, colleges and universities continue to be a major part of the department’s remit. Numbers using the Education Centre have remained steady despite the economic climate, but particular highlights of the year have been the festival-related events and the increased involvement and engagement with schools in supporting the development of children’s spirituality. The latter work has involved workshops at the Cathedral for children, adults and parish members and outreach programmes where education staff and volunteers have worked alongside children and staff in their own school environments: such experiences are proving invaluable not only for the schools in supporting their work with children’s spiritual development, but also in raising the profile of our education department, increasingly recognised as specialists in this particular strand of learning. The Head of Education is now programmed to deliver a number of workshops on this subject to other educational professionals in the south west.

With a very small team of dedicated salaried staff, the Education Centre relies hugely on some 100 committed volunteers who contribute a wide range of relevant experiences: their contribution is increasingly valuable in supporting the continued growth of the department for which reason we have

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REVIEW OF ACTIVITIES (continued)

now started a comprehensive programme of training for volunteers, aiming to address both general issues of education volunteering as well as more specific training needs.

The department has been fortunate in receiving a number of sources of funding this year, securing monies from four different grant-making bodies which have variously supported coach travel to the Cathedral for four schools (Jock French Charitable Fund), provided opportunities for more work with children with special educational needs (The Grocers' Charity), promoted inter-faith work (Community Development Foundation) and enabled the provision of a Teaching Officer to support the department's work for a further three years (Sarum St Michael Educational Trust), but we are a victim of our own success and are unable to recover all the costs - our work is truly a central part of the Cathedral's mission in this respect.

The Cathedral School

In accounting terms the School is financially independent of the Cathedral and its results are not included within these consolidated accounts. In practice, however, the relationship between the Cathedral and the School is both longstanding and profound, and extends beyond the mere provision of choristers. The School has occupied the Bishop's Palace since 1947 and its current aspirations to improve its buildings are closely associated with the Cathedral's own aspirations for the Cathedral Close, as set out in its Masterplan document. Chapter and the School's governors are therefore co-operating closely to provide the School with facilities which will not only complement the beauty of the Close but also help the School retain its attractiveness in a competitive sector.

The Cathedral and The Close

The Major Repair Programme (MRP) continues to be the focus of attention for the Cathedral Works department and it has been encouraging to see clear signs of progress in the work during the year. The appearance of the restored north transept when the scaffolding was finally removed last autumn was a major and visible step towards the completion of this long-term project revealing to all the high quality of craftsmanship delivered by the Cathedral's small team of masons, glaziers and conservators.

The MRP budget for the year was £778k, principally directed towards the three major repair areas (MRAs) of the completion of the north transept (MRA 12), the north east transept (MRA 10), and the north side presbytery clerestory (MRA 9). As the programme developed the first two were dealt with: following some preparatory work it was then decided to bring forward planned work on the Chapter House and thus defer further work on MRA 9 until the restoration of the Chapter House is completed. Further work on the MRP is now wholly dependent upon successful fundraising. The work on the Chapter House is the result of a very generous anonymous donation to fund that specific element of the MRP: the Works Department was able to adapt the MRP's previous sequential pattern of moving around the Cathedral to make full benefit of this gift. During the autumn preparatory work was carried out on the Little Paradise site on the north side of the Chapter House, with the necessary relocation of the temporary toilets to allow essential archaeological investigations. The necessary permissions were obtained and the scaffolding was erected around the Chapter House by Christmas: conservation work has now begun with completion expected in 2012.

Partial funding for the MRP in 2010-11 was provided by the Cathedral Trust, The Ivor Read Charity and the Cathedral Friends and the anonymous donors to the Chapter House also contributed to the restoration of the Hemming window in the north transept. These contributions amounted to £274k in the 2010-11 budget, leaving a shortfall of £504k for the Cathedral to fund. Additional grants were received from the Ivor Read Charity and a most generous £500k donated by the Garfield Weston Foundation: this latter amount was the result of considerable work by the Development Office, supporting senior members of staff in securing the funds and maintaining a continuing link with this important family-controlled charitable Foundation.

In late 2009 an anonymous Canadian visitor to the Cathedral noted the poor condition of the Cloister Garth and offered to fund its restoration; consequently the Cathedral was delighted to be able to level and relay the Garth turf and to replace the surrounding shrubs with box hedging. All this work was carried out by professional horticulturalists contracted by the donor. The restoration was

REVIEW OF ACTIVITIES (continued)

completed by May and the Garth now forms a simple yet elegant complement to the Cloisters architecture and the south side of the Cathedral.

The Close environment includes the Churchyard, Choristers' Green and Marsh and Rack Closes: it contains one college, three schools, two museums and two further properties open to the public; management of this environment includes the upkeep and maintenance of the precincts. Traffic management is a persistent challenge and we endeavour to maintain and repair footpaths, roadways and verges damaged by increasing wear and tear: we continue to undertake our annual check of the trees within the Close along with supplementary planting. With the exception of income from car-parking the cost of maintaining the Close is borne entirely by Chapter, but given the current pressures on the Cathedral's finances Chapter has now directed the reimposition of a Close way rate as a matter of priority, to which end formal advice is now being sought from the Cathedral's land agents and legal advisers.

Work upon those properties for which Chapter still has a maintenance responsibility has included essential repairs to roofs, windows and exterior and interior decoration: of particular note the roof of No 20 has been a major project requiring massive scaffolding to allow work through the winter. Work of this nature is usually undertaken following quinquennial surveys by the Close Surveyor, but there is much more work needed than there is money to allow all the works to be undertaken; the Property Committee thus grapples routinely with relative priorities.

Chapter was sad to note the resignation of Peter Edds from the post of Head of Buildings and Estates in November 2010. He had made a significant contribution to the work of the Cathedral since his appointment in 2002, particularly in the management of the MRP and the development of the Cathedral Workshops Fellowship.

The Close is a considerable asset not only for the Cathedral but also the wider community. Its beauty is exceptional and it is popular as a place of relaxation for visitors of all ages. The antisocial behaviour of an unruly minority is distressing and occasionally challenges Chapter's wishes for the Close to remain a haven of peace and beauty for all to enjoy.

Fundraising

2010/11 was a very busy and productive year for the Development Office which has organised a full range of events and made applications for several projects; to date the department has raised over £2.6 million which is a reassuring start to fundraising given the current tough economic climate. We are grateful to our fundraising "champions", some of whom are also members of Chapter, who help us in the sensitive work of making the Cathedral's needs known to potential donors and to identify their areas of possible interest and support.

As in the previous year, the majority of the incredibly generous donations have been for the Major Repair Programme, but several other projects have benefited from the support of our donors. In particular it is worth noting the following special projects over the last 12 months:

- The Cloister Garth was restored and replanted thanks to the generosity of a Canadian visitor with a keen interest in medieval architecture and horticulture.
- One of our experienced stonemasons was able to attend a specialised professional course in freehand carving funded by several grant-making trusts and personal donation.
- Several of our choristers have been supported personally by donors (including champions)
- The Garfield Weston Foundation generously donated £500k to the MRP and then invited us to take part in a challenge funding event. Donors had to compete with other charities to get their gifts

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REVIEW OF ACTIVITIES (continued)

matched by the Foundation over a three-day period. It was hectic and several of our supporters were disappointed that they couldn't get through, but it raised an additional £26,000 for our revenue funds.

- At the end of the financial year The Rt Hon the Lord Sharman OBE and Aviva sponsored an amazing concert by the London Philharmonic Orchestra. The income generated will provide vital funds for the MRP and enabled local people to hear the world renowned orchestra in the Cathedral.

The Development Team would like to thank all the donors, champions, staff and volunteers for making fundraising such a success. So many of our supporters give time as well as money and we can only succeed with your help - so thank you.

Human Resource Issues

In secular management terms the Cathedral equates to a medium-sized, not for profit business and carries all the human resource responsibilities incumbent upon an employer of both industrial and administrative staff.

We were delighted to welcome Jane Eldridge as our new part-time HR adviser in June. Arriving as the Cathedral faced a number of difficult staffing issues during the year, she has provided much measured and timely advice to Chapter and senior managers, in particular relating to the hard decisions being made about reducing staff in the light of the Cathedral's financial position - the most obvious sign of these being the replacement of the full-time constables with a mainly part-time traffic team. A number of retirements have presented the opportunity to assess future staffing and to bring in different ways of working using part-time staff or volunteers.

In January Chapter agreed a formal programme of staff restructuring: mainly affecting the Works Department and Liturgy and Music Department, it is a plan to accommodate known retirements and to promote a more efficient and more outward-facing culture within the administrative departments. Having decided not to appoint a new Head of Buildings and Estate, Chapter formally reconstituted the post of Clerk of Works to have responsibility for delivery of the MRP programme and will create a new post to manage the diverse range of operational activities being carried out within the Cathedral, as well as to provide technical property advice. Ralph Bell joined the Cathedral as Clerk of Works on 3 May and he will assume all of the works manager's MRP responsibilities on Ted Hillier's retirement in August 2011.

Anticipating the change when Jeremy Davies retires as Precentor early in 2012, Chapter agreed that the post of Head of Liturgy and Music should be made redundant with the arrival of a new Precentor: it is hoped and expected that Tim Hone will take up the new role of liturgical administrator thus keeping his experience and knowledge in the Cathedral. Suzanne Eward retired as librarian at the end of March; the post is being left open for the moment with access to the collections controlled by the Chancellor: Joy Kelly has retired from the Finance Office and with Pam Court's departure these three members of staff reflect over 60 years of service for which we are most grateful.

Cathedral Community Forum

The Statutes provide for the establishment of the Salisbury Cathedral Community Forum whose membership includes people associated with the Cathedral in the broadest sense, with particular emphasis on congregation, staff and volunteers. The task of the Forum is to:

- support the mission of the Cathedral in consultation and cooperation with Chapter
- represent to Chapter the views of those who regularly worship or work in the Cathedral
- elect two lay members to the Cathedral Council in accordance with Articles 5.2(5) and 18 to the Constitution of Salisbury Cathedral 2001.

SALISBURY CATHEDRAL YEAR ENDED 31ST MARCH 2011

REVIEW OF ACTIVITIES (continued)

Chapter has agreed that 5% of the moneys given at the offertory for normal Sunday and weekday services will be available for charitable giving. In addition, 50% of the offerings received at the four Advent and Christmas Carol services after deduction of the service expenses will also be available for charitable giving. Proposals for the disbursement of these moneys to appropriate charities are made by the Forum. International, national and local charities received funding in this way during the year.

FINANCIAL REVIEW

Results

The Cathedral recorded a surplus of income over expenditure this year for the first year since 1999. The surplus was £775k, before recognising gains on investments of £94k. The surplus is in contrast with a deficit of £444k in 2010 and a budgeted deficit for 2010/11 of £600k.

A major reason for the surplus is the receipt of a generous grant from the Garfield Weston Foundation of £500k towards the cost of the MRP. Donations such as these, whose nature are as unpredictable in their timing as they are as welcome to receive, have to be accounted for as income in the year in which they are received, and cannot be carried forward to be matched with the expenditure which they are intended to fund. This accounting treatment can give rise to swings between reported surpluses and deficits which mask the underlying continuing financial weakness of the Cathedral. Whilst the Cathedral has taken steps to bring its routine budget into balance (see below) its present commitment to an average annual spend of £800k pa on the MRP requires donations equivalent to one and a half times the size of the Garfield Weston Foundation's donation *each year* to fund it.

Other donations received in the year included £64k from anonymous donors for repairing the Hemming window in the north transept. The Cathedral Trust, The Friends of the Cathedral and the Ivor Read Charity continued to support the MRP although the Trust's contribution fell this year as their funds are becoming exhausted. They have supported the Cathedral most generously over the years and their fundraising work has now been transferred to the Cathedral's own Development Office.

As reported above, the Development Office organised a full range of events and made applications for a number of projects during the year. An awareness of the importance of fundraising is being increasingly inculcated within the Cathedral by the Development Office and this is beginning to have a positive effect on the Cathedral's overall income streams.

Whilst the Development Office's priority is to raise funds for the MRP the Cathedral is heavily dependent upon its income from visitors to fund its other day-to-day activities. Visitor income totalled some £2m this year, with recorded visitor numbers up 5% to 234,000. It is a continuous challenge to market the Cathedral, to provide appropriate facilities for visitors, and to encourage visitors to return.

The Cathedral has a number of costly financial commitments which reflect its desire to do all things well as it seeks to achieve its mission statement. In particular it is committed to maintaining the highest standards of liturgy and music, involving, inter alia, the provision of two choirs; to maintaining the physical environment of the Cathedral and Close through the MRP; and to maintaining and improving upon the high standard of its welcome to visitors from around the world. Chapter has therefore not only been raising awareness of the longer-term financial needs of the Cathedral in the cheerful expectation of their being supplied but has also simultaneously been carefully managing its budget on an annual basis.

At the beginning of this 2010-11 reporting year Chapter reluctantly agreed a budget which anticipated a deficit of £600k, doing so in the expectation that steps would be taken during the year to allow the Cathedral to enter the following financial year (2011-12) with more secure financial prospects. In particular they agreed a target surplus on the routine (non-MRP) budget of 2% of total income for 2011-12.

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

FINANCIAL REVIEW (continued)

A combination of cost reductions, mainly through reductions and restructuring of staff, along with increased income expectations from fundraising, has meant that Chapter were able to realise their ambitions for the 2011-12 budget. Chapter's intention is to rebuild the Cathedral's unrestricted reserves in order that the Cathedral can not only meet its current commitments but also be able to realise gradually its plans to renew and develop its facilities for worshippers, visitors and staff. A twin-track policy of tight control on costs and seeking additional profitable income streams is in place to achieve this.

The Cathedral is immensely grateful for the faithful financial provision of its congregation and longstanding supporters, both personal and corporate. It continues to widen that circle of support through its fundraising initiatives, even though the current economic circumstances remain difficult.

The Statement of Financial Activities discloses that the Cathedral incurred unrealised gains of £71k on its investments in the year. These gains are "unrealised" because they simply reflect the change in the market valuation of the Cathedral's investment portfolio between 31st March 2010 and 2011. Details of the movements in investments in the year are shown in note 8 to the accounts.

The primary purpose of the investment portfolio is to generate income to support the Cathedral's activities. To that end the investments are concentrated in high income stocks of companies with strong balance sheets. A fluctuation in the capital value of the stocks may lead to unrealised gains or losses but not necessarily change their ability to generate income. Our portfolio is managed by professional investment managers and their performance is monitored on behalf of Chapter by the Cathedral's Finance Advisory Group.

The Cathedral's Endowed Funds, both income and capital, may be used to improve the freehold properties owned by the Cathedral. During the year expenditure for this purpose, and in particular the replacing of the roof of one of the largest properties in the Close, resulted in a deficit of £6k for the year on Endowed Funds before gains on investments were taken into account.

Reserves and investment policies

The Consolidated Accounts have been prepared in compliance with the Accounting and Reporting Regulations for English Anglican Cathedrals as promulgated by the Association of English Cathedrals.

It is important to note that

- the majority of investments are held on endowment and the capital cannot be realised to meet ordinary expenditure
- the greater part of the endowment consists of the Close properties, a number of which are let on long repairing leases
- the increase in funds includes unrealised gains of £71k (2010: £2.5m) on the revaluation of investments.

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

- land
- investments in which trustees may invest under the general power of investments in the Trustee Act 2000
- the improvement or development of property belonging to the Cathedral, except that endowed funds may not be used to improve or develop the Cathedral itself or its ancillary buildings without the express authority of the Church Commissioners.

Salisbury Cathedral seeks to achieve steadily growing income and the preservation of its capital assets in real terms. Its portfolio is invested in Managed Funds by reputable investment managers with a proven record of experience and success, and having a socially responsible investment policy. Managed Funds include a diversification of holdings in equities, property and fixed interest investments with the aims of producing total returns higher than the FTSE All Share Index and the

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

FTSE British Government All Stocks Index over a rolling five-year period. The investment policy is reviewed at least once each year.

FINANCIAL REVIEW (continued)

Chapter manages within its overall asset base endowed and restricted funds whose aims and purposes are targeted to, and are only usable for, specific needs.

The Cathedral's unrestricted funds are those funds that are available to carry out its day to day ministry, education and outreach activities together with the basic upkeep of its buildings and precincts. Income is principally derived from visitors, property rents, investments and trading activities. Given the fluctuations in its income streams that are largely outside of its control Chapter has an objective to retain in unrestricted reserves an amount equivalent to twelve months annual expenditure in order to maintain these necessary activities in times of income shortfall. In practice it has been difficult to attain this target: at the end of the financial year unrestricted funds stood at £1.2m representing just over three months of activity at 2010/11 levels. However, with continued careful financial management the Cathedral has been able to maintain these activities and is actively planning to augment its funds through fundraising, cost control and income generation.

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

CONCLUSION

This Report sets out in great detail the rich and varied nature of the life and work of this Cathedral community. We have much for which to be thankful to God: the way in which so much of lasting value is achieved, the proven commitment of staff and volunteers, the profile of the Cathedral both locally and nationally and the fact that we continue to attract significant numbers of visitors are all reasons to be thankful. The Cathedral community is both wide and loyal but is never taken for granted: it is happy to accommodate well-reasoned change and is tolerant of broad diversity. We are particularly reassured by the support of so many who love this place.

We are looking forward to the arrival of Bishop Nicholas and the contribution he will bring to our life. We remain encouraged by the strong partnerships that exist between the Cathedral, the changing civic community and the diocese. We are grateful for God's providential care, for the generosity and benevolence which has sustained our life down the centuries.

These accounts record that in financial terms this was a successful year for the Cathedral. Achieving a surplus for the first time in over a decade is a cause for celebration, an event to be savoured. It is evidence of increased support for the Cathedral's ambitious plans, a vindication of Chapter's approach to fundraising, and a testimony both to the faithfulness in giving of the worshipping congregation and to hard work expended in attracting increased numbers of visitors.

However, as explained in the Financial Review above, the Cathedral's continuing ability to fund the Major Repair Programme - or any of its ambitious development plans - is now wholly dependent upon the receipt of donations and grants. It is therefore incumbent upon us to make known our needs, and inspire those with the ability to give with our vision for the future of this great Cathedral so they become partners with us in realising those ambitions.

Difficult decisions have had to be taken during the year to reduce the level of our costs, and in particular to reduce the number of our staff, some of whom had served the Cathedral for a great many years. Actions like this, taken by Chapter in the long term financial interests of the Cathedral, can seem controversial. But I believe they have put us in a safer place to rebuild the financial reserves of the Cathedral so that we may face the challenges that lie ahead with greater confidence.

We will continue to give fundraising and fundraising support a high priority but in the margins of such activities we are touching people and communities to whom we may have been opaque in the past. Longer term plans will always preoccupy Chapter, but the Cathedral continues to attract hundreds of thousands of visitors each year whose first impressions are those provided by our volunteers who deserve special mention and thanks. We will continue to try to communicate our messages to the widest community possible and look to our friends and supporters to help us.

The Major Repair Programme continues to dominate the financial outlook of the Cathedral. We are working towards a time when our life is no longer dominated by this programme although several years of funding need still lie ahead. We are tremendously grateful for the support received from the Garfield Weston Foundation for this work this year, and for monies received from anonymous donors for the Hemming Window restoration this year together with their pledge of nearly £1m to come in the next two years for the restoration of the Chapter House. We continue to record our thanks to the Ivor Read Charity for the way in which they contribute towards the fabric programme, along with the Cathedral Trust and the Friends of the Cathedral who also provide critical support.

The Friends have provided funding for the initial phase of work on the construction in Little Paradise of much needed storage and toilet accommodation. We hope that work will start on this in late 2012, after work on the Chapter House is completed.

With confidence and fresh hope we pledge ourselves anew to bringing innovation to the tradition that is Salisbury Cathedral.

**The Very Reverend June Osborne - Dean of Salisbury
July 2011**

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

**STATEMENT OF CHAPTER'S RESPONSIBILITIES
FOR THE PREPARATION OF THE ACCOUNTS**

Members of Chapter are responsible for preparing the annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Under the provisions of the Cathedrals Measure 1999 and the Constitution of Salisbury Cathedral Chapter is required to prepare accounts, for each financial year, which give a true and fair view of the state of the Cathedral's affairs and of its financial activities during the year. In preparing those accounts members of Chapter are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards and, in particular, prepare the accounts in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals prepared by the Association of English Cathedrals, subject to any departures disclosed and explained in the accounts;
- state whether the accounting standards and Guidelines referred to above have been followed; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

Members of Chapter are responsible for ensuring that the Cathedral keeps proper accounting records which disclose with reasonable accuracy the financial position of the Cathedral and which enable them to ensure that the accounts comply with the provisions of the Cathedrals Measure 1999 and the "Guidelines on English Anglican Cathedrals Accounts".

Members of Chapter are 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.

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SALISBURY CATHEDRAL COUNCIL**

We have audited the consolidated accounts of Salisbury Cathedral for the year ended 31st March 2011, set out on pages 20 to 35 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 18 to 19.

Respective responsibilities of Chapter and Auditors

As stated on page 16 above, Chapter is responsible for the preparation of the accounts in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Guidelines on Accounting and Reporting by English Anglican Cathedrals prepared by the Association of English Cathedrals. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We have been appointed under Section 27 of the Cathedrals Measure 1999.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Cathedrals Measure 1999. We also report to you if, in our opinion, the Report of the Chapter is not consistent with the accounts; if the Cathedral has not kept proper accounting records; or if we have not received all the information and explanations which we require for our audit. We read the Report of the Chapter and consider the implications for our own report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the members of Chapter in the preparation of the accounts, and of whether the accounting policies are appropriate to the Cathedral's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the consolidated accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Cathedral and its subsidiaries as at 31st March 2011, and of their financial activities during the year then ended, and have been properly prepared in accordance with the provisions of the Cathedrals Measure 1999 and the guidelines prescribed thereunder.

**Fletcher & Partners
Chartered Accountants and Registered Auditors
Salisbury**

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, modified for the revaluation of properties and investments, and in accordance with applicable accounting standards and the Accounting and Reporting Regulations for English Anglican Cathedrals prepared by the Association of English Cathedrals, as revised in November 2006.

Properties

Properties used for the Cathedral's own activities, apart from the Cathedral itself, are shown at existing use value, and investment properties are shown at open market value.

Depreciation is not charged on the properties used by the Cathedral because their values derive principally from their locations and, as a consequence, their residual values are not expected to be less than their current values and their lives are considered indefinite. These properties are revalued every five years and resulting adjustments are made to the carrying values shown in the Balance Sheet. No depreciation is charged on investment properties because their values are adjusted by means of the revaluation.

Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated over their anticipated useful economic lives. The following annual rates of depreciation are used:

Property improvements	3.3% - 10% straight line basis
Cathedral furniture and equipment	10% straight line basis
Works department equipment and vehicles	20% straight line basis
Chapter office, shop and refectory equipment	20% - 33% straight line basis

Heritage assets

The Chapter is responsible for the care and maintenance of the Cathedral Church and its various furniture, ornaments, vestments and vessels. They consider that owing to their incomparable nature conventional valuation approaches lack sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Cathedral and users of the accounts. As a result, no value is reported for those assets in the Cathedral's balance sheet.

The cost of associated major repairs to the Cathedral Church is reported in the Statement of Financial Activities.

Further information is given in Note 11 to the accounts.

Investments

Investments are carried at mid-market values quoted by the respective fund managers. Realised and unrealised gains and losses in the year are shown on the Statement of Financial Activities. Income from investments is accounted for on a receivable basis.

Stock

Stock consists of materials held by the works and glazing departments and goods for resale held by Salisbury Cathedral Enterprises Ltd. Work in progress relates to outside contracts. These are all valued at the lower of cost and net realisable value.

SALISBURY CATHEDRAL YEAR ENDED 31ST MARCH 2011

Funds

The funds of the Cathedral are classified according to their permitted usage as follows:

Endowment funds, whose capital cannot be spent but the income from which may be used for either general or specific purposes

Restricted funds, whose capital and income are available for spending on specific purposes imposed by the original donor

Unrestricted funds, which are available for the general purposes of the Cathedral. These include amounts which have been designated for particular purposes by the Chapter but where the designation may be varied or removed in the future.

Incoming resources

Voluntary income and grants receivable, including donations, gifts and legacies are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Charges in the course of mission and activities for generating funds are recognised as and when the related goods or services are provided.

Property and investment income is recognised on a receivable basis.

Lease premiums

The majority of investment properties are subject to long-term leases for which a premium is charged on the grant of the lease. In accordance with the provisions of the Cathedrals Measure 1999 the lease premiums, less associated costs, are credited to endowed capital on receipt. The net proceeds are therefore shown as realised gains of the endowment funds in the year in which the lease premiums are received.

Third party receipts and payments and donated goods and services

When a third party pays for goods or services on behalf of the Cathedral the cost is shown as both income and expenditure in the Statement of Financial Activities. Similarly, donated goods and services are valued on an arm's length basis and shown as income and either capital or revenue expenditure as appropriate. No monetary value, however, is placed on the services provided by the many Cathedral volunteers.

Legacies

Legacies are included as income when it becomes reasonably certain that they will be received and the amount to which the Cathedral is entitled can be reliably ascertained. Where they are for specific purposes they are credited to the corresponding restricted fund.

Repairs, restoration and maintenance of the Cathedral

Expenditure on Cathedral repairs is charged in the Statement of Financial Activities as it is incurred. Routine maintenance and work on the major repair programme are identified separately in notes to the accounts.

Pension costs

Pension scheme arrangements are operated on the basis of a defined contribution pension scheme on behalf of certain employees, whose assets are held independently of the Cathedral. Contributions are charged to the Statement of Financial Activities in the period for which they are payable to the scheme.

Taxation

No corporation tax is chargeable as the Cathedral is a charity and its subsidiary companies surrender their profits to the Cathedral under Gift Aid. Income tax recoverable on donations and investment income is added to the corresponding net income.

Value added tax

Under the special rules applied by HM Customs and Excise the Cathedral is able to recover some of the VAT borne on its expenditure. Irrecoverable VAT is included within the support costs of the cost heading to which it relates.

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
INCOMING RESOURCES						
	1					
Voluntary income		1,349	1,427	70	2,846	1,980
Grants receivable		14	284	-	298	278
Charges in the course of mission		190	6	-	196	160
Activities for generating funds		1,035	-	-	1,035	994
Property and investments		534	83	44	661	656
Other income		82	5	-	87	88
Total incoming resources		3,204	1,805	114	5,123	4,156
COSTS OF GENERATING FUNDS						
	2					
		1,197	10	120	1,327	1,363
EXPENDITURE ON MISSION						
	3					
Ministry		775	308	-	1,083	1,031
Cathedral and precincts upkeep		670	1,071	-	1,741	1,991
Education and outreach		160	16	-	176	182
		1,605	1,395	-	3,000	3,204
GOVERNANCE COSTS						
	4					
		19	2	-	21	33
Total expenditure		2,821	1,407	120	4,348	4,600
NET INCOMING/(OUTGOING) RESOURCES		383	398	(6)	775	(444)
OTHER RECOGNISED GAINS AND LOSSES						
Investment properties:realised		-	-	-	-	97
Investment properties:unrealised7		-	-	-	-	3,199
Other properties: unrealised	9	-	-	-	-	(75)
Investments:realised		-	1	22	23	199
Investments:unrealised	8	-	6	65	71	2,564
Net movement in funds		383	405	81	869	5,541
Balances at 1 st April 2010		883	506	34,500	35,889	30,348
BALANCES AT 31ST MARCH 2011		1,266	911	34,581	36,758	35,889

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

CONSOLIDATED BALANCE SHEET

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
FIXED ASSETS						
Investment assets						
Property	7	-	-	9,976	9,976	9,726
Investments	8	615	839	13,312	14,766	13,994
		<u>615</u>	<u>839</u>	<u>23,288</u>	<u>24,742</u>	<u>23,720</u>
Non-investment assets						
Property	9	-	-	11,379	11,379	11,629
Other tangible assets	10	95	-	-	95	141
Total fixed assets		<u>710</u>	<u>839</u>	<u>34,667</u>	<u>36,216</u>	<u>35,490</u>
CURRENT ASSETS						
Stock	12	144	-	-	144	150
Debtors	13	469	-	-	469	541
Cash at bank and in hand		589	222	-	811	514
		<u>1,202</u>	<u>222</u>	<u>-</u>	<u>1,424</u>	<u>1,205</u>
CREDITORS: Amounts falling due within one year	14	(645)	-	(86)	(731)	(606)
NET CURRENT ASSETS		<u>557</u>	<u>222</u>	<u>(86)</u>	<u>693</u>	<u>599</u>
CREDITORS: Amounts falling due after one year	15	-	(150)	-	(150)	(200)
NET ASSETS		<u>1,267</u>	<u>911</u>	<u>34,581</u>	<u>36,759</u>	<u>35,889</u>
FUNDS						
Endowment funds	16	-	-	34,581	34,581	34,500
Restricted funds	17	-	911	-	911	506
Designated funds	18	260	-	-	260	257
Trading companies	18	1	-	-	1	-
Common account	18	1,006	-	-	1,006	626
		<u>1,267</u>	<u>911</u>	<u>34,581</u>	<u>36,759</u>	<u>35,889</u>

Signed on behalf of Chapter:

The Very Reverend June Osborne
Dean

Jane Barker
Chairman, Finance Advisory Group

Approved by Chapter: 25th July 2011

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

CATHEDRAL BALANCE SHEET

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
FIXED ASSETS					
Investment assets					
Property	-	-	9,304	9,304	9,054
Other investments	615	727	11,406	12,748	12,468
	<u>615</u>	<u>727</u>	<u>20,710</u>	<u>22,052</u>	<u>21,522</u>
Non-investment assets					
Property	-	-	11,379	11,379	11,335
Other tangible assets	30	57	-	87	133
Total fixed assets	<u>645</u>	<u>784</u>	<u>32,089</u>	<u>33,518</u>	<u>32,990</u>
CURRENT ASSETS					
Stock	15	-	-	15	17
Debtors	757	-	-	757	680
Cash at bank and in hand	478	59	-	537	326
	<u>1,250</u>	<u>59</u>	<u>-</u>	<u>1,309</u>	<u>1,023</u>
CREDITORS: Amounts falling due within one year	(629)	-	(113)	(742)	(543)
NET CURRENT ASSETS	<u>621</u>	<u>59</u>	<u>(113)</u>	<u>567</u>	<u>480</u>
CREDITORS: Amounts falling due after one year	-	(150)	-	(150)	(200)
NET ASSETS	<u>1,266</u>	<u>693</u>	<u>31,976</u>	<u>33,935</u>	<u>33,270</u>
FUNDS					
Endowment funds	-	-	31,976	31,976	32,016
Restricted funds	-	693	-	693	371
Designated funds	260	-	-	260	257
Common account	1,006	-	-	1,006	626
	<u>1,266</u>	<u>693</u>	<u>31,976</u>	<u>33,935</u>	<u>33,270</u>

Signed on behalf of Chapter:

**The Very Reverend June Osborne
Dean**

**Jane Barker
Chairman, Finance Advisory Group**

Approved by Chapter: 25th July 2011

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

CONSOLIDATED CASH FLOW STATEMENT

	Note	2011 £000	2011 £000	2010 £000	2010 £000
Net cash flow from operating activities	19		506		(1,033)
Returns on investments					
Rents received		70		104	
Interest and dividends received		395		448	
		<u> </u>	465	<u> </u>	552
			<u> </u>		<u> </u>
			971		(481)
Capital expenditure and financial investment					
Purchase of investments		(1,569)		(1,169)	
Sales of investments		756		894	
Sales of investment properties		-		150	
Purchase of plant and equipment		(3)		(16)	
Loan repaid		(50)		200	
		<u> </u>	(866)	<u> </u>	59
			<u> </u>		<u> </u>
Increase/(Decrease) in cash	19		105		(422)
			<u> </u>		<u> </u>

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
1. INCOMING RESOURCES					
Voluntary income					
Congregational collections	189	2	-	191	164
Visitors	989	-	-	989	863
Other donations	171	886	70	1,127	273
Friends of the Cathedral	-	239	-	239	126
Cathedral Trust	-	135	-	135	474
Ivor Read Charity	-	165	-	165	80
	<u>1,349</u>	<u>1,427</u>	<u>70</u>	<u>2,846</u>	<u>1,980</u>
Grants receivable					
Church Commissioners	-	117	-	117	114
English Heritage	-	-	-	-	70
Other grants	14	167	-	181	94
	<u>14</u>	<u>284</u>	<u>-</u>	<u>298</u>	<u>278</u>
Charges in the course of mission					
Facilities and other fees	159	6	-	165	130
Education centre	31	-	-	31	30
	<u>190</u>	<u>6</u>	<u>-</u>	<u>196</u>	<u>160</u>
Activities for generating funds					
Charges to visitors	73	-	-	73	70
Shop, refectory and car park	831	-	-	831	791
Masonry and glazing contracts	131	-	-	131	133
	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>1,035</u>	<u>994</u>
Property and investments					
Property	230	38	-	268	274
Investments	304	45	44	393	382
	<u>534</u>	<u>83</u>	<u>44</u>	<u>661</u>	<u>656</u>
Other income					
Interest on short-term deposits	61	-	-	61	50
Other income	21	5	-	26	38
	<u>82</u>	<u>5</u>	<u>-</u>	<u>87</u>	<u>88</u>
Total incoming resources	<u>3,204</u>	<u>1,805</u>	<u>114</u>	<u>5,123</u>	<u>4,156</u>

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
2. COST OF GENERATING FUNDS					
Cost of facilities for visitors	221	8	-	229	237
General marketing costs	65	-	-	65	56
Appeals and fundraising expenses	120	2	-	122	113
Shop, refectory and car park	501	-	-	501	579
Masonry and glazing contracts	122	-	-	122	124
Investment and property expenses	97	-	101	198	169
Support costs	71	-	19	90	85
	<u>1,197</u>	<u>10</u>	<u>120</u>	<u>1,327</u>	<u>1,363</u>
3. EXPENDITURE ON MISSION					
Ministry					
Clergy stipends and expenses	37	143	-	180	162
Clergy housing costs	23	-	-	23	26
Clergy support costs	39	-	-	39	44
Services and music	520	165	-	685	656
Support costs	156	-	-	156	143
	<u>775</u>	<u>308</u>	<u>-</u>	<u>1,083</u>	<u>1,031</u>
Cathedral and precincts upkeep					
Major repairs and restoration	-	810	-	810	1,024
Maintenance and interior upkeep	271	106	-	377	480
Cathedral insurance	42	-	-	42	41
Little Paradise Development	-	81	-	81	-
Precincts security and garden upkeep	148	51	-	199	241
Support costs	209	23	-	232	205
	<u>670</u>	<u>1,071</u>	<u>-</u>	<u>1,741</u>	<u>1,991</u>
Education and outreach					
Educational activities	62	14	-	76	71
Archives and library	46	-	-	46	44
Choir tours and events	-	-	-	-	13
Charitable and other giving	38	2	-	40	40
Support costs	14	-	-	14	14
	<u>160</u>	<u>16</u>	<u>-</u>	<u>176</u>	<u>182</u>
Total expenditure on mission	<u>1,605</u>	<u>1,395</u>	<u>-</u>	<u>3,000</u>	<u>3,204</u>

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2011 £000	Total 2010 £000
4. GOVERNANCE COSTS					
Legal and professional fees	13	2	-	15	17
Advisory committees	3	-	-	3	2
Strategic planning and restructuring	3	-	-	3	14
	<u>19</u>	<u>2</u>	<u>-</u>	<u>21</u>	<u>33</u>

5. STAFF NUMBERS AND COSTS

The average weekly number of paid staff of all the entities included in the consolidated accounts was as follows:

	<u>Full time</u>		<u>Part time</u>		<u>2011 total</u>		<u>2010 total</u>	
	<u>Bodies</u>	<u>FTE</u>	<u>Bodies</u>	<u>FTE</u>	<u>Bodies</u>	<u>FTE</u>	<u>Bodies</u>	<u>FTE</u>
Cathedral and precincts	37	30	5	1	42	31	37	32
Visitors and education	12	9	14	3	26	13	26	14
Works and glazing departments	26	25	0	0	26	25	27	27
Administration	10	10	3	2	13	12	13	12
	<u>85</u>	<u>74</u>	<u>22</u>	<u>6</u>	<u>107</u>	<u>81</u>	<u>103</u>	<u>85</u>

The total staff costs of these persons were as follows:

	2011 £000	2010 £000
Wages, salaries and stipends	1,867	1,843
Employer's national insurance	166	167
Employer's pension contributions	48	53
	<u>2,081</u>	<u>2,063</u>

No member of staff received emoluments (excluding employer's pension contributions) of more than £60,000 during the year ended 31st March 2011.

The Dean and the three Canons Residentiary were paid stipends (including the related pension provision) in accordance with scales set annually by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board. The stipends of the Dean and two Canons Residentiary are funded by the Church Commissioners. The amounts paid during the year ended 31st March 2011 were as follows:

	<u>Stipend</u> £000	<u>Pension Contribution</u> £000
The Very Reverend June Osborne (Dean)	33	11
Canon DJC Davies (Precentor)	28	9
Canon M Bonney (Treasurer)	28	9
Canon E Probert (Chancellor)	28	9

These pension contributions are paid to the Church of England Funded Pensions Scheme. Full details of the Scheme are shown in note 19.

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

6. AUDITORS' REMUNERATION

The total remuneration of the auditors of all the entities included in the consolidated accounts was:

	2011 £000	2010 £000
Audit services	<u>15</u>	<u>15</u>

7. INVESTMENT PROPERTIES

	General Endowment Fund £000	Choristers' Endowment Fund £000	Total £000
Valuation at 1 st April 2010	9,054	672	9,726
Transfers from non-investment properties	250	-	250
Valuation at 31 st March 2011	<u>9,304</u>	<u>672</u>	<u>9,976</u>

The properties which are currently held for investment purposes include 34 houses within The Close and 2 houses situated elsewhere in Salisbury. All are held freehold and the majority are let on long tenant-repairing leases.

The General Endowment Fund properties were valued at 31st March 2010 by Strutt & Parker LLP, Chartered Surveyors, on the basis of open market value. The Choristers Endowment Fund property, comprising the Cathedral School boarding house, was valued at 31.8.08 by DW Barke FRICS.

8. INVESTMENTS

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total £000
MARKET VALUE				
At 1 st April 2010	615	285	13,096	13,996
Additions	-	567	1,002	1,569
Disposals	-	(17)	(715)	(732)
Increase/(decrease) in cash	-	(2)	(136)	(138)
Revaluation	-	6	65	71
At 31 st March 2011	<u>615</u>	<u>839</u>	<u>13,312</u>	<u>14,766</u>
COST				
At 31 st March 2011	615	825	12,655	14,095
At 31 st March 2010	615	285	13,760	14,660

The market values comprise:

	Collective investments £000	Cash on deposit £000	Total £000
At 31 st March 2011	12,182	2,584	14,766
At 31 st March 2010	11,274	2,722	13,996

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

9. NON-INVESTMENT PROPERTIES

	Shop and refectory £000	Offices £000	Staff Houses £000	Total £000
COST OR VALUATION				
Valuation at 1 st April 2010	877	1,225	10,404	12,506
Transfers to investment properties	-	-	(250)	(250)
Valuation at 31 st March 2011	<u>877</u>	<u>1,225</u>	<u>10,154</u>	<u>12,256</u>
DEPRECIATION				
At 1 st April 2010	877	-	-	877
Charge for the year	-	-	-	-
At 31 st March 2011	<u>877</u>	<u>-</u>	<u>-</u>	<u>877</u>
NET BOOK VALUE				
At 31st March 2011	-	1,225	10,154	11,379
At 31 st March 2010	-	1,225	10,404	11,629

The offices and staff houses were valued at 31st March 2010 by Strutt & Parker LLP, Chartered Surveyors, on the basis of existing use value, apart from Wren Hall which was valued by DW Barke FRICS on 31.8.08. Wren Hall is owned by Salisbury Cathedral Choristers' Endowment Fund and its valuation of £293k is included within the Offices valuation of £1,225k.

10. OTHER TANGIBLE FIXED ASSETS

	Building improvements £000	Workshop equipment and vehicles £000	Office equipment £000	Shop and refectory equipment £000	Cathedral inventory £000	Total £000
COST						
At 1 st April 2010	102	175	314	50	276	917
Additions	-	-	1	2	-	3
Disposals	-	-	-	-	-	-
At 31 st March 2011	<u>102</u>	<u>175</u>	<u>315</u>	<u>52</u>	<u>276</u>	<u>920</u>
DEPRECIATION						
At 1 st April 2010	102	167	284	50	173	776
Charge for the year	-	3	18	1	27	49
On disposals	-	-	-	-	-	-
At 31 st March 2011	<u>102</u>	<u>170</u>	<u>302</u>	<u>51</u>	<u>200</u>	<u>825</u>
NET BOOK VALUE						
At 31st March 2011	-	5	13	1	76	95
At 31st March 2010	-	8	30	-	103	141

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

11. HERITAGE ASSETS NOT RECOGNISED IN THE BALANCE SHEET

Construction of the Cathedral Church started in 1220 and it was dedicated in 1258. The spire and tower were added in c1330. The current Constitution of the Cathedral, drawn up under the terms of the Cathedrals Measure 1999, states that it is the responsibility of the Chapter to ensure that necessary repairs and maintenance in respect of the fabric of the Cathedral and its contents and monuments are carried out. The current major repair programme started in the 1980s and now approaching completion, is the latest in a series of repair programmes undertaken over the centuries.

As a result of continuing repair and conservation of the Cathedral it has been possible for Christian worship to be maintained in it since 1258.

The Cathedrals Fabric Commission for England (CFCE) was established by the Care of Cathedrals Measure 1990 to advise the administrative body of a cathedral church on the care, conservation, repair or development of the cathedral church, and also to consider and determine any application made to it by the Chapter. Under the same Measure all cathedrals appoint an architect to carry out certain statutory duties on behalf of the Chapter, in particular making an annual and quinquennial report on the condition of the fabric.

CFCE require that an inventory of the Cathedral's furniture, ornaments, vestments and vessels be maintained. This inventory contains no cost or valuation information. Particular items of note recorded are the Cathedral's copy of the original 1215 Magna Carta; the oldest working mediaeval clock in the world; a glass prism by Lawrence Whistler; and a font designed by William Pye and installed in 2008, which was funded by donations.

Acquisitions of heritage assets are made through purchase and donation and are intended to complement existing collections or enhance the liturgical life of the Cathedral. During the year an original copy of Dodsworth's History of Salisbury Cathedral, published in 1855, was purchased at public auction. It cost £10k and was funded by a donation to the Library fund.

	2011	2010
	£000	£000
12. STOCK		
Raw materials	31	35
Goods for resale	110	108
Work in progress	3	7
	<u>144</u>	<u>150</u>
13. DEBTORS		
Trade debtors	196	159
Grants from English Heritage	-	70
Income tax recoverable	8	3
VAT recoverable	-	6
Investment income receivable	177	179
Other debtors	51	88
Prepayments	37	36
	<u>469</u>	<u>541</u>

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

14. CREDITORS: amounts falling due within one year

Unsecured loans	100	100
Bank overdraft	89	34
Trade creditors	136	201
Other creditors	33	4
Amounts due to the Friends of Salisbury Cathedral	15	15
PAYE and NIC	47	46
Accruals	91	98
Deferred income	220	105
Deferred grant	-	3
	<u>731</u>	<u>606</u>

15. CREDITORS: amounts falling due after one year

Balance at 1 st April 2010	200	-
Advanced in year	-	200
Repayment	(50)	-
	<u>150</u>	<u>200</u>

The loan was advanced during the year ended 31 March 2010 by an anonymous donor for the purpose of funding the Cathedral's Social Justice programme. The loan is interest free and repayable in not less than 5 years.

16. ENDOWMENT FUNDS

	Balance 1 st April 2010 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	Balance 31 st March 2011 £000
Endowed capital	32,016	44	(120)	36	31,976
Prebendal Fund	28	-	-	-	28
Choristers' Endowment Fund	2,117	70	-	40	2,227
Choral Foundation	339	-	-	11	350
	<u>34,500</u>	<u>114</u>	<u>(120)</u>	<u>87</u>	<u>34,581</u>

17. RESTRICTED FUNDS

	Balance 1 st April 2010 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	Balance 31 st March 2011 £000
<i>Specific funds:</i>					
General fabric legacy fund	144	1,033	(874)	-	303
Specific legacy fund	44	567	(382)	-	229
Willis organ fund	71	13	(12)	-	72
Education fund	32	3	(3)	-	32
Prebendal fund	5	51	(1)	5	60
Choristers' Endowment	33	104	(60)	1	78
Choral Foundation	99	33	(51)	2	83
Magna Carta Trust	(2)	-	-	-	(2)
	<u>426</u>	<u>1,804</u>	<u>(1,383)</u>	<u>8</u>	<u>855</u>
<i>Restricted fund:</i>					
Specific grants	80	-	(24)	-	56
	<u>506</u>	<u>1,804</u>	<u>(1,407)</u>	<u>8</u>	<u>911</u>

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

17. RESTRICTED FUNDS (continued)

Specific funds consist of unexpended donations and legacies for specific purposes, as follows:

General fabric legacy fund:	the repair and maintenance of the fabric of the Cathedral
Specific legacy fund:	various specific purposes including maintenance of the Cathedral and Close
Willis organ fund:	maintenance of the Willis organ in the Cathedral
Education fund:	the funding of educational activities
Prebendal fund:	to meet expenditure incurred by non-residentiary Canons and Lay Canons
Choristers' Endowment:	to fund the fees of boy choristers
Choral Foundation:	to promote and enhance church music in the Cathedral

18. UNRESTRICTED FUNDS

	Balance 1 st April 2010 £000	Surplus/ (deficit) £000	Gains/ (losses) £000	Transfers £000	Balance 31 st March 2011 £000
<i>Designated funds:</i>					
Cathedral interior development fund	31	-	-	-	31
Property repair reserve	15	-	-	-	15
General legacy fund	186	-	-	-	186
Library fund	24	4	-	-	28
	<u>256</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>260</u>
Common account	627	379	-	-	1,006
	<u>883</u>	<u>383</u>	<u>-</u>	<u>-</u>	<u>1,266</u>

Designated funds consist of income that has been designated for the following purposes:

Cathedral interior development fund:	for improvements to the interior of the Cathedral
Property repair reserve:	for repairs to the secular properties
General legacy fund:	for identifying the capital element of legacies for general purposes
Library fund:	for the purchase of books for the Cathedral library
Vestment fund:	for the purchase of new vestments
Offertory fund:	for identifying undistributed collections at Cathedral services
Common account:	the general accumulated fund of the Cathedral.

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

19. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of net changes in resources to operating cash flow

	2011 £000	2010 £000
Net change in resources before revaluations	775	(444)
Depreciation	49	153
Rents received	(268)	(274)
Investment property expenses	198	169
Interest and dividends received	(394)	(382)
Change in stocks	7	9
Change in debtors	71	(74)
Change in creditors	68	(190)
Operating cash inflow / (outflow)	<u>506</u>	<u>(1,033)</u>

Reconciliation of net cash flow to movements in net funds

Increase / (decrease) in cash	105	(422)
Loan repaid	50	-
Change in net funds	<u>155</u>	<u>(422)</u>
Net funds at 1 st April 2010	2,901	3,323
Net funds at 31 st March 2011	<u>3,056</u>	<u>2,901</u>

Analysis of net funds

	Balance 1 st April 2010 £000	Net cash flow £000	Balance 31 st March 2011 £000
Cash at bank and in hand:			
Unrestricted funds	52	537	589
Restricted funds	411	(189)	222
Endowment funds	51	(51)	-
	<u>514</u>	<u>297</u>	<u>811</u>
Bank overdrafts	(34)	(54)	(88)
Investment deposits:			
Restricted funds	410	(2)	408
Endowment funds	2,311	(136)	2,175
Debt due within one year	(100)	-	(100)
Debt due after one year	(200)	50	(150)
	<u>2,901</u>	<u>155</u>	<u>3,056</u>

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

20. COMMITMENTS

Capital expenditure

There were no capital expenditure commitments at 31st March 2011 (2010: nil).

Cathedral repair programme

The Cathedral Church is currently undergoing a programme of major repairs which is being funded in part by the Cathedral Trust, other grant-making charities, and donations. The Cathedral's share of these works is funded by the general fabric legacy fund, the reserves of which are shown in note 18, and its common account.

FRS17 pension disclosure

Salisbury Cathedral participates in the Church of England Funded Pensions Scheme (CEFPS) and employs one member of the Scheme out of a total membership of approximately 9,000 active members. The CEFPS is a defined benefit scheme but Salisbury Cathedral is unable to identify its share of the underlying assets and liabilities - each employer in that Scheme pays a common contribution rate.

For schemes such as the CEFPS, paragraph 9(b) of FRS17 requires Salisbury Cathedral to account for pension costs on the basis of contributions actually paid to the Scheme in the year.

A valuation of the Scheme was carried out as at 31st December 2009. This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions:

- an investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation of gilts, increasing linearly from nil at 31 December 2009 to 2/3 by 31 December 2029, with the balance in return-seeking assets; and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets
- investment returns of 4.4%pa on gilts and 5.9% on equities;
- RPI inflation of 3.8%pa (and pension increases consistent with this);
- increase in pensionable stipends of 3.8%pa;
- post-retirement mortality in accordance with 80% of the S1NA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1.0% for females.

Following the results of the 2006 valuation, Salisbury Cathedral's contribution rate was set at 39.7% of pensionable stipends with effect from 1 April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1 January 2010, reflecting unfavourable investment experience and changes in financial market conditions. Following the valuation of the Scheme as at 31 December 2009, and some changes to benefits, the contribution rate has been set at 38.2% with effect from 1 January 2011.

The next valuation of the Scheme will be due at 31 December 2012.

SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

21. SUBSIDIARY COMPANIES

The consolidated accounts include the income, expenditure and net assets of the following 2 companies which are wholly owned by the Cathedral. In both cases figures relate to the year ended 31st March 2011.

	Salisbury Cathedral Works Department Ltd £000	Salisbury Cathedral Enterprises Ltd £000
Turnover	30	994
Expenditure	17	654
Net profit	<u>13</u>	<u>340</u>
Payments under Gift Aid		
Salisbury Cathedral	(13)	(324)
The Friends of Salisbury Cathedral	-	(15)
Retained profit/(loss)	<u>-</u>	<u>1</u>
	£	£
Gross assets at 31.3.11	15	279
Net assets/(liabilities) at 31.3.11	-	1

Salisbury Cathedral Works Department Ltd is the trading arm of the Cathedral works department. It carries out outside contracts, principally repairs to historic buildings, on behalf of the works department.

Salisbury Cathedral Enterprises Ltd operates the Cathedral shop and the car park, and receives commission from sales in the Cathedral Refectory restaurant which is operated by an independent catering company. It also carries out outside contracts, principally repairs to historic buildings, on behalf of the glazing department of the Cathedral's works department.

22. CONNECTED CHARITIES

For the benefit of the Cathedral

There are 4 charities whose objects are primarily or partially to support the work of the Cathedral but which are not controlled by the Chapter and whose accounts are therefore not included in these consolidated accounts. Summaries of their most recent accounts, insofar as they are for the benefit of the Cathedral, are as follows:

	Salisbury Cathedral Trust £000 31.3.11 (draft)	The Friends of Salisbury Cathedral £000 31.3.11 (draft)	The Ivor Read Charity £000 5.4.11 (draft)	Girl Choristers' Fund £000 31.8.10
Gross income	34	326	191	135
Net income before grants	25	276	163	135
Grants to or for the Cathedral	140	53	165	80
Gross assets	209	704	7,186	1,196
Net assets	208	532	7,179	1,196

**SALISBURY CATHEDRAL
YEAR ENDED 31ST MARCH 2011**

NOTES TO THE CONSOLIDATED ACCOUNTS (continued)

22. CONNECTED CHARITIES (continued)

The grants to the Cathedral shown above do not correspond exactly to the income shown in the Statement of Financial Activities due to timing differences in the recognition of grants.

Salisbury Cathedral Trust is an independent charity whose objects are the furtherance of religion and education, in particular by giving priority to the repair and maintenance of Salisbury Cathedral. During the year, 2 of its 7 trustees were members of Chapter.

The Friends of Salisbury Cathedral is a members' association whose object is to enhance the fabric, contents, work and worship of the Cathedral. It is an independent charity and is governed by its Executive Council which includes a member of Chapter.

The Ivor Read Charity is an independent charity for the maintenance of the fabric of Canterbury and Salisbury Cathedrals in equal shares. During the year, 1 of its 4 trustees was a member of Chapter. The amounts quoted are the Cathedral's 50% share of the Charity's income and assets.

The Salisbury Cathedral Girl Choristers' Fund is an independent charity whose objects are to pay bursaries for girl choristers at Salisbury Cathedral. During the year 1 of its 3 trustees was a member of Chapter. The grants shown were paid directly to the Cathedral School and are not shown in the Cathedral's accounts.

Not for the benefit of the Cathedral

The Chapter appoints the Governors of Salisbury Cathedral School, which is a company limited by guarantee of which the Cathedral as a corporation aggregate is the sole member. During the year the Cathedral received rent from the School of £55,110 under its lease of the School's premises and the Choristers' Endowment Fund received rent of £36,540 from the School under its lease of 57A The Close which belongs to that Fund. The Cathedral, the Choristers' Endowment Fund and the Choral Foundation paid £168,748 to the School in respect of choristers' bursaries and the Cathedral paid a further £21,093 to the School to pay expenses in relation to the choirs. These amounts are included in the cost of services and music.

23. OTHER RELATED PARTY TRANSACTIONS

The 4 Principal persons were reimbursed with expenses totalling £8,202 (2010: £5,722).