

Registration number: 01298811

**WORCESTER CATHEDRAL ENTERPRISES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

SATURDAY



\*ACAQQLMR\*

A10

26/08/2023

#25

COMPANIES HOUSE

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **CONTENTS**

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 13

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **COMPANY INFORMATION**

**Directors**                    The Very Reverend P G Atkinson  
                                     Mr G A Harris

                                     Mr S Engstrom

**Company secretary**      Mr M J Hall

**Registered office**        8 College Yard  
                                     Worcester  
                                     WR1 2LA

**Auditors**                    Hazlewoods LLP  
                                     Staverton Court  
                                     Cheltenham  
                                     GL51 0UX

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

#### **Directors of the company**

The directors who held office during the year were as follows:

The Very Reverend P G Atkinson

Mr G A Harris

Mr S Engstrom

#### **Principal activity**

The principal activities of the company are the management of the Cathedral shop, the Cloister Café, catering for Cathedral functions and events and managing the facilities of the Guesten building at 15 College Green. This activity is seen by the Chapter as part of the mission of the Cathedral in reflecting its Benedictine foundation that 'all guests are to be welcomed as Christ'. The company is also tasked with raising funds to support the ministry and mission of the Cathedral, and all the operating profit is transferred to the Chapter as one of the key income streams.

The company is managed by a Board of Directors elected by the Chapter, who are the shareholders. The current chairman is Gerald Harris and the administration is provided by the Cathedral's Chief Operating Officer, who acts as the company secretary. The Board comprises, apart from the chairman, two members of Chapter, the Dean and Staffan Engstrom.

The company achieved annual sales of £299,721 (2022: £245,627), an increase of 22% over the previous year. The Cathedral's shop and café continued to be affected by reduced footfall in the aftermath of the pandemic, and made an operating profit of £8,130 (2022: £41,513), a decrease of 80%. The performance of the retail and catering operations will continue to be monitored closely.

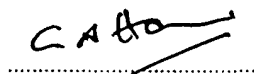
#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 16/4/2023 and signed on its behalf by:



Mr G A Harris  
Director

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER CATHEDRAL ENTERPRISES LIMITED**

#### **Opinion**

We have audited the financial statements of Worcester Cathedral Enterprises Limited (the 'company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit 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 Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER CATHEDRAL ENTERPRISES LIMITED**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor responsibilities for the audit of the financial statements**

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

#### ***Extent to which the audit was capable of detecting irregularities, including fraud***

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

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

**WORCESTER CATHEDRAL ENTERPRISES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORCESTER CATHEDRAL ENTERPRISES LIMITED**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Lawrence (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court  
Cheltenham  
GL51 0UX

Date: 25/8/23

**WORCESTER CATHEDRAL ENTERPRISES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover		299,721	245,627
Cost of sales		<u>(100,804)</u>	<u>(77,485)</u>
Gross profit		198,917	168,142
Administrative expenses		(190,787)	(150,065)
Other operating income	4	<u>-</u>	<u>23,436</u>
Operating profit		<u>8,130</u>	<u>41,513</u>
Profit before tax		<u>8,130</u>	<u>41,513</u>
Profit for the financial year		<u>8,130</u>	<u>41,513</u>

*The above results were derived from continuing operations.*

The company has no other comprehensive income for the year.

The notes on pages 10 to 13 form an integral part of these financial statements.

**WORCESTER CATHEDRAL ENTERPRISES LIMITED**

**(REGISTRATION NUMBER: 01298811)  
BALANCE SHEET AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Current assets</b>			
Stocks	5	44,671	31,605
Debtors	6	11,073	11,734
Cash at bank and in hand		<u>22,946</u>	<u>23,593</u>
		78,690	66,932
<b>Creditors: Amounts falling due within one year</b>	7	<u>(50,890)</u>	<u>(39,132)</u>
<b>Net assets</b>		<u>27,800</u>	<u>27,800</u>
<b>Capital and reserves</b>			
Called up share capital		4	4
Profit and loss account		<u>27,796</u>	<u>27,796</u>
Shareholders' funds		<u>27,800</u>	<u>27,800</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 10/3/2023 and signed on its behalf by:



Mr G A Harris  
Director

The notes on pages 10 to 13 form an integral part of these financial statements.

**WORCESTER CATHEDRAL ENTERPRISES LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

	Share capital £	Profit and loss account £	Total £
At 1 April 2021	4	24,666	24,670
Profit for the year	-	41,513	41,513
Distribution of profits made under Gift Aid	-	(38,383)	(38,383)
At 31 March 2022	<u>4</u>	<u>27,796</u>	<u>27,800</u>

	Share capital £	Profit and loss account £	Total £
At 1 April 2022	4	27,796	27,800
Profit for the year	-	8,130	8,130
Distribution of profits made under Gift Aid	-	(8,130)	(8,130)
At 31 March 2023	<u>4</u>	<u>27,796</u>	<u>27,800</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

8 College Yard

Worcester

WR1 2LA

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Going concern**

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate in conjunction with Worcester Cathedral on a consolidated basis. The Cathedral has no plans to close the shop or café and consider them to be an integral part of the Cathedral and therefore the company continues to adopt the going concern basis in preparing its financial statements.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Judgements**

No significant judgements have been made by management in preparing these financial statements.

## **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### **Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## WORCESTER CATHEDRAL ENTERPRISES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 11 (2022 - 10).

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2023	2022
	£	£
Covid support grants	-	23,436

Included within covid support grants is £nil (2022 - £10,102) in relation to the Coronavirus Job Retention Scheme (CJRS).

#### 5 Stocks

	2023	2022
	£	£
Stock	44,671	31,605

#### 6 Debtors

	2023	2022
	£	£
Trade debtors	10,231	10,769
Other debtors	128	965
Prepayments	714	-
	11,073	11,734

# **WORCESTER CATHEDRAL ENTERPRISES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

### **7 Creditors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade creditors	11,331	5,853
Social security and other taxes	10,056	6,348
Other creditors	12,572	13,538
Accruals and deferred income	16,931	13,393
	<u>50,890</u>	<u>39,132</u>

### **8 Share capital**

#### **Allotted, called up and fully paid shares**

	2023 No.	£	2022 No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

### **9 Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently managed fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,582 (2022 - £4,278). Contributions totalling £Nil (2022 - £Nil) were payable to the fund at the balance sheet date.

### **10 Obligations under leases and hire purchase contracts**

#### **Operating leases**

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	396	-
Later than one year and not later than five years	693	-
	<u>1,089</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £46 (2022 - £Nil).

### **11 Parent and ultimate parent undertaking**

The company's immediate parent is Worcester Cathedral, incorporated in England and Wales.

These financial statements are available upon request from the same principal address as the registered office of the Company.