

TRURO CATHEDRAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Mr SF Hendra
Mrs JR Reynolds
Mrs J Barker (resigned 2 November 2023)
Canon A Bashforth
Canon S Griffiths

S O'Neill

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Cathedral Close
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Cornwall
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Haysmacintyre
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activities

The principle activity of the company continued to be that of the operation of a Cathedral shop and restaurant. Any profits achieved will be used to assist The Chapter of the Cathedral Church of Blessed Virgin Mary in Truro to maintain and improve the fabric and work of Truro Cathedral. During the year a donation under gift aid of £Nil (2021:£Nil) was made.

Review of activities

Truro Cathedral Limited (TCL) went through a significant change at the end of 2022. This was done to give it a chance to return to profitability following years of compounding losses. However, the performance expected from the combined income streams for the shop, café and Chapter House hire have not been realised.

The Chapter of Truro Cathedral and Directors of TCL have had to review the future of TCL once again. At the October 2023 Chapter meeting the future of TCL was discussed in detail with options for its future considered. At the meeting it was resolved that TCL was to be made dormant, which was also confirmed by the Board of Directors of TCL at their meeting in October 2023 meaning that TCL and all its elements will cease trading by the end of 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

Mr SF Hendra
Mrs JR Reynolds
Mrs J Barker (resigned 2 November 2023)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Canon A Bashforth
Canon S Griffiths

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
Mr SF Hendra
Director

Date: 4 December 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRURO CATHEDRAL LIMITED

Opinion

We have audited the financial statements of Truro Cathedral Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - non going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure in note 2.2 of the financial statements, which explains that the Company's financial statements have been prepared on a basis other than the going concern basis because the directors have taken the decision to cease trading.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRURO CATHEDRAL LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 the 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 in relation to which 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRURO CATHEDRAL LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and trade regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRURO CATHEDRAL LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior statutory auditor)

for and on behalf of

Haysmacintyre

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

4 December 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Turnover	329,742	231,553
Cost of sales	(146,081)	(91,328)
Gross profit	183,661	140,225
Administrative expenses	(203,090)	(163,585)
Other operating income	-	101,156
Operating (loss)/profit	(19,429)	77,796
Interest payable and similar expenses	(7,396)	(1,881)
(Loss)/profit before tax	(26,825)	75,915
(Loss)/profit for the financial year	(26,825)	75,915

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	80,361	79,628
		<u>80,361</u>	<u>79,628</u>
Current assets			
Stocks	5	43,001	53,896
Debtors	6	9,659	1,420
Cash at bank and in hand		30,779	34,601
		<u>83,439</u>	<u>89,917</u>
Creditors: amounts falling due within one year	7	(60,933)	(39,853)
Net current assets		<u>22,506</u>	<u>50,064</u>
Total assets less current liabilities		<u>102,867</u>	<u>129,692</u>
Creditors: amounts falling due after more than one year	8	(137,176)	(137,176)
Net liabilities		<u>(34,309)</u>	<u>(7,484)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(34,310)	(7,485)
		<u>(34,309)</u>	<u>(7,484)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr SF Hendra
Director

Date: 4 December 2023

The notes on pages 10 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	1	(83,400)	(83,399)
Comprehensive income for the year			
Profit for the year	-	75,915	75,915
	<hr/>	<hr/>	<hr/>
At 1 January 2022	1	(7,485)	(7,484)
Comprehensive income for the year			
Loss for the year	-	(26,825)	(26,825)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>1</u>	<u>(34,310)</u>	<u>(34,309)</u>

The notes on pages 10 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Truro Cathedral Limited is a private company limited by shares incorporated in England and Wales, registered number 04917372. The registered office address is Old Cathedral School, Cathedral Close, Truro, Cornwall, TR1 2FQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The impact of the COVID pandemic and the continued economic challenges affecting the company's viability has led the Directors to take the difficult decision to cease trading. The process will take place over the forthcoming months with some aspects of the company's trade being transferred to the parent entity. Accordingly, the financial statements have been prepared on a basis other than the going concern basis. There have been no adjustments required to the measurement of assets or liabilities as a result of this. The Directors intention is to still sell the stock up to the point of the transfer when the carrying value of the assets will be transferred to the parent entity.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue 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 revenue 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.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-
Plant and machinery	-

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Financial instruments (continued)

102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

3. Employees

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

2022	2021
No.	No.
<u>12</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2022	71,176	175,073	246,249
Additions	-	2,235	2,235
At 31 December 2022	71,176	177,308	248,484
Depreciation			
At 1 January 2022	-	166,620	166,620
Charge for the year on owned assets	-	1,503	1,503
At 31 December 2022	-	168,123	168,123
Net book value			
At 31 December 2022	71,176	9,185	80,361
At 31 December 2021	71,176	8,452	79,628

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	71,176	71,176
	<u>71,176</u>	<u>71,176</u>

5. Stocks

	2022 £	2021 £
Raw materials and consumables	43,001	53,896
	<u>43,001</u>	<u>53,896</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Debtors

	2022 £	2021 £
Other debtors	9,659	1,420
	<u>9,659</u>	<u>1,420</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	12,499	-
Trade creditors	11,234	12,806
Amounts owed to group undertakings	11,904	2,435
Other taxation and social security	13,444	14,202
Other creditors	1,045	3,361
Accruals and deferred income	10,807	7,049
	<u>60,933</u>	<u>39,853</u>

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	137,176	137,176
	<u>137,176</u>	<u>137,176</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	12,499	-
	<u>12,499</u>	<u>-</u>
Amounts falling due 1-2 years		
Amounts due to Truro Cathedral	137,176	137,176
	<u>137,176</u>	<u>137,176</u>
	<u>149,675</u>	<u>137,176</u>

Both the loans from The Chapter of Cathedral Church of the Blessed Virgin Mary in Truro are repayable not later than 26 June 2043 . Interest is charged at a rate of 1.30% (2021; 1.30%) per annum.

10. Related party transactions

During the year the company charge the Cathedral £6,901 (2021:£12,384) in respect of the shop and restaurant goods.

During the year the company was charged by the Cathedral £15,188 (2021:£12,913) in respect of establishment costs and £12,576 (2021: £12,576) in respect of management charges.

All transactions were conducted on an arms length basis.

On 8 March 2005, the Cathedral entered into a loan agreement with Truro Cathedral Limited for £79,494. Interest is charged at a rate of 1.30% (2021; 1.30%) per annum.

On 25 March 2010, the Cathedral entered into a further loan agreement with Truro Cathedral Limited for £100,182. Interest was charged at 1.30% (2021; 1.30%).

As at the year end, the total amount owed to The Chapter of the Cathedral Church of the Blessed Virgin Mary in Truro is £161,579 (2021; 144,817)

11. Controlling party

The ultimate Controlling party is The Chapter of the Cathedral Church of the Blessed Virgin Mary in Truro

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.