

**THE CATHEDRAL CHURCH
OF ST. PETER AND THE HOLY AND
INDIVISIBLE TRINITY, GLOUCESTER**

**ANNUAL REPORT
OF THE DEAN AND CHAPTER AND
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED, 31st DECEMBER, 2020**

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

ANNUAL REPORT OF THE DEAN AND CHAPTER AND THE FINANCIAL STATEMENTS
For the year ended 31st December, 2020

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*The following information does not form part of the statutory financial statements
which are the subject of the report of the independent auditor*

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THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

REFERENCE AND ADMINISTRATIVE INFORMATION

Address of the Cathedral

The Chapter Office
12 College Green
Gloucester
GL1 2LX

The Dean

The Very Reverend Stephen Lake

The Residentiary Canons

The Reverend Canon Nikki Arthy
The Reverend Canon Andrew Braddock
The Venerable Hilary Dawson
The Reverend Canon Richard Mitchell
The Reverend Canon Celia Thomson

The Lay Canons

Canon Peter Clark
Canon John Coates
Canon Paul Mason
Canon Margaret Sheather

The Chapter Steward

Canon Emily MacKenzie

The Dean, Residentiary Canons, Lay Canons and Chapter Steward are members of Chapter

Director of Music

Mr Adrian Partington (installed as a Lay Canon on 8th June, 2021)

Finance Committee

Canon John Coates, Mr Clive Collier, The Very Reverend Stephen Lake, Canon Paul Mason (Chair), Canon Ben Preece Smith, The Reverend Canon Celia Thomson.

Fabric Advisory Committee

Dr Steven Blake (Chair), Mr Nick Cox, Dr Alan Ford, Mr Laurence Keen OBE, Canon Jonathan Mackechnie-Jarvis, Ms Jessica Monaghan, Ms Geraldine O'Farrell-Wallum, Professor Andrew Stonyer.

Advisers

| | |
|---------------------|---|
| Bankers | Lloyds Bank plc, 19 Eastgate Street, Gloucester, GL1 1NU |
| Investment managers | CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET |
| Solicitors | Willans Solicitors, 28 Imperial Square, Cheltenham, GL50 1RH |
| Auditors | Pitt Godden & Taylor LLP, Chartered Accountants and Registered Auditor, Unit 3, Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG |
| Surveyors | Bruton Knowles, Olympus House, Olympus Park, Quedgeley, Gloucester, GL2 4NF |
| Letting agents | Andrews, 5 Worcester St, Gloucester, GL1 3AJ |
| Insurers | Ecclesiastical Insurance, Beaufort House, Brunswick Road, Gloucester GL1 1JZ |
| Architect | Antony Feltham-King, St Anne's Gate, The Close, Salisbury, SP1 2EB |
| Archaeologist | Richard K Morriss & Associates, Bromlow House, Bromlow, Shropshire, SY5 0EA |

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ANNUAL REPORT OF THE DEAN AND CHAPTER

The Dean and Chapter present their Annual Report and the audited Consolidated Financial Statements for the year ended 31st December, 2020.

Statement of Chapter's Responsibilities

In the requirements laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure (1999) Chapter is responsible for:

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- stating that it has complied in all material respects with these regulations or describing which regulations have not been complied with and giving reasons for the non-compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and accounting estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and
- safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Cathedral's Vision

The vision of the Cathedral Church of St. Peter and the Holy and Indivisible Trinity, Gloucester (the Cathedral) is 'to be in tune with heaven and in touch with daily life'; in tune with heaven through worship, prayer and service, and in touch with daily life so that the mission and ministry we undertake in Jesus's name can make a real difference to the way in which people live their lives. We find our inspiration and our hope in the mission and ministry of Jesus Christ. This can be shared through the witness and activity of Gloucester Cathedral. Jesus shared our life so that those who encountered him were engaging not just with a special person but with God's Son, the Word made flesh and for the disciples their crucified and risen Lord. The response of the disciples both at their call and after the first Easter changed them - and the world. We derive this strategy from the historic dedication of *'The Cathedral Church of St. Peter the Holy and Indivisible Trinity'*. In carrying out its vision the Cathedral is fully cognisant of its responsibilities to the wider world beyond its building and precincts and of the Charity Commission's guidance on public benefit.

Governance and management

The Cathedral is an ecclesiastical corporation, with perpetual succession and a common seal. It is formally the seat of the Bishop of Gloucester and a centre for worship, teaching and mission in the Diocese of Gloucester. The Diocese extends geographically through most of Gloucestershire, and some parts of the adjoining counties. There are 305 parishes, 390 churches and 116 church schools in the Diocese.

The constitution and statutes governing the Cathedral under the Cathedrals Measure (1999) were approved on 6 July, 2000 and revised on 11th December, 2009 and in July, 2014. The Measure defines the governance structures required for the effective management of Cathedrals, which include the Cathedral Council, the College of Canons, and the Chapter, with a standing committee for finance and an advisory committee on matters relating to the fabric of the Cathedral.

The introduction to the constitution and statutes is as follows:

"Seeing that the Cathedral, which is called the Cathedral Church of St. Peter and the Holy and Indivisible Trinity of Gloucester was founded of old time to the glory of God, this Constitution and Statutes have been made in order that worship may be continually offered in the Cathedral for the better promotion of mission and outreach, and to that end its fabric may be preserved and enhanced and that all members of the Cathedral Community may perform their duties well and that the Bishop of Gloucester as Visitor may take care that the Constitution and Statutes be observed."

The following sections summarise the roles of the various groups in the Cathedral's structure of governance and management, their membership and activities during the period covered by this report.

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

The Cathedral Council

The Cathedral Council is responsible for furthering and supporting the work of the Cathedral, 'spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by Chapter ...' (Cathedral Statutes 2001). The Council consists of up to eighteen members with a lay chair, who is not a member of the Chapter, appointed by the Bishop. Members are drawn from the Cathedral congregation, the Chapter, the College of Canons, the Diocese, the City of Gloucester and wider community. The Council met twice during the year and discussed a range of topics, and received the annual report and the audited Consolidated Financial Statements for the year ended 31st December, 2019.

The College of Canons

The College of Canons comprises the Dean of the Cathedral, every Bishop Suffragan, every full-time stipendiary Assistant Bishop, every Canon, and every Archdeacon in the Diocese. The College met on two occasions in the year to discuss progress on key projects, theological issues, and received the annual report and the audited Consolidated Financial Statements for the year ended 31st December, 2019.

The Chapter

Chapter is the main body that directs and oversees administration of the affairs of the Cathedral, and consists of the Dean, who is the Chair, all the Residentiary Canons, four lay members, and the Chapter Steward, who also serves as Secretary to the Chapter.

A lay member shall be an actual communicant and shall hold office for three years, but shall be eligible for further such terms of office. A lay member may be appointed as a Lay Canon on their appointment to Chapter or at any other time during their membership of Chapter, and shall continue in office irrespective of their age until the earlier of the date of their resignation as a Lay Canon and the date on which they cease to be a member of Chapter.

New members of Chapter are fully briefed on the operations of the Cathedral and are given a tour of the building, its precincts and properties. They are also encouraged to attend a Chapter Training Day course run by the Association of English Cathedrals.

Chapter met on eleven occasions during the year, with papers for each meeting circulated one week in advance by email and, sometimes, by post. Decisions are taken at Chapter meetings, unless specifically delegated to a specified person or group of people to take between meetings.

Risk management

Chapter monitors the major strategic and operational risks and uncertainties to which the Cathedral is exposed. Systems have been introduced for continuous assessment of these risks and a risk register and procedures for regular monitoring have been established in order to minimise and mitigate exposure to risk. Quarterly reports are made to the Finance Committee and to Chapter. The principal risks and uncertainties facing the Cathedral are:

- a shortfall of income to meet the liquidity demands of daily operations and cash flow for major development projects and any consequent increase in the Cathedral's deficit on its general fund;
- being unable to build on the 2019 success of 'entry by donation' for visitors and failing to achieve a further planned increase in income across all visitor activities following the Covid-19 pandemic and the forced closure or reduction in visitor activities in 2020 and 2021;
- a decrease in grants and government funds available for recovery from the Covid-19 pandemic in 2021 and 2022 despite continuing need;
- a UK recession following the pandemic affecting all areas of the Cathedral's income;
- failure to attract funding for the Cathedral's continuing requirement to restore and maintain the building;
- the demands on the Cathedral's management of running complicated daily schedules, an estate of ancient buildings in constant need of repair and maintenance, implementing best operational practice, and compliance with regulatory requirements;
- the simultaneous unplanned absence of two or more key, senior employees for a significant period of time;
- the possibility of an unexpected major building repair being required;
- the requirement that the organ will need a major overhaul in the next few years;
- a failure in the application of the Cathedral's procedures for safeguarding children and vulnerable adults;

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

- a failure in the application of the Cathedral's Health and Safety systems and procedures;
- a significant IT cyber-attack causing major disruption or resulting in a data breach;
- a failure to have in place sufficient reserves to meet unexpected repairs or other unforeseen circumstances;
- the Cathedral being unable to adapt to the socio-cultural changes following the Covid-19 pandemic, including changing church attendance patterns, leading to the organisation no longer meeting the needs of worshippers, and ceasing to be relevant;
- the resulting detrimental impact of the prolonged Covid-19 pandemic on the Cathedral's finances will put the 2020-2024 Business Plan in jeopardy across all or most of the Cathedral's functions, with activities pared back significantly and the Cathedral only partially meeting its strategic priorities.

Chapter has formulated plans to provide adequate working capital to maintain its on-going operations and has arranged a short-term overdraft with its bankers to support on-going day-to-day operations; Chapter may request an increase in the limit of this overdraft to address short-term cash requirements. The Cathedral also has a 15 year commercial loan which was used to finance refurbishment of one of its properties which is now let as a house in multiple occupation. Chapter has also arranged a 5 year loan from the Diocese of Gloucester at favourable rates of interest in order to secure its working capital after completion of Project Pilgrim phase 1. The commercial loan is being repaid in accordance with the agreed repayment schedule and the Diocese of Gloucester has recently agreed to extend the period of its loan from five to ten years and to forego annual repayments.

There is a separate board of control to manage Project Pilgrim, which reports to Chapter. This board is chaired by the Dean, and meets as required to review operational delivery of the project and its activity plan. With completion of the capital works of phase 1 the focus of the board has moved to consolidating the gains made through phase 1 and planning for phase 2 with its emphasis on sustainability, along with positive outcomes for the community around learning and wellbeing.

In April 2019, following research and a successful application to the Church Commissioners for a start-up grant of £150,000, the Cathedral moved to a model of welcoming visitors with 'entry by donation'. It was predicted that by 2021 there would be a threefold increase in the surplus from income from visitors using this approach, a target surpassed by the end of 2019. Unfortunately the effect of the Covid-19 pandemic and lockdown reduced visitor income in the 2nd quarter of 2020 to nil; visitor numbers slowly increased after the Cathedral was allowed to re-open in July 2020, but numbers were severely affected in the second lockdown and over the Christmas period. Government restrictions in 2021 mean that the Cathedral has been locked down to visitors for the entirety of the first quarter of 2021 and can only re-open in mid-May. Visitor numbers and income will therefore continue to be adversely affected for the rest of 2021 and into 2022, with international tourism only likely to resume for the 2022 visitor season. The progress of all visitor income streams will continue to be reviewed by the Cathedral's Visitor, Invitation, Experience and Welcome Committee (VIEW) which is chaired by a member of Chapter.

Chapter recognises the strains on management of running a complicated site with increased demands on it and the raised expectations from a number of stakeholders. It also recognises that the requirements of managing the Cathedral's affairs are demanding in themselves and regularly reviews activities to ensure that there are sufficient resources to operate and complete them successfully.

Part of the first phase of Project Pilgrim was to secure areas of the building most at risk, e.g. the Lady Chapel, which has now been restored. Chapter identified the North Ambulatory as the next project to be undertaken on the Cathedral's fabric and the two year programme of restoration works started in the autumn of 2018 and will be concluded in the spring of 2021. Chapter reviews and monitors fabric priorities, as set out in the Cathedral's Quinquennial Inspections, through the Fabric Standing Committee; a Quinquennial Inspection took place in 2019 and Chapter has organised its fabric projects for the future based on the priorities identified in the Inspection and detailed in the Development Plan. Forthcoming projects include the North Nave and conservation of the cloisters.

Standing committee on finance

The Finance Committee advises the Dean and Chapter on all matters relating to the financial position and performance of the Cathedral. As a matter of course it reviews the annual budget, periodic management accounts and the annual financial statements. It invites the auditor to give a briefing on the state of the Cathedral's financial position, its systems for accounting and internal control, and reviews the annual management letter for the Chapter's responsibilities and those of Gloucester Cathedral Enterprises Limited. It also investigates the Chapter's arrangements for the Cathedral's investments, properties, insurance, projects, capital spending and, when necessary,

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

taxation. It reviews the Cathedral's risk register and monitors health and safety matters. During the year the Committee met on one occasion.

Fabric Advisory Committee

The Fabric Advisory Committee advises the Dean & Chapter on all matters relating to the fabric of the Cathedral. It provides expert advice and guidance on the physical protection, preservation and development of the Cathedral's buildings and external precincts. The Committee's advice is informed by the Cathedral's Architect and Archaeologist, who are both ex-officio members and retained as consultants. During the period the Committee met on three occasions. There is also a Fabric Standing Committee of seven members, all but two of whom are from the Cathedral's staff, which met twelve times in the year.

Achievements and Performance

Worship

There has been significant disruption to services in the Cathedral in 2020 due to the pandemic; the building was closed in March for the first time in 1,000 years. Despite the disruption Chapter has maintained as many services as possible, albeit sometimes using new media where appropriate. The daily office has continued when possible but there were 120 services, sermon reflections and rule of life groups delivered over Zoom. There were 97,645 views of live streamed services in the year. Christmas was celebrated in an innovative way under the theme of 'From Cathedral to You'; the Cathedral was specially decorated, there was a Family Trail and two services were specially recorded for live streaming.

Other activities

The Cathedral received 154,996 visitors in 2020, despite being closed for 38% of the year, and £200,000 donations were collected by the Visitor Welcome Team. Luke Jerram's exhibition Gaia was a very popular attraction in October. A replica of the Gloucester Candlestick was installed in the Cathedral, 800 years since the original left the building. The maintenance team used the lockdown periods to attend to necessary maintenance and major projects of refurbishment and renewal of the Cathedral continued, including the west window of the tower.

Music

The activity of the Cathedral's five choirs has been much curtailed. The Music staff have maintained singing at services when permitted and have trained the choristers over Zoom at times when singing together was not allowed.

The Cathedral has come to an agreement with The King's School that, from September 2021, sixteen girl choristers will be offered choral scholarships by the School and the Cathedral to match the scholarships available to the boy choristers. Chorister duties will be shared equally between boys and girls, but singing separately for all but a few services, ensuring that both play a full role in the musical life of the Cathedral.

Congregational development

The Congregational Development Group is a small working group comprising a variety of members of the congregation, meeting under the leadership of Canon Richard Mitchell. During 2020 it has continued to meet on a largely bi-monthly basis, in person or by Zoom. The objectives of the group are to:

- maintain the work of a small core group of those enthusiastic for congregational development in its welcome, worship, nurture, stewardship of time, talent and resource and social activity;
- work on the development and review of a welcome pack and resources online as initiation into the life of the Cathedral, and to target this work within the Cathedral's organisation and wider community;
- work on a programme of opportunity for spiritual nurture and growth in discipleship, through the continued development and outworking of the Rule of Life, and the provision of group worship and study to deepen faith;
- organise occasional social events to draw the congregation together in opportunities for friendship and fellowship;
- oversee the 'Brunch n Bounce' monthly activity and to increase lay training and involvement in spiritual conversation and engagement with families;
- provide two congregational meetings a year on Sunday mornings, to update on congregational life and development;

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

- work with the Planned Giving Group in increasing awareness of, and generous response to, the variety of ways to exercise Christian stewardship in financial giving.

A key part of the work in 2020, once lockdown occurred, was to set up, get to know and operate three Zoom services each week. These have been well attended and Morning Prayer and Compline have engaged people in ways that such services in the Cathedral building would not have done. They have been important points of pause in weekly routines. Some people have taken on leadership roles in worship to partner the clergy. The instant and generous welcome to newcomers on Zoom has generated a warmth that has been tangible.

Quiz Nights on Zoom have been organised by community members and people have continued to opt in to these.

The congregation has been offered live-streamed services since May; these have been hugely appreciated, especially since we broke through the 'sound barrier', and thanks are due to the Cathedral's digital team without whom it wouldn't have been possible. We are constantly learning about production techniques as we develop in this field and look forward to the arrival of further equipment, as part of the digital strategy, to allow regular live-streaming from the Cathedral.

A monthly evening group continued to meet in person and then digitally to offer the opportunity for congregational members to reflect on how the Cathedral's Rule of Life helps them to make more sense of and enrich the understanding of their lives as Christians. This was a very rewarding area for discussion in 2020 as we reflected on the effects of lockdown, digital worship, lack of physical contact with others, and reworking the pattern of daily life.

Sadly, we had to postpone another Study day with the Prinknash community.

Sip and Study, a weekly meeting on Tuesday afternoons usually at Robert Raikes House, reflects on the Sunday Gospel reading for the coming week, and has met by Zoom for most of the year, led by Barbara Merrick.

Many, many telephone calls from the clergy and within the congregational body have kept people in touch through difficult months. Though seemingly a more traditional form of communication these days, the effect and appreciation shouldn't be underestimated, especially in comparison with an email or text. The Communications Team have worked with the clergy in producing regular Community Mailings, keeping people in touch with the changing landscape of worship, prayer and activity in the Cathedral and online during the months of pandemic.

The new digital connection has raised questions about sacramental worship online and about financial giving. The Planned Giving group met only early in the year but Planned Giving itself has held up through the pandemic proving the advantage of moving members of the congregation to regular giving. In 2021 we look forward to the Parish Giving scheme being launched online.

The 'Brunch n Bounce' group is run on a monthly basis in the Chapter House on a Saturday morning and has its own leadership team. The session, which includes a bouncy castle, craft activities, pastries, fruit, and newspapers, is nearly always very well attended and enjoyed by families from across Gloucester and from a range of backgrounds. This ceased after the March meeting due to the pandemic. As we look to a time when this can be resumed we are beginning work with the Education team to provide a trail for families in the Cathedral, and to review the work of Children's Church on Sundays.

Social responsibility

During 2020 the Cathedral made the decision that it would not furlough Helen Jeffrey, the Community Engagement and Social Responsibility Manager, but adapt this area of work in response to the pandemic. While not all areas of ministry and engagement could continue, much was done to take work online, including developing new approaches.

Homelessness

The most obvious offering to suffer was the Cathedral's Breakfast Club which was closed from the first lockdown in March to comply with government regulations. Walking Rugby also had to stop. Instead of drop-in activities, art packs were put together for the homeless and the Cathedral worked with existing partners to distribute them. Breakfast Club re-opened in September, as a take-away service, and was able to continue through the November lockdown. Numbers attending were much reduced, but it continued to be valued by the regulars who returned every

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Thursday and Sunday. A growing partnership with City Mission included collaborating on providing Christmas hampers, with the Cathedral as a collection and distribution point.

Mental Health and Wellbeing

Physical workshops had to be adapted to become handouts for Mindful Photography and Christian Mediation. Online Mindful Photography workshops for staff during lockdown went very well with some incredibly positive outcomes. Movement for wellbeing sessions for staff had poor turnout yet those few who participated gave great feedback. Similar sessions were offered for young people. A Gardening for Wellbeing course was also developed with Adult Education Gloucestershire leading to a new group – ‘Gardening for Wellbeing Progressive Learning’ sessions (a Cathedral-led group that meets weekly).

Young People

Lockdown really impacted communications with key contacts at Bridge Training due to furlough, and staff and student absences. We still managed to work with a group of Bridge Training students to complete a digital Teen Twitter Takeover in June and also worked with some of their art students to create work to display online via social media. Work on student placement opportunities was also impacted, but work was done with Star College to provide a digital work placement to one student who worked remotely with the Cathedral. We worked with the University of Gloucestershire on their 2020 Live Smart event which was delivered online via live talks on Facebook in March instead of a physical event.

Environment

The Gaia exhibition provided great opportunities including a Green Cathedral display with the Diocese, the ‘Hope for Creation’ online symposium, and ‘Green Facts’ for GAIA visitors. A ‘Green Team’ has been established for the Cathedral chaired by the Chapter Steward and will work to embed best practice across the Cathedral. Alongside the diocese, the Cathedral is playing a full part in the national Eco-Church award scheme.

Prayers for Peace and Justice

The monthly prayers continued throughout 2020, moving online from April (the first Cathedral service so to do). Homelessness Sunday was observed in October.

Project Pilgrim

The building works for the first phase of Project Pilgrim are completed. Planning for a second phase for which the vision will be ‘Beacon of Hope’ continues. It has been decided that the scope of work in the second phase will focus on the Cathedral Abbey’s history and will include conservation of the Cloisters and Parliament Suite, alongside an emphasis on social responsibility and the environment. There will be trials and pilots of different activities, including a programme of conversations and consultations to ensure that the scope of work is right. A first application to the National Lottery Heritage Fund will be submitted in Spring 2021.

Public benefit

The Cathedral is fully cognisant of the Charity Commission’s guidance on public benefit. In its work in the Cathedral and in the Diocese of Gloucester for the advancement of religion Chapter helps to promote the whole mission of the Church, pastoral, evangelistic, social and ecumenical, and provides public benefit through:

- the availability of a facility for public worship in the City of Gloucester and the County of Gloucestershire, and a space for pastoral care, contemplation, and moral, spiritual, intellectual development;
- providing daily services throughout the year which are open to all;
- promoting Christian values to individuals and society as a whole;
- caring for a nationally significant fabric including three Scheduled Ancient Monuments and over 30 other listed structures;
- providing free public access to a significant heritage site;
- nurturing the performance of liturgical music as part of the daily services;
- providing training opportunities for heritage craftspeople and musicians through the Cathedral’s apprentice schemes for stonemasons and music scholars;
- providing a musical education to young people through singing in one of the Cathedral’s choirs;

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

- providing access for children to a building of major architectural importance through the programme of educational events and tours – some 11,000 children took part during the year;
- operating a Breakfast Club, providing a cooked breakfast to an average of 33 homeless and needy people every Thursday and Sunday throughout the year;
- in partnership with Gloucester Rugby Foundation and Gloucester City Mission the Cathedral hosts weekly walking rugby sessions for the homeless and vulnerable;
- paying a realistic living wage to all its employees;
- the use of solar panels on the roof of the nave of the Cathedral to provide approximately 25% of the building's energy requirements;
- working with Gloucester City Council and Gloucestershire County Council to rejuvenate the city's public areas as an amenity for all;
- working with partners including Gloucester Heritage Forum and Gloucester Culture Trust to put culture at the heart of Gloucester for the good of all and to deliver a compelling arts programme in Gloucester, helping to inspire local audiences and boost the City's economy by bringing internationally significant art and renowned artists to the City through exhibitions and The Three Choirs Festival.

Financial Review

Financial performance

The Cathedral generated a surplus of £913,000 for the year, which compares with a surplus of £423,000 for the previous year. There were investment and other gains totalling £1.301m (2019: £935,000), resulting in an overall increase in funds for the year of £2.214m (2019: increase of £1.358m). Overall funds at the end of the year stand at £20.915m, up from £18.701m at the end of the 2019. The amount of these overall funds is welcome but the Cathedral's overriding need is still for increased net income on its unrestricted general fund to provide the liquidity to run its daily operations. The general fund has a surplus of £110,000 (2019: deficit of £44,000) at the end of the year, which illustrates the financial pressures facing the Cathedral.

Despite the Covid-19 pandemic the Cathedral's operating financial position has been broadly stable in the year, largely thanks to the success of the Beacon of Hope Appeal. The Cathedral has also been assisted by grants of £294,000 from the government's Job Retention Scheme. Income from all sources has been sufficient to meet costs for day-to-day operating activities on the general fund and the Cathedral has been successful in achieving its revised budgetary objectives.

The Cathedral's restricted funds continue to provide a vital contribution to operating costs such as the fabric and music. Chapter is also grateful to the Friends of Gloucester Cathedral, which supports musical activities and building projects which might not otherwise attract interest from donors.

The Cathedral's investments in property continue to increase in value and to provide a satisfactory level of income. Chapter has completed its investigation of the status of its property assets, which have been classified as endowment. After taking legal advice Chapter has been advised that one property can be reclassified as an unrestricted asset and it is intended that this transfer will be effected as at 31st December, 2021 after the necessary consultations have taken place with the Church Commissioners. The Cathedral's investments in marketable securities increased in value by £365,000 during the year.

The Beacon of Hope Appeal

In the summer of 2020 Chapter launched an appeal, 'The Beacon of Hope', to raise £1 million by Christmas. The appeal achieved its target: a total of £1.007 million was donated or pledged by Christmas Day, with £84,000 outstanding at 31st December, 2020. The amount raised in donations was £760,000 and Chapter has designated this amount, less the expenses of £27,000, as a separate fund to support the Cathedral's operational expenditure over a period of 18 months from 1st January, 2021 to 30th June, 2022. £733,000 will be allocated to the financial years 2021 and 2022. Details of the designated fund are set out in Note 12 to the Financial Statements. The grants and other funds for specific purposes have been treated as restricted funds or direct contributions to the general fund and are described in the relevant notes to the Financial Statements.

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GLOUCESTER**

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

The overall financial results for the year ended 31st December, 2020 are set out in the table below.

| Financial outcome for the year | 2020 | 2019 |
|--|--------|--------|
| | £000 | £000 |
| Income & endowments | 4,048 | 3,748 |
| Expenditure | 3,135 | 3,325 |
| Net incoming/(outgoing) resources | 913 | 423 |
| Net gains on investments | 1,063 | 875 |
| Other recognised gains | 238 | 60 |
| Net movement in funds | 2,214 | 1,358 |
| Total funds brought forward at the beginning of the year | 18,701 | 17,343 |
| Total funds carried forward at the end of the year | 20,915 | 18,701 |

The Cathedral's consolidated financial position at the end of the year was as follows:

| | | |
|--|--------|--------|
| Investment assets - Freehold property & investments | 16,011 | 14,751 |
| Tangible fixed assets - Property, equipment & plant | 3,904 | 3,887 |
| Total fixed assets | 19,915 | 18,638 |
| Net current assets | 1,669 | 639 |
| Total assets less current liabilities | 21,584 | 19,277 |
| Liabilities due after one year – loan and defined benefit pension scheme | 669 | 576 |
| Total net assets | 20,915 | 18,701 |
| Endowment funds | 5,218 | 4,865 |
| General funds | 110 | (44) |
| Designated fund | 733 | - |
| Restricted funds | 647 | 621 |
| Property revaluation reserve | 14,207 | 13,259 |
| Total funds of the Cathedral at 31 st December, 2020 | 20,915 | 18,701 |

Investment performance

The Cathedral takes income from its portfolios of investment property and marketable securities. The Cathedral manages its investment property and CCLA manages the marketable securities. The investment properties are classified as endowment assets and the marketable securities are classified as endowment and restricted funds assets. CCLA manages the Cathedral's investments on an execution only basis. As at 31st December, 2020 these investments amounted to £5.351m and were invested in the following funds:

| | 2020 | | 2019 | |
|---------------------|-------|-------|-------|-------|
| | £000 | % | £000 | % |
| CBF Investment Fund | 3,295 | 61.6 | 3,041 | 61.0 |
| UK Equity Fund | 106 | 2.0 | 109 | 2.2 |
| Global Equity Fund | 1,215 | 22.7 | 1,021 | 20.5 |
| Property Fund | 735 | 13.7 | 773 | 15.5 |
| Deposit Fund | - | - | 42 | 0.8 |
| Total | 5,351 | 100.0 | 4,986 | 100.0 |

Income from all the investment property is credited to the unrestricted general fund; income from the marketable securities is split, as appropriate, between the unrestricted general fund, restricted funds and the endowment fund. Income from investment property in the period amounted to £753,000 (2019: £744,000) and income from marketable securities amounted to £165,000 (2019: £167,000). The income yield on the investments managed by CCLA for the year ended 31st December, 2020 was 3.01% (2019: 3.45%). The total return for the year ended 31st December, 2020 was 10.9% (2019: 19.6%).

CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Investment policy

The Chapter's investment policy relates to marketable securities. These are managed by CCLA in accordance with the ethical policy set by the Ethical Investment Advisory Group (EIAG) of the Church of England.

The long term investment objective is to protect the real value of the Cathedral's endowed and other invested capital by reference to the Consumer Price Index (CPI) and to produce real growth in net investment income arising therefrom without undue risk and whilst following the guidance of the EIAG. The short term objective is to achieve the long term objective without undue fluctuations year by year in the income arising from investments.

Real growth in net income is desirable every year, in view of the likely real growth in the Cathedral's operating costs and the difficulty of making up for any reductions in net income by raising funds from other sources. It is recognised, however, that the nature of investments is such that this may not always be possible. Therefore, whilst it is important that the actual growth in net income achieved is measured against this investment objective each year, the priority is to achieve the objective of real growth over the long term.

Pay & remuneration of staff

The pay and remuneration of all staff at the Cathedral is based on agreed and published pay scales. Increases in pay are applied annually in line with the start of the Cathedral's financial year by reference to increases in the CPI over the previous twelve months. The Cathedral has structured its pay scales so that it meets its requirement to pay a realistic living wage to all its employees.

Gloucester Cathedral Enterprises Limited

Gloucester Cathedral Enterprises Limited is a wholly owned subsidiary of the Cathedral. The company operates the gift shop and coffee shop, The Monk's Kitchen, within the Cathedral.

Reserves policies

Notes 10 to 14 in the Financial Statements set out the reserves within the Cathedral's endowment, restricted, designated and general funds. The general fund represents the Cathedral's unrestricted reserves, which are needed for efficient and uninterrupted management of the Cathedral and to meet exceptional items, such as emergency repairs to properties. The Cathedral uses its restricted funds to finance certain elements of its day-to-day expenditure, such as work on the fabric of the Cathedral and musical activities, in so far as the expenditure is covered by the terms specified by the donors of the funds. Chapter considers that an appropriate level for the general fund is three months' annual operating expenditure on its general fund which, for the year ended 31st December, 2020, would be approximately £515,000; the balance on the general fund at that date was a surplus of £110,000. The Cathedral's business plan aims to increase income and the success of the entry by donation scheme is an integral element in this projection.

Property

The accounting for and valuation of the Cathedral's properties are described in the Statement of Accounting Policies. All properties, whether held for investment purposes or as non-investments, are treated as endowment fund assets as at 31st December, 2020 but Chapter has been advised that one property can be reclassified as an unrestricted asset; it is intended that this transfer will be effected as at 31st December, 2021 after the necessary consultations have taken place with the Church Commissioners. All the Cathedral's properties were valued as at 31st March, 2016 in a desktop exercise carried out by Messrs Bruton Knowles, an independent firm of property consultants. The property values from this exercise were reviewed as at 31st December, 2020 using an appropriate property index and the valuation increased by £948,000. As a result of this review the Cathedral's properties are valued at £14.480m.

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Covid-19 pandemic

The Cathedral's activities have been interrupted significantly by the Covid-19 pandemic. The Cathedral closed when the first lockdown was imposed in March, 2020 and has reopened only when restrictions on places of worship were lifted. A majority of staff were furloughed for varied amounts of time. Staff who were not furloughed worked mainly from home, although some day-to-day work continued at the Cathedral site when it could be carried out whilst observing the safe-distancing regulations imposed by HM Government.

The impact of the pandemic on the Cathedral's financial position has been felt mainly in the cessation of certain income streams such as congregational giving, donations on entry to the Cathedral, facility fees and commercial income through The Monk's Kitchen and the Cathedral Shop. Income from property investments and marketable securities has been only mildly affected so far but there may be a reduction in dividend income and property rentals as the effects of the economic downturn caused by the pandemic take effect.

Chapter monitors its investments in marketable securities on a quarterly basis. At 31st March, 2021, the latest date for which figures are available, the valuation of the investments was £5.350m as opposed to a valuation of £4.986m and £5.351m at 31st December, 2019 and 2020 respectively. It is assumed that the valuation will continue to vary as financial markets react to the success of countries' efforts to stimulate economic activity and global trade.

Chapter has not considered a reduction in the valuation of any of its properties, whether held for use by the Cathedral or for investment purposes, to reflect the effects of the pandemic. The properties are currently all classed as endowment assets and Chapter will hold them for the very long term, particularly those that are within the Cathedral's setting, the 'green line'. The Cathedral may find it hard to let vacated properties, particularly those in the commercial sector, and the effect of the resulting void periods will be felt in reduced income.

Chapter has reviewed all its liabilities and obligations and does not consider there are any material items other than those mentioned. Given the uncertainty surrounding the progress of the pandemic and the timing of a return to normal economic activity, even on a reduced basis, Chapter is unable to quantify the precise continuing effect of the pandemic. Financial estimates and cash flows have been prepared to the end of 2022, and updated when necessary, e.g. for changes in the regulations on the furlough scheme issued by HM Government, and so quantification of the effect of the pandemic is likely to keep changing. The most important requirement is to maintain adequate working capital.

Plans for the future

In 2019 Chapter completed a business plan for the period of five years from 2020 to 2024. It identified three strategic priorities and four specific goals within each priority, which are:

- Priority 1 - welcome all visitors joyfully, ensuring every visit has meaning:
 - hold at least 1,500 services in the Cathedral every year and increase attendances by 10%;
 - welcome 2 million visitors over five years with 75% or more rating their visit as good or above;
 - provide singing opportunities and musical education for at least 750 5-18 year olds every year;
 - grow annual visitor income including donations by 50%;
- Priority 2 - ensure the Cathedral remains open and relevant for generations to come:
 - achieve the "investing in Volunteers" quality standard and score at least 80% in our volunteer satisfaction survey;
 - ensure the Cathedral is open for future generations by growing general fund reserves to £800,000;
 - complete all Cathedral conservation and improvement works outlined in the Development Plan;
 - train at least 15 new apprentices;
- Priority 3 - use the Cathedral's assets and partnerships for a positive contribution to the local community:
 - increase the Cathedral's active engagement with children and young people by 25%;
 - reduce the Cathedral's carbon footprint and achieve Eco Church Gold Award status;
 - actively support at least 40 people experiencing homelessness to access new opportunities for personal development and well-being;
 - create a well-being garden with an associated activity and outreach programme.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

As a result of the Covid-19 pandemic some of these plans are on hold but will be revived as soon as it is clear that the worst of the pandemic is over and economic activity is starting to pick up.


Transactions with members of Chapter and other connected persons

There were no transactions between the Cathedral and members of Chapter and other connected persons in the year.

Provision of information to auditors

In so far as each member of Chapter is aware there is no relevant audit information of which the Cathedral's auditor is unaware, and members of Chapter have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

For and behalf of the Chapter



The Dean

Date: 22nd July, 2021

THE CATHEDRAL CHURCH OF ST PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER

Opinion

We have audited the Consolidated Financial Statements of the Cathedral for the year ended 31st December, 2020 which comprise financial statements such as the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral only Balance Sheet, the Consolidated Cashflow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)), including Financial Reporting Standard 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and, in particular, Section 27 of the Cathedrals Measure 1999.

In our opinion, the financial statements:

- give a true and fair view of the state of the Cathedral's affairs as at 31st December, 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with UK GAAP and Section 27 of the Cathedrals Measure 1999; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Cathedral in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the Financial Reporting Council's (FRC) 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.

Material uncertainty relating to going concern

We draw attention to the going concern paragraph in Accounting Policies on page 21, which indicates that the Cathedral's income has been and may continue to be significantly affected by the Covid-19 pandemic and its after effects. As stated on page 21, these events or conditions, along with other matters as set forth on page 21, indicate that a material uncertainty exists that may cast doubt on the Cathedral's ability to continue as a going concern. Our opinion is not modified in this respect.

In auditing the financial statements, we have concluded that Chapter's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of Chapter's assessment of the Cathedral's ability to continue to adopt the going concern basis of accounting included reviewing current liquid reserves and management reports, income and cashflow forecasts and the Cathedral's borrowing facilities.

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

Other information

The other information comprises the information included in the Annual Report of the Dean and Chapter, other than the financial statements and our auditor's report thereon. The Chapter is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Chapter

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

In preparing the financial statements, Chapter is responsible for assessing the Cathedral's ability to continue as a going concern disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Chapter either intends to cease operations or has no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 accounts.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations relevant to the Cathedral from discussions with the management and from our knowledge of the sector in which the Cathedral operates. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, health and safety, employment and data protection; and
- we ensured that the audit engagement team collectively had the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above; and
- we assessed the extent of compliance with these laws and regulations through enquiries with the management and inspecting legal costs.

We assessed the susceptibility of the Cathedral's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of any actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify unusual or unexpected transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- reviewed a sample of expenditure transactions from the Cathedral's records for appropriate authorisation.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to the underlying supporting documentation; and
- reading the minutes of those charged with governance as to actual and potential litigation and claims; and
- enquiring of management as to actual or potential claims and liabilities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of Chapter and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

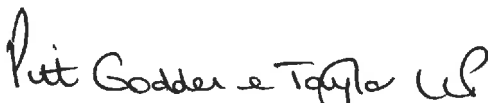
Other matters which we are required to address

Your attention is drawn to the fact that the Cathedral has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with UK GAAP effective for reporting periods beginning on or after 1st January, 2019.

Use of our report

This report is made solely to Chapter. Our audit work has been undertaken so that we might state to Chapter 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 Chapter as a body, for our audit work, for this report, or for the opinions we have formed.


PITT GODDEN & TAYLOR LLP
Statutory Auditor

Unit 3, Ambrose House
Meteor Court,
Barnett Way,
Barnwood,
Gloucester, GL4 3GG

22nd July, 2021

Pitt Godden & Taylor is eligible to act as an auditor in terms of section 1212 of the Companies Act 200

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December, 2020

| | | Unrestricted Funds | | Restricted | Endowment | Total | Total |
|---|----------|--------------------|------------|--------------|--------------|--------------|--------------|
| | | General | Designated | Funds | Funds | 2020 | 2019 |
| | Notes | Fund | Fund | Funds | Funds | £000 | £000 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Income & endowments from: | 1 | | | | | | |
| Donations & legacies | | 777 | 760 | 453 | - | 1,990 | 1,390 |
| Grants in support of mission | | 319 | - | 484 | - | 803 | 592 |
| Charges & fees arising in the course of mission | | 108 | - | - | - | 108 | 210 |
| Trading & fundraising | | 229 | - | - | - | 229 | 645 |
| Income from investments | | 794 | - | 8 | 116 | 918 | 911 |
| Total income and endowments 2020 | | 2,227 | 760 | 945 | 116 | 4,048 | 3,748 |
| <i>Total income and endowments 2019</i> | | <i>2,454</i> | <i>-</i> | <i>1,178</i> | <i>116</i> | <i>3,748</i> | |
| Expenditure on: | 2 | | | | | | |
| Raising funds | | 725 | 27 | 57 | 11 | 820 | 832 |
| Ministry | | 289 | - | 281 | 116 | 686 | 688 |
| Cathedral & precincts upkeep | | 357 | - | 403 | - | 760 | 1,043 |
| Education & outreach | | 70 | - | - | - | 70 | 83 |
| Community & congregation | | 53 | - | 54 | - | 107 | 48 |
| Other expenditure | | 567 | - | 125 | - | 692 | 631 |
| Total expenditure 2020 | | 2,061 | 27 | 920 | 127 | 3,135 | 3,325 |
| <i>Total expenditure 2019</i> | | <i>2,075</i> | <i>-</i> | <i>1,105</i> | <i>145</i> | <i>3,325</i> | |
| Net income/(expenditure) before net gains on investments | | 166 | 733 | 25 | (11) | 913 | 423 |
| Net gains on investments | 3 | - | - | 1 | 1,062 | 1,063 | 875 |
| Net income/(expenditure) | | 166 | 733 | 26 | 1,051 | 1,976 | 1,298 |
| Other recognised (losses)/gains | 4 | (12) | - | - | 250 | 238 | 60 |
| Net movement in funds | | 154 | 733 | 26 | 1,301 | 2,214 | 1,358 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | (44) | - | 621 | 18,124 | 18,701 | 17,343 |
| Total funds carried forward | | 110 | 733 | 647 | 19,425 | 20,915 | 18,701 |
| Note | | | | | | | |
| Funds carried forward excluding pension liability | | 188 | 733 | 647 | 19,425 | 20,993 | 18,769 |
| Pension liability | 20 | (78) | - | - | - | (78) | (68) |
| Total funds carried forward | | 110 | 733 | 647 | 19,425 | 20,915 | 18,701 |

The accompanying accounting policies and notes form an integral part of these Financial Statements

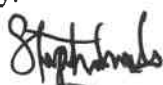
**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

CONSOLIDATED BALANCE SHEET
For the year ended 31st December, 2020

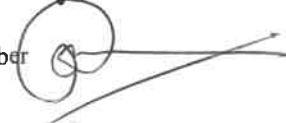
| | | Unrestricted Funds | | | Endowment | Total | Total |
|---|-------|--------------------|-----------------|------------------|-----------|--------|--------|
| | Notes | General Fund | Designated Fund | Restricted Funds | Funds | 2020 | 2019 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | | | |
| Investment assets | | | | | | | |
| Freehold property | 5 | - | - | - | 10,660 | 10,660 | 9,765 |
| Investments | 6 & 7 | - | - | 200 | 5,151 | 5,351 | 4,986 |
| | | - | - | 200 | 15,811 | 16,011 | 14,751 |
| Tangible fixed assets | | | | | | | |
| Freehold property | 5 | - | - | - | 3,820 | 3,820 | 3,767 |
| Equipment & plant | 5 | 69 | - | 15 | - | 84 | 120 |
| | | 69 | - | 15 | 3,820 | 3,904 | 3,887 |
| Total fixed assets | | 69 | - | 215 | 19,631 | 19,915 | 18,638 |
| Current assets | | | | | | | |
| Stocks | | 32 | - | - | - | 32 | 39 |
| Debtors | 8 | 552 | 733 | 650 | 70 | 2,005 | 1,428 |
| Cash at bank and in hand | | 1,198 | - | 93 | - | 1,291 | 357 |
| | | 1,782 | 733 | 743 | 70 | 3,328 | 1,824 |
| Liabilities due within one year | | | | | | | |
| Creditors | 9 | 1,263 | - | 311 | 85 | 1,659 | 1,185 |
| Net current assets | | 519 | 733 | 432 | (15) | 1,669 | 639 |
| Total fixed assets plus net current assets | | 588 | 733 | 647 | 19,616 | 21,584 | 19,277 |
| Liabilities due after one year | | | | | | | |
| Creditors | 9 | (400) | - | - | (191) | (591) | (508) |
| Defined benefit pension scheme liability | 20 | (78) | - | - | - | (78) | (68) |
| Total net assets | | 110 | 733 | 647 | 19,425 | 20,915 | 18,701 |
| The funds of the Cathedral | | | | | | | |
| Endowment funds | 10 | - | - | - | 5,218 | 5,218 | 4,865 |
| General funds | 11 | 110 | - | - | - | 110 | (44) |
| Designated fund | 12 | - | 733 | - | - | 733 | - |
| Restricted funds | | | | | | | |
| Fabric | 13 | - | - | 373 | - | 373 | 420 |
| Music | 13 | - | - | 201 | - | 201 | 190 |
| Other | 13 | - | - | 73 | - | 73 | 11 |
| Property revaluation reserve | | | | | | | |
| Investment property | 14 | - | - | - | 10,387 | 10,387 | 9,492 |
| Non-investment property | 14 | - | - | - | 3,820 | 3,820 | 3,767 |
| Total funds of the Cathedral | | 110 | 733 | 647 | 19,425 | 20,915 | 18,701 |

The financial statements set out on pages 17 to 41 were approved by the Chapter on 22nd July, 2021 and were signed on its behalf by:

The Dean



Chapter Member



**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

CATHEDRAL ONLY BALANCE SHEET

For the year ended 31st December, 2020

| | | Unrestricted Funds | | Restricted | Endowment | Total | Total |
|---|-------|--------------------|-----------------|------------|-----------|--------|--------|
| | Notes | General Fund | Designated Fund | Funds | Funds | 2020 | 2019 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Fixed assets | | | | | | | |
| Investment assets | | | | | | | |
| Freehold property | 5 | - | - | - | 10,660 | 10,660 | 9,765 |
| Investments | 6 & 7 | - | - | 200 | 5,151 | 5,351 | 4,986 |
| | | - | - | 200 | 15,811 | 16,011 | 14,751 |
| Tangible fixed assets | | | | | | | |
| Freehold property | 5 | - | - | - | 3,820 | 3,820 | 3,767 |
| Equipment & plant | 5 | 69 | - | 15 | - | 84 | 120 |
| | | 69 | - | 15 | 3,820 | 3,904 | 3,887 |
| Total fixed assets | | 69 | - | 215 | 19,631 | 19,915 | 18,638 |
| Current assets | | | | | | | |
| Debtors | 8 | 683 | 733 | 650 | 70 | 2,136 | 1,504 |
| Cash at bank and in hand | | 1,131 | - | 93 | - | 1,224 | 304 |
| | | 1,814 | 733 | 743 | 70 | 3,360 | 1,808 |
| Liabilities due within one year | | | | | | | |
| Creditors | 9 | 1,257 | - | 311 | 85 | 1,653 | 1,169 |
| Net current assets | | 557 | 733 | 432 | (15) | 1,707 | 639 |
| Total fixed assets plus net current assets | | 626 | 733 | 647 | 19,616 | 21,622 | 19,277 |
| Liabilities due after one year | | | | | | | |
| Creditors | 9 | (400) | - | - | (191) | (591) | (508) |
| Defined benefit pension scheme liability | 20 | (78) | - | - | - | (78) | (68) |
| Total net assets | | 148 | 733 | 647 | 19,425 | 20,953 | 18,701 |
| The funds of the Cathedral | | | | | | | |
| Endowment funds | 10 | - | - | - | 5,218 | 5,218 | 4,865 |
| General funds | 11 | 148 | - | - | - | 148 | (44) |
| Designated fund | 12 | - | 733 | - | - | 733 | - |
| Restricted funds | | | | | | | |
| Fabric | 13 | - | - | 373 | - | 373 | 420 |
| Music | 13 | - | - | 201 | - | 201 | 190 |
| Other | 13 | - | - | 73 | - | 73 | 11 |
| Property revaluation reserve | | | | | | | |
| Investment property | 14 | - | - | - | 10,387 | 10,387 | 9,492 |
| Non-investment property | 14 | - | - | - | 3,820 | 3,820 | 3,767 |
| Total funds of the Cathedral | | 148 | 733 | 647 | 19,425 | 20,953 | 18,701 |

The financial statements set out on pages 17 to 41 were approved by the Chapter on 22nd July, 2021 and were signed on its behalf by:

The Dean



Chapter Member



**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31st December, 2020

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Cash flows from operating activities | | |
| Net cash used in operating activities | 257 | (696) |
| Cash flows from investing activities | | |
| Rents received net of costs | 540 | 530 |
| Interest and dividends received net of costs | 165 | 167 |
| Purchase of equipment & plant | (13) | (53) |
| Purchase of investments | (41) | (18) |
| Proceeds from sale of investments | - | 13 |
| Net cash provided by investing activities | 651 | 639 |
| Cash flows from financing activities | | |
| Repayments of borrowing | (16) | (117) |
| Change in cash and cash equivalents in the reporting period | 892 | (174) |
| Cash and cash equivalents at the beginning of the reporting period | 399 | 573 |
| Cash and cash equivalents at the end of the reporting period | 1,291 | 399 |

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Reconciliation of net expenditure to net cash flow from operating activities | | |
| Net income for the reporting period | 913 | 423 |
| Depreciation | 48 | 41 |
| Less: income from property and investments | (918) | (911) |
| Add: property management costs, rental collection fees and investment management costs | 213 | 214 |
| Less: non-actuarial effect of non-cash defined benefit pension scheme credits | (2) | (5) |
| Decrease/(increase) in stocks | 7 | (6) |
| Increase in debtors | (577) | (420) |
| Increase/(decrease) in creditors | 573 | (32) |
| Net cash used in operating activities | 257 | (696) |

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

| | At 01.01.20 £000 | Cashflows £000 | Other non- cash changes £000 | At 31.12.20 £000 |
|---|------------------------|-------------------|------------------------------------|------------------------|
| Cash at bank and in hand | 357 | 934 | - | 1,291 |
| Cash held as investment assets | 42 | (42) | - | - |
| Total cash and cash equivalents | 399 | 892 | - | 1,291 |
| Loans from Lloyds Bank plc | (225) | 16 | - | (209) |
| Loan from the Diocese of Gloucester | (400) | - | - | (400) |
| Total net (debt)/cash at bank and in hand | (226) | 908 | - | 682 |

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31st December, 2020

The principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Cathedral's Financial Statements, and have remained unchanged from the previous accounting period, except where stated.

Basis of preparation

The Financial Statements have been prepared in accordance with the recommendations of Section 27 of the Cathedrals Measure 1999, as revised in December 2018 in the Accounting and Reporting Regulations for English Anglican Cathedrals, which incorporates the requirements of FRS 102 (the Financial Reporting Standard in the UK and Republic of Ireland), and the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019. They have been prepared on the historical cost convention, as modified to include the revaluation of investments and freehold property.

The Financial Statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent necessary to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16th July, 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April, 2005 which has since been withdrawn.

The Financial Statements are presented in pounds sterling, which is the functional currency of the Cathedral. The figures are rounded to the nearest £000s.

Going concern

The Cathedral has generated a surplus for the year of £154,000 on its general fund, compared with a surplus of £359,000 for the previous year ended 31st December, 2019. The accumulated deficit on the fund has been eliminated and there is an accumulated surplus of £110,000. Chapter's budget for 2020 anticipated a reduction in the accumulated deficit, with increases in income from visitors using entry by donation, commercial income from such activities as filming and receipt of a significant legacy. The initiatives on visitor and commercial income were suspended in March, 2020 because of the Covid-19 pandemic and as soon as HM Government imposed a lockdown Chapter moved swiftly to contain its spending by furloughing as many staff as possible and cutting expenditure on all but essential items. Chapter has also taken advantage of all possible schemes for relief from charges, either through grants or deferral of cash outlay and, like all other cathedrals in England and Wales, has received advance payments as lump sums of certain grants normally paid in monthly instalments. It also asked the Gloucester Diocesan Board of Finance to defer a loan repayment of £100,000 due at the beginning of April, 2020.

In June, 2020 Chapter launched its Beacon of Hope appeal to raise £1 million by the end of the year through donations and grants to support the Cathedral's finances in 2020 and 2021. This was successful and has provided the Cathedral with strong, positive cash flow at a time when most other sources of income had ceased. It is anticipated that the appeal will provide financial support into the first six months of 2022.

The biggest difficulty for Chapter in trying to forecast its financial position for the next twelve months is uncertainty over whether further restrictions will be imposed to deal with succeeding waves of Covid-19, and the speed at which the Cathedral can expect to see its income streams return to the levels it experienced in 2019 and the first two months of 2020. In its planning Chapter has assumed three scenarios for the resumption of normal operations, with the worst case extending into 2022, and its financial planning and cash flows have been modelled on these scenarios.

On the basis of the above Chapter believes that the Cathedral has adequate cash resources to continue in operational existence until June, 2022 without further support from the Church Commissioners and continues to use the going concern basis of accounting in preparing the annual Financial Statements.

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

STATEMENT OF ACCOUNTING POLICIES (continued)

For the year ended 31st December, 2020

Basis of consolidation

The Financial Statements consolidate the results of the Cathedral and its wholly owned subsidiary Gloucester Cathedral Enterprises Limited (GCE), which operates a gift shop and coffee shop, The Monk's Kitchen, within the Cathedral building. The Cathedral controls 100% of the voting rights of the shares in GCE. A description of the Cathedral's objects is given in the Annual Report of the Dean and Chapter. For the year ended 31st December, 2020 GCE's turnover was £170,120 (2019: £467,121) and the gift aid distribution paid to the Cathedral was £Nil (2019: £96,664). At 31st December, 2020 GCE had assets of £98,990 (2019: £93,476), liabilities of £137,943 (2019: £93,586) and capital and reserves of £(38,953) (2019: £(110)). The accounts for the period ended 31st December, 2020 have been audited and there was no audit qualification.

Income & endowments

Income & endowments comprises the amounts receivable for donations, legacies, grants, charges and fees arising in the course of mission and income from generating funds, and are accounted for in the period in which the conditions for entitlement, probability and measurement are met. Investment income is accounted for when received.

Expenditure

Liabilities recognised as expenditure are included in the period when there is a legal or constructive obligation committing the Cathedral to the expenditure.

Investments

Investments are stated at market value and any capital appreciation or depreciation each year is adjusted through the respective fund account.

Freehold property

Investment freehold property is stated at fair value and is not depreciated. The Cathedral has adopted a policy of revaluation in respect of its non-investment freehold property, which is stated at fair value and is depreciated over its estimated useful life (50 years for buildings and an indefinite period for land) based on the difference between its valuation in the financial statements and its estimated realisable value. Where such depreciation is considered to be immaterial it has not been provided for. Capital appreciation or depreciation on freehold property each year is adjusted through the endowment funds account. The valuations at the balance sheet date were made by Messrs Bruton Knowles, property consultants, as at 31st March, 2016 and updated by the Cathedral as at 31st December, 2020 using an appropriate property index. These valuations do not include any value for the Cathedral building or its inventory.

Freehold property improvements

Expenditure on freehold property improvements is charged to the general fund.

Heritage assets

Heritage assets include the Cathedral and its ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 1st January, 2019 because information on their historical cost is not available. Items donated since 1st January, 2019 are valued in the year of acquisition and shown as heritage assets unless there is insufficient information available for a reliable estimate of the value of the assets. There were no heritage assets donated in the year ended 31st December, 2020.

Equipment & plant

Equipment & plant assets are capitalised at cost when their acquisition value is greater than £500, and are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost less the estimated residual value of each asset by equal annual instalments over its expected useful life, as follows: equipment - 25% straight line, and fixtures and fittings - 10% straight line.

Stocks

Stocks are stated at the lower of cost and net estimated selling price.

THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY, GLOUCESTER

STATEMENT OF ACCOUNTING POLICIES (continued)
For the year ended 31st December, 2020

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are measured initially at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, when the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares classified as debt, are recognised initially at transaction price unless the arrangement constitutes a financing transaction, when the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

For concessionary loans the Cathedral has opted to recognise such loans initially at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are treated as non-current liabilities. Trade and other payables are recognised initially at transaction price and subsequently measured at transaction price less impairment, where due in one year or less, otherwise at amortised cost, using the effective interest rate method.

Contributions to Pension Funds

The pension costs charged in the financial statements represent the contributions payable by the Cathedral during the year, together with the effects of any movements on the defined benefit pension scheme liability, in accordance with FRS 102.

Funds

Endowment funds are the non-expendable permanent capital of the Cathedral. Income earned on general endowment assets is credited to general funds and income earned on Choristers' Endowment assets is used to pay the Cathedral's share of choristers' school fees at The King's School, Gloucester.

Restricted funds, and the income earned on them, are to be used for the purposes specified by the donors, the assets of which are held separately from the Cathedral's other assets.

General funds are capital which is unrestricted and can be utilised at the discretion of the Chapter in furtherance of the Cathedral's objects.

Designated funds are unrestricted funds which have been set aside by the Chapter for specific purposes.

Details of the funds, the movement on them in the accounting period and the balances at the end of it are set out in Notes 10 to 14 to the Financial Statements.

The Friends of Gloucester Cathedral

The Friends of Gloucester Cathedral is an independent fund raising charity, charity registration number 209246, which makes grants to the Cathedral. The objects of The Friends are to ensure the material well-being and to extend the spiritual influence of the Cathedral. In the furtherance of these objects The Friends cooperates with Chapter in maintaining, conserving and improving the fabric, fittings, ornaments, furniture and monuments of and in the Cathedral and its precincts, supporting the religious and musical standards of the Cathedral and offering voluntary services to assist in the work of the Cathedral.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

STATEMENT OF ACCOUNTING POLICIES (continued)

For the year ended 31st December, 2020

Income received in the year by the Cathedral from The Friends is shown as donations within income from the Friends in Note 1 to the financial statements. The financial statements of the Friends of Gloucester Cathedral are not consolidated within these financial statements but, under section 3.10.2 of the Accounting and Reporting Regulations for English Anglican Cathedrals, a summary of its financial position for the year ended 31st December, 2020 and the seven preceding years, which were independently examined, is set out in the table below. The figures for 2020 are based on the available draft financial statements; they will not become final until the Annual General Meeting, which will be held in July 2021.

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-------|------|-------|------|------|-------|-------|-------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Income | 75 | 92 | 105 | 124 | 94 | 341 | 86 | 80 |
| Grants to the Cathedral | (308) | (55) | (134) | (76) | (89) | (267) | (206) | (195) |
| Other resources expended | (18) | (25) | (26) | (26) | (26) | (26) | (29) | (29) |
| Realised and unrealised gains/(losses) | (46) | 98 | (36) | 54 | 59 | (17) | (8) | 99 |
| Net movement in funds for the year | (297) | 110 | (91) | 76 | 38 | 31 | (157) | (45) |
| Gross assets | 736 | 927 | 866 | 912 | 842 | 823 | 768 | 926 |
| Net assets | 627 | 925 | 815 | 906 | 830 | 792 | 761 | 918 |

The Friends has budgeted in 2021 to provide £40,000 for Project Pilgrim (the amount remaining from £100,000 budgeted in 2020), £35,000 for music, and £18,000 for development funding.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st December, 2020

1 Income & endowments

| | Unrestricted Funds | | | | Total | Total |
|--|--------------------|------------|------------|------------|--------------|--------------|
| | General | Designated | Restricted | Endowment | 2020 | 2019 |
| | Fund | Fund | Funds | Funds | 2020 | 2019 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Donations & legacies | | | | | | |
| Congregational collections & giving | 54 | - | - | - | 54 | 104 |
| Donations | 240 | 710 | 303 | - | 1,253 | 824 |
| Tax recoverable under Gift Aid | 10 | - | - | - | 10 | 40 |
| Income from The Friends of Gloucester Cathedral | - | 50 | 150 | - | 200 | 104 |
| Legacies | 473 | - | - | - | 473 | 318 |
| Total 2020 | 777 | 760 | 453 | - | 1,990 | 1,390 |
| <i>Total 2019</i> | <i>813</i> | <i>-</i> | <i>577</i> | <i>-</i> | <i>1,390</i> | |
| Grants in support of mission | | | | | | |
| Church Commissioners | - | - | 336 | - | 336 | 331 |
| Job Retention Scheme | 294 | - | - | - | 294 | - |
| Gloucestershire County Council | - | - | - | - | - | 50 |
| Heritage Lottery Fund | 25 | - | 75 | - | 100 | 211 |
| Other | - | - | 73 | - | 73 | - |
| Total 2020 | 319 | - | 484 | - | 803 | 592 |
| <i>Total 2019</i> | <i>-</i> | <i>-</i> | <i>592</i> | <i>-</i> | <i>592</i> | |
| Charges & fees arising in the course of mission | | | | | | |
| Facility and other fees 2020 | 108 | - | - | - | 108 | 210 |
| <i>Facility and other fees 2019</i> | <i>210</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>210</i> | |
| Trading & fundraising | | | | | | |
| Charges to visitors | 59 | - | - | - | 59 | 178 |
| Income from the shop, coffee shop & other activities | 170 | - | - | - | 170 | 467 |
| Total 2020 | 229 | - | - | - | 229 | 645 |
| <i>Total 2019</i> | <i>645</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>645</i> | |
| Investments | | | | | | |
| Income from investment property | 753 | - | - | - | 753 | 744 |
| Income from other investments | 41 | - | 8 | 116 | 165 | 167 |
| Total 2020 | 794 | - | 8 | 116 | 918 | 911 |
| <i>Total 2019</i> | <i>786</i> | <i>-</i> | <i>9</i> | <i>116</i> | <i>911</i> | |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

1 Income & endowments (continued)

Investment income earned from assets in each major group of funds and its allocation to funds in the Consolidated Statement of Financial Activities is as follows:

| | Income earned | | Income allocated to funds | |
|------------------|---------------|------------|---------------------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Endowment funds | 157 | 158 | 116 | 116 |
| Restricted funds | 8 | 9 | 8 | 9 |
| General funds | - | - | 41 | 42 |
| | <u>165</u> | <u>167</u> | <u>165</u> | <u>167</u> |

Income earned on general endowment funds is allocated to general funds. For the year ended 31st December, 2020 this amounted to £41,372 (2019: £42,597).

2 Expenditure

| | Unrestricted Funds | | Restricted Funds | Endowment Funds | Total 2020 | Total 2019 |
|---|--------------------|-----------------|------------------|-----------------|--------------|--------------|
| | General Fund | Designated Fund | Funds | Funds | £000 | £000 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Raising funds | | | | | | |
| Costs of facilities for visitors | 19 | - | - | - | 19 | 7 |
| Costs of shop, refectory and other activities | 287 | - | - | - | 287 | 418 |
| General marketing costs | 21 | - | 57 | - | 78 | 65 |
| Costs of appeals and fundraising | 194 | 27 | - | - | 221 | 127 |
| Investment property costs | 202 | - | - | 11 | 213 | 214 |
| Net defined benefit pension interest charge | 2 | - | - | - | 2 | 1 |
| Total 2020 | <u>725</u> | <u>27</u> | <u>57</u> | <u>11</u> | <u>820</u> | <u>832</u> |
| Total 2019 | <u>803</u> | <u>-</u> | <u>-</u> | <u>29</u> | <u>832</u> | |
| Ministry | | | | | | |
| Clergy stipends & working expenses | 1 | - | 140 | - | 141 | 139 |
| Clergy housing costs | 77 | - | - | - | 77 | 61 |
| Clergy support costs | 50 | - | - | - | 50 | 57 |
| Services and music | 161 | - | 141 | 116 | 418 | 431 |
| Total 2020 | <u>289</u> | <u>-</u> | <u>281</u> | <u>116</u> | <u>686</u> | <u>688</u> |
| Total 2019 | <u>292</u> | <u>-</u> | <u>280</u> | <u>116</u> | <u>688</u> | |
| Cathedral & precincts upkeep | | | | | | |
| Major repairs & restoration | 1 | - | 306 | - | 307 | 302 |
| Project Pilgrim | - | - | 63 | - | 63 | 290 |
| Maintenance & interior upkeep | 80 | - | 29 | - | 109 | 143 |
| Cathedral insurance | 46 | - | - | - | 46 | 45 |
| Precincts, security & garden upkeep | 16 | - | 5 | - | 21 | 21 |
| Support costs | 214 | - | - | - | 214 | 242 |
| Total 2020 | <u>357</u> | <u>-</u> | <u>403</u> | <u>-</u> | <u>760</u> | <u>1,043</u> |
| Total 2019 | <u>456</u> | <u>-</u> | <u>587</u> | <u>-</u> | <u>1,043</u> | |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2020

2 Expenditure (continued)

| | Unrestricted Funds | | | | Total | Total |
|--|--------------------|------------|------------|-----------|------------|-----------|
| | General | Designated | Restricted | Endowment | 2020 | 2019 |
| | Fund | Fund | Funds | Funds | 2020 | 2019 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Education & outreach | | | | | | |
| Educational activities | 42 | - | - | - | 42 | 47 |
| Archives & library | 23 | - | - | - | 23 | 29 |
| Charitable & other giving | 5 | - | - | - | 5 | 7 |
| Total 2020 | 70 | - | - | - | 70 | 83 |
| <i>Total 2019</i> | <i>79</i> | <i>-</i> | <i>4</i> | <i>-</i> | <i>83</i> | |
| Community & congregation | | | | | | |
| Total 2020 | 53 | - | 54 | - | 107 | 48 |
| <i>Total 2019</i> | <i>8</i> | <i>-</i> | <i>40</i> | <i>-</i> | <i>48</i> | |
| Other expenditure | | | | | | |
| Support costs | | | | | | |
| Total 2020 | 567 | - | 125 | - | 692 | 631 |
| <i>Total 2019</i> | <i>437</i> | <i>-</i> | <i>194</i> | <i>-</i> | <i>631</i> | |
| Included in Support costs in Other expenditure is irrecoverable VAT of | | | | | 21 | 3 |

3 Net gains on investments

| | | | | | | |
|---------------------|----------|----------|-----------|--------------|--------------|------------|
| Investment property | - | - | - | 698 | 698 | 205 |
| Investments | - | - | 1 | 364 | 365 | 670 |
| Total 2020 | - | - | 1 | 1,062 | 1,063 | 875 |
| <i>Total 2019</i> | <i>-</i> | <i>-</i> | <i>13</i> | <i>862</i> | <i>875</i> | |

4 Other recognised (losses)/gains

| | | | | | | |
|--|-------------|----------|----------|------------|------------|-----------|
| Non-investment property | - | - | - | 250 | 250 | 80 |
| Actuarial losses on defined benefit pension scheme | (12) | - | - | - | (12) | (20) |
| Total 2020 | (12) | - | - | 250 | 238 | 60 |
| <i>Total 2019</i> | <i>(20)</i> | <i>-</i> | <i>-</i> | <i>80</i> | <i>60</i> | |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2020

5 Fixed assets: freehold property, investments, equipment & plant

| | | Unrestricted Funds | | Restricted | Endowment | Total | Total |
|---|---|--------------------|------------|------------|-----------|--------|-------|
| | | General | Designated | Funds | Funds | 2020 | 2019 |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Investment assets: Freehold Property | | | | | | | |
| (at fair value) | | | | | | | |
| <i>Consolidated and Cathedral only</i> | | | | | | | |
| At 1 st January, 2020 | | - | - | - | 9,765 | 9,765 | 9,780 |
| Reclassification in year | | - | - | - | 197 | 197 | (226) |
| Renovation work in year | | - | - | - | - | - | 5 |
| Revaluation in year | | - | - | - | 698 | 698 | 206 |
| At 31 st December, 2020 | | - | - | - | 10,660 | 10,660 | 9,765 |
| Investment assets: Investments | | | | | | | |
| <i>Consolidated and Cathedral only</i> | | | | | | | |
| Endowment funds investments at market value | 6 | - | - | - | 5,151 | 5,151 | 4,745 |
| Restricted fund investments at market value | 7 | - | - | 200 | - | 200 | 241 |
| At 31 st December, 2020 | | - | - | 200 | 5,151 | 5,351 | 4,986 |
| Investments are classified as follows: | | | | | | | |
| Equities | | - | - | 200 | 5,151 | 5,351 | 4,944 |
| Deposits | | - | - | - | - | - | 42 |
| | | - | - | 200 | 5,151 | 5,351 | 4,986 |
| Non-investment assets: Freehold Property for Cathedral use | | | | | | | |
| (at fair value) | | | | | | | |
| <i>Consolidated and Cathedral only</i> | | | | | | | |
| At 1 st January, 2020 | | - | - | - | 3,767 | 3,767 | 3,461 |
| Reclassification in year | | - | - | - | (197) | (197) | 226 |
| Revaluation in year | | - | - | - | 250 | 250 | 80 |
| At 31 st December, 2020 | | - | - | - | 3,820 | 3,820 | 3,767 |
| Non-investment properties are held and used as follows: | | | | | | | |
| For Cathedral clergy and staff housing | | - | - | - | 2,701 | 2,701 | 2,721 |
| For the education centre | | - | - | - | 91 | 91 | 85 |
| For Cathedral trading activities | | - | - | - | 1,028 | 1,028 | 961 |
| | | - | - | - | 3,820 | 3,820 | 3,767 |

The investment and non-investment properties were revalued as at 31st March, 2016 by an independent valuer on the basis of fair value. This valuation has been uprated by the Chapter as at 31st December, 2020 using an appropriate property index. Under the historical cost basis the properties would have had a carrying value of £272,592 (2019: £272,592).

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2020

5 Fixed assets: freehold property, investments, equipment & plant (continued)

| | Unrestricted Funds | | | Endowment | Total | Total |
|--|--------------------|------------|------------|-----------|-------|-------|
| | General | Designated | Restricted | Funds | 2020 | 2019 |
| | Fund | Fund | Funds | | £000 | £000 |
| | £000 | £000 | £000 | £000 | | |
| Equipment & plant | | | | | | |
| <i>Consolidated and Cathedral only</i> | | | | | | |
| Cost | | | | | | |
| At 1 st January, 2020 | 204 | - | 10 | - | 214 | 161 |
| Transfers | (17) | - | 17 | - | - | - |
| Additions | 13 | - | - | - | 13 | 53 |
| At 31 st December, 2020 | 200 | - | 27 | - | 227 | 214 |
| Depreciation | | | | | | |
| At 1 st January, 2020 | 88 | - | 6 | - | 94 | 53 |
| Transfers | (1) | - | 1 | - | - | - |
| For the year | 43 | - | 5 | - | 48 | 41 |
| At 31 st December, 2020 | 130 | - | 12 | - | 142 | 94 |
| Net book amount | | | | | | |
| At 31 st December, 2020 | 69 | - | 15 | - | 84 | 120 |
| At 31 st December, 2019 | 116 | - | 4 | - | 120 | 108 |

6 Endowment funds investments

Consolidated and Cathedral only

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| General endowment | | |
| Investments | 1,209 | 1,131 |
| Choristers' endowment | | |
| Investments | 3,942 | 3,614 |
| Total endowment fund investments | 5,151 | 4,745 |
| The increase in the value of investments relates to: | | |
| At 1 st January, 2020 | 4,745 | 4,088 |
| Increase in market value | 365 | 657 |
| Purchase of investments | 41 | - |
| At 31 st December, 2020 | 5,151 | 4,745 |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

7 Restricted funds investments

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| <i>Consolidated and Cathedral only</i> | | |
| Fabric | | |
| General fabric fund - CBF Church of England Deposit Fund | - | 42 |
| Total fabric fund investments | - | 42 |
| Music | | |
| Grants & donations investments | 102 | 107 |
| Herbert Reeve fund investments | 98 | 92 |
| Total music fund investments | 200 | 199 |
| Total restricted fund investments | 200 | 241 |
| The increase in the value of restricted fund investments relates to: | | |
| At 1 st January, 2020 | 241 | 228 |
| Increase in market value | 1 | 13 |
| Purchase of investments | - | 13 |
| Disposal of investments | - | (13) |
| Movements in deposit and cash balances | (42) | - |
| At 31 st December, 2020 | 200 | 241 |

8 Debtors

| | Unrestricted Funds | | | | Total | Total |
|--|-------------------------|----------------------------|-----------------------------|----------------------------|--------------|--------------|
| | General Fund £000 | Designated Fund £000 | Restricted Funds £000 | Endowment Funds £000 | 2020 £000 | 2019 £000 |
| <i>Consolidated</i> | | | | | | |
| Amounts falling due within one year: | | | | | | |
| Trade debtors (including rents receivable) | 12 | - | - | - | 12 | 153 |
| Other debtors | 540 | 733 | 650 | 70 | 1,993 | 1,275 |
| | 552 | 733 | 650 | 70 | 2,005 | 1,428 |
| <i>Cathedral only</i> | | | | | | |
| Amounts falling due within one year: | | | | | | |
| Trade debtors (including rents receivable) | 12 | - | - | - | 12 | 152 |
| Gloucester Cathedral Enterprises Limited | 131 | - | - | - | 131 | 77 |
| Other debtors | 540 | 733 | 650 | 70 | 1,993 | 1,275 |
| | 683 | 733 | 650 | 70 | 2,136 | 1,504 |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

9 Creditors

| | Unrestricted Funds | | | | Total | Total |
|--------------------------------------|--------------------|------------|------------|------------|--------------|--------------|
| | General | Designated | Restricted | Endowment | 2020 | 2019 |
| | Fund | Fund | Funds | Funds | £000 | £000 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| <i>Consolidated</i> | | | | | | |
| Amounts falling due within one year: | | | | | | |
| Trade creditors | 182 | - | - | - | 182 | 213 |
| Other creditors | 1,081 | - | 311 | 67 | 1,459 | 855 |
| Loans from Lloyds Bank plc | - | - | - | 18 | 18 | 17 |
| Loan from the Diocese of Gloucester | - | - | - | - | - | 100 |
| | <u>1,263</u> | <u>-</u> | <u>311</u> | <u>85</u> | <u>1,659</u> | <u>1,185</u> |
| <i>Cathedral only</i> | | | | | | |
| Amounts falling due within one year: | | | | | | |
| Trade creditors | 180 | - | - | - | 180 | 200 |
| Other creditors | 1,077 | - | 311 | 67 | 1,455 | 852 |
| Loans from Lloyds Bank plc | - | - | - | 18 | 18 | 17 |
| Loan from the Diocese of Gloucester | - | - | - | - | - | 100 |
| | <u>1,257</u> | <u>-</u> | <u>311</u> | <u>85</u> | <u>1,653</u> | <u>1,169</u> |
| <i>Consolidated</i> | | | | | | |
| Amounts falling due after one year: | | | | | | |
| Loans from Lloyds Bank plc | - | - | - | 191 | 191 | 208 |
| Loan from the Diocese of Gloucester | 400 | - | - | - | 400 | 300 |
| | <u>400</u> | <u>-</u> | <u>-</u> | <u>191</u> | <u>591</u> | <u>508</u> |
| <i>Cathedral only</i> | | | | | | |
| Amounts falling due after one year: | | | | | | |
| Loans from Lloyds Bank plc | - | - | - | 191 | 191 | 208 |
| Loan from the Diocese of Gloucester | 400 | - | - | - | 400 | 300 |
| | <u>400</u> | <u>-</u> | <u>-</u> | <u>191</u> | <u>591</u> | <u>508</u> |

The loans from Lloyds Bank plc in respect of the renovation of Monument House have two elements. Of the total amount outstanding at 31st December, 2020 £97,421 is repayable by monthly instalments to April, 2028 and carries an interest rate of 5.69% and £111,416 is repayable by monthly instalments to April, 2033 and carries an interest rate of 4.15% above base rate. The mortgage is secured on Gloucester Cathedral. The loan from the Diocese of Gloucester is unsecured and carries an interest rate of 0.5%. In June, 2020 the Diocese agreed to reschedule the loan to cancel the annual repayment instalments and to make the loan repayable in ten years on 1 April, 2028. On this revised basis the total amount outstanding of £400,000 would be reported below in the category of 'In five years or more'.

Amounts fall due on the loans from Lloyds Bank plc and the Diocese of Gloucester as follows:

| | Unrestricted Funds | | | | Total | Total |
|----------------------------|--------------------|------------|------------|------------|------------|------------|
| | General | Designated | Restricted | Endowment | 2020 | 2019 |
| | Fund | Fund | Funds | Funds | £000 | £000 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Within one year | - | - | - | 18 | 18 | 117 |
| Between one and two years | - | - | - | 19 | 19 | 118 |
| Between two and five years | - | - | - | 73 | 73 | 260 |
| In five years or more | 400 | - | - | 99 | 499 | 130 |
| | <u>400</u> | <u>-</u> | <u>-</u> | <u>209</u> | <u>609</u> | <u>625</u> |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

10 Endowment funds

| <i>Consolidated and Cathedral only</i> | General £000 | Choristers £000 | Total £000 |
|--|-----------------|--------------------|---------------|
| At 1 st January, 2020 | 1,097 | 3,768 | 4,865 |
| Incoming resources | | | |
| Investment income | - | 116 | 116 |
| Other recognised/unrecognised gains: other investments | 36 | 328 | 364 |
| Expenditure | | | |
| Interest payable on loans from Lloyds Bank plc | (11) | - | (11) |
| Services and music | - | (116) | (116) |
| At 31 st December, 2020 | 1,122 | 4,096 | 5,218 |

11 General funds

| | Consolidated £000 | Cathedral only £000 |
|------------------------------------|----------------------|---------------------------|
| At 1 st January, 2020 | (44) | (44) |
| Net incoming resources | 154 | 192 |
| At 31 st December, 2020 | 110 | 148 |

12 Designated fund

| | |
|---|------|
| Beacon of Hope Appeal | |
| <i>Consolidated and Cathedral only</i> | £000 |
| At 1 st January, 2020 | - |
| Incoming resources | |
| Donations | 710 |
| Grants from The Friends of Gloucester Cathedral | 50 |
| | 760 |
| Expenditure on Mission | |
| Cost of appeals and fundraising | (27) |
| At 31 st December, 2020 | 733 |

Other funds raised on the Beacon of Hope Appeal are included as restricted funds or other general funds as appropriate.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

| 13 Restricted funds – Income & endowments and Expenditure | | | | | |
|--|--------------------------------|----------------|---------------------|-----------|--------------------------------|
| <i>Consolidated and Cathedral only</i> | Balance at 01.01.20 £000 | Income £000 | Expenditure £000 | Transfers | Balance at 31.12.21 £000 |
| Fabric | | | | | |
| Fabric | 30 | 27 | 45 | - | 12 |
| Ambulatory | 49 | 171 | 203 | - | 17 |
| Lady Chapel | 12 | - | 5 | - | 7 |
| Font | 49 | - | 1 | - | 48 |
| Major repairs & restoration | 75 | - | - | - | 75 |
| Drains project | 11 | - | - | - | 11 |
| Nave/Abbots roof | - | 6 | 1 | - | 5 |
| Project Pilgrim | 171 | 61 | 64 | (85) | 83 |
| Lower College Green and war memorial | 1 | - | - | - | 1 |
| Bell ropes | 1 | - | - | - | 1 |
| Bell fund | - | 7 | 7 | - | - |
| Glazing projects | - | 73 | 70 | - | 3 |
| Candlestick | - | 2 | 1 | - | 1 |
| Stonemasons | 21 | 3 | - | 85 | 109 |
| Total | 420 | 350 | 397 | - | 373 |
| Music | | | | | |
| Grants & donations | 13 | 121 | 117 | - | 17 |
| Choristers | - | 19 | 19 | - | - |
| Choir tour | 9 | 1 | - | - | 10 |
| Edith Park (for Choristers' musical instruments) | 27 | - | - | - | 27 |
| Herbert Reeve (for organ) | 92 | 9 | 2 | - | 99 |
| Stott Foundation (for organist) | 10 | - | - | - | 10 |
| Youth Choir | 13 | 1 | - | - | 14 |
| Organ | 13 | - | 2 | - | 11 |
| Outreach | 13 | - | - | - | 13 |
| Total | 190 | 151 | 140 | - | 201 |
| Other | | | | | |
| Archives & library | - | - | - | - | - |
| Three Choirs Charity | 6 | - | - | - | 6 |
| Church Commissioners | 1 | 335 | 323 | - | 13 |
| Great Place | - | 6 | 6 | - | - |
| Breakfast Club | 4 | 2 | 2 | - | 4 |
| Flower Guild | - | 1 | 1 | - | - |
| Social responsibility | - | 7 | 7 | - | - |
| Gaia project | - | 14 | 14 | - | - |
| Beacon of Hope Appeal | - | 45 | - | - | 45 |
| Development Officer | - | 5 | 5 | - | - |
| Culture Recovery Fund | - | 30 | 25 | - | 5 |
| Total | 11 | 445 | 383 | - | 73 |
| Total restricted funds | 621 | 946 | 920 | - | 647 |

The income on restricted funds of £946,060 is shown on the Statement of Financial Activities as income & endowments of £944,751 and net gains on investments of £1,309. Detailed information of the income and expenditure on restricted funds is given on the following two pages.

**THE CATHEDRAL CHURCH OF ST PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

13 Restricted funds (continued) – Income

| Fabric funds | Donations | Friends | Legacies | Grants | Total |
|---------------------------------|------------------|----------------|--------------------|---------------------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Fabric | 2 | 25 | - | - | 27 |
| Ambulatory | 170 | 1 | - | - | 171 |
| Nave/Abbots roof | 6 | - | - | - | 6 |
| Project Pilgrim | 1 | 60 | - | - | 61 |
| Bell fund | 7 | - | - | - | 7 |
| Glazing projects | - | - | - | 73 | 73 |
| Candlestick | 2 | - | - | - | 2 |
| Stonemasons | 3 | - | - | - | 3 |
| Total | 191 | 86 | - | 73 | 350 |
| | | | | | |
| Music funds | Donations | Friends | Investments | Other gains & (losses) | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Grants & donations | 61 | 60 | 5 | (5) | 121 |
| Choristers | 19 | - | - | - | 19 |
| Choir tour | 1 | - | - | - | 1 |
| Herbert Reeve | - | - | 3 | 6 | 9 |
| Youth Choir | 1 | - | - | - | 1 |
| Total | 82 | 60 | 8 | 1 | 151 |
| | | | | | |
| Other funds | Donations | Friends | | Grants | Total |
| | £000 | £000 | | £000 | £000 |
| Church Commissioners | - | - | | 335 | 335 |
| Great Place | 6 | - | | - | 6 |
| Breakfast Club | 2 | - | | - | 2 |
| Flower Guild | 1 | - | | - | 1 |
| Social responsibility | 7 | - | | - | 7 |
| Gaia project | 14 | - | | - | 14 |
| Beacon of Hope Appeal | - | - | | 45 | 45 |
| Development Officer | - | 5 | | - | 5 |
| Culture Recovery Fund | - | - | | 30 | 30 |
| Total | 30 | 5 | | 410 | 445 |
| | | | | | |
| Total funds | | Fabric | Music | Other | Total |
| | | £000 | £000 | £000 | £000 |
| Donations | | 191 | 82 | 30 | 303 |
| Friends of Gloucester Cathedral | | 86 | 60 | 5 | 151 |
| Grants | | 73 | - | 410 | 483 |
| Investments | | - | 8 | - | 8 |
| Other gains & losses | | - | 1 | - | 1 |
| Total | | 350 | 151 | 445 | 946 |

**THE CATHEDRAL CHURCH OF ST PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

13 Restricted funds (continued) – Expenditure

| Fabric funds | Maintenance & upkeep £000 | Project Pilgrim £000 | Major repairs £000 | Total £000 | |
|----------------------------|---------------------------------|---------------------------------------|--|-------------------------------------|---------------|
| Fabric | 27 | - | 18 | 45 | |
| Ambulatory | - | - | 203 | 203 | |
| Lady Chapel | - | - | 5 | 5 | |
| Font | - | - | 1 | 1 | |
| Nave/Abbots roof | - | - | 1 | 1 | |
| Project Pilgrim | - | 64 | - | 64 | |
| Bell Fund | - | - | 7 | 7 | |
| Glazing projects | - | - | 70 | 70 | |
| Candlestick | 1 | - | - | 1 | |
| Total | 28 | 64 | 305 | 397 | |
| Music funds | | | Services & music £000 | Total £000 | |
| Grants & donations. | | | 117 | 117 | |
| Choristers | | | 19 | 19 | |
| Herbert Reeve | | | 2 | 2 | |
| Organ | | | 2 | 2 | |
| Total | | | 140 | 140 | |
| Other funds | Support costs £000 | General marketing costs £000 | Clergy stipends & expenses £000 | Community & congregation £000 | Total £000 |
| Church Commissioners | 126 | 58 | 139 | - | 323 |
| Great Place | - | - | - | 6 | 6 |
| Breakfast Club | - | - | - | 2 | 2 |
| Flower Guild | - | - | - | 1 | 1 |
| Social responsibility | - | - | - | 7 | 7 |
| Gaia project | - | - | - | 14 | 14 |
| Development Officer | 5 | - | - | - | 5 |
| Culture Recovery Fund | - | - | - | 25 | 25 |
| Total | 131 | 58 | 139 | 55 | 383 |
| Total funds | | Fabric £000 | Music £000 | Other £000 | Total £000 |
| Maintenance & upkeep | | 28 | - | - | 28 |
| Project Pilgrim | | 64 | - | - | 64 |
| Major repairs | | 305 | - | - | 305 |
| Services & music | | - | 140 | - | 140 |
| Support costs | | - | - | 131 | 131 |
| General marketing costs | | - | - | 58 | 58 |
| Clergy stipends & expenses | | - | - | 139 | 139 |
| Community | | - | - | 55 | 55 |
| Total | | 397 | 140 | 383 | 920 |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

14 Property revaluation reserve

Consolidated and Cathedral only

| | Investment property | | Non-investment property | |
|------------------------------------|---------------------|-------|-------------------------|-------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| At 1 st January, 2020 | 9,492 | 9,513 | 3,767 | 3,461 |
| Reclassifications in the year | 197 | (226) | (197) | 226 |
| Revaluations in the year | 698 | 205 | 250 | 80 |
| At 31 st December, 2020 | 10,387 | 9,492 | 3,820 | 3,767 |

15 Staff costs

The average number of paid employees working for the Cathedral during the period was:

| | 2020 | 2019 | 2020 | 2019 |
|-------------------------------------|------|------|-----------------------|------|
| | No. | No. | Full time equivalents | |
| Full time | 39 | 40 | 39 | 40 |
| Part time: | | | | |
| contracted hours | 36 | 33 | 14 | 23 |
| pool employees, no contracted hours | 7 | 11 | 2 | 3 |
| | 82 | 84 | 55 | 66 |

Total emoluments including pension payments for the above amounted to:

| | Gross pay £000 | Employer's NIC £000 | Employer's pension £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------------------|---------------------------|-------------------------------|-----------------------|-----------------------|
| Clergy stipends & working expenses: | | | | | |
| The Dean | 37 | 4 | 12 | 53 | 52 |
| Canon Mitchell | 29 | 3 | 10 | 42 | 43 |
| Canon Thomson | 31 | 3 | 10 | 44 | 41 |
| Clergy support costs | 33 | 2 | 2 | 37 | 37 |
| General marketing | 49 | 4 | 3 | 56 | 50 |
| Costs of raising funds | 152 | 11 | 7 | 170 | 115 |
| Services and music | 204 | 17 | 14 | 235 | 261 |
| Project Pilgrim | 46 | 4 | 3 | 53 | 147 |
| Cathedral & precincts upkeep support costs | 351 | 30 | 17 | 398 | 483 |
| Education | 34 | 3 | 2 | 39 | 42 |
| Other expenditure support costs | | | | | |
| Redundancies and ex gratia | 15 | - | - | 15 | - |
| The Chapter Steward (as employee) | 68 | 8 | 6 | 82 | 81 |
| Other | 299 | 18 | 33 | 350 | 319 |
| Community and congregation | 30 | 3 | 2 | 35 | - |
| Archive and Library | 20 | 1 | 1 | 22 | 24 |
| Gloucester Cathedral Enterprises Limited | 164 | 15 | 10 | 189 | 210 |
| Total 2020 | 1,562 | 126 | 132 | 1,820 | 1,905 |
| Total 2019 | 1,647 | 129 | 129 | 1,905 | |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

15 Staff costs (continued)

One employee, the Chapter Steward, received emoluments during the year in the band £60,000 - £70,000. Pension benefits for the Chapter Steward are accruing under a defined contribution pension scheme and £5,692 was paid to the scheme during the period. The Chapter Steward is a member of Chapter and is remunerated in respect of her position as an employee of the Cathedral, the legal authority for which is the Cathedrals Measure 1999 and the Cathedral's constitution.

The remuneration of and pension provision for the Dean and two Residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board. The only members of Chapter remunerated by the Cathedral for their services are the Dean, two of the Residentiary Canons and the Chapter Steward. The remuneration for the Dean and the two Residentiary Canons is paid under a S.23 grant from the Church Commissioners, i.e. the cost to the Cathedral is £Nil (31.03.19: £Nil).

The aggregate amount reimbursed to five (2019: six) members of the Chapter was £9,018 (2019: £11,632) in respect of travel, entertaining, training and general administration expenses.

16 Auditors' remuneration

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Remuneration charged in the accounts for the Cathedral's auditors was: | | |
| Audit services | 9 | 9 |
| Other financial services | - | - |
| | <u>9</u> | <u>9</u> |

The remuneration paid to the Cathedral's auditors is included in other expenditure and is the only item of governance costs.

17 Support costs

Support costs included in expenditure in the Financial Statements have been apportioned as follows:

| | Direct costs £000 | Support costs £000 | Total £000 |
|------------------------------|-------------------------|--------------------------|---------------|
| Raising funds | 67 | - | 67 |
| Ministry | 1 | 50 | 51 |
| Cathedral & precincts upkeep | 183 | 214 | 397 |
| Other expenditure on mission | - | 567 | 567 |
| Total 2020 | <u>251</u> | <u>831</u> | <u>1,082</u> |
| Total 2019 | <u>314</u> | <u>930</u> | <u>1,244</u> |

18 Contingent liabilities

Chapter has completed negotiations with The King's School, Gloucester to vary the agreement dated 2nd August, 2010 whereby the Cathedral was committed to making a contribution to the school fees of boy choristers once they ceased to sing in the choir. This commitment has been terminated. The Cathedral will continue to pay school fees for current and future ex-choristers who joined the choir before the agreement was varied and it is expected that the last ex-choristers will have left the school in 2029.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

18 Contingent liabilities (continued)

Chapter has forecast the Cathedral's contribution to fees for ex-choristers for the eight years 2021 to 2028 based on the number of boys who qualify for the commitment and on the assumptions that the Cathedral's contribution to fees for ex-choristers at The King's School will be 25% and average annual increases on school fees will be 3.5%, the increase for September, 2019. The forecast also reflects up-to-date information on the number of boys who have continued at The King's School in 2019 and 2020 after they have left the choir. The calculations have been changed so that they are based on the Cathedral's financial year and not the academic year of The King's School. Based on these assumptions the Cathedral's contribution to fees for ex-choristers at The King's School in the eighth year, 2028, is estimated at £17,553 (2019: £13,505) and its aggregate contribution for the eight years is estimated at £231,168 (2019: £550,473 for nine years). These figures will be lower if the number of ex-choristers reduces in any year and/or the annual increases in school fees are lower than 3.5%.

There were no other known contingent liabilities at the balance sheet date (2019: £Nil).

19 Capital commitments

Capital commitments contracted for, but not provided for at 31st December, 2020 amounted to £Nil (2019: £Nil).

20 Pension costs

The Dean and two Residentiary Canons are members of the Church of England Funded Pension Scheme, which is a defined benefit scheme. The Cathedral is unable to identify its share of the underlying assets and liabilities of the scheme. Contributions to the scheme are paid by the Church Commissioners, along with the other remuneration costs for the three clergy, and are shown below. There is an offsetting credit in restricted funds for the Church Commissioners' contribution to the scheme.

| | 2020 | 2019 |
|---|------|------|
| | £000 | £000 |
| Contributions to the scheme by the Church Commissioners | 32 | 31 |

The Cathedral also contributes to a defined contribution pension scheme in respect of its other employees. The assets of the scheme are held separately from those of the Cathedral in an independently administered fund.

| | 2020 | 2019 |
|-----------------------------|------|------|
| | £000 | £000 |
| Contributions to the scheme | 77 | 83 |

The Cathedral also operates a defined benefit pension scheme called The Chapter of Gloucester Life Assurance and Death Benefit Scheme (the Scheme) in respect of certain of its former employees and, where appropriate, their dependents. The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The following disclosures exclude any allowance for deferred tax, defined contribution schemes operated by the Cathedral, or discretionary benefits. The Scheme is subject to the Statutory Funding Objective (SFO) under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the SFO is met. As part of the process the Cathedral must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the SFO. The most recent comprehensive actuarial valuation of the Scheme is currently being carried out as at 31st March, 2020. The next valuation of the Scheme is due as at 31st March, 2023. In the event that the valuation reveals a larger deficit than expected the Cathedral may be required to increase contributions above those set out in the existing Schedule of Contributions; conversely, if the position is better than expected it is possible that contributions may be reduced.

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

20 Pension costs (continued)

The actuarial valuation as at 31st March, 2017 indicated the Scheme's funding level at that date was 51%, corresponding to a deficit of £68,000 on a technical provisions basis. Recovery plans illustrated in the actuarial valuation were, from 1st April, 2018: 3 years at £21,000 per annum, or 4 years at £15,900 per annum, or 5 years at £12,800 per annum or 10 years at £6,800 per annum, to be paid to the Scheme.

Explanation of amounts in the financial statements

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| <u>Amounts recognised in the balance sheet</u> | | |
| Fair value of assets | 30 | 66 |
| Present value of funded obligations | (108) | (134) |
| Deficit | (78) | (68) |
| <u>Amounts recognised in the Statement of Financial Activities over the year</u> | | |
| Administration costs | 23 | 21 |
| Interest on liabilities | 3 | 3 |
| Interest on assets | (1) | (2) |
| Total | 25 | 22 |
| <u>Re-measurements over the year</u> | | |
| Loss on Scheme assets in excess of interest | 18 | 1 |
| Experience gains on liabilities | 21 | - |
| Gains from changes to demographic assumptions | (3) | - |
| Losses from changes to financial assumptions | 18 | 19 |
| Total re-measurements | 54 | 20 |
| Reconciliation of assets and Defined Benefit Obligation | | |
| The change in assets over the period was: | | |
| Fair value of assets at the beginning of the period | 66 | 59 |
| Interest on assets | 1 | 2 |
| Cathedral contributions | 27 | 27 |
| Benefits paid | (23) | - |
| Administration costs | (23) | (21) |
| Return on Scheme assets less interest | (18) | (1) |
| Fair value of assets at the end of the period | 30 | 66 |
| Actual return on assets was £(17,000) | | |
| The change in the Defined Benefit Obligation over the period was: | | |
| Defined Benefit Obligation at the beginning of the period | 134 | 112 |
| Interest cost | 3 | 3 |
| Benefits paid | (23) | - |
| Experience gains on Defined Benefit Obligation | (21) | - |
| Changes to demographic assumptions | (3) | - |
| Changes to financial assumptions | 18 | 19 |
| Defined Benefit Obligation at the end of the period | 108 | 134 |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

20 Pension costs (continued)

Assets

The assets are wholly invested in a deposit administration fund with One Family and a pooled bank account with Barnett Waddingham, the Scheme's actuary. The actual return on the Scheme's assets (net of expenses) over the period to the review date was around £Nil. The assets do not include any investment in the Cathedral.

Actuarial assumptions

| | 2020 | 2019 |
|--|-------|-------|
| Discount rate | 1.30% | 2.10% |
| Inflation (RPI) | 3.10% | 3.40% |
| Inflation (CPI) | 2.10% | 2.40% |
| Pension increases (RPI max. 5% p.a.) | 3.00% | 3.30% |
| Post retirement mortality for 31 st December, 2020 & 31 st December, 2019 – 95% of S2PA tables with CMI 2019 (2019: CMI 2016) projections using a long term rate of improvement of 1.5% p.a. (31.03.19: 1.5%). No allowance has been made for members to take tax free cash. | | |

21 Comparatives of Consolidated Statement of Financial Activities – year ended 31st December, 2019

| | Unrestricted Funds General £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|---|--|-----------------------------|----------------------------|-----------------------|
| Income & endowments from: | | | | |
| Donations & legacies | 813 | 577 | - | 1,390 |
| Grants in support of mission | - | 592 | - | 592 |
| Charges & fees arising in the course of mission | 210 | - | - | 210 |
| Trading & fundraising | 645 | - | - | 645 |
| Income from investments | 786 | 9 | 116 | 911 |
| Total income and endowments | 2,454 | 1,178 | 116 | 3,748 |
| Expenditure on: | | | | |
| Raising funds | 803 | - | 29 | 832 |
| Ministry | 292 | 280 | 116 | 688 |
| Cathedral & precincts upkeep | 456 | 587 | - | 1,043 |
| Education & outreach | 79 | 4 | - | 83 |
| Community & congregation | 8 | 40 | - | 48 |
| Other expenditure | 437 | 194 | - | 631 |
| Total expenditure | 2,075 | 1,105 | 145 | 3,325 |
| Net income/(expenditure) before net gains on investments | 379 | 73 | (29) | 423 |
| Net gains on investments | - | 13 | 862 | 875 |
| Net income | 379 | 86 | 833 | 1,298 |
| Other recognised (losses)/gains | (20) | - | 80 | 60 |
| Net movement in funds | 359 | 86 | 913 | 1,358 |
| Reconciliation of funds | | | | |
| Total funds brought forward | (403) | 535 | 17,211 | 17,343 |
| Total funds carried forward | (44) | 621 | 18,124 | 18,701 |

**THE CATHEDRAL CHURCH OF ST. PETER AND THE HOLY AND INDIVISIBLE TRINITY,
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2020

22 Related party transactions

Transactions between the Cathedral and its wholly owned subsidiary, Gloucester Cathedral Enterprises Limited (GCE) during the period were:

| | 2020 | 2019 |
|--|------|------|
| | £000 | £000 |
| Cathedral wages recharged to GCE | 189 | 210 |
| Gift aid received from GCE | - | 97 |
| Amounts due by GCE to Cathedral at the end of the year | 131 | 77 |

**THE CATHEDRAL CHURCH OF ST PETER AND THE HOLY AND INDIVISIBLE TRINITY,
GLOUCESTER**

THE LAST TEN YEARS

| | 2012 £000 | 2013 £000 | 2014 £000 | 2015 £000 | 2016 £000 | 2017 £000 | 31.03.18 £000 | 31.12.18 £000 | 2019 £000 | 2020 £000 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|---------------|---------------|
| Income & endowments from: | | | | | | | | | | |
| Donations & legacies | 744 | 709 | 1,392 | 1,623 | 1,061 | 738 | 957 | 710 | 1,390 | 1,990 |
| Grants in support of mission | 208 | 203 | 242 | 443 | 773 | 1,473 | 3,610 | 512 | 592 | 803 |
| Charges and fees for mission | 119 | 90 | 125 | 88 | 86 | 155 | 146 | 182 | 210 | 108 |
| Trading and fundraising | 496 | 491 | 529 | 566 | 495 | 543 | 521 | 519 | 645 | 229 |
| Income from investments | 600 | 640 | 630 | 739 | 688 | 769 | 914 | 686 | 911 | 918 |
| Total | 2,167 | 2,133 | 2,918 | 3,459 | 3,103 | 3,678 | 6,148 | 2,609 | 3,748 | 4,048 |
| Expenditure on: | | | | | | | | | | |
| Raising funds | 696 | 627 | 741 | 894 | 773 | 803 | 789 | 636 | 832 | 820 |
| Ministry | 633 | 598 | 559 | 671 | 800 | 713 | 756 | 655 | 688 | 686 |
| Cathedral & precincts upkeep | 617 | 717 | 918 | 854 | 1,209 | 1,931 | 4,570 | 1,028 | 1,043 | 760 |
| Education & outreach | 80 | 69 | 73 | 71 | 71 | 79 | 69 | 55 | 83 | 70 |
| Community & congregation | 16 | 23 | 31 | 38 | 22 | 16 | 18 | 28 | 48 | 107 |
| Other expenditure | 309 | 379 | 324 | 390 | 420 | 423 | 527 | 407 | 631 | 692 |
| Total | 2,351 | 2,413 | 2,646 | 2,918 | 3,295 | 3,965 | 6,729 | 2,809 | 3,325 | 3,135 |
| Net (expenditure)/income before Net gains/(losses) on investments | (184) | (280) | 272 | 541 | (192) | (287) | (581) | (200) | 423 | 913 |
| Net gains on investments | 30 | 437 | 638 | 874 | 668 | 916 | 341 | 69 | 875 | 1,063 |
| Net (expenditure)/income | (154) | 157 | 910 | 1,415 | 476 | 629 | (240) | (131) | 1,298 | 1,976 |
| Other recognised (losses)/gains | (3) | 13 | 185 | 144 | 639 | 126 | 105 | 62 | 60 | 238 |
| Net movement in funds | (157) | 170 | 1,095 | 1,559 | 1,115 | 755 | (135) | (69) | 1,358 | 2,214 |
| Reconciliation of funds | | | | | | | | | | |
| Total funds brought forward | 13,010 | 12,853 | 13,023 | 14,118 | 15,677 | 16,792 | 17,547 | 17,412 | 17,343 | 18,701 |
| Total funds carried forward | 12,853 | 13,023 | 14,118 | 15,677 | 16,792 | 17,547 | 17,412 | 17,343 | 18,701 | 20,915 |
| Funds | | | | | | | | | | |
| Endowment funds | 11,822 | 12,211 | 13,239 | 3,726 | 3,620 | 4,088 | 4,160 | 4,237 | 4,865 | 5,218 |
| General funds | 111 | 117 | 250 | 273 | 94 | (3) | (330) | (403) | (44) | 110 |
| Designated fund | - | - | - | - | - | - | - | - | - | 733 |
| Restricted funds | 920 | 695 | 629 | 1,172 | 1,149 | 889 | 648 | 535 | 621 | 647 |
| Property revaluation reserve | - | - | - | 10,506 | 11,929 | 12,573 | 12,934 | 12,974 | 13,259 | 14,207 |
| Total funds carried forward | 12,853 | 13,023 | 14,118 | 15,677 | 16,792 | 17,547 | 17,412 | 17,343 | 18,701 | 20,915 |
| Note | | | | | | | | | | |
| Funds carried forward excluding pension liability | 12,885 | 13,061 | 14,147 | 15,722 | 16,818 | 17,597 | 17,451 | 17,396 | 18,769 | 20,993 |
| Pension liability | (32) | (38) | (29) | (45) | (26) | (50) | (39) | (53) | (68) | (78) |
| Total funds carried forward | 12,853 | 13,023 | 14,118 | 15,677 | 16,792 | 17,548 | 17,412 | 17,343 | 18,701 | 20,915 |

