

GUILDFORD CATHEDRAL

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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OPEN

a warm-hearted community,
open to **God**, open to **all**



TELL

the Good News of Jesus to the world
through our worship and outreach



DEVELOP

the use of our estate in a way that honours
God's concern for his Creation



ENABLE

the Bishop's ministry and nurturing
of young and old in their faith



SERVE

the schools, parishes and chaplaincies of our
Diocese and to serve our County and locality

CONTENTS

ANNUAL REPORT	PAGE
Chapter Report, including <i>Introduction from the Dean</i>	I
AUDITED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021	
Independent Auditor's Report	12
Consolidated Statement of Financial Activities	15
Balance Sheets	16
Consolidated Cash Flow	17
Notes to the Financial Statements	18
APPENDICES TO THE ANNUAL REPORT	
1. Governance	47
2. The Chapter	47
3. The Cathedral Council	49
4. The College of Canons	49
5. The Bishop	50
6. The Cathedral Finance and Risk Committee	50
7. The Fabric Advisory Committee	51
8. The Community Committee	52
9. Cathedral Lay Staff	52
10. Cathedral Volunteers	52
11. Cathedral Officers and Advisers	52

CHAPTER REPORT

This Annual Report contains the financial statements of the Cathedral Church of the Holy Spirit, Guildford (known as Guildford Cathedral) for the year ended 31 December 2021 set out on pages 15 to 46 together with the Chapter Report on pages 1 to 11, including an Introduction by the Dean on pages 1 to 3, incorporating a review of our main activities and achievements and a financial review. In addition, the Chapter Report includes legal and administrative information and details of the Cathedral's structure, governance, and management, which are set out in Appendices 1 to 11 on pages 47 to 52.

FROM THE DEAN'S DESK

At the Sharp End

The first few months of 2021 saw the Cathedral still very much in the grips of the extended covid emergency, with restrictions in place, services behind closed doors, staff working from home and some continuing to be furloughed. Thanks to the efforts of Louise Musgrove, the Head of Visitor Experience and Events, it was possible to make good use of the empty Cathedral by allowing it to be used as a set for a big budget film production that will be streamed on television in 2022. Louise's contribution to the Cathedral in terms of her imaginative use of its available space and resource has been transformational and has provided a lifeline in the form of much needed funding during the pandemic. In January, at an installation service conducted in the midst of lockdown, we welcomed Chris Hollingshurst as our Residentiary Canon for Public Engagement and Pastoral Care.

Throughout his first year, Chris has gained the trust and admiration of the Cathedral community thanks to his prayerful ministry and his approachable relaxed style, which has added so much to our ability to achieve the Cathedral's mission. That same month we held our annual 'Christingle' service on-line, which marked the return to work of Becki Hartley, our wonderful Head of Family Engagement and Schools, who had been on maternity leave. Becki and her dedicated and flexible band of Volunteers were amongst the first to be able to bring people from all ages and backgrounds back to the Cathedral to take part in the wide variety of family events and services. With the spring the government's roadmap out of lockdown provided the Cathedral community with a glimpse of a possible return to normality, and it was able to worship in person once again and re-open the Shop and the Café Restaurant in a limited way. Sharon Collier and Carla Williams, managers of the Shop and Cafe respectively, have been inspirational in the way they have kept their teams motivated and provided a service to the public in spite of the many challenges posed by the constantly changing restrictions.

By 17 May, the sixtieth anniversary of the Cathedral's consecration, the Cathedral was open to visitors again and in person services had been re-established with the choir singing once more. Large scale services were now the purview of Gilly Myers, who offered, as a volunteer, to bring her previous wide experience as Cathedral Precentor and she joined the clergy team. Gilly has used her knowledge, experience and extraordinary propensity for detail to deliver a wide variety of important services of exceptional quality. I am enormously grateful to Gilly for having agreed to take on this task, which in the continued absence of a Canon Liturgist, would simply not have happened without

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

her. The musical content of our services has been provided at a level of excellence that seems to get better and better each year, by the peerless Katherine Dienes-Williams, her truly outstanding musician colleagues, Richard Moore, our Lay Clerks and choristers. We have been blessed by the ministry and service of our 2021 Organ Scholars, Luke Saint and from September, Michael Stephens-Jones. Our tremendous Cathedral choir is supported most admirably as ever by John Bawden and the Guildford Cathedral Singers. The Virgers, Altar Servers, Bell Ringers, Chaperones and the Stewards, the latter most ably led by Andrew Hodges, provided unstinting support at services. It is with unutterable sadness that I have to report that we lost Andrew most suddenly during Holy Week 2022, and his multitude of contributions to Cathedral life are sorely missed.

As summer provided its warming sustenance and autumn came blustering through, restrictions had eased still further and services, art exhibitions, concerts, education projects, fun days, graduations and group visits were all restored as regular items in the programme. Janet Mathews, as Chief Guide the leader of our matchless group of welcomers, had given a bravura performance last year in front of the cameras whilst hosting Michael Portillo which was aired by the BBC in April. This programme, an episode of Portillo's 'Great Railway Journeys', was in no small part responsible for visitor numbers starting to increase.

Clergy support throughout has been a constant inspiration to me. As well as Chris Hollingshurst and Gilly Myers, we have once again been blessed by the thoughtful and discerning ministry of Mavis Wilson, who has also been helping with the Cathedral's work to improve its eco credentials in the face of the climate emergency and the outstanding Anglican Chaplain to the University of Surrey, Duncan Myers, who always manages to be in two places at once as a wise and trusted priest and pastor. Winter drew upon us as swiftly as ever, and the final few restrictions were removed so that be the turn of the year the Cathedral had the look and feel of a place of worship untouched by the pandemic. Only the encouragement to wear face masks and sanitise hands remained, along with some other limited measures in the crypt.

Autumn was well upon us when Stuart Beake, our irrepressible Sub Dean, decided to add to his burgeoning portfolio by volunteering to act as the acting Canon Liturgist and Head of the Liturgy and Music Department. This selfless act of dedication and offer of support where it was most needed, despite the cost to him personally, is typical of Stuart. Covid 19 hit me before Christmas and I managed to pass this onto Stuart. Despite this he took up the reins during my illness and, what has proved to be, a protracted period of recovery. I continue to be inspired by his generosity and I will forever be in his debt.

Behind the Scenes

The aforementioned could not have been possible without the huge contribution of the dedicated, but very small team of people that serve in the Cathedral Staff in support roles. Paul Williamson and the Virgers, Malcom Twigger-Ross and Ryan Fowlds in Finance and, since August, Nicola Pratt returning to the Cathedral after a four-year absence to take up the new role of Head of Development have all been outstanding. The Administration, Fundraising, Property and Facilities, Visitor Experience and Events teams, and Julie Mitchell our Volunteer Co-ordinator, are all deserving of high praise. Last but not least Matt O'Grady and Emma Cooper, the Chief Operating Officer and

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

Officer Manager, have provided the glue which held all together and their conscientious approach and sense of purpose have been exemplary. We all owe them enormous gratitude.

Where Next?

For its summer meeting Chapter took some time away to take stock of the Cathedral's situation as the pandemic slowly receded. It was quickly established that recovery from the effects of covid would be a lengthy one and it would perhaps be eighteen months or two years before all of the impact was safely behind us. In the meantime, a good look at our Strategic Development Plan is taking place. The Plan identifies four key facets of our work and purpose. These are Deepening Discipleship, Family Engagement and Schools, Visitor Experience and Events and Worship, and Chapter were of the view that these pillars should continue to be the facets of our work to which we will give priority. Significant lessons have been learnt during the pandemic, and there is a determination not to return to the pre-covid way of doing things if it makes more sense to move forward. A process has begun to ensure that the quantifiable milestones of the plan are updated to take account of the lessons, and that the conversations with Heads of Department, to decide what are reasonable aspirations, are given full consideration.

Meanwhile, to assist in the fulfilment of these aims, there has been much hard work to fill gapped posts. Absence of key personnel due to sickness with covid has been a blight for more than two years, and the effects of this were exacerbated by the vacancies in key positions. The most important of these was the Canon Liturgist's role, and I am very pleased to report that following a successful interview in May 2022 an offer has been made which should see the post being filled in September 2022, after a gap of two and a half years.

HIGHLIGHTS OF 2021

Liturgy and Music

As 2021 began, services were sung behind closed doors and choir rehearsals for choristers took place online. The Cathedral Choir returned, spatially separated, on Mothering Sunday and the choir has remained singing in person ever since. A reduced number of services was offered during Holy Week, but online engagement through live streaming continued apace. The final service of the academic year in July was preceded by traditional cricket match, before the choir returned to the Cathedral for an Evensong with valedictions of those leaving the choir and some sixty singers singing spatially separated halfway down the Nave! The new choir year began without physical separation, the choir having to adjust once again. Highlights of the Michaelmas term included an Evensong at which former choristers were welcomed in the Cathedral's sixtieth year to sing with the Cathedral Choir. A new commission by former Organist and Master of the Choristers Philip Moore – 'Veni creator spiritus' – was given its world première. A 'Be a Chorister for the Day' event was possible despite the continuing restrictions, and the excellent news received that girl chorister Ruby had won the BBC 'Chorister of the Year' competition. A Year 12 student from a local school was given the opportunity to accompany Evensong. Amongst other highlights were a Royal School of Church Music festival service welcoming choirs from the Diocese, a moving service for All Souls' with its sung Requiem Mass, and the services on Remembrance Sunday. The boy choristers sang Evensong in

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

the Diocese for the first time since 2019, travelling to Dunscombe where they received a warm welcome. Former boy choristers returned for a changed voices' Evensong, and the Cathedral hosted the first Cathedral Organists' conference since 2019. Alexander Armstrong represented the Cathedral Music Trust at another special Evensong. Advent and Christmas services were warm and welcoming with beautiful musical accompaniment throughout.

Throughout the year boy chorister numbers have fluctuated, but online recruitment was held successfully, and eight new probationer boy choristers joined the team in September 2021. Girl chorister numbers have remained static, and three new lay clerks joined the team, finally providing a full complement in the back row. Choir chaperones were managed by the Lead Choir Chaperone, and latterly by the Volunteer Coordinator whilst a replacement Lead Choir Chaperone was recruited. Huge thanks must go to the Chaperones, chorister parents and extended family who give so much of their own time in support. Guildford Cathedral Singers continued its valuable service singing services when the Cathedral Choir was on holiday and during the year fifteen different visiting choirs, so ably administered by Sub Organist Richard Moore, were able to offer ministry at the Cathedral. Richard also masterminded a very successful summer organ festival. Carolyn Howard-Jones, as Liturgy and Music Administrator, has continued her excellent work both online and in person in the office. Appreciation must also be given to chorister parent Richard Davey who has continued to mastermind the Cathedral's live streaming offer.

Family Engagement and Schools

The Rainbow Project

One of the highlights of 2021 for the Family Engagement and Schools Department was The Rainbow Project, which was on display in the Cathedral from July 2021 until October 2021, much longer than originally intended due to its success! Becki Hartley, Head of Family Engagement and Schools, with agreement from The Dean, took the idea to create giant rainbows to Jane Whittington and Rachel Boxes, Diocesan colleagues, who immediately came on board and planned a whole term of Collective Worship for primary schools around the theme of the rainbow. Contributions came from across the Diocese and twelve rainbows were created which were hung on the pillars in the Nave, creating a wonderfully bright, thought-provoking installation for all visitors to engage with as we began we welcome visitors back to the Cathedral.

Family Fun Days

Due to the ongoing restrictions of the pandemic in the first half of the year, Family Fun Days were put on hold until July. To combat this, Becki created an Outdoor History Trail which was available during the June half-term, taking children on a trail around the outside of the building to learn about the Cathedral's construction. Family Fun Days in July and October allowed us to try out a Covid-safe method of providing resources by creating individual activity packs for attendees; this led to the introduction of an effective Box Office system for managing attendance and resource preparation.

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

Family Services

We were unable to host an in-person Christingle in January 2021 and so moved it online instead. Becki created the video service with contributions from volunteers, staff, and choristers and a reflection from The Dean. The service had over 150 views and raised nearly £400 for The Children's Society. The success of the online service encouraged us to offer a Good Friday service in a similar way. For Holy Week, Becki created a video to be released on Facebook each day with a Bible verse, reflection and suggested prayer activity for families to engage with. For Good Friday, the daily videos were combined with a specific Good Friday reflection and prayer; this was released as a whole service on our YouTube channel. The pandemic caused us to be unable to hold the Journey to Bethlehem service

Cathedral Tots

Cathedral Tots was another aspect of our work that happened online between February and May, with mini video services being released, mirroring what we would have done in person. From September, Cathedral Tots resumed services with a slightly altered format to account for being unable to share refreshments. The service now regularly sees five or six families attending, often with new families coming to the Cathedral for the first time. We continue to consider ways to grow this community.

School Visits and Workshops

Summer term 2021 welcomed two schools we hadn't recently worked with and, although the delivery of the visits had to change significantly, it was a blessing to welcome pupils back to the Cathedral. The autumn term hosted two school visits, both of which have become a regular offer. Lent, Easter and Trinity Workshops were unable to be offered because of the constraints of the pandemic but the Advent Workshops went ahead over 5 days, welcoming 150 pupils from five schools.

Diocesan Board of Education Links

The department's relationship with the Diocesan Board of Education continues to strengthen with The Rainbow Project leading into a collaboration on the Cathedral and Diocesan Advent Calendars in 2021, on the theme of 'Everyone is Welcome'. The joint project for the Diocesan Schools' Eco-Day has been reinstated and took place in March 2022.

Enterprises - Visitor Experience and Events

Commercial Events

Despite the constantly changing nature of covid restrictions in 2021, the Cathedral hosted several commercial events, concerts, and university graduations. In May, we also hosted a one-off abseil for local charity 'Challengers'. The University of Surrey graduations were subject to strict restrictions and had a very different feel to previous years. Surrey was one of the few universities able to offer graduations in 2021 and we were delighted to facilitate them. The highlights were as follows:

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

- Fairs and markets for Pre-loved Kilo Sale, Craft and Flea, and Etsy Made Local - these events took place between May and December;
- Cathedral Christmas Fair in November;
- Luna Cinema for three nights in August;
- Two major concerts in November ('G4' Cathedral Tour and 'This Is The Kit');
- Two weeks of University of Surrey Graduations in July.

Coffee Concerts and Exhibitions

The regular Coffee Concert programme commenced again in September. The exhibition programme presented three exhibitions in the latter half of the year:

- 'Ten Artists' in July;
- 'Invisible Threads' in September;
- 'Guildford Arts Society' in October.

In addition, we opened the 60th Anniversary exhibition in our Exhibition Room, showcasing items that have not been on display for many years, some for the first time ever. This exhibition ran until May 2022.

Filming

We rented out the Cathedral space, internally and externally, to a major streaming company who were filming a major production planned for release in 2022. Filming took place over four blocks of several days in January, February, March and May 2021. In November, negotiations began for two more major contracts in 2022. Two large streaming companies have expressed interest in filming at the Cathedral in the second half of the year.

Enterprises - Other

Seasons Café and Kitchen

Tipsy Pigs have faced another difficult year and were particularly affected by the unexpected upsurge in covid cases in the run up to Christmas. This resulted in all Christmas bookings being cancelled and day diners losing confidence and staying at home. The company pulled out of their other café contract to protect their business overall. They report a healthy number of bookings for 2022.

Shop

The Shop has had a changeable year and continued to operate on reduced opening hours. It generated a contribution before staff costs of £60K. Sharon Collier, the Shop Manager, sold much of the existing stock in readiness for 2022, when a budget for new stock meant an opportunity to replenish the shop offer.

Fundraising

The Cathedral gives heartfelt and grateful thanks to all those that support the missions and ministry of this place. All gifts, large or small, enable us to keep our doors open and support our ministry. For the majority of 2021 the Cathedral was without a Fundraiser. The part-time member of staff that remained in the department from 2020, left the Cathedral in March 2021. The recruitment of the new Head of Development post began in May with the post being filled at the end of August 2021. The Cathedral opened throughout 2021 on limited hours from 10.30am to 3.30pm, which has in turn impacted the visitor donations. Due to the end of most Covid Recovery Grants, and being without a Fundraiser, grant income was less in 2021. We are very grateful to the many Trusts that continue to support us, despite their own challenges.

Income from Trusts and Foundations:

- Atlas Fund;
- Britton Family Trust;
- Cathedral Music Trust;
- Ebenezer Trust;
- Erica Leonard Charitable Trust;
- Guild of Church Bell Ringers;
- Roger Raymond Charitable Trust;
- The Rainbow Dickinson Trust;
- Vibrated Corn Charitable Trust;
- Williams Church Music Trust.

Grant Income:

- Allchurches Trust (Ecclesiastical Insurance Group);
- Church Commissioners;
- Friends of Guildford Cathedral;
- Guildford Borough Council;
- Guildford Cathedral Music Development Foundation.

Some trusts and grant organisations wish to remain anonymous.

We give thanks for generous and loyal support from several parishes, including Mickleham Parochial Church Council, St Mary's (Ash Vale) and St Martin's (East Horsley) and St James (Elstead). Their prayerful and financial support means a great deal to us. We are truly thankful to all individuals, Trusts and Foundations, Organisations, and statutory bodies for their support.

Fabric Report and Forecast of Maintenance Costs

The Cathedral Architect's Quinquennial Inspection report from September 2017 identified a list of maintenance and repair items still to be undertaken at a cost of approximately £3.27m after completion of major project work. Progress in dealing with these items remains slow whilst income from the Cathedral development endowment is awaited. The Architect will carry out a further

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

Quinquennial Inspection in 2022. Urgent and health and safety related defects continue to be addressed and routine maintenance carried out as required.

Staff

2021 saw a number of Staff continuing on furlough as part of the government's Coronavirus Job Retention Scheme (CJRS). The number of Staff affected and hours on furlough gradually reduced so that all had returned to pre-pandemic contracted hours by the time the CJRS ended in September 2021. Most Staff members have now adopted a 'hybrid' routine of working from home for part of the week and spending the remainder of their allotted hours in the office. This is working well.

There was a degree of Staff turbulence during the year. Sarah Horrocks (Fundraising Officer) departed in March 2021; Kate Lowe (Lay Clerk) in July; Luke Saint (Organ Scholar) in August; Denise Backhouse (Lead Choir Chaperone) and Karen Taylor (Visitor Experience Officer) in October. We are most grateful for the important contribution made by all of these dedicated Staff members. Michael Stephens-Jones (Organ Scholar) joined in September; Lizzie Post (Lay Clerk), Claire Waters-Duke (Digital Marketing and Communications Officer, gapped since February 2020) and Mary Beal (Visitor Experience Officer) in January 2022. David Buckley joined as the Lead Choir Chaperone in April 2022 and recruitment action is underway for the last two vacant posts (Fundraising Officer and Tenor Lay Clerk).

Volunteers

The Cathedral remains indebted to its large number of Volunteers for their conscientious sense of duty, honest endeavour and courage in the face of continuing challenges posed by the pandemic. The Volunteer cohorts are ably co-ordinated by Julie Mitchell and listed at Appendix 10. All helped to keep the Cathedral operating despite the difficulties, and we are enormously grateful.

Risk Management

Chapter continues to deal with all the effects of the pandemic. The risks identified during 2020 and 2021 have been ameliorated by risk assessments that have been reviewed and amended on a regular basis to be able to adapt to frequently changing circumstances.

The major risks in 2021 continued to be the underlying deficit and the progress on the sale of the land. Chapter had set challenging budget targets for 2022 and 2023, including plans for increasing income generation. Movement towards the sale of the land has continued and an application application for planning permission to Guildford Borough Council was made in October 2021 which has yet to be determined.

Chapter's detailed Risk Register is kept up to date, given all the various activities of the Cathedral. The risk management process and the resulting Register identifies risks, assesses their impact and likelihood and, where necessary, implements controls to mitigate and monitor those risks that are assessed significant. The Risk Register review process has been reviewed and refined, thanks to two external risk experts now being members of the Cathedral Finance and Risk Committee

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

The key controls used by Chapter to manage risk include:

- Formal agendas and minutes for the Boards and Committees;
- Comprehensive strategic planning, budgeting, and management reporting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

Financial Review

The Cathedral began to recover during the year from the severe impact Covid-19 has had on its finances. The Consolidated Statement of Financial Activities shows that income increased to £1,297,000 although still below pre-pandemic levels (2020: £1,136,000 2019: £1,449,000). Income from other trading activities recovered significantly to £436,000 because of filming activity during the year (2020: £197,000; 2019: £501,000). Income from charitable activities recovered to £21,000 (2020: £4,000; 2019: £35,000), donations however fell to £272,000 (2020: £ 311,000; 2019: £315,000) and legacy income was £53,000 (2020: £1,000; 2019: £17,000). Receipts from the Coronavirus Job Retention Scheme were £39,000 (2020: £96,000). Expenditure was £1,304,000 (2020: £1,364,000; 2019: £1,602,000). Expenditure on raising funds, which includes trading expenditure, was £242,000 (2020: £247,000; 2019: 427,000) and expenditure on charitable activities was £1,062,000 (2020: £1,117,000; 2019: £1,175,000). This meant that the Cathedral had a net expenditure for the year before investment gains of £7,000 (2020: net expenditure of £228,000; 2019: net expenditure £153,000). This was a very welcome recovery. However significant contributors have been the exceptional filming income (c.£150,000 contribution) and the legacy income (£50,000 contribution). An underlying structural deficit remains and Chapter needs to continue increasing income whilst controlling expenditure to deliver a long term sustainable financial position.

The management accounts results, which adjusts for expenditure on the land sale and spreads significant legacies over three years to reduce the fluctuations from this very variable income source, give the following adjusted management accounts results on unrestricted funds:

	2021	2020
	£'000s	£'000s
Net movement in funds	71	(223)
Net (gains)/losses on investments	(17)	9
Result before investment gains/(losses)	54	(214)
Deferred Legacy Income	(33)	50
	21	(164)
Land Sale	7	12
Management Accounts Result	28	(152)

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

This result was better than Chapter's budget for 2021 of a £70,000 deficit. The most significant variances were stronger trading income and lower salaries because of vacancies.

Despite the more positive result this year, the overall financial position remains challenging and the intention remains to reduce the underlying operating deficit. Covid has had a significant impact on the Chapter's plans, further eroding Chapter's limited reserves and delaying Chapter's plans to eliminate the annual operating deficit. Work towards the sale of the land, to secure an endowment, has continued but, inevitably, has been delayed due to the impacts of Covid.

The budget for 2022 is for an operating deficit of £31,000. However, the latest forecast is for an increased operating deficit of £120,000 mainly because film income originally budgeted for 2022 is now expected to come in in 2023. Unrestricted free reserves are still below £500,000 (see below under Reserves). Chapter's aim is to continue to challenge costs whilst remaining mindful of the need to achieve the vision elucidated in its document of 2021 and the strategic development plan. It remains focused on plans to increase income through more legacies, regular giving, grants, increasing visitor numbers, commercial activity and the ongoing support of the Music Development Foundation and the Friends of Guildford Cathedral. Bringing the land sale to completion is also important to overall sustainability because it will establish an endowment fund providing investment income that will support the cost of repairs and refurbishment on the Cathedral that currently needs to be supported from unrestricted funds and whilst achieving this it will also help our reserves by recovering costs already incurred on the development.

Investments

To ensure appropriate financial management Charles Stanley and & Co Ltd hold the main portfolio on behalf of the Cathedral and manage it on a discretionary basis within agreed parameters and in accordance with the Cathedrals Measure 1999. A discretionary mandate enables them to monitor the portfolio on an ongoing basis and they are authorised to take timely action to adjust the portfolio as considered appropriate in response to market developments. Investments are also held with CCLA Investment Management Ltd. Overall investment figures had reduced by 6% by the end of May 2022. Investments are held for the long-term and Chapter believes this fall to be temporary market fluctuations and that over the long-term the Cathedral investments will continue to grow.

Reserves

The policy of maintaining £500,000 in liquid unrestricted reserves (cash and on-call investments net of current debtors and creditors) has been maintained since 2017. This represents around 50% of the annual unrestricted running costs of the Cathedral, which Chapter considers reasonable based on the income that it is likely to receive during the time taken to devise and implement a revised set of financial priorities, should this be required. However, with the impact of Covid, reserves fell below this level in 2020 but have recovered somewhat in 2021.

Liquid Unrestricted Reserves	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
	422	333	565	665	592

Public Benefit

The Cathedral Church of the Holy Spirit, Guildford

ANNUAL REPORT

For the year ended 31 December 2021

Chapter confirm that they have complied with Section 4 of the Charities Act 2006 to have regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral not only serves the community daily in its religious and charitable work but is an active resource of public importance in the promotion of religion, music, education, and architecture.

Approved by the Chapter of Guildford Cathedral and signed on its behalf by



.....
The Very Reverend Dianna Gwilliams – Dean
12 July 2022

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD For the year ended 31 December 2021

We have audited the financial statements of The Cathedral Church of The Holy Spirit – Guildford (the 'parent entity') ('the Cathedral') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, The Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the affairs for the group and the parent entity as at 31 December 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the regulations made under Section 27 of the Cathedrals Measure 1999.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the group or parent entity to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

Other information

The Chapter members are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD For the year ended 31 December 2021

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.

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 we report to you if, in our opinion:

- the information given in the Annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent entity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Chapter

As explained more fully in the Statement of the Chapter's Responsibilities statement set out on pages 47 and 48 the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities including fraud are instances of noncompliance 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 risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations is as follows:

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD

For the year ended 31 December 2021

- We identified those laws and regulations considered to have a material effect on the financial statements and operations of the parent entity, including the financial reporting framework, data protection legislation, health and safety and safeguarding regulations.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and Chapter members as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Chapter meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

Use of our report

This report is made solely to the Chapter members, as a body, in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter and the Chapter's members as a body, for our audit work, for this report, or for the opinions we have formed.



Brewers Chartered Accountants
Statutory Auditor
Bourne House
Queen Street
Gomshall
Surrey
GU5 9LY

15 July 2022

Brewers Chartered Accountants is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

The Cathedral Church of the Holy Spirit, Guildford

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Note	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s	Total 2020 £'000s
Income and endowments from						
Donations & legacies						
Donations	2	207	65	-	272	311
Legacies	2	53	-	-	53	1
Grants	2	45	361	-	406	450
		305	426	-	731	762
Charitable activities	3	14	7	-	21	4
Other trading activities	4	432	4	-	436	197
Investments	5	31	39	-	70	77
Other income	6	39	-	-	39	96
Total income and endowments		821	476	-	1,297	1,136
Expenditure on						
Raising Funds	7	(193)	(44)	(5)	(242)	(247)
Charitable activities						
Ministry	8	(284)	(438)	-	(722)	(750)
Cathedral & precincts upkeep	8	(188)	(108)	-	(296)	(329)
Education and outreach	8	(10)	(34)	-	(44)	(38)
Total expenditure		(675)	(624)	(5)	(1,304)	(1,364)
Net income/(expenditure) before investment gains/(losses)		146	(148)	(5)	(7)	(228)
Net gains / (losses) on investments		17	85	40	142	(8)
Net income/(expenditure)		163	(63)	35	135	(236)
Transfers between funds	10	(92)	92	-	-	-
Net movement in funds		71	29	35	135	(236)
Funds brought forward		4,277	909	1,280	6,466	6,702
Funds carried forward	17	4,348	938	1,315	6,601	6,466

The Cathedral's entity only result (net movement in funds) for the year was £88,000 surplus (2020: £118,000 deficit).

The Cathedral Church of the Holy Spirit, Guildford

BALANCE SHEETS

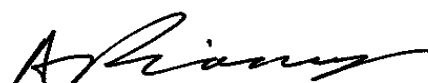
For the year ended 31 December 2021

	Note	Group		Chapter	
		2021 £'000s	2020 £'000s	2021 £'000s	2020 £'000s
Fixed Assets					
Tangible Assets	12	3,702	3,720	3,702	3,720
Heritage assets	13	224	224	224	224
Investments	14	2,515	2,234	2,515	2,234
		<u>6,441</u>	<u>6,178</u>	<u>6,441</u>	<u>6,178</u>
Current Assets					
Investments	14	70	70	70	70
Stocks - goods for resale		13	18	-	-
Debtors	15	153	105	165	147
Cash at bank & in hand		175	357	116	321
		<u>411</u>	<u>550</u>	<u>351</u>	<u>538</u>
Creditors: Amounts falling due within one year	16	(251)	(262)	(227)	(238)
		<u>160</u>	<u>288</u>	<u>124</u>	<u>300</u>
Net current assets					
		<u>6,601</u>	<u>6,466</u>	<u>6,565</u>	<u>6,478</u>
Funds					
Unrestricted Funds	17	4,348	4,277	4,312	4,289
Restricted Funds	17	938	909	938	909
Endowment Funds	17	1,315	1,280	1,315	1,280
Total funds	17	<u>6,601</u>	<u>6,466</u>	<u>6,565</u>	<u>6,478</u>

The financial statements were approved by the Chapter of Guildford Cathedral on 12 July 2022 and signed on its behalf by:



The Very Reverend Dianna Gwilliams
Dean



Andrew Pianca
Treasurer

The Cathedral Church of the Holy Spirit, Guildford

CONSOLIDATED CASH FLOW

For the year ended 31 December 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Net cash from operating activities	(96)	(103)
Cash flows from investing activities		
Net Dividends, interest and rents from investments	59	68
Purchase of property and equipment	(6)	(28)
Purchase of investments	(1,154)	(288)
Sales of investments	1,015	357
Net cash provided by investing activities	<u>(86)</u>	<u>109</u>
Change in cash and cash equivalents	(182)	6
Cash and cash equivalents at 1 January	357	351
Cash and cash equivalents at 31 December	<u><u>175</u></u>	<u><u>357</u></u>
Reconciliation of net expenditure to net cash flow from operating activities		
Net income/(expenditure)	135	(236)
Adjustments for:		
Depreciation charges	24	19
(Gains)/Losses on investments	(142)	8
Dividends, interest and rents from investments	(70)	(77)
Property and investment management costs	11	9
Decrease in stocks	5	3
(Increase)/Decrease in debtors	(48)	87
(Decrease)/Increase in creditors	(11)	84
Net cash used in operating activities	<u><u>(96)</u></u>	<u><u>(103)</u></u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	<u><u>175</u></u>	<u><u>357</u></u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

I. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments to market value, as necessary.

The financial statements and report are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Cathedral and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the financial statements are also prepared in accordance with Accounting and Reporting by English Anglican Cathedrals (dated December 2018) as specified by the Church Commissioners in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared in £ sterling and monetary amounts are rounded to £ thousand.

Basis of consolidation

The consolidated financial statements comprise those of the Cathedral and its wholly owned subsidiary company Guildford Cathedral Enterprises Limited. The turnover and expenditure and the assets and liabilities of the subsidiary are included on a line by line base in the Consolidated Statement of Financial Activities and the Consolidated Balance sheet.

Going Concern

Chapter considers that while there are financial challenges there are no material uncertainties over the ability to continue as a going concern for the foreseeable future which is an assessment in respect of a period of one year from the date of approval of these financial statements. Further details on the financial pressures facing the Cathedral are given in Note 23.

Income

- Grants, donations, gift aid reclaimable, fees charged, hire charges, trading income and investment income are recorded when receivable.
- Grants and donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Grants and donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Where any amounts are required to be retained as capital in accordance with the donor's wishes these are accounted for as Endowments.
- The Cathedral benefited from assistance provided under the furlough scheme and a £15,000 discretionary grant from Guildford Borough Council. Amounts received have been recorded as unrestricted in other income and other grants.
- Legacies are recorded when the amount receivable can be determined with reasonable certainty.
- Any income subject to VAT is recorded net of VAT chargeable.
- Gifts in kind are recorded at their estimated value. No value is attributed to voluntary help.

Charging policy

The Cathedral does not charge for entry to the Cathedral. To achieve its objectives, every effort is made to develop earnings from commercial sources, and to attract voluntary donations from supporters and visitors. It is felt that pursuance of this policy will help many thousands of people each year to enjoy the beauty of the Cathedral and come to know Christ better through that experience. The Cathedral is open to everyone, regardless of background or means, and it is our aim to ensure that each person receives a personal warm welcome.

I. ACCOUNTING POLICIES (continued)

Donated assets

Offers of gifts in kind are considered by the Chapter, and where appropriate by the Cathedral's Fabric Advisory Committee (FAC). The disposal of donated assets which are deemed to have outlived their usefulness is carefully discussed in Chapter and by the Fabric Advisory Committee, and where necessary proposals are submitted to the Cathedrals Fabric Commission for England (CFCE). No items are disposed of without the agreement of the FAC, and decisions of the CFCE are always complied with. In the case of such items once donated by individuals or families, surviving relatives are always informed when a decision is made in favour of disposal.

Expenditure

- Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. Support costs not directly attributable to a particular financial activity category are apportioned over the relevant categories on the basis of staff numbers working in each department.
- Costs of raising funds, includes both fundraising and marketing together with the gross costs of the shop.
- Charitable activities is comprised of three categories: Ministry covering clergy stipends and housing together with the costs incurred by our choir and music department, Cathedral and precincts upkeep covering building repairs, depreciation and utilities and Education and outreach which covers the cost of the Schools department and outward giving. Governance costs are included within support costs and consist of audit costs and an allocation of senior management time.
- Chapter makes annual donations totalling 5% of the prior year's unrestricted collections and stewardship income before gift-aid divided between a number of external charities selected by Chapter on recommendations by the Community Committee. An estimate of the amount payable from the current year's income together with any outstanding amounts from prior years' is included within creditors.
- Intra-group sales and associated costs with the Cathedral's subsidiary company, Guildford Cathedral Enterprises Limited, are excluded from the consolidated income and expenditure.

Taxation

HM Revenue and Customs treats Cathedrals as exempt charities and as such they are entitled to certain tax exemptions on income and profit from investments and on any surpluses from trading activities carried out in furtherance of the Cathedral's primary objectives, if these profits are applied solely for charitable purposes. Guildford Cathedral Enterprises Limited donates its surplus taxable profit to the Cathedral. The Chapter is eligible to partially recover VAT. Non-recoverable VAT is attributed to the relevant expense.

Pensions

Up until 2016 lay members of staff were eligible to join The Church of England Church Workers Pension Fund (CWPF). This scheme is now closed to new members. See note 16 for further information on the Church Workers Pension Fund. The Cathedral in addition operates a defined contribution pension scheme for lay members of staff. The scheme is administered by NEST and is a qualifying workplace scheme for auto enrolment.

The pension costs represent the amount of contributions payable to the pension schemes in respect of the accounting period.

I. ACCOUNTING POLICIES (continued)

Operating leases

Rentals applicable to operating leases where substantially all the benefit and risks of ownership remain with the lessor are charged on a straight-line basis over the period of the lease.

Heritage Assets

Heritage assets have been capitalised at deemed cost on the adoption of FRS 102. This was based on a replacement cost valuation by Steph Clarke of Christies & Roger Heath- Bullock in March 2013. No depreciation is charged on these assets as they are well maintained and polished and are not believed to have a finite life.

These assets are predominantly liturgical vessels such as chalices, crosses and candlesticks. The Cathedral keeps a register of the assets which are held in the Treasury or the safe for use in special services.

Land, Buildings, Inventory and Equipment

The Cathedral land, Cathedral building and ancillary buildings form part of the Cathedral's Endowment and in accordance with the Cathedral Accounting and Reporting Regulations are not included in these accounts.

Fixed assets costing over £1,000 are capitalised in the year of purchase.

Freehold buildings are included at their historic cost as permitted on the adoption of FRS102. No depreciation is provided on the basis of immateriality due to long unexpired lives and high residual values. The Cathedral has a policy and practice of regular maintenance and properties are also unlikely to suffer obsolescence. The Cathedral undertakes annual impairment reviews of all properties stated in the accounts.

Depreciation of other assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Furniture and fittings 10% straight line basis
- Office and catering equipment over 3 – 4 years
- Ceremonial Garments over 25 years

Investments

Property investments are stated at open market value at the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. No depreciation is charged on investment properties. The valuation is based on readily available market information of sold prices of comparable properties in the same postcode proximity.

Other financial investments are valued at the balance sheet date at their market value. Realised and unrealised gains/losses in the year arising from the investment manager's trading activity are shown combined in the Statement of Financial Activities. If a sale is expected within twelve months the amount is shown under current assets. The investment held in the Cathedral's wholly owned subsidiary, Guildford Cathedral Enterprises Limited is held in the Cathedral entity balance sheet at cost. The carrying value of all investments are reviewed annually for impairment.

Stocks

Stocks are items purchased for re-sale by Guildford Cathedral Enterprises Limited and are valued at the lower of cost or net realisable value, after making allowance for obsolete and slow-moving items.

Cash

Cash and cash equivalents consist of cash at bank and in hand. It includes cash held by the investment managers for distribution but excludes that held for re-investment.

I. ACCOUNTING POLICIES (continued)

Financial Instruments

Apart from the investments within Fixed Assets investments and Current Asset investments the Cathedral holds only basic financial instruments.

Debtors are measured at amortised cost and are held at settlement amount net of discounts less any provision for non-recoverability.

Creditors are measured at amortised cost and are held at settlement amount net of discounts. They are recognised where there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to settle the obligation can be measured or estimated reliably.

Funds

Unrestricted funds are donations and incoming resources receivable or generated for the objects of the Cathedral without further specified purpose and are available as general funds.

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets the criteria is charged to the fund.

Endowment Funds are those held on trust as a capital fund. The property endowment fund is an expendable endowment fund where capital may be used in the circumstances set out in note 17. The other endowment funds are permanent endowments where only the income may be spent.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

- Fair value of functional property, heritage assets and investment property.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. INCOME FROM DONATIONS AND LEGACIES

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Collections & Giving	96	-	-	96
Donations	77	60	-	137
Gift Aid	34	5	-	39
Total donations	207	65	-	272
Legacies	53	-	-	53
Grants				
Church Commissioners	-	294	-	294
Friends and Music Development Trust	6	65	-	71
Other	39	2	-	41
Total grants	45	361	-	406
Total	305	426	-	731

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Collections & Giving	99	-	-	99
Donations	74	105	-	179
Appeals	-	-	-	-
Gift Aid	30	3	-	33
Total donations	203	108	-	311
Legacies	1	-	-	1
Grants				
Church Commissioners	-	301	-	301
Friends and Music Development Trust	19	99	-	118
Other	31	-	-	31
Total grants	50	400	-	450
Total	254	508	-	762

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3. INCOME FROM CHARITABLE ACTIVITIES

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Special services	14	7	-	21

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Special services	1	3	-	4

4. INCOME FROM OTHER TRADING ACTIVITIES

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Guided Tours	1	1	-	2
Cathedral lettings	366	-	-	366
Events	-	3	-	3
Shop Income	56	-	-	56
Café Sales Commission	9	-	-	9
Other activities	-	-	-	-
	432	4	-	436

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Guided Tours	-	1	-	1
Cathedral lettings	120	-	-	120
Events	20	3	-	23
Shop Income	34	-	-	34
Café Sales Commission	16	-	-	16
Other activities	3	-	-	3
	193	4	-	197

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

5. INVESTMENT INCOME

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Dividends receivable	14	39	-	53
Rents receivable	17	-	-	17
Interest receivable	-	-	-	-
	<u>31</u>	<u>39</u>	<u>-</u>	<u>70</u>

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Dividends receivable	18	41	-	59
Rents receivable	18	-	-	18
Interest receivable	-	-	-	-
	<u>36</u>	<u>41</u>	<u>-</u>	<u>77</u>

6. OTHER INCOME

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Coronavirus Job Retention Scheme	<u>39</u>	<u>-</u>	<u>-</u>	<u>39</u>

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Coronavirus Job Retention Scheme	<u>96</u>	<u>-</u>	<u>-</u>	<u>96</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. EXPENDITURE ON RAISING FUNDS

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Visitor facilities	4	-	-	4
Services directly recoverable	2	-	-	2
Other trading activities	133	8	-	141
Fundraising	13	11	-	24
Investment property	2	-	-	2
Investment management	4	2	5	11
Support costs	35	23	-	58
	<u>193</u>	<u>44</u>	<u>5</u>	<u>242</u>

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Visitor facilities	3	-	-	3
Services directly recoverable	-	1	-	1
Other trading activities	104	-	-	104
Fundraising	70	-	-	70
Investment property	2	-	-	2
Investment management	3	1	3	7
Support costs	28	32	-	60
	<u>210</u>	<u>34</u>	<u>3</u>	<u>247</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Ministry				
Clergy Stipends and expenses	12	94	-	106
Clergy and other Housing	71	-	-	71
Clergy support	13	50	-	63
Services & Music	28	188	-	216
Allocated Support Costs	160	106	-	266
	<u>284</u>	<u>438</u>	<u>-</u>	<u>722</u>
Cathedral & precincts upkeep				
Repairs and Maintenance	101	88	-	189
Cathedral Insurance	39	-	-	39
Precinct security and upkeep	17	-	-	17
Allocated Support Costs	31	20	-	51
	<u>188</u>	<u>108</u>	<u>-</u>	<u>296</u>
Education & outreach				
Educational activities	-	29	-	29
Charitable & other giving	2	-	-	2
Allocated Support Costs	8	5	-	13
	<u>10</u>	<u>34</u>	<u>-</u>	<u>44</u>

During the year grants totalling £11,430 (2020: £6,900) were paid to three charities: Seeds for Development, Home Start Guildford and Guildford Chaplaincy Street Angels. This represented 2 years of contribution. This amount differs from that shown in the table of expenditure on charitable activities because of the movement in provisions.

Clergy stipends are funded by the Church Commissioners (see note 11).

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Ministry				
Clergy Stipends and expenses	7	96	-	103
Clergy and other Housing	95	-	-	95
Clergy support	27	38	-	65
Services & Music	2	238	-	240
Allocated Support Costs	114	133	-	247
	<u>245</u>	<u>505</u>	<u>-</u>	<u>750</u>
Cathedral & precincts upkeep				
Repairs and Maintenance	155	52	2	209
Cathedral Insurance	38	-	-	38
Precinct security and upkeep	17	-	-	17
Allocated Support Costs	30	35	-	65
	<u>240</u>	<u>87</u>	<u>2</u>	<u>329</u>
Education & outreach				
Educational activities	-	14	-	14
Charitable & other giving	7	-	-	7
Allocated Support Costs	8	9	-	17
	<u>15</u>	<u>23</u>	<u>-</u>	<u>38</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

9. SUPPORT COSTS

	2021	2020
	£'000s	£'000s
Utilities	64	66
Depreciation	24	19
Administration	63	60
Governance	28	27
Sundry	45	50
Bank charges	4	4
Personnel & training	160	163
	<u>388</u>	<u>389</u>
Allocated:		
Fundraising	58	60
Charitable activities	<u>330</u>	<u>329</u>
	<u>388</u>	<u>389</u>
Included above:		
Operating leases	13	13
Payments to auditors: Accounts preparation	1	1
Audit	12	10

The support costs have been allocated between activities according to the number of people employed in those activities.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10. TRANSFERS BETWEEN FUNDS

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
To fund deficit on Music	(101)	101	-	-
To fund deficit on Education Outreach	(30)	30	-	-
To fund deficit on Fabric	(12)	12	-	-
Transfer from Newill Trusts	50	(50)	-	-
Other transfers	1	(1)	-	-
	<u>(92)</u>	<u>92</u>	<u>-</u>	<u>-</u>
2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
To fund deficit on music funds	(101)	101	-	-
To fund deficit on Fabric fund	(21)	21	-	-
Transfer from Newill Trusts	50	(50)	-	-
Other transfers	(12)	12	-	-
	<u>(84)</u>	<u>84</u>	<u>-</u>	<u>-</u>

The transfer from the Newill Trusts was in respect of expenditure on repairs, maintenance and insurance costs within the terms of the Trusts.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

II. EMPLOYEES AND OFFICE HOLDERS

<u>Staff Costs</u>	2021	2020
	£'000s	£'000s
Salaries and stipends	616	622
National Insurance	47	45
Pensions	36	36
	<u>699</u>	<u>703</u>

<u>Average staff numbers</u>	Headcount		Full time equivalent	
	2021	2020	2021	2020
	No.	No.	No.	No.
Ministry & Music	12.0	13.0	8.4	8.6
Clergy Support	1.8	1.8	1.8	1.8
Education	1.0	1.0	0.8	0.8
Cathedrals & Precincts upkeep	3.9	3.9	3.0	3.0
Fundraising	1.0	1.0	1.0	1.0
Trading	2.6	2.6	2.3	2.3
Governance	0.4	0.4	0.3	0.3
Administrative Support	7.2	7.1	4.9	4.9
	<u>29.9</u>	<u>30.8</u>	<u>22.5</u>	<u>22.7</u>

No employee or office holder was paid more than £60,000 per annum (2020: None). Chapter considers its key management personnel to comprise the clergy members of Chapter and the Chief Operating Officer. The total amount received by key management personnel during the year was £156,000 (2020: £157,000).

Included within staff costs are payments made by the Church Commissioners to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The stipend and pension of the Dean and two residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops Council, and the Church of England Pensions Board. No supplements to these scales are paid. Each of the individuals also benefits from housing provided by the Cathedral free of rent and council tax in furtherance of their duties. The Cathedral also pays a contribution to the telephone bills. The total stipend for the year was £65,000 (2020: £66,500) and pension provision was £22,500 (2020: £22,100) made up as follows:

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11(2). CHAPTER MEMBERS

	2021		2020	
	Stipend	Pension	Stipend	Pension
Very Rev. Dianna Gwilliams	37,800	12,500	37,500	12,300
Rev. Canon Paul Smith	-	-	29,000	9,800
Rev. Canon Chris Hollingshurst (from Feb 2021)	27,200	10,000	-	-
Total	65,000	22,500	66,500	22,100

No remuneration was paid to other members of Chapter during the year (2020: nil). Expenses of £11,300 (2020: £2,000) were reimbursed to 3 (2020: 3) members of the Chapter in the year. These included £3,200 of relocation expenses (2020: £Nil).

12. TANGIBLE ASSETS

	Chapter			Subsidiary	
	Functional property £'000s	Equipment and plant £'000s	Total £'000s	Equipment and plant £'000s	Total £'000s
<u>Cost/Valuation</u>					
At 1 January 2021	3,635	400	4,035	7	4,042
Additions	-	6	6	-	6
Written off	-	(185)	(185)	-	(185)
Changes in valuation	-	-	-	-	-
At 31 December 2021	3,635	221	3,856	7	3,863
<u>Depreciation</u>					
At 1 January 2021	-	315	315	7	322
Charge in year	-	24	24	-	24
Written off	-	(185)	(185)	-	(185)
At 31 December 2021	-	154	154	7	161
<u>Net Book Values</u>					
At 31 December 2021	3,635	67	3,702	-	3,702
At 31 December 2020	3,635	85	3,720	-	3,720

The functional property is housing for Cathedral clergy and staff.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

13. HERITAGE ASSETS

	Group		Chapter	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
At 1 January & 31 December	224	224	224	224

14. INVESTMENTS

	2021			2020		
	Listed investments	Investment property	Total	Listed investments	Investment property	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January	1,707	508	2,215	1,795	508	2,303
Additions	1,199	-	1,199	277	-	277
Disposals	(1,015)	-	(1,015)	(357)	-	(357)
Changes in market value	142	-	142	(8)	-	(8)
Market Value at 31 December	2,033	508	2,541	1,707	508	2,215
Cash held for re-investment	44	-	44	89	-	89
Total Consolidated Investments	2,077	508	2,585	1,796	508	2,304
Investment in group undertaking			-			-
Total Chapter Investments			2,585			2,304
Long-term	2,007	508	2,515	1,726	508	2,234
Current	70	-	70	70	-	70
	2,077	508	2,585	1,796	508	2,304

Listed Investments at 31 December

	2021	2020
Charles Stanley managed portfolio		
Fixed Income	725	734
UK Equities	83	102
Overseas Equities	167	148
Property	44	43
Alternatives	126	123
Mixed	91	-
	1,236	1,150
CCLA CBF Investment Fund	797	557
Total	2,033	1,707

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

14. INVESTMENTS (continued)

The Cathedral has one wholly owned subsidiary, Guildford Cathedral Enterprises Limited, which has a share capital of £100. A summary of its financial results and funds which are consolidated in these financial statements are as follows.

2021	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2021 £'000s
Turnover	339	-	-	339
Cost of sales and trading	(148)	-	-	(148)
Other income	6	-	-	6
Gift to Chapter	(150)	-	-	(150)
	47	-	-	47
Funds at 1 January	(11)	-	-	(11)
Funds at 31 December	36	-	-	36

2020	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2020 £'000s
Turnover	67	-	-	67
Cost of sales and trading	(102)	-	-	(102)
Other income	23	-	-	23
Gift to Chapter	(106)	-	-	(106)
	(118)	-	-	(118)
Funds at 1 January	107	-	-	107
Funds at 31 December	(11)	-	-	(11)

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

15. DEBTORS

	Group		Chapter	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Trade Debtors	25	9	18	6
Amounts owed by subsidiary undertakings	-	-	22	45
Prepayments and accrued income	128	85	125	85
Other debtors	-	11	-	11
	<u>153</u>	<u>105</u>	<u>165</u>	<u>147</u>

16. CREDITORS

	Group		Chapter	
	2021	2020	2021	2020
	£'000s	£'000s	£'000s	£'000s
Trade creditors	138	78	134	77
Accruals and deferred income	81	152	71	149
Taxation	21	-	21	-
Other creditors	11	32	1	12
	<u>251</u>	<u>262</u>	<u>227</u>	<u>238</u>

Commitments under non-cancellable leases (Group and Chapter)	2021	2020
	£'000s	£'000s
Under 1 year	-	12

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. FUNDS

<u>Fund Movements 2021</u>	1 January 2021	Income	Expenditure	Gains and losses	Transfers	31 December 2021
Consolidated	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,277	821	(675)	17	(92)	4,348
Restricted Funds						
Choir and Music	30	112	(241)	-	99	-
General Stipends	-	295	(295)	-	-	-
Education & other purposes	2	13	(46)	-	31	-
Fabric Funds	212	38	(42)	5	12	225
Newill Trusts	665	18	-	80	(50)	713
	909	476	(624)	85	92	938
Endowment Funds						
Choir and Music	441	-	(3)	21	-	459
Fabric	263	-	(2)	16	-	277
Property	576	-	-	3	-	579
	1,280	-	(5)	40	-	1,315
Total	6,466	1,297	(1,304)	142	-	6,601
Chapter						
General Funds	4,289	641	(543)	17	(92)	4,312
Restricted Funds	909	476	(624)	85	92	938
Endowment Funds	1,280	-	(5)	40	-	1,315
Total	6,478	1,117	(1,172)	142	-	6,565

Details of transfers are set out in note 10.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. FUNDS (continued)

<u>Fund Movements 2020</u>	1 January 2020	Income	Expenditure	Gains and losses	Transfers	31 December 2020
<u>Consolidated</u>	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,500	580	(710)	(9)	(84)	4,277
Restricted Funds						
Choir and Music	9	183	(261)	(1)	100	30
General Stipends	-	285	(285)	-	-	-
Education & other purposes	7	41	(58)	-	12	2
Fabric Funds	216	30	(45)	(10)	21	212
Newill Trusts	661	17	-	36	(49)	665
	893	556	(649)	25	84	909
Endowment Funds						
Choir and Music	468	-	(2)	(25)	-	441
Fabric	263	-	(1)	1	-	263
Property	578	-	(2)	-	-	576
	1,309	-	(5)	(24)	-	1,280
Total	6,702	1,136	(1,364)	(8)	-	6,466
Chapter						
General Funds	4,394	604	(616)	(9)	(84)	4,289
Restricted Funds	893	556	(649)	25	84	909
Endowment Funds	1,309	-	(5)	(24)	-	1,280
Total	6,596	1,160	(1,270)	(8)	-	6,478

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. FUNDS (continued)

<u>Fund Assets at 31 December 2021</u>	Tangible Assets £'000s	Investments £'000s	Current Assets £'000s	Creditors £'000s	Net Assets £'000s
Consolidated					
Unrestricted Funds					
General	3,926	400	273	(251)	4,348
Restricted Funds					
Choir and Music	-	-	-	-	-
Education & other purposes	-	-	-	-	-
Fabric Funds	-	208	17	-	225
Newill Trusts	-	638	75	-	713
	-	846	92	-	938
Endowment Funds					
Choir and Music	-	439	20	-	459
Fabric	-	269	8	-	277
Property	-	561	18	-	579
	-	1,269	46	-	1,315
Total	3,926	2,515	411	(251)	6,601
Chapter					
General Funds	3,926	400	213	(227)	4,312
Restricted Funds	-	846	92	-	938
Endowment Funds	-	1,269	46	-	1,315
Total	3,926	2,515	351	(227)	6,565

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17. FUNDS (continued)

<u>Fund Assets at 31 December 2020</u>	Tangible Assets £'000s	Investments £'000s	Current Assets £'000s	Creditors £'000s	Net Assets £'000s
Consolidated					
Unrestricted Funds					
General	3,944	457	138	(262)	4,277
Restricted Funds					
Choir and Music	-	-	30	-	30
Education & other purposes	-	-	2	-	2
Fabric Funds	-	205	7	-	212
Newill Trusts	-	558	107	-	665
	-	763	146	-	909
Endowment Funds					
Choir and Music	-	350	91	-	441
Fabric	-	226	37	-	263
Property	-	508	68	-	576
	-	1,084	196	-	1,280
Total	3,944	2,304	480	(262)	6,466
Chapter					
General Funds	3,944	457	126	(238)	4,289
Restricted Funds	-	763	146	-	909
Endowment Funds	-	1,084	196	-	1,280
Total	3,944	2,304	468	(238)	6,478

As at 31 December 2021 and 2020 the Newill Trusts had a £50,000 loan in place to the Chapter General Fund at an interest rate of 1.85% p.a..

17. FUNDS (continued)

Description of Funds

General Fund The general fund is the Cathedral's unrestricted fund available for any of the Cathedral's purposes without restriction.

Restricted Funds

Choir & Music Restricted fund for supporting the music and choir of the Cathedral. Expenditure for the Cathedral choir and musical activities, including outreach, is charged here as is income from specific donations, grants, and earnings. The fund usually produces an annual deficit that is met by a transfer of funds from the general fund.

Education and other purposes Restricted fund for donations supporting the Cathedral's educational activities. Certain other smaller restricted donations have also been included within this heading.

Fabric Funds Restricted funds for the upkeep of the Cathedral and precincts; included within the following main funds: for the upkeep and development of the Cathedral's stained glass (£201,000); for the maintenance and upkeep of the regimental chapel within the Cathedral (£15,000), and for the maintenance and upkeep of the Seeds of Hope Children's Garden (£4,000).

Newill Trusts Restricted funds for the repair, maintenance and insurance of the Cathedral and certain other purposes.

Endowment Funds

Choir and music Permanent endowment fund for the Cathedral's choir and music. Income is credited to the Choir and Music restricted fund.

Fabric Fund Permanent endowment fund for the Cathedral's maintenance and upkeep. Income is credited to the General fabric restricted fund.

Property Fund Expendable endowment fund where capital may be used for the improvement or development of any property in which Chapter has an interest (other than the Cathedral and its ancillary buildings) except for £20,000 which could be used for the choir and music. Income is credited to the general fund.

18. PENSIONS

Church of England Funded Pension Scheme (Clergy)

Guildford Cathedral participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating responsible body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are £22,000 (2020: £26,000).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable salary	January 2018 to December 2020	January 2021 to December 2022
Deficit recovery contributions	11.9%	7.1%

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

18. PENSIONS (continued)

	2021 £'000s	2020 £'000s
Balance sheet liability at 1 January	4	-
Deficit contribution paid	(2)	(3)
Interest cost	-	-
Remaining change in balance sheet liability*	-	7
Balance sheet liability at 31 December	2	4
* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.		

This liability has not been recognised in the balance sheet because it is not material and the Church Commissioners are committed to fund this liability under section 21 of the Cathedrals Measure 1999.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2021	December 2020	December 2019
Discount rate	0.0%	0.2%	1.1% pa
Price inflation	n/a	3.1%	2.8% pa
Increase to total pensionable payroll	-1.5%	1.6%	1.3% pa

The legal structure of the scheme is such that if another Responsible Body fails, Guildford Cathedral could become responsible for paying a share of that Responsible Body's pension liabilities.

Church Workers Pension Fund and NEST (lay staff)

The Cathedral has two schemes in place for lay members of staff. It participates in the Pension Builder Scheme Section of the Church Workers Pension Fund and from 2016, in addition, a defined contribution scheme administered by NEST.

The Church Workers Pension Fund (Guildford Cathedral) is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

18. PENSIONS (continued)

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. Therefore, contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable of £4,000 (2020: £5,000).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Guildford Cathedral could become responsible for paying a share of that employer's pension liabilities.

Contributions by the Cathedral to NEST were £8,000 (2020: £8,000).

19. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£'000s	£'000s	£'000s	£'000s
Income and endowments from				
Donations & legacies				
Donations	203	108	-	311
Legacies	1	-	-	1
Grants	50	400	-	450
	<u>254</u>	<u>508</u>	<u>-</u>	<u>762</u>
Charitable activities	1	3	-	4
Other trading activities	193	4	-	197
Investments	36	41	-	77
Other income	96	-	-	96
Total income and endowments	<u>580</u>	<u>556</u>	<u>-</u>	<u>1,136</u>
Expenditure on				
Raising Funds	(210)	(34)	(3)	(247)
Charitable activities				
Ministry	(245)	(505)	-	(750)
Cathedral & precincts upkeep	(240)	(87)	(2)	(329)
Education and outreach	(15)	(23)	-	(38)
Total expenditure	<u>(710)</u>	<u>(649)</u>	<u>(5)</u>	<u>(1,364)</u>
Net (expenditure)/income before investment (losses)/gains	(130)	(93)	(5)	(228)
Net (losses)/gains on investments	(9)	25	(24)	(8)
Net (expenditure)/income	<u>(139)</u>	<u>(68)</u>	<u>(29)</u>	<u>(236)</u>
Transfers between funds	(84)	84	-	-
Net movement in funds	<u>(223)</u>	<u>16</u>	<u>(29)</u>	<u>(236)</u>
Funds brought forward	4,500	893	1,309	6,702
Funds carried forward	<u>4,277</u>	<u>909</u>	<u>1,280</u>	<u>6,466</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

20. THE FRIENDS OF GUILDFORD CATHEDRAL (Charity No. 250402)

The Very Reverend Dianna Gwilliams was a Trustee of The Friends of Guildford Cathedral during the year.

Grants from The Friends of Guildford Cathedral amounting to £22,000 were accounted for by the Cathedral in the year (2020: £54,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
	£'000s	£'000s	£'000s	£'000s
Income	27	-	-	27
Expenditure	(62)	-	-	(62)
Net income/(expenditure)	(35)	-	-	(35)
Losses on investments	(6)	-	(2)	(8)
Net movement in funds	(41)	-	(2)	(43)
Funds brought forward	334	4	34	372
Funds carried forward	293	4	32	329

2019	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019
	£'000s	£'000s	£'000s	£'000s
Income	143	2	-	145
Expenditure	(84)	(3)	-	(87)
Net income/(expenditure)	59	(1)	-	58
Gains on investments	18	-	1	19
Net movement in funds	77	(1)	1	77
Funds brought forward	257	5	33	295
Funds carried forward	334	4	34	372

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

21. GUILDFORD CATHEDRAL MUSIC DEVELOPMENT FOUNDATION (Charity No 1093933)

The Very Reverend Dianna Gwilliams was a Trustee of Guildford Cathedral Music Development Foundation during the year.

Grants from The Guildford Cathedral Music Development Foundation amounting to £49,000 were accounted for in the year by the Cathedral (2020: £64,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£'000s	£'000s	£'000s	£'000s
Income	8	3	8	19
Expenditure	(21)	(52)	(3)	(76)
Net income/(expenditure)	(13)	(49)	5	(57)
Gains on investments	102	19	118	239
Net movement in funds	89	(30)	123	182
Fund transfers	-	22	(22)	-
Funds brought forward	469	91	540	1,100
Funds carried forward	558	83	641	1,282

2019	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£'000s	£'000s	£'000s	£'000s
Income	18	24	-	42
Expenditure	(4)	(30)	(2)	(36)
Net income/(expenditure)	14	(6)	(2)	6
Gains on investments	18	3	13	34
Net movement in funds	32	(3)	11	40
Fund transfers	-	-	-	-
Funds brought forward	437	94	529	1,060
Funds carried forward	469	91	540	1,100

22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

23. GOING CONCERN

The Cathedral's activities together with the factors likely to affect its future development and financial position are set out in the Annual Report. As described in the report the Cathedral currently operates with an underlying deficit on its operational activities and has been working hard to recover from the impact of Covid and to reduce the deficit with the intention of eliminating it over the next couple of years. The latest forecast for 2022 shows a management accounts deficit of £120,000 which is below the budget set of £31,000 deficit mainly because of a reduction in forecast filming income. This would produce in the published accounts a net deficit on general funds after transfers but before investment gains/losses of £144,000 and result in free reserves forecast to be £278,000 at the end of 2022 which would still provide some financial safety net until the land sale repays general funds spend on its development increasing free reserves above the £500,000 level. Chapter remains optimistic that the land sale will progress and this together with other measures to secure additional funding in the form of grants and donations has led them to have a reasonable expectation that the Cathedral will be able to continue operationally for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

24. RELATED PARTY TRANSACTIONS

Donations during the year made by Chapter members personally or through Trusts controlled by them totalled £5,000 (2020: £8,000).

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2021

Appendix 1 - Governance

Guildford Cathedral is governed under the Cathedrals Measure 1999 and by a Constitution and Statutes which came into effect on 24 November 2002 and was last revised in June 2017. Under these regulations, it is the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and to order the worship and promote the mission of the Cathedral.

Under the Constitution and Statutes, the Corporate Body of the Cathedral Church of the Holy Spirit, Guildford comprises the members for the time being of the Cathedral Council, the Chapter, and the College of Canons. It is a body corporate with continual succession and a common seal which is known as the common seal of the Cathedral.

Appendix 2 - The Chapter

The Dean

The Dean is the 'principal dignitary of the Cathedral, next after the Bishop, and is Chairman of the Chapter and President of the College of Canons'. S/He is appointed by Her Majesty the Queen and instituted by the Bishop to the office of Dean of Guildford.

The Dean has the right to preach and celebrate Holy Communion in the Cathedral on occasions agreed by the Chapter. Subject to the provisions of Constitution and Statutes no person shall preach within the Cathedral without the approval of the Dean.

It is the duty of the Dean, as Chair of the Chapter, to govern and direct on its behalf the life and work of the Cathedral and, in particular, to:

- Ensure that Divine Service is duly performed in the Cathedral;
- Ensure that the Constitution and Statutes are faithfully observed;
- Maintain good order and proper reverence in the Cathedral;
- Secure the pastoral care of all members of the Cathedral community;
- Take all decisions necessary to deal with any emergency affecting the Cathedral, pending consideration of the matter by the Chapter;

The Chapter

The Cathedrals Measure 1999 requires that it shall be the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and in particular, to:

- Order the worship and promote the mission of the Cathedral;
- Formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- Prepare an annual budget for the Cathedral;
- Submit to the Council the annual report and audited accounts and such other reports as may be requested by the Council on any matter concerning the Cathedral;
- Submit to the College of Canons the annual report and audited accounts prepared as aforesaid;
- Keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2021

- Manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out, and
- Perform such other functions as may be prescribed.

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

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of Guildford Cathedral and its consolidated entities;
- Stating that they have complied in all material respects with Accounting and Reporting for English Anglican Cathedral and applicable United Kingdom Accounting Standards; 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 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;
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities, and
- Preparing the accounts on a going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

As far as the Chapter members are aware there is no relevant audit information of which the Cathedral's auditors are unaware; and the Chapter members have taken all the steps that they consider they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Cathedral's auditors are aware of that information.

Method of Appointing Members to the Chapter

In accordance with the Constitution of the Cathedral, the Chapter shall consist of:

- The Dean, who shall be the chairman and shall have a second or casting vote;
- All the Residentiary Canons;
- One lay person appointed by the Bishop after consultation with the Dean and the Chapter;
- The Cathedral Honorary Treasurer;
- Two lay persons elected by a meeting of members of the Cathedral Community;
- Up to three persons nominated by Chapter for their particular skills (not more than one of whom may be a clerk of holy orders).

All lay persons must be actual communicants and shall hold office for three years and shall be eligible for membership for further terms of office.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2021

Members of Chapter

The Dean	The Very Reverend Dianna Gwilliams
The Sub Dean	The Venerable Stuart Beake
The Residentiary Canons	The Reverend Canon Chris Hollingshurst (from February 2021) Vacant
Chapter Appointees:	Mr Andrew Pianca (Hon Treasurer) Ms Jo Pinson
One Lay person appointed by the Bishop	Mr Roddy Porter
Two persons elected by Cathedral Community	Mr Ian Bowler (until May 2021) Vacant

Appendix 3 - The Cathedral Council

The Cathedrals Measure 1999 requires that it shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, to:

- Consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter;
- Receive and consider the annual budget of the Cathedral;
- Receive and consider the annual report and audited accounts;
- Consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of this Measure, and
- Perform such other functions as may be prescribed.

The Chairman is a lay person, not a member of the Chapter, appointed by the Bishop after discussion with the Chapter. The Dean is a member ex officio, and the Chapter elects two members. One member is elected by the Cathedral Community and two by the College of Canons. Further members are appointed to represent the wider civic, economic, and ecumenical interests and concerns of the diocese.

The Bishop as Visitor is invited to attend as an advisor and non-voting member at all meetings of the Cathedral Council and the Council continues to be grateful for his support and advice.

Appendix 4 - The College of Canons

The College of Canons consists of the Dean, Residentiary Canons, the Archdeacons of Surrey and Dorking and the Bishop of Dorking. In addition, there are 30 members (15 ordained and 15 lay) appointed by the Bishop of Guildford in consultation with the Dean, up to 4 Ecumenical Canons and up to 3 additional members who may hold a particular responsibility in the diocese. The College elects two members to the Cathedral Council. It is the responsibility and duty of the College of Canons to elect the Diocesan Bishop in accordance with the Appointment of Bishops Act, 1533.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2021

The role of the College of Canons is to promote and support the Mission and Ministry of the Cathedral in the diocese by drawing on the experience of its members in their ministry and reflecting the views of the Diocese. In furtherance of that role it shall:

- Receive and consider the annual report and audited accounts.
- Discuss such matters concerning the Cathedral as may be raised by any of its members, and
- Perform such other functions as may be prescribed and relevant to its role.

Appendix 5 - The Bishop

The Bishop shall have the principal seat and dignity in the Cathedral.

After consultation with the Chapter and subject to any provision in the Statutes, he may officiate in the Cathedral and use it in his work of teaching and mission, for ordinations and synods and for other Diocesan occasions and purposes. Also,

- The Chapter shall from time to time consult the Bishop in respect of the general direction and mission of the Cathedral, and the Bishop may at any time seek the advice of the Chapter on any matter.
- The Constitution of the Cathedral provides that the Bishop shall be the Visitor thereof.
- The Bishop shall as Visitor hear and determine any question as to the construction of the Constitution and Statutes.
- The Bishop may hold a visitation of the Cathedral when he considers it desirable or necessary to do so or when requested by the Council or the Chapter.
- In the course of a visitation, the Bishop may give such directions to the Chapter, to the holder of any office in the Cathedral or to any person employed by the Cathedral as will, in the opinion of the Bishop, better serve the due observance of the Constitution and Statutes.
- It shall be the duty of any person or body on whom functions are conferred by or under The Cathedrals Measure 1999 to act in accordance with any determination under, and any direction under, the above paragraphs.
- The provisions above are without prejudice to the powers of the Bishop under the Care of Cathedrals (Supplementary Provisions) Measure 1994 and his powers as Visitor generally.
- The Bishop may at any time propose for consideration by the Council amendments to the Constitution.

Appendix 6 - The Cathedral Finance and Risk Committee

The Constitution requires the setting up of a Finance Committee with the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management and the management of property and assets belonging to the Cathedral. Chapter receives and acts with the guidance and the advice given to it by the Cathedral Finance and Risk Committee.

The Committee consists of the Dean, the Chief Operating Officer, the Treasurer, and at least three but not more than six persons appointed by Chapter for their ability, expertise and experience in the fields of finance and investment and their management; of these not more than two may be members of Chapter. The majority of members of the Finance and Risk Committee will not be members of Chapter. Members are appointed for a renewable period of three years.

The Cathedral's Finances

Investment Powers - Under the terms of the Cathedrals Measure 1999, the Chapter may invest the Cathedral's funds in any of the following:

- Land.
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd.
- Investments in which the trustees may invest under the general power of investment in the Trustee Act 2000.
- The improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

Members of the Cathedral Finance and Risk Committee

Mr Andrew Pianca (Honorary Treasurer and Chair)
The Very Reverend Dianna Gwilliams
The Venerable Stuart Beake
Mr Ian Bowler
Mr Keith Malcouronne
Mr Matt O'Grady
Mr Nigel Stapleton

Appendix 7 – The Fabric Advisory Committee

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee (FAC) is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter in regard to proposed development of and changes to the Cathedral's fabric.

There are eight voting members of the Fabric Advisory Committee, four appointed by the Cathedrals Fabric Commission after consultation with the Chapter, and four by the Chapter after consultation with the Commission. The members appoint a Chairman from among their own number. The Dean and the Chief Operating Officer attend meetings on behalf of the Chapter, and other Chapter members are free to attend; no members of the Chapter have a vote. The Cathedral Architect, under Section 4 of the Care of Cathedrals Measure 1990, has a duty to attend meetings, although he does not have the right to vote.

Members of the Fabric Advisory Committee

Mr Paul Velluet (Chair)
Mr Matt Champion
Mr Colin Kerr
Mr James Miller
Ms Cressida Williams
Mr Paul Williams
The Reverend Canon Stuart Thomas (until March 2022)
Vacant

Secretary Mr Matt O'Grady

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2021

Appendix 8 – The Community Committee

The Cathedral Constitution also makes provision for a Community Committee, to act as a channel of communication between Chapter and the community, and to advise Chapter on any matters affecting the Cathedral community. This Committee is currently in abeyance until a new forum is constituted under the 2021 Cathedrals Measure.

Appendix 9 – (Statutory) Cathedral Lay Staff

Chief Operating Officer	Mr Matt O’Grady
Organist & Master of the Choristers	Mrs Katherine Dienes-Williams

Appendix 10 - Cathedral Volunteers

Chapter acknowledges the enormous contribution made by more than 300 volunteers throughout the year. The various areas of service include Archivists, Bell Ringers, Coin Scheme, Fair Trade, Family Engagement and Schools Helpers, Flower Arrangers, Graphic Designer, Guides, The Guildford Cathedral Singers, Handyman, Honorary Assistant Clergy, Pastoral Assistants, Servers, Shop Helpers, Stewards, Sunday School Helpers, Tower Tour Guides, and the Treasury Curator.

Appendix 11 – Cathedral Officers and Advisers

The work of the Chapter would not be possible without support from experts in various professional fields and the following table details the Chapter’s advisors:

Architect and Surveyor	Mr John Bailey, BA, BArch, RIBA, AABC Thomas Ford & Partners
Auditor	Mr Andrew Skilton Brewers Chartered Accountants
Bank Manager	Ms Hayley Faulkner-Gibbs National Westminster Bank
Cathedral Solicitor	Mr Duncan Elson, LLB Charles Russell Speechlys
Investment Adviser	Mr Andrew Frogley and Mr Nic Clarke Charles Stanley & Co Ltd
Land Development Project Manager	Mr Tim Asson, BSc Hons, MRICS Asson Associates (until March 2021)



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