

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

**ANNUAL REPORT
OF THE DEAN AND CHAPTER AND
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED, 31st DECEMBER, 2021**

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

ANNUAL REPORT OF THE DEAN AND CHAPTER AND THE FINANCIAL STATEMENTS
For the year ended 31st December, 2021

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GLOUCESTER**

REFERENCE AND ADMINISTRATIVE INFORMATION

Address of the Cathedral

The Chapter Office
12 College Green
Gloucester
GL1 2LX

The Dean

The Very Reverend Stephen Lake resigned from his post at the beginning of April, 2022 and has been consecrated as Bishop of Salisbury. The Reverend Canon Andrew Braddock has been appointed as Interim Dean until a new Dean is appointed.

The Residentiary Canons

The Reverend Canon Nikki Arthy
The Reverend Canon Andrew Braddock
The Venerable Hilary Dawson
The Reverend Canon Richard Mitchell
The Reverend Canon Celia Thomson - retired from her ministry in February, 2022

The Lay Canons

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

The Chapter Steward

Canon Emily MacKenzie

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

Director of Music

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

Finance Committee

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

Fabric Advisory Committee

Dr Steven Blake (Chair), Mr Nick Cox, Mr Alan Ford (until 30th April, 2021), The Venerable Alan Jeans (from 1st May, 2021), Mr Laurence Keen OBE, Canon Jonathon MacKechie-Jarvis (until 30th April, 2021), Ms Jessica Monaghan, Mrs Geraldine O'Farrell-Wallum, Professor Andrew Stonyer, Mr Peter Webb (from 1st May, 2021).

Advisers

Bankers	Lloyds Bank plc, 19 Eastgate Street, Gloucester, GL1 1NU
Investment managers	CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Solicitors	Willans Solicitors, 28 Imperial Square, Cheltenham, GL50 1RH
Auditors	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Surveyors	Bruton Knowles, Olympus House, Olympus Park, Quedgeley, Gloucester, GL2 4NF
Valuers	Juliet Weston and Associates, Upper Venning, Much Marcle, Ledbury, HR8 2NG
Letting agents	Move Sales and Lettings, 2 Longsmith St, Gloucester, GL1 2HH
Insurers	Ecclesiastical Insurance, Beaufort House, Brunswick Road, Gloucester GL1 1JZ
Architect	Antony Feltham-King, St Anne's Gate, The Close, Salisbury, SP1 2EB
Archaeologist	Richard K Morriss & Associates, Bromlow House, Bromlow, Shropshire, SY5 0EA

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ANNUAL REPORT OF THE DEAN AND CHAPTER

The Interim Dean and Chapter present their Annual Report and the audited Consolidated Financial Statements for the year ended 31st December, 2021.

Statement of Chapter's Responsibilities

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

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

The Cathedral's Vision

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

Governance and management

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

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

A new Cathedrals Measure has been passed by Parliament and received the Royal Assent in 2021. The Cathedral is implementing its requirements, as described later in this report.

The Cathedral Council

The Cathedral Council is responsible for furthering and supporting the work of the Cathedral, 'spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by Chapter ...' (Cathedral Statutes 2001). The Council consists of up to eighteen members with a lay chair, who is not a member of the Chapter, appointed by the Bishop. Members are drawn from the Cathedral congregation, the Chapter, the College of Canons, the Diocese, the City of Gloucester and wider community. The Council met once during the year.

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Under the terms of the Cathedrals Measure 2021 the Cathedral Council will cease to exist, as described later in this report.

The College of Canons

The College of Canons comprises the Dean of the Cathedral, every Bishop Suffragan, every full-time stipendiary Assistant Bishop, every Canon, and every Archdeacon in the Diocese. The College met once in the year to discuss progress on key projects and theological issues.

The Chapter

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

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

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

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

Standing committee on finance

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

Fabric Advisory Committee

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

The Cathedrals Measure 2021

A significant element in Chapter's work in 2021 has been the implementation of changes required to comply with the provisions of the Cathedrals Measure 2021. The Measure provides a new statutory framework for the governance and regulation of cathedrals and replaces the framework in the previous measure from 1999. The most significant changes relate to the governance structure of cathedrals, including changes to the composition of a cathedral's Chapter, and bringing cathedrals within the definition of 'charity' in the Charities Act 2011, requiring them to register with the Charity Commission. It also creates some specific requirements about the management arrangements for cathedrals. The main changes to governance and management are outlined below together with brief reference to the actions required to achieve compliance.

A new Constitution was required together with new Statutes and Terms of Reference for committees that are consistent with those new documents. Detailed templates were provided by the national church and funding was provided for legal advice from one of a shortlist of legal firms. A sub-group within Chapter worked with the selected

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firm on the detailed content of all these documents, which were approved by Chapter following consultation with the Bishop and the Cathedral Council, and have been submitted to the Church Commissioners.

Chapter will become the sole body corporate of the Cathedral with the College of Canons and Cathedral Council no longer playing any formal role in governance, the latter body ceasing to exist. A revised statement of the role of the College of Canons is included in the new legal documents.

There must be a majority of non-executive members on Chapter, of which two thirds must be lay members. One of the non-executive members is appointed by the Bishop and is the senior non-executive member who chairs the Chapter in the temporary absence of the Dean or Interim Dean. The Bishop of Gloucester has made her nomination and further adjustments to membership will be needed to meet the required balance of membership.

There has to be a Nominations Committee and a Finance Committee and provisions are made about the membership of those bodies. The Cathedral already has a Finance Committee and this will also undertake audit and risk functions. A Nominations Committee is to be established. Terms of Reference for both bodies have been completed.

The Chapter Steward or Chief Operating Officer (COO) is not to be member of Chapter but will attend meetings to give advice.

The Cathedral Council will cease to exist in its previous form but Chapter may create an Advisory Body. The Council contributed very helpfully to finalising the Constitution and Statutes and offered constructive ideas about the terms of reference for the proposed Advisory Body, which have been completed. This body has yet to be set up.

An application for registration with the Charity Commission has been submitted and has been accepted.

The Measure requires a senior management group, named the Senior Executive Team (SET), to be established with specified membership including a COO and Chief Finance Officer (CFO). These arrangements are already in place, with the exception of the CFO; an appointment to this role will be made in due course. In these requirements, and the level of detail provided for in the Statutes, the Measure pays significant attention to operational management arrangements and accountability; to this end Terms of Reference for the SET have been approved by Chapter.

Overall, the Cathedral was well placed to implement the new requirements and is in the first cohort of cathedrals to go through the registration process with the Charity Commission.

Risk management

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

- changes in Chapter's membership including vacancies for the Dean and the Canon Chancellor in 2022 and a case of long-term sickness in the clergy team - the appointment of an Interim Dean partly mitigates this risk;
- the Canon Treasurer retires at the end of 2022 and this key post needs filling in 2022;
- a shortfall of income to meet the liquidity demands of daily operations and cash flow for major development projects and any consequent increase in the Cathedral's deficit on its general fund;
- being unable to build on the success of 'entry by donation' due to the slow return of tourism in 2022 and the consequent reduced visitor numbers, and failing to achieve planned increases in visitor income following the Covid-19 pandemic and the forced closure of the Cathedral;
- a decrease in commercial rental income due to long term property voids and the non-renewal of the remaining commercial leases reflecting changes in the market and working patterns following Covid-19 and a growing desire by tenants to rent buildings that are accessible, with ample parking and flexible working space which are environmentally sustainable;
- a requirement to spend large capital sums on properties with B1 office use to re-purpose them for residential or other commercial uses;
- the pressures arising from the Church of England's Net Zero 2030 pledge leading to the need to spend large capital sums trying to reduce the carbon footprint of ancient buildings, including the Cathedral, especially if grants for this work are not available;

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ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

- UK legislation requiring higher energy efficiency standards across the Cathedral's property portfolio adversely affecting the ability to rent residential and commercial properties leading to a decrease in income;
- high inflationary pressures affecting all areas of the Cathedral's expenditure without income increasing at a similar rate;
- the possibility of a UK recession exacerbating financial pressures on the Cathedral;
- failure of the new Development Board to meet the plan to raise £10m over the next 5 years to finance Project Pilgrim Phase Two - Beacon of Hope, and the organ and cloister conservation projects;
- the requirement for a major overhaul of the organ, booked for 2025/26, without sufficient funds being raised in advance;
- failure to attract funding for the Cathedral's continuing requirement to restore and maintain the building;
- the demands on the Cathedral's management of running complicated daily schedules, an estate of ancient buildings in constant need of repair and maintenance, implementing best operational practice, and compliance with regulatory requirements;
- the simultaneous unplanned absence of two or more key, senior employees for a significant period of time;
- the possibility of an unexpected major building repair being required;
- a failure in the application of the Cathedral's procedures for safeguarding children and vulnerable adults;
- a failure in the application of the Cathedral's Health and Safety systems and procedures;
- a significant IT cyber-attack causing major disruption or resulting in a data breach;
- a failure to have in place sufficient reserves to meet unexpected repairs or other unforeseen circumstances;
- pressures from implementing the Cathedrals' Measure, including the need to recruit and launch a new Nominations Committee and Advisory Body and recruit additional members to Chapter and the Finance Committee;
- the Cathedral being unable to adapt to the changes in church attendance following the Covid-19 pandemic;
- the detrimental impact of the prolonged Covid-19 pandemic on the Cathedral's finances will affect the 2020-2024 Business Plan with activities pared back significantly and the Cathedral only partially meeting its strategic priorities;
- a decrease in grants and government funds available for recovery from the Covid-19 pandemic in 2021 and 2022 despite continuing need.

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

There is a separate board of control to manage Project Pilgrim, which reports to Chapter. This board is chaired by the Dean, and meets as required to review operational delivery of the project and its activity plan. With completion of the capital works of Phase One, and following a pause, the focus of the board in 2022 will move to planning for Phase Two with its emphasis on sustainability, along with positive outcomes for the community around learning and wellbeing.

In April 2019, with the assistance of a start-up grant from the Church Commissioners, the Cathedral moved to a model of welcoming visitors with 'entry by donation'. Whilst donations grew by 182% in the first year of the project, the forced closures and restrictions resulting from Covid-19 meant the income predictions for 2020 and 2021 were not met. Despite the impact of Covid-19, the average donation from 2019 has risen from 51p to £1.37 in 2021, showing that when visitors return, the income generated by this method will continue to increase. The progress of all visitor income streams will continue to be reviewed by the Cathedral's Visitor, Invitation, Experience and Welcome Committee (VIEW) which is chaired by a member of Chapter.

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

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Having completed major restoration projects to secure areas of the Cathedral most at risk, e.g. the Lady Chapel through Project Pilgrim Phase One and the North Ambulatory Project in 2018-2021, the focus of restoration is now on the North Nave, a project which will be completed by the end of 2022. Chapter reviews and monitors fabric priorities, as set out in the Cathedral's Quinquennial Inspections, through the Fabric Standing Committee; a Quinquennial Inspection took place in 2019 and Chapter has organised its fabric projects for the future based on the priorities identified in the Inspection and detailed in the Development Plan. Forthcoming projects include the conservation of the cloisters and significant works to the Parliament Rooms as part of the five year Development Plan.

Safeguarding

Chapter is committed to keeping safe children and vulnerable adults who visit the Cathedral or participate in worship and other missional, education, volunteering, or outreach activities at the Cathedral.

Chapter has a Service Level Agreement (SLA) with Gloucester Diocesan Board of Finance for the provision of Human Resources (HR) and Safeguarding oversight, thus linking safeguarding across Chapter and all levels of employment and office holders, including safer recruitment and training. It also ensures that safeguarding expectations and standards are consistent and jointly owned across the Diocese and the Cathedral. The SLA has been in place for two periods, 2015-2018 and 2018-2021, and a new agreement was agreed in January 2022 for the period to 2024. The Cathedral pays the Diocese for the work undertaken, as outlined in the SLA.

The SLA incorporates advice on strategy, delivery against action plans, record management, training, and day-to-day operational issues. It is reviewed and evaluated every three years and reviewed and renewed annually by Chapter. In addition, the SLA supports the Chapter in reviewing any lessons learnt from particular cases.

As part of the SLA Gloucester Cathedral benefits from the services of the Director of People, Pastoral, and Safeguarding; also a part time HR Adviser, a senior Diocesan Safeguarding Adviser (DSA) leading all casework with a full time Assistant DSA. There is also a part time DSA who is the strategic lead for safeguarding training and learning, monitoring and evaluation.

The Chapter lead for safeguarding is the Archdeacon of Gloucester. Two other Chapter Members bring safeguarding knowledge and skills gained in professional settings and the Dean was, until his appointment as Bishop of Salisbury, the lead Dean on the Church of England's National Safeguarding Steering Group. In addition, the Cathedral has the equivalent of a Parish Safeguarding Officer, who is a Cathedral congregation volunteer on safeguarding, with a senior role in the local health service, and with whom people are able to talk through any concerns. Her role is then to link with the DSAs/Safeguarding or HR team as appropriate. She is also the safeguarding Governor for The King's School, Gloucester.

Safeguarding is a standing item on the agenda of all Chapter meetings and a report is issued a week in advance by the Diocesan Director for People, Pastoral and Safeguarding to appraise Chapter of casework, training, and to report against the Safeguarding Action Plan and other matters arising from the Diocesan Safeguarding Advisory Panel (DSAP). Once a year the Director for People, Pastoral and Safeguarding attends a Chapter meeting for a wider discussion and the SLA is reviewed. The Chapter lead for safeguarding monitors the Social Care Institute for Excellence (SCIE) action plan, which followed the 2019 SCIE Audit, and liaises with staff and departments for quality control. The Dean or Interim Dean has an annual meeting with the Chair of the DSAP. The Cathedral has access to the Local Authority Designated Officer and to statutory adult social care teams, as required.

In addition during 2021, Chapter:

- reviewed the Safeguarding Handbook which includes safeguarding policies and procedures;
- approved a role description for the safeguarding lead for Chapter;
- reviewed safeguarding training needs across governance, staff and volunteers and began to roll out a programme in line with the Church of England Safeguarding training framework, including keeping track of the C4 Senior level leadership training which is run at a national level;
- continued to develop our safeguarding activities in line with our SCIE report;
- carried out all recruitment of staff and volunteers within Safer Recruitment guidance with clear references for all roles, and DBS checks carried out where roles meet that threshold.

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Chapter receives a monthly safeguarding and HR report that sets out any safeguarding casework, and calls for advice and guidance that have been received. This linking of disciplines is key for the Cathedral where, for example, an issue relating to a member of staff or volunteer can be jointly managed through employment provisions with statutory and/or national church requirements.

The national Church of England's annual requirement for diocesan safeguarding statistics sets and tracks data against clear criteria; every diocese is required to participate in this reporting, and the Cathedral's statistics will form a part of this within the Cathedral's new charitable status in the future.

Achievements and Performance

Worship

The significant disruption to services in the Cathedral due to the pandemic continued in 2021 although the Cathedral was open throughout for private prayer and reflection. Despite this disruption Chapter has maintained as many services as possible, albeit sometimes using new media where appropriate. The daily office has continued when possible and there were over 100 services live streamed with 42,300 live views on YouTube, as well as sermon reflections and rule of life groups delivered over Zoom.

Other activities

There were 209,000 visitors to the Cathedral in 2021, with 30,700 during the Christmas period. The Cathedral was awarded 'Cultural Venue of the Year' and 'Business of the Year' in the So Glos Gloucestershire Lifestyle Awards. We hosted the Longfield Care Butterfly appeal in the Cloister Garth raising over £27,000 for the charity, and there was a Summer Trail for visitors which generated £49,300 of additional income.

Music

The activity of the Cathedral's five choirs was much less curtailed in 2021 than in 2020. The Music staff have maintained singing at services when permitted and have trained the choristers over Zoom at times when singing together was not allowed.

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

Congregational development

The Congregational Development Group is a small working group comprising a variety of members of the congregation, meeting under the leadership of Canon Richard Mitchell. During 2021 and the Covid-19 pandemic it met by Zoom from time to time but, since most of the congregational activities were suspended, it focussed on worship in the Cathedral and on Zoom, as well as social gatherings on Zoom.

The objectives of the group are to:

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

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A key part of the work in 2021 was to continue the three services on Zoom each week. These have been well attended and Morning Prayer, Evening Prayer and Compline have engaged people in ways that such services in the Cathedral building would not have done. They have been important points of pause in weekly routines. Some members of the group have taken on leadership roles in worship to partner the clergy. The instant welcome to newcomers on Zoom has generated a tangible feeling of warmth.

The congregation has been offered live-streamed services throughout the year. These consisted of the Eucharist every Sunday morning and a good number of Evensongs, especially when no congregation was permitted in the Cathedral. These have been hugely appreciated and thanks are once again due to the Cathedral's digital team without whom it would not have been possible. In November we began to use the new camera and audio installation which allows for much better quality broadcasts and different camera angles. There have been some difficulties, especially with sound, but every technical hitch allows for another step forward in learning how to improve the offering. We hope soon to have further equipment to broadcast from the Quire. This system has meant that the form of liturgy has needed to be adapted for in-building and online worship.

A Wednesday morning Zoom social group has continued to meet and has kept members of the congregation together along with the Zoom worship. We haven't been able to continue the Rule of Life group online for the latter part of the year due to the number of commitments for clergy.

Telephone calls from the clergy and within the congregational body have kept people in touch through difficult months. Though seemingly a more traditional form of communication these days the effect and appreciation of it shouldn't be underestimated, especially in comparison with an email or text.

The Communications Team have worked with the clergy to produce regular Community Mailings, keeping people in touch with the changing landscape of worship, prayer and activity in the Cathedral and online during the months of pandemic.

The new digital connection continues to raise questions about sacramental worship online and about financial giving. The Planned Giving Group has met during the year but needs renewal in due course as both the Chair and Planned Giving Co-ordinator have retired. Planned giving itself has held up through the pandemic proving the advantage of moving members of the congregation to regular giving. In 2021 the Parish Giving Scheme was launched online making it easier for some people to apply for membership.

We also have introduced GoodBox digital contactless giving plates, first used in Advent 2020. By the New Year these had already paid for themselves, with funds to spare, and they are now used regularly on Sundays and bigger services, operated by the stewards.

The Brunch n Bounce group ceased after the March 2020 meeting due to Covid-19. As we look to a time when this can be resurrected, work with the Education team to provide a trail for families in the Cathedral is progressing with the assistance of the new Graphic Designer and we hope to launch this in Spring of 2022. The work of Children's Church will need to be reviewed this year following the disruption of Covid-19.

Social responsibility

During 2021 the Cathedral developed its work across its four key social responsibility areas: homelessness, mental health and wellbeing, young people and the environment.

Breakfast Club continued as a take-away service for much of the year, but in the autumn Chapter made No. 7 College Green available as an indoor venue. This allowed table service to resume and, by the end of 2021, a full English breakfast was once again being served. This has been a very welcome development. Homelessness Sunday was observed in October. The partnership with City Mission included not only collaborating on providing Christmas hampers (with the Cathedral as a collection and distribution point) but hosting the Mission's first carol service in the Cathedral.

We were pleased to welcome back the Cloister Challenge event in October highlighting and raising money for those experiencing homelessness.

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The Cathedral also developed its work responding to the needs of refugees and asylum seekers. A property was made available for an Afghan family which has come to Gloucester as part of the government's resettlement scheme, following the withdrawal of British troops from Afghanistan. An exhibition 'Displaced Child' highlighting the plight of the youngest refugees was held in the Lady Chapel in partnership with GARAS (Gloucestershire Action for Refugees and Asylum Seekers) and the Everyman Theatre, Cheltenham.

The Gardening for Wellbeing group continued through much of 2021 with new large planters cared for by the group being introduced into College Green. The group has also taken in hand parts of the garden at No. 7 College Green, balancing its use by the Breakfast Club.

The first organised pilgrimage from Tewkesbury Abbey to the Cathedral took place in September 2021 and was offered as an event combining and promoting spiritual, physical and mental wellbeing.

The Cathedral took part in a number of events in the lead up to the COP 26 climate summit, while a Cathedral 'green team' was formed early in the year to coordinate this work. Earth Day on 22 April was supported by a social media campaign that included a film created by University of Gloucestershire students.

The monthly prayers for peace and justice continued online throughout 2021.

Project Pilgrim

Phase Two of Project Pilgrim sits at the heart of the Cathedral's Development Plan.

Phase One was completed in 2018 realising the Cathedral's vision of being "in tune with heaven, in touch with daily life". The Cathedral's car park was transformed into a new green public space, as well as a more beautiful setting for the medieval building. The Cathedral is on the way to being a world class heritage destination, with a new welcome space, improved accessibility across the site, and the introduction of an award-winning interpretation scheme, generating increased visitor income. Conserving and re-presenting the 15th century Lady Chapel has breathed new life into a tired part of the building, and the establishment of a community engagement programme has brought the Cathedral closer to the daily life of Gloucester, its residents and visitors.

Development work on Phase Two was paused during the pandemic but the vision has now been refined so that the Cathedral not only builds on the foundations of Phase One, with a strong focus on learning and participation, but also contributes to the regeneration and recovery of the City, County and Diocese. In particular, Phase Two will be responding to the climate emergency and the Church of England's commitments for Net Zero by 2030. The vision is to re-affirm the Cathedral as a beacon of hope at the heart of the City and County, using the Abbey's history to inspire a sustainable future for all, and working with partners to deliver against social responsibility priorities which make a difference to the lives of Gloucester's diverse communities, including training and apprenticeship opportunities for young people. Catering and visitor facilities will be developed to be as outstanding as the rest of the Cathedral and able to support the financial position into the future. Also, every parcel of green space will become part of Gloucester's Gardens, the stonemasonry apprentice programme will be continued, focusing on the Cathedral's historic Cloister, and the building's heritage, together with partnerships and platform, will be used to showcase the potential within all cathedrals.

The Cathedral will once again seek major support from the National Lottery Heritage Fund (NLHF) to contribute to the anticipated costs of £8.5m of Phase Two and will be following the NLHF's project development process and timescales. An initial Expression of Interest has been submitted and it is planned to submit the next stage of an application, including architectural plans to RIBA Work Stage 1, in November 2022. A small design team will work on these proposals whilst another group shapes the activities which we plan to deliver as part of Phase Two: the Cathedral's newly appointed Education and Learning Development Officer and Community Engagement and Participation Officer will be piloting some of these activities and reporting back to the working group. Alongside this work there will be some trial stonemasonry conservation work in the Cloister, further research and consultation, and development of both financial and delivery plans to ensure that another large scale and transformational project can be delivered without adversely affecting the daily life of the Cathedral. The Cathedral will need to raise funding of up to £3.5m towards the costs of Phase Two. Assuming the proposals receive support from NLHF they will be developed further in 2023 with a view to starting delivery of the project in 2024.

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

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Public benefit

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

- the availability of a facility for public worship in the City of Gloucester and the County of Gloucestershire, and a space for pastoral care, contemplation, and moral, spiritual, intellectual development;
- providing daily services throughout the year which are open to all;
- promoting Christian values to individuals and society as a whole;
- caring for an internationally significant fabric including three Scheduled Ancient Monuments and over 30 other listed structures;
- providing free public access to a significant heritage site;
- nurturing the performance of liturgical music as part of the daily services;
- providing training opportunities for heritage craftspeople, musicians and young people through the Cathedral's apprenticeship, internship and work experience schemes;
- providing a musical education to young people through singing in one of the Cathedral's five choirs;
- providing access for thousands of children to a building of major architectural importance through the programme of educational events and tours;
- operating a Breakfast Club, providing a cooked breakfast to homeless and vulnerable people every Thursday and Sunday throughout the year;
- in partnership with Gloucester Rugby Foundation and Gloucester City Mission the Cathedral hosts weekly walking rugby sessions for the homeless and vulnerable;
- the use of solar panels on the roof of the nave of the Cathedral to provide approximately 25% of the building's energy requirements;
- working with Gloucester City Council and Gloucestershire County Council to rejuvenate the city's public areas as an amenity for all;
- working with partners including Gloucester Heritage Forum and Gloucester Culture Trust to put culture at the heart of Gloucester for the good of all and to deliver a compelling arts programme in Gloucester, helping to inspire local audiences and boost the City's economy by bringing internationally significant art and renowned artists to the City through exhibitions and the Three Choirs Festival;
- raising awareness about local and national charities by providing an events venue, lighting the tower in support of charitable causes and partnering in meaningful activity and learning programmes.

Financial Review

Financial performance

The Cathedral incurred a deficit of £876,000 for the year, which compares with a surplus of £913,000 for the previous year. There were investment and other gains totalling £1.496m (2020: £1.301m), resulting in an overall increase in funds for the year of £620,000 (2020: increase of £2.214m). Overall funds at the end of the year stand at £21.535m, up from £20.915m at the end of the 2020. The amount of these overall funds is welcome but the Cathedral's overriding need is still for increased net income on its unrestricted general fund to provide the liquidity to run its daily operations. The general fund has an accumulated surplus of £110,000 (2020: surplus of £110,000) at the end of the year, which illustrates the financial pressures facing the Cathedral and is significantly less than the reserves of £585,000 the Cathedral would like to hold under its reserves policies (see below), although its position at 31st December, 2021 was boosted by the availability of £437,000 on its designated fund.

Despite the continuing Covid-19 pandemic the Cathedral's operating financial position has been broadly stable in the year, largely thanks to the availability of funds from the Beacon of Hope Appeal in 2020. The Cathedral has also been assisted by grants of £155,000 from the government's Job Retention Scheme. Income from all sources has been sufficient to meet costs for day-to-day operating activities on the general fund and the Cathedral has been successful in achieving its revised budgetary objectives.

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

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

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

The Cathedral's investments in property continue to increase in value and to provide a satisfactory level of income. Chapter has completed its investigation of the status of its property assets, which have hitherto all been classified as endowment. After taking legal advice Chapter has been advised that two adjacent properties with a combined value of £330,000 (2020: £316,000) can be reclassified as unrestricted assets and the required transfers were effected at 1st January, 2021. The Cathedral's investments in marketable securities increased in value by £792,000 during the year.

The Beacon of Hope Appeal

In the summer of 2020 Chapter launched an appeal 'The Beacon of Hope', to raise £1 million. The appeal achieved its target and a total of £1.007m was donated or pledged by 31st December, 2020. The amount raised in donations was £760,000 and Chapter designated this amount, less the fundraising expenses of £27,000, as a separate designated fund to support the Cathedral's operational expenditure over a period of at least 18 months from 1st January, 2021 to 30th June, 2022. During 2021 further donations of £3,000 were received for the appeal, £44,000 was allocated to support expenditure in the Cultural Recovery fund and £255,000 has been allocated to support the general fund, leaving £437,000 available for 2022. Details of the designated fund are set out in Note 12 to the Financial Statements.

Fund raising

2021 was another challenging year for charitable fund raising. Due to the success of the Beacon of Hope Appeal in raising £1m in 2020 the Cathedral started 2021 in a reasonable financial position with time to plan for the future. 2021, however, brought a new set of challenges: the ongoing socio-economic effects of the pandemic, understandable donor-fatigue, and caution about asking for too much financial support. Despite the relatively low level of proactive campaign fund raising some £471,000 was raised for the Cathedral in 2021. This amount included donations for activities in social responsibility, music, fabric and the general fund from regular individual donors with a variety of trusts and foundations contributing to specific projects. As part of this work there was a successful re-launch of the Music Patrons Scheme and a first ever stone auction which raised £18,600 and stimulated a large amount of press coverage. Two legacies were also received in the year amounting to £121,000.

There will be a new focus for 2022 with the launch of a Development Plan, which includes three major capital projects: phase 2 of Project Pilgrim, refurbishment of the organ, and the Cloister Conservation Project. A Development Board has been established to support the fund raising team and the focus of their efforts will be to raise £10m in the next five years to deliver the Development Plan.

Investment performance

The Cathedral takes income from its portfolios of investment property and marketable securities. The Cathedral manages its investment property and CCLA manages the marketable securities. All but one of the investment properties are classified as endowment assets and the marketable securities are classified as endowment and restricted funds assets. CCLA manages the Cathedral's investments on an execution only basis. As at 31st December, 2021 these investments amounted to £6.143m (2020: £5.351m) and were invested in the following funds:

	2021		2020	
	£000	%	£000	%
CBF Investment Fund	3,768	61.3	3,295	61.6
UK Equity Fund	124	2.0	106	2.0
Global Equity Fund	1,411	23.0	1,215	22.7
Property Fund	840	13.7	735	13.7
Total	<u>6,143</u>	<u>100.0</u>	<u>5,351</u>	<u>100.0</u>

The value of investments at 31st March, 2022 had reduced by £297,000 to £5.845m.

Income from all the investment property is credited to the unrestricted general fund; income from the marketable securities is split, as appropriate, between the unrestricted general fund, restricted funds and the endowment fund. Income from investment property in the period amounted to £770,000 (2020: £753,000) and income from marketable securities amounted to £169,000 (2020: £165,000). The average annual income yield on the investments managed by CCLA for the year ended 31st December, 2021 was 2.94% (2020: 3.01%). The average annual total return for the year ended 31st December, 2021 was 18.2% (2020: 10.9%).

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

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

Investment policy

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

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

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

Pay & remuneration of staff

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

Gloucester Cathedral Enterprises Limited

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

Reserves policies

Notes 10 to 14 in the Financial Statements set out the reserves within the Cathedral's endowment, restricted, designated and general funds. The general fund represents the Cathedral's unrestricted reserves, which are needed for efficient and uninterrupted management of the Cathedral and to meet exceptional items, such as emergency repairs to properties. The Cathedral uses its restricted funds to finance certain elements of its day-to-day expenditure, such as work on the fabric of the Cathedral and musical activities, in so far as the expenditure is covered by the terms specified by the donors of the funds. Chapter considers that an appropriate level for the general fund is three months' annual operating expenditure which, for the year ended 31st December, 2021, would be approximately £585,000; the balance on the general fund at that date is an accumulated surplus of £110,000 and there is a balance of £437,000 (2020: £733,000) on the designated fund. The Cathedral's business plan aims to increase income and the success of the entry by donation scheme in 2019 is an integral element in this projection.

Property

The accounting for and valuation of the Cathedral's properties are described in the Statement of Accounting Policies. All properties, whether held for investment purposes or as non-investments, were treated as endowment fund assets as at 31st December, 2020 but Chapter was advised that two adjacent properties could be reclassified as an unrestricted asset; this transfer was made at 1st January, 2021. All the Cathedral's properties were valued as at 31st December, 2021 by Ms Juliet Weston, an independent surveyor and valuer. As a result of this review the Cathedral's properties are valued at £15.174m.

Covid-19 pandemic

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

The impact of the pandemic on the Cathedral's financial position has been felt mainly in the cessation or reduction of certain income streams such as congregational giving, donations on entry to the Cathedral, facility fees and commercial income through The Monk's Kitchen and the Cathedral Shop. Income from property investments and marketable securities has been only mildly affected but there may be a reduction in property rentals as the longer-term effects of the pandemic take effect with the reduced demand for commercial property.

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

ANNUAL REPORT OF THE DEAN AND CHAPTER (continued)

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

Chapter has reviewed all its liabilities and obligations and does not consider there are any material items other than those mentioned. Given the uncertainty surrounding the progress of the pandemic and the timing of a return to normal economic activity, even on a reduced basis, Chapter is unable to quantify the precise continuing effect of the pandemic. Financial estimates and cash flows have been prepared to the end of 2023, and updated when necessary, and so quantification of the effect of the pandemic is likely to keep changing. The most important requirement is to maintain adequate working capital.

Plans for the future

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

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

As a result of the pandemic some of these plans are on hold but will be revived as soon as it is clear that the worst of the pandemic is over and economic activity is starting to pick up. Additionally, in 2022 Chapter must complete its work to implement the governance requirements of the Cathedrals Measure 2021.

Transactions with members of Chapter and other connected persons

There were no transactions between the Cathedral and members of Chapter and other connected persons in the year. Details of accommodation utilities costs paid for the Dean and two Residentiary Canons and expenses paid to members of Chapter are set out in Note 15 to the Financial Statements.

Provision of information to auditors

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

For and behalf of the Chapter

Interim Dean



Date: 21st July, 2022

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

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER

Opinion

We have audited the accounts of Gloucester Cathedral (the 'parent entity') and of Gloucester Cathedral and its subsidiary (the 'group') for the year ended 31st December, 2021 which comprise the consolidated statement of financial activities, the consolidated and parent entity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 accounts:

- give a true and fair view of the state of affairs of the group and of the parent entity as at 31st 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 prepared in accordance with the regulations specified by the Church Commissioners under the powers given to them by 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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these. 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 accounts, we have concluded that the Chapter's use of the going concern basis of accounting in the preparation of the 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 sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the accounts and our auditor's report thereon. The Chapter is responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to we report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the parent entity's accounts 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER (continued)

Responsibilities of the Chapter

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

In preparing the accounts, Chapter is responsible for assessing the ability of the group and the parent entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Chapter either intend to liquidate the group or the parent entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant frameworks which are directly relevant to specific assertions in the Financial Statements are those that relate to the reporting framework including the Cathedrals Measure 1999; and
- we understood how the parent entity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes of Chapter and of Finance Committee meetings.

We assessed the susceptibility of the group's Financial Statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
- understanding how those charged with governance consider and address the potential for override of controls or other inappropriate influence over the financial reporting process; and
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant accounts item to which they relate.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed substantive testing of expenditure including testing the authorisation thereof;
- investigated the rationale behind significant or unusual transactions;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

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

- agreeing accounts disclosures to underlying supporting documentation;
- reading the minutes of Chapter and of Finance Committee meetings; and
- enquiring of management and representatives from Chapter as to actual and potential litigation and claims.

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

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER (continued)

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

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

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

Use of our report

This report is made solely to Chapter, 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 Chapter 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 Gloucester Cathedral and its Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

21st July, 2022

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st December, 2021

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020 Restated
	Notes	General Fund	Designated Fund	Funds	Funds	£000	£000
Income & endowments from:	1						
Donations & legacies		384	3	358	-	745	1,990
Grants in support of mission		155	-	493	-	648	803
Charges & fees arising in the course of mission		99	-	-	-	99	108
Trading & fundraising		298	-	-	-	298	229
Income from investments		812	-	127	-	939	918
Total income and endowments 2021		1,748	3	978	-	2,729	4,048
<i>Total income and endowments 2020 - restated</i>		<i>2,227</i>	<i>760</i>	<i>1,061</i>	<i>-</i>	<i>4,048</i>	
Expenditure on:	2						
Raising funds		932	-	-	9	941	820
Ministry		424	-	464	-	888	686
Cathedral & precincts upkeep		369	-	441	-	810	760
Education & outreach		61	-	2	-	63	70
Community & congregation		25	44	147	-	216	107
Other expenditure		532	-	155	-	687	692
Total expenditure 2021		2,343	44	1,209	9	3,605	3,135
<i>Total expenditure 2020 - restated</i>		<i>2,061</i>	<i>27</i>	<i>1,036</i>	<i>11</i>	<i>3,135</i>	
Net (expenditure)/income before net gains on investments		(595)	(41)	(231)	(9)	(876)	913
Net gains on investments	3	4	-	29	1,259	1,292	1,063
Net (expenditure)/income		(591)	(41)	(202)	1,250	416	1,976
Other recognised (losses)/gains	4	20	-	-	184	204	238
Transfers on funds							
Designated fund, Beacon of Hope	12	255	(255)	-	-	-	-
Net movement in funds		(316)	(296)	(202)	1,434	620	2,214
Reconciliation of funds							
Total funds brought forward restated	21	426	733	647	19,109	20,915	18,701
Total funds carried forward		110	437	445	20,543	21,535	20,915
Note							
Funds carried forward excluding pension liability		177	437	445	20,543	21,602	20,993
Pension liability	20	(67)	-	-	-	(67)	(78)
Total funds carried forward		110	437	445	20,543	21,535	20,915

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

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

CONSOLIDATED BALANCE SHEET
For the year ended 31st December, 2021

	Notes	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020 Restated
		General Fund	Designated Fund				
		£000	£000	£000	£000	£000	£000
Fixed assets							
Investment assets							
Freehold property	5	91	-	-	11,069	11,160	10,660
Investments	6 & 7	-	-	229	5,914	6,143	5,351
		91	-	229	16,983	17,303	16,011
Tangible fixed assets							
Freehold property	5	239	-	-	3,775	4,014	3,820
Equipment & plant	5	109	-	12	-	121	85
		348	-	12	3,775	4,135	3,905
Total fixed assets		439	-	241	20,758	21,438	19,916
Current assets							
Stocks		23	-	-	-	23	32
Debtors	8	445	437	420	154	1,456	2,005
Cash at bank and in hand		813	-	95	-	908	1,290
		1,281	437	515	154	2,387	3,327
Liabilities due within one year							
Creditors	9	(1,143)	-	(311)	(197)	(1,651)	(1,659)
Net current assets		138	437	204	(43)	736	1,668
Total fixed assets plus net current assets		577	437	445	20,715	22,174	21,584
Liabilities due after one year							
Creditors	9	(400)	-	-	(172)	(572)	(591)
Defined benefit pension scheme liability	20	(67)	-	-	-	(67)	(78)
Total net assets		110	437	445	20,543	21,535	20,915
The funds of the Cathedral							
Endowment funds	10	-	-	-	5,972	5,972	5,218
General funds	11	(220)	-	-	-	(220)	110
Designated fund	12	-	437	-	-	437	733
Restricted funds							
Fabric	13	-	-	196	-	196	373
Music	13	-	-	222	-	222	201
Other	13	-	-	27	-	27	73
Property revaluation reserve							
Investment property	14	239	-	-	10,649	10,888	10,387
Non-investment property	14	91	-	-	3,922	4,013	3,820
Total funds of the Cathedral		110	437	445	20,543	21,535	20,915

The financial statements set out on pages 18 to 40 were approved by the Chapter on 21st July, 2022 and were signed on its behalf by:

Interim Dean 

Chapter Member 

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

CATHEDRAL ONLY BALANCE SHEET

For the year ended 31st December, 2021

		Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020
		General Fund	Designated Fund	Funds	Funds	2021	2020
	Notes	£000	£000	£000	£000	£000	Restated £000
Fixed assets							
Investment assets							
Freehold property	5	91	-	-	11,069	11,160	10,660
Investments	6 & 7	-	-	229	5,914	6,143	5,351
		91	-	229	16,983	17,303	16,011
Tangible fixed assets							
Freehold property	5	239	-	-	3,775	4,014	3,820
Equipment & plant	5	109	-	12	-	121	85
		348	-	12	3,775	4,135	3,905
Total fixed assets		439	-	241	20,758	21,438	19,916
Current assets							
Debtors	8	729	437	420	154	1,740	2,136
Cash at bank and in hand		592	-	95	-	687	1,223
		1,321	437	515	154	2,427	3,359
Liabilities due within one year							
Creditors	9	(1,124)	-	(311)	(197)	(1,632)	(1,653)
Net current assets		197	437	204	(43)	795	1,706
Total fixed assets plus net current assets		636	437	445	20,715	22,233	21,622
Liabilities due after one year							
Creditors	9	(400)	-	-	(172)	(572)	(591)
Defined benefit pension scheme liability	20	(67)	-	-	-	(67)	(78)
Total net assets		169	437	445	20,543	21,594	20,953
The funds of the Cathedral							
Endowment funds	10	-	-	-	5,972	5,972	5,218
General funds	11	(161)	-	-	-	(161)	148
Designated fund	12	-	437	-	-	437	733
Restricted funds							
Fabric	13	-	-	196	-	196	373
Music	13	-	-	222	-	222	201
Other	13	-	-	27	-	27	73
Property revaluation reserve							
Investment property	14	239	-	-	10,649	10,888	10,387
Non-investment property	14	91	-	-	3,922	4,013	3,820
Total funds of the Cathedral		169	437	445	20,543	21,594	20,953

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

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31st December, 2021

	2021 £000	2020 £000
Cash flows from operating activities		
Net cash used in operating activities	(957)	257
Cash flows from investing activities		
Rents received net of costs	505	540
Interest and dividends received net of costs	169	165
Purchase of equipment & plant	(80)	(13)
Purchase of investments	-	(41)
Net cash provided by investing activities	594	651
Cash flows from financing activities		
Repayments of borrowing	(19)	(16)
Change in cash and cash equivalents in the reporting period	(382)	892
Cash and cash equivalents at the beginning of the reporting period	1,290	398
Cash and cash equivalents at the end of the reporting period	908	1,290

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	2021 £000	2020 £000
Reconciliation of net expenditure to net cash flow from operating activities		
Net income for the reporting period	416	1,976
Less: investment gains	1,292	1,063
Net (expenditure)/income after investment gains	(876)	913
Depreciation	44	48
Less: income from property and investments	(939)	(918)
Add: property management costs, rental collection fees and investment management costs	265	213
Less: non-actuarial effect of non-cash defined benefit pension scheme credits	(1)	(2)
Decrease in stocks	9	7
Decrease/(increase) in debtors	549	(577)
(Decrease)/increase in creditors	(8)	573
Net cash used in operating activities	(957)	257

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

	At 01.01.21 £000	Cashflows £000	Other non- cash changes £000	At 31.12.21 £000
Cash at bank and in hand	1,290	(382)	-	908
Cash held as investment assets	-	-	-	-
Total cash and cash equivalents	1,290	(382)	-	908
Loans from Lloyds Bank plc	(209)	19	-	(190)
Loan from the Diocese of Gloucester	(400)	-	-	(400)
Total net (debt)/cash at bank and in hand	681	(363)	-	318

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

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31st December, 2021

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

Basis of preparation

The accounts have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2018, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Cathedral meets the definition of a public benefit entity under FRS 102. They have been prepared on the historical cost convention, as modified to include the revaluation of investments and freehold property.

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

Going concern

The Cathedral has incurred a deficit for the year of £595,000 on its general fund, compared with a surplus of £154,000 for the previous year ended 31st December, 2020, and there is an accumulated surplus of £110,000 on the fund. Chapter's budget for 2021 anticipated a reduction in the accumulated surplus, with reduced income from visitors and such activities as filming. The initiatives on entry by donation for visitors were suspended in March, 2020 because of the Covid-19 pandemic and as soon as HM Government imposed a lockdown Chapter moved swiftly to contain its spending by furloughing as many staff as possible and cutting expenditure on all but essential items. Chapter has also taken advantage of all possible schemes for relief from charges, either through grants or deferral of cash outlay and, like all other cathedrals in England and Wales, has received advance payments as lump sums of certain grants normally paid in monthly instalments. Also, the Gloucester Diocesan Board of Finance has agreed to extend the period of its loan to the Cathedral from five to ten years to 1st April, 2028 and to forego annual repayments.

In 2020 Chapter completed its Beacon of Hope appeal, raising £1 million by the end of the year through donations and grants. This fund has been used to support the Cathedral's finances in 2021 and a balance of £437,000 remained available at 31st December, 2021 to support operations in 2022.

The biggest difficulty for Chapter in trying to forecast its financial position for the next twelve months is uncertainty over whether the United Kingdom's economy will continue its recovery from the Covid-19 pandemic and how adversely effected the Cathedral will be by the increase in inflation and the financial effects of war in Ukraine. There are signs that visits from United Kingdom residents are increasing strongly but international visitors are still far short of the numbers seen before the pandemic. In its planning Chapter has assumed three scenarios for the resumption of normal operations, with the worst case extending into 2022, and its financial planning and cash flows have been modelled on these scenarios.

Having reviewed the available evidence, including financial forecasts and the associated underlying assumptions, Chapter believes that the Cathedral will have adequate cash resources to continue in operational existence until the end of 2023 without the need for further financial support from the Church Commissioners and continues to use the going concern basis of accounting in preparing the annual Financial Statements.

Basis of consolidation

The Financial Statements consolidate the results of the Cathedral and its wholly owned subsidiary Gloucester Cathedral Enterprises Limited (GCE), which operates a gift shop and coffee shop, The Monk's Kitchen, within the Cathedral building. The Cathedral controls 100% of the voting rights of the shares in GCE. A description of the Cathedral's objects is given in the Annual Report of the Dean and Chapter. For the year ended 31st December, 2021 GCE's turnover was £257,235 (2020: £170,120) and the gift aid distribution paid to the Cathedral was £Nil (2020: £Nil). At 31st December, 2021 GCE had assets of £246,091 (2020: £98,990), liabilities of £306,631 (2020: £137,943) and capital and accumulated losses of £(60,540) (2020: £(38,953)). The accounts for the period ended 31st December, 2021 have been audited and there was no audit qualification.

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

STATEMENT OF ACCOUNTING POLICIES (continued)
For the year ended 31st December, 2021

Income & endowments

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

Expenditure

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

Investments

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

Freehold property

Investment freehold property is stated at fair value and is not depreciated. The Cathedral has adopted a policy of revaluation in respect of its non-investment freehold property, which is stated at fair value and is depreciated over its estimated useful life (50 years for buildings and an indefinite period for land) based on the difference between its valuation in the financial statements and its estimated realisable value. Where such depreciation is considered to be immaterial it has not been provided for. Capital appreciation or depreciation on freehold property each year is adjusted through the endowment funds account or general fund account, as appropriate. The valuations at the balance sheet date were made by Ms Juliet Weston, an independent surveyor and valuer. These valuations do not include any value for the Cathedral building or its inventory which are considered to be heritage assets.

Freehold property improvements

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

Heritage assets

Heritage assets include the Cathedral and its ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 1st January, 2019 because information on their historical cost is not available. Items donated since 1st January, 2019 are valued in the year of acquisition and shown as heritage assets unless there is insufficient information available for a reliable estimate of the value of the assets. There were no heritage assets donated in the year ended 31st December, 2021.

Equipment & plant

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

Stocks

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

Basic financial assets

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

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

STATEMENT OF ACCOUNTING POLICIES (continued)
For the year ended 31st December, 2021

Basic financial liabilities

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

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

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

Contributions to Pension Funds

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

Funds

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

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

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

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

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

The Friends of Gloucester Cathedral

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

Income received in the year by the Cathedral from The Friends is shown as donations within income from the Friends in Note 1 to the financial statements.

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

STATEMENT OF ACCOUNTING POLICIES (continued)
For the year ended 31st December, 2021

The financial statements of the Friends of Gloucester Cathedral are not consolidated within these financial statements but, under section 3.10.2 of the Accounting and Reporting Regulations for English Anglican Cathedrals, a summary of its financial position for the year ended 31st December, 2021 and the eight preceding years, which were independently examined, is set out in the table below. The figures for 2021 are based on the available draft financial statements; they will not become final until the Annual General Meeting, which will be held in July 2022.

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Income	97	75	92	105	124	94	341	86	80
Grants to the Cathedral	(38)	(308)	(55)	(134)	(76)	(89)	(267)	(206)	(195)
Other resources expended	(21)	(18)	(25)	(26)	(26)	(26)	(26)	(29)	(29)
Realised and unrealised gains/(losses)	90	(46)	98	(36)	54	59	(17)	(8)	99
Net movement in funds for the year	128	(297)	110	(91)	76	38	31	(157)	(45)
Gross assets	810	736	927	866	912	842	823	768	926
Net assets	755	627	925	815	906	830	792	761	918

The Friends has budgeted in 2022 to provide £38,000 for music and £9,000 for towards funding a development officer.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31st December, 2021

1 Income & endowments

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020
	General Fund	Designated Fund	Funds Restated	Funds Restated		Restated
	£000	£000	£000	£000	£000	£000
Donations & legacies						
Congregational collections & giving	54	-	-	-	54	54
Donations	269	3	206	-	478	1,253
Tax recoverable under Gift Aid	25	-	-	-	25	10
Income from The Friends of Gloucester Cathedral	-	-	67	-	67	200
Legacies	36	-	85	-	121	473
Total 2021	384	3	358	-	745	1,990
<i>Total 2020</i>	<i>777</i>	<i>760</i>	<i>453</i>	<i>-</i>	<i>1,990</i>	
Grants in support of mission						
Church Commissioners	-	-	296	-	296	336
Job Retention Scheme	155	-	-	-	155	294
Heritage Lottery Fund	-	-	99	-	99	100
Other	-	-	98	-	98	73
Total 2021	155	-	493	-	648	803
<i>Total 2020</i>	<i>319</i>	<i>-</i>	<i>484</i>	<i>-</i>	<i>803</i>	
Charges & fees arising in the course of mission						
Facility and other fees 2021	99	-	-	-	99	108
<i>Facility and other fees 2020</i>	<i>108</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>108</i>	
Trading & fundraising						
Charges to visitors	41	-	-	-	41	59
Income from the shop, café & other activities	257	-	-	-	257	170
Total 2021	298	-	-	-	298	229
<i>Total 2020</i>	<i>229</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>229</i>	
Investments						
Income from investment property	770	-	-	-	770	753
Income from other investments	42	-	127	-	169	165
Total 2021	812	-	127	-	939	918
<i>Total 2020 - restated</i>	<i>794</i>	<i>-</i>	<i>124</i>	<i>-</i>	<i>918</i>	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

1 Income & endowments (continued)

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

	Income earned		Income allocated	
	2021	2020 Restated	2021	2020 Restated
	£000	£000	£000	£000
Endowment funds - restated	42	41	-	-
Restricted funds	127	124	127	124
General funds	-	-	42	41
	<u>169</u>	<u>165</u>	<u>169</u>	<u>165</u>

Income earned on general endowment funds is allocated to general funds. For the year ended 31st December, 2021 this amounted to £42,417 (2020: £41,372).

2 Expenditure

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020 Restated
	General Fund	Designated Fund				£000
	£000	£000	£000	£000	£000	£000
Raising funds						
Costs of facilities for visitors	6	-	-	-	6	19
Costs of shop, café and other activities	317	-	-	-	317	287
General marketing costs	102	-	-	-	102	78
Costs of appeals and fundraising	250	-	-	-	250	221
Investment property costs	256	-	-	9	265	213
Net defined benefit pension interest charge	1	-	-	-	1	2
Total 2021	<u>932</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>941</u>	<u>820</u>
Total 2020	<u>725</u>	<u>27</u>	<u>57</u>	<u>11</u>	<u>820</u>	
Ministry						
Clergy stipends & working expenses	1	-	141	-	142	141
Clergy housing costs	247	-	-	-	247	77
Clergy support costs	53	-	-	-	53	50
Services and music	123	-	323	-	446	418
Total 2021	<u>424</u>	<u>-</u>	<u>464</u>	<u>-</u>	<u>888</u>	<u>686</u>
Total 2020 - restated	<u>289</u>	<u>-</u>	<u>397</u>	<u>-</u>	<u>686</u>	
Cathedral & precincts upkeep						
Major repairs & restoration	-	-	333	-	333	307
Project Pilgrim	19	-	37	-	56	63
Maintenance & interior upkeep	78	-	71	-	149	109
Cathedral insurance	47	-	-	-	47	46
Precincts, security & garden upkeep	11	-	-	-	11	21
Support costs	214	-	-	-	214	214
Total 2021	<u>369</u>	<u>-</u>	<u>441</u>	<u>-</u>	<u>810</u>	<u>760</u>
Total 2020	<u>357</u>	<u>-</u>	<u>403</u>	<u>-</u>	<u>760</u>	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

2 Expenditure (continued)

	Unrestricted Funds				Total	Total
	General	Designated	Restricted	Endowment	2021	2020
	Fund	Fund	Funds	Funds		Restated
	£000	£000	£000	£000	£000	£000
Education & outreach						
Educational activities	38	-	-	-	38	42
Archives & library	23	-	2	-	25	23
Charitable & other giving	-	-	-	-	-	5
Total 2021	61	-	2	-	63	70
Total 2020	70	-	-	-	70	
Community & congregation						
Total 2021	25	44	147	-	216	107
Total 2020	53	-	54	-	107	
Other expenditure						
Support costs						
Total 2021	532	-	155	-	687	692
Total 2020	567	-	125	-	692	
Included in Support costs in Other expenditure is irrecoverable VAT of					2	21

3 Net gains on investments

Investment property	4	-	-	496	500	698
Investments	-	-	29	763	792	365
Total 2021	4	-	29	1,259	1,292	1,063
Total 2020	-	-	1	1,062	1,063	

4 Other recognised (losses)/gains

Non-investment property	10	-	-	184	194	250
Actuarial gains/(losses) on defined benefit pension scheme	10	-	-	-	10	(12)
Total 2021	20	-	-	184	204	238
Total 2020	(12)	-	-	250	238	

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

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

	Unrestricted Funds		Restricted Funds	Endowment Funds	Total 2021	Total 2020 Restated
	General Fund	Designated Fund				
	£000	£000	£000	£000	£000	£000
Investment assets: Freehold Property (at fair value)						
<i>Consolidated and Cathedral only</i>						
At 1 st January, 2021	-	-	-	10,660	10,660	9,765
Reclassification in the year	87	-	-	(87)	-	197
Revaluation in the year	4	-	-	496	500	698
At 31 st December, 2021	91	-	-	11,069	11,160	10,660

Investment assets: Investments

Consolidated and Cathedral only

Investments at market value

Endowment funds	6	-	-	-	5,914	5,914	5,151
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Restricted funds	7	-	-	229	-	229	200
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At 31 st December, 2021	-	-	229	5,914	6,143	5,351
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Investments are classified as follows:

Equities	-	-	229	5,914	6,143	5,351
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Deposits	-	-	-	-	-	-
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	-	-	229	5,914	6,143	5,351
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The value of investments at 30th June, 2022 had reduced by £620,000 to £5.523m.

Non-investment assets: Freehold Property for Cathedral use

(at fair value)

Consolidated and Cathedral only

At 1 st January, 2021	-	-	-	3,820	3,820	3,767
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Reclassification in year	229	-	-	(229)	-	(197)
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Revaluation in year	10	-	-	184	194	250
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At 31 st December, 2021	239	-	-	3,775	4,014	3,820
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Non-investment properties are held and used as follows:

For Cathedral clergy and staff housing	-	-	-	2,096	2,096	2,701
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For the education centre	-	-	-	95	95	91
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For Cathedral trading activities	239	-	-	1,584	1,823	1,028
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	239	-	-	3,775	4,014	3,820
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The investment and non-investment properties were revalued as at 31st December, 2021 by an independent valuer on the basis of fair value. Under the historical cost basis the properties would have had a carrying value of £272,592 (2020: £272,592).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

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

	Unrestricted Funds				Total	Total
	General	Designated	Restricted	Endowment	2021	2020
	Fund	Fund	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Equipment & plant						
<i>Consolidated and Cathedral only</i>						
Cost						
At 1 st January, 2021	200	-	27	-	227	214
Transfers	-	-	-	-	-	-
Additions	80	-	-	-	80	13
At 31 st December, 2021	280	-	27	-	307	227
Depreciation						
At 1 st January, 2021	130	-	12	-	142	94
Transfers	-	-	-	-	-	-
For the year	41	-	3	-	44	48
At 31 st December, 2021	171	-	15	-	186	142
Net book amount						
At 31 st December, 2020	70	-	15	-	85	108
At 31 st December, 2021	109	-	12	-	121	85

6 Endowment funds investments

<i>Consolidated and Cathedral only</i>	2021	2020
	£000	£000
General endowment		
Investments	1,382	1,209
Choristers' endowment		
Investments	4,532	3,942
Total endowment fund investments	5,914	5,151
The increase in the value of investments relates to:		
At 1 st January, 2021	5,151	4,745
Increase in market value	763	365
Purchase of investments	-	41
At 31 st December, 2021	5,914	5,151

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7 Restricted funds investments

	2021 £000	2020 £000
<i>Consolidated and Cathedral only</i>		
Music		
Grants & donations investments	117	102
Herbert Reeve fund investments	112	98
Total music fund investments	229	200
 Total restricted fund investments	 229	 200
 The increase in the value of restricted fund investments relates to:		
At 1 st January, 2021	200	241
Increase in market value	29	1
Movements in deposit and cash balances	-	(42)
At 31 st December, 2021	229	200

8 Debtors

	Unrestricted Funds				Total 2021 £000	Total 2020 £000
	General Fund £000	Designated Fund £000	Restricted Funds £000	Endowment Funds £000		
<i>Consolidated</i>						
Amounts falling due within one year:						
Trade debtors (including rents receivable)	23	-	-	-	23	12
Other debtors	422	437	420	154	1,433	1,993
	<u>445</u>	<u>437</u>	<u>420</u>	<u>154</u>	<u>1,456</u>	<u>2,005</u>
 <i>Cathedral only</i>						
Amounts falling due within one year:						
Trade debtors (including rents receivable)	22	-	-	-	22	12
Gloucester Cathedral Enterprises Limited	287	-	-	-	287	131
Other debtors	420	437	420	154	1,431	1,993
	<u>729</u>	<u>437</u>	<u>420</u>	<u>154</u>	<u>1,740</u>	<u>2,136</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31st December, 2021

9 Creditors

	Unrestricted Funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	2021	2020
	Fund	Fund	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
<i>Consolidated</i>						
Amounts falling due within one year:						
Trade creditors	133	-	-	-	133	182
Other creditors	1,010	-	311	179	1,500	1,459
Loans from Lloyds Bank plc	-	-	-	18	18	18
Loan from the Diocese of Gloucester	-	-	-	-	-	-
	<u>1,143</u>	<u>-</u>	<u>311</u>	<u>197</u>	<u>1,651</u>	<u>1,659</u>
<i>Cathedral only</i>						
Amounts falling due within one year:						
Trade creditors	122	-	-	-	122	180
Other creditors	1,002	-	311	179	1,492	1,455
Loans from Lloyds Bank plc	-	-	-	18	18	18
Loan from the Diocese of Gloucester	-	-	-	-	-	-
	<u>1,124</u>	<u>-</u>	<u>311</u>	<u>197</u>	<u>1,632</u>	<u>1,653</u>
<i>Consolidated</i>						
Amounts falling due after one year:						
Loans from Lloyds Bank plc	-	-	-	172	172	191
Loan from the Diocese of Gloucester	400	-	-	-	400	400
	<u>400</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>572</u>	<u>591</u>
<i>Cathedral only</i>						
Amounts falling due after one year:						
Loans from Lloyds Bank plc	-	-	-	172	172	191
Loan from the Diocese of Gloucester	400	-	-	-	400	400
	<u>400</u>	<u>-</u>	<u>-</u>	<u>172</u>	<u>572</u>	<u>591</u>

The loans from Lloyds Bank plc relate to the renovation of Monument House, one of the Cathedral's endowment properties, and have two elements. Of the total amount outstanding at 31st December, 2021 £86,230 is repayable by monthly instalments to April, 2028 and carries an interest rate of 5.69% and £104,367 is repayable by monthly instalments to April, 2033 and carries an interest rate of 4.15% above base rate. The mortgage is secured on Gloucester Cathedral. The loan from the Diocese of Gloucester is unsecured and carries an interest rate of 0.5%. In June, 2020 the Diocese agreed to reschedule the loan to forego the annual repayment instalments and to make the loan repayable in ten years on 1 April, 2028. On this revised basis the total amount outstanding of £400,000 would be reported below in the category of 'In five years or more'.

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

	Unrestricted Funds		Restricted	Endowment	Total	Total
	General	Designated	Funds	Funds	2021	2020
	Fund	Fund	Funds	Funds	2021	2020
	£000	£000	£000	£000	£000	£000
Within one year	-	-	-	18	18	18
Between one and two years	-	-	-	20	20	19
Between two and five years	-	-	-	169	169	73
In five years or more	-	-	-	383	383	499
	<u>-</u>	<u>-</u>	<u>-</u>	<u>590</u>	<u>590</u>	<u>609</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

10 Endowment funds

<i>Consolidated and Cathedral only</i>	General £000	Choristers £000	Total £000
At 1 st January, 2021	1,122	4,096	5,218
Incoming resources			
Other recognised/unrecognised gains: other investments	172	591	763
Expenditure			
Interest payable on loans from Lloyds Bank plc	(9)	-	(9)
At 31 st December, 2021	1,285	4,687	5,972

11 General funds

	Consolidated £000	Cathedral only £000
At 1 st January, 2021	110	148
Net outgoing resources	(591)	(890)
Recognised gain on defined benefit pension scheme	10	10
Recognised gain on investment property	10	-
Transfer from designated fund, Beacon of Hope	255	255
Reclassification of property	316	316
At 31 st December, 2021	110	(161)
Represented by:		
General reserves	(220)	(161)
Property revaluation reserve	330	330
At 31 st December, 2021	110	169

12 Designated fund

Beacon of Hope Appeal	
<i>Consolidated and Cathedral only</i>	£000
At 1 st January, 2021	733
Incoming resources	
Donations	3
	736
Expenditure on Mission	
Contribution to Cultural Recovery Fund	44
Contribution to General Fund	255
At 31 st December, 2021	437

The Beacon of Hope Appeal was launched in 2020 to provide funds to sustain the Cathedral's operations during the Covid-19 pandemic and for as long as possible thereafter until economic activity in the country returned to levels last seen in 2019. £1.007m was raised and Chapter allocated £733,000 to a designated fund. It is anticipated that the balance of £437,000 on the fund will be fully utilised in the financial year ending 31st December, 2022.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

13 Restricted funds – Income & endowments and Expenditure

<i>Consolidated and Cathedral only</i>	Balance at 01.01.21 £000	Income £000	Expenditure £000	Transfers	Balance at 31.12.21 £000
Fabric					
Fabric	12	81	(63)	(9)	21
Ambulatory	17	6	(36)	13	-
Lady Chapel	7	-	(1)	-	6
Font	48	-	(5)	-	43
Major repairs & restoration	75	-	-	(13)	62
Drains project	11	-	-	-	11
Nave/Abbots roof	5	-	-	-	5
Project Pilgrim	83	-	(37)	-	46
Lower College Green and war memorial	1	-	-	-	1
Bell ropes	1	-	-	-	1
Glazing projects	3	93	(134)	38	-
Candlestick	1	-	(5)	4	-
Stonemasons	109	84	(3)	(190)	-
North Nave	-	-	(157)	157	-
Total	373	264	(441)	-	196
Music					
Grants & donations	17	90	(96)	-	11
Choristers	-	22	(22)	-	-
Choristers' Scholarship fund	-	119	(119)	-	-
Choir tour	10	-	-	-	10
Edith Park (for Choristers' musical instruments)	27	-	-	-	27
Herbert Reeve (for organ)	99	17	(3)	-	113
Stott Foundation (for organist)	10	-	-	-	10
Youth Choir	14	4	-	-	18
Organ	11	-	(1)	-	10
Outreach	13	-	-	-	13
Organ Camera	-	10	-	-	10
Total	201	262	(241)	-	222
Other					
Archives & library	-	2	(1)	-	1
Three Choirs Charity	6	-	-	-	6
Church Commissioners	13	296	(296)	-	13
Breakfast Club	4	9	(6)	-	7
Flower Guild	-	1	(1)	-	-
Social responsibility	-	37	(37)	-	-
Beacon of Hope Appeal	45	36	(81)	-	-
Culture Recovery Fund	5	100	(105)	-	-
Total	73	481	(527)	-	27
Total restricted funds	647	1,007	(1,209)	-	445

The income on restricted funds of £1,007,000 is shown on the Statement of Financial Activities as income & endowments of £978,000 and net gains on investments of £29,000.

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For the year ended 31st December, 2021

14 Property revaluation reserve

Consolidated and Cathedral only

	Investment property		Non-investment property	
	2021	2020	2021	2020
	£000	£000	£000	£000
At 1 st January, 2021	10,387	9,492	3,820	3,767
Reclassifications in the year	-	197	-	(197)
Revaluations in the year	501	698	193	250
At 31 st December, 2021	10,888	10,387	4,013	3,820

15 Staff costs

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

	2021	2020	2021	2020
	No.	No.	Full time equivalents	
Full time	39	39	39	39
Part time:				
contracted hours	33	36	16	14
pool employees, no contracted hours	7	7	3	2
	79	82	58	55

Total emoluments including pension payments for the above amounted to:

	2021	2020
	£000	£000
Salaries	1,579	1,562
Social security	120	126
Pensions	108	132
Total emoluments	1,807	1,820

One employee, the Chapter Steward, received emoluments during the year in the band £60,000 - £70,000. Pension benefits for the Chapter Steward are accruing under a defined contribution pension scheme and £5,123 was paid to the scheme during the period. The Chapter Steward is a member of Chapter and is remunerated in respect of her position as an employee of the Cathedral.

The only members of Chapter remunerated by the Cathedral for their services are the Dean, two of the Residentiary Canons and the Chapter Steward. Lay members of Chapter are not remunerated. The remuneration of and pension provision for the Dean and the two Residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board. The remuneration for the Dean and the two Residentiary Canons is paid under a S.23 grant from the Church Commissioners, i.e. the cost to the Cathedral is £Nil (2020: £Nil).

The Cathedral paid utilities expenditure of £25,912 (2020: £15,520) for the Dean and two of the Residentiary Canons, covering energy costs, water rates and Council Tax. The amount paid in 2020 was reduced by a rebate for VAT incorrectly charged at 20% instead of 5% for several previous years.

The aggregate amount of expenses reimbursed to three (2020: five) members of the Chapter was £12,638 (2020: £9,018) in respect of travel, entertaining, training and general administration expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16 Auditors' remuneration

	2021 £000	2020 £000
Fee charged in the accounts for the Cathedral's auditors was:		
Audit services	17	9

The fee for the Cathedral's auditors is included in other expenditure and is the only item of governance costs.

17 Support costs

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

	Direct costs £000	Support costs £000	Total £000
Raising funds	102	-	102
Ministry	1	53	54
Cathedral & precincts upkeep	228	214	442
Other expenditure on mission	-	532	532
Total 2021	331	799	1,130
Total 2020	251	831	1,082

18 Contingent liabilities

Chapter has entered into an agreement with The King's School (School), Gloucester to provide a contribution of 20% of school fees for up to 16 boy choristers and 16 girl choristers whilst they sing in the Cathedral choir and attend the school. Chapter has also agreed that it will continue to pay a contribution of:

- 40% of school fees for boy choristers who were in the Cathedral choir before the new agreement came into effect on 1st September, 2021 until they leave the choir and 25% of school fees when they leave the choir until they leave the school; and
- 25% of school fees for those boy choristers who had left the choir before 1st September, 2021 until they leave the school.

Chapter has forecast the Cathedral's contribution to fees for ex-choristers for the five years 2022 to 2026 based on the number of boys who qualify for the commitment and on the assumptions that the Cathedral's contribution to fees for ex-choristers at the School will be 25% and average annual increases on School fees will be 3.0%. The forecast also reflects up-to-date information on the number of boys who have continued at the School in 2020 and 2021 after they have left the choir. Based on this data the Cathedral's contribution to fees for ex-choristers at the School in the fifth year, 2026, is estimated at £1,962 (2020: eighth year 2028 £17,553) and its aggregate contribution for the five years is estimated at £37,623 (2020: £231,168 for eight years).

There were no other known contingent liabilities at the balance sheet date (2020: £Nil).

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19 Capital commitments

Capital commitments contracted for but not provided for at 31st December, 2021 amounted to £Nil (2020: £Nil).

20 Pension costs

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

	2021	2020
	£000	£000
Contributions to the scheme by the Church Commissioners	33	32

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

	2021	2020
	£000	£000
Contributions to the scheme	75	77

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

The actuarial valuation as at 31st March, 2020 indicated the Scheme's funding level at that date was 46%, corresponding to a deficit of £101,000 on a technical provisions basis. Recovery plans illustrated in the actuarial valuation were, from 1st April, 2021: 3 years at £31,500 per annum, or 5 years at £19,000 per annum, or 7 years at £13,600 per annum to be paid to the Scheme.

Explanation of amounts in the financial statements

	2021	2020
	£000	£000
<u>Amounts recognised in the balance sheet</u>		
Fair value of assets	55	47
Present value of funded obligations	(122)	(131)
Deficit	(67)	(84)

The Scheme Actuary has reported an error in the calculations for the disclosures in 2020. The corrected figures are reported above; in 2020 the fair value of assets were reported as £30,000 and the present value of funded obligations were reported as £108,000, giving a net deficit of £78,000. Other amendments are noted in the appropriate tables of figures below. The error is considered too small to be shown as a prior year adjustment.

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20 Pension costs (continued)

Amounts recognised in the Statement of Financial Activities over the year

Administration costs	19	23
Interest on liabilities	2	3
Interest on assets	(1)	(1)
Total	20	25

Re-measurements over the year

Loss on Scheme assets in excess of interest	1	1
Experience losses on liabilities	-	3
Gains from changes to demographic assumptions	-	(4)
(Gains)/losses from changes to financial assumptions	(11)	18
Total re-measurements	(10)	18

The total re-measurements in 2020 was originally reported as £54,000.

Reconciliation of assets and Defined Benefit Obligation

The change in assets over the period was:

Fair value of assets at the beginning of the period	47	66
Interest on assets	1	1
Cathedral contributions	27	27
Benefits paid	-	(23)
Administration costs	(19)	(23)
Return on Scheme assets less interest	(1)	(1)
Fair value of assets at the end of the period	55	47

The total fair value of assets at the end of the period in 2020 was originally reported as £30,000.

Actual return on assets was £17,000

The change in the Defined Benefit Obligation over the period was:

Defined Benefit Obligation at the beginning of the period	131	134
Interest cost	2	3
Benefits paid	-	(23)
Experience gains on Defined Benefit Obligation	-	3
Changes to demographic assumptions	-	(4)
Changes to financial assumptions	(11)	18
Defined Benefit Obligation at the end of the period	122	131

The Defined Benefit Obligation at the end of the period in 2020 was originally reported as £108,000.

Assets

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

Actuarial assumptions	2021	2020
Discount rate	1.90%	1.30%
Inflation (RPI)	3.50%	3.10%
Inflation (CPI)	2.50%	2.10%
Pension increases (RPI max. 5% p.a.)	3.30%	3.00%

Post retirement mortality for 31st December, 2021 & 31st December, 2020 – 95% of S2PA tables with CMI 2019 (2020: CMI 2019) projections using a long term rate of improvement of 1.5% p.a. (31.03.20: 1.5%). No allowance has been made for members to take tax free cash.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

21 Prior year adjustments – year ended 31st December, 2020

	Unrestricted		Restricted	Endowment	Total
	General	Designated	Funds	Funds	2020
	Fund	Fund	Funds	Funds	2020
	£000	£000	£000	£000	£000
Reconciliation of net income and expenditure for the year ended 31st December, 2020					
Total income and endowments as previously reported	2,227	760	945	116	4,048
Adjustment 1 – see below	-	-	116	(116)	-
Total income and endowments as restated	2,227	760	1,061	-	4,048
Total expenditure as previously reported	2,061	27	920	127	3,135
Adjustment 2 – see below	-	-	116	(116)	-
Total expenditure as restated	2,061	27	1,036	11	3,135
Net income/(expenditure) before net gains on investments as restated	166	733	25	(11)	913
Reconciliation of fixed asset balances at 31st December, 2020					
Fixed assets, investment assets					
Freehold property as previously reported	-	-	-	10,660	10,660
Adjustment 3 – see below	87	-	-	(87)	-
Freehold property as restated	87	-	-	10,573	10,660
Tangible fixed assets					
Non-investment freehold property as previously reported	-	-	-	3,820	3,820
Adjustment 4 – see below	229	-	-	(229)	-
Freehold property as restated	229	-	-	3,591	3,820
Reconciliation of consolidated fund balances at 31st December, 2020					
Endowment Funds	-	-	-	5,218	5,218
General Fund	110	-	-	-	110
Designated Fund	-	733	-	-	733
Restricted Funds	-	-	-	-	-
Fabric	-	-	373	-	373
Music	-	-	201	-	201
Other	-	-	73	-	73
Property revaluation reserve	-	-	-	-	-
Investment property	87	-	-	10,300	10,387
Non-investment property	229	-	-	3,591	3,820
Total funds of the Cathedral as restated	426	733	647	19,109	20,915

Adjustments

- 1 & 2 Income earned on the Choristers' Endowment fund and the associated expenditure on support for Choristers' fees at The King's School, Gloucester have been accounted as a restricted fund in 2021; they were previously reported as part of the income and expenditure on the Endowment fund. The comparative figures for income and expenditure have been restated for the year ended 31st December, 2020.
- 3 & 4 Following the decision made by Chapter in 2021 to reclassify one investment freehold property and one non-investment freehold property and to transfer them from the Endowment fund to the General fund the comparative figures have been restated for the year ended 31st December, 2020.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31st December, 2021

22 Comparatives of Consolidated Statement of Financial Activities – year ended 31st December, 2020

	Unrestricted General Fund	Designated Fund	Restricted Funds Restated	Endowment Funds Restated	Total 2020 Restated
	£000	£000	£000	£000	£000
Income & endowments from:					
Donations & legacies	777	760	453	-	1,990
Grants in support of mission	319	-	484	-	803
Charges & fees arising in the course of mission	108	-	-	-	108
Trading & fundraising	229	-	-	-	229
Income from investments	794	-	124	-	918
Total income and endowments	2,227	760	1,061	-	4,048
Expenditure on:					
Raising funds	725	27	57	11	820
Ministry	289	-	397	-	686
Cathedral & precincts upkeep	357	-	403	-	760
Education & outreach	70	-	-	-	70
Community & congregation	53	-	54	-	107
Other expenditure	567	-	125	-	692
Total expenditure	2,061	27	1,036	11	3,135
Net income/(expenditure) before net gains on investments	166	733	25	(11)	913
Net gains on investments	-	-	1	1,062	1,063
Net income	166	733	26	1,051	1,976
Other recognised (losses)/gains	(12)	-	-	250	238
Net movement in funds	154	733	26	1,301	2,214
Reconciliation of funds					
Total funds brought forward	(44)	-	621	18,124	18,701
Total funds carried forward	110	733	647	19,425	20,915

23 Related party transactions

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

	2021 £000	2020 £000
Cathedral wages recharged to GCE	177	189
Amounts due by GCE to Cathedral at the end of the year	287	131

There were no donations to the Cathedral's General Fund from members of Chapter during the year (2020: £Nil).

The Cathedral pays a contribution towards the school fees for choristers at The King's School, Gloucester (see Note 18); in 2021 the total fee contribution was £153,724 (2020: £140,451). The school pays annual rent of £156,977 (2020: £153,155) to the Cathedral. At 31st December, 2021 £Nil (2020: £Nil) was owing to/from the Cathedral and the school.

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

THE LAST TEN YEARS

	2013 £000	2014 £000	2015 £000	2016 £000	2017 £000	31.03.18 £000	31.12.18 £000	2019 £000	2020 £000	2021 £000
Income & endowments from:										
Donations & legacies	709	1,392	1,623	1,061	738	957	710	1,390	1,990	745
Grants in support of mission	203	242	443	773	1,473	3,610	512	592	803	648
Charges and fees for mission	90	125	88	86	155	146	182	210	108	99
Trading and fundraising	491	529	566	495	543	521	519	645	229	298
Income from investments	640	630	739	688	769	914	686	911	918	939
Total	2,133	2,918	3,459	3,103	3,678	6,148	2,609	3,748	4,048	2,729
Expenditure on:										
Raising funds	627	741	894	773	803	789	636	832	820	941
Ministry	598	559	671	800	713	756	655	688	686	888
Cathedral & precincts upkeep	717	918	854	1,209	1,931	4,570	1,028	1,043	760	810
Education & outreach	69	73	71	71	79	69	55	83	70	63
Community & congregation	23	31	38	22	16	18	28	48	107	216
Other expenditure	379	324	390	420	423	527	407	631	692	687
Total	2,413	2,646	2,918	3,295	3,965	6,729	2,809	3,325	3,135	3,605
Net (expenditure)/income before Net gains/(losses) on investments	(280)	272	541	(192)	(287)	(581)	(200)	423	913	(876)
Net gains on investments	437	638	874	668	916	341	69	875	1,063	1,292
Net (expenditure)/income	157	910	1,415	476	629	(240)	(131)	1,298	1,976	416
Other recognised (losses)/gains	13	185	144	639	126	105	62	60	238	204
Net movement in funds	170	1,095	1,559	1,115	755	(135)	(69)	1,358	2,214	620
Reconciliation of funds										
Total funds brought forward	12,853	13,023	14,118	15,677	16,792	17,547	17,412	17,343	18,701	20,915
Total funds carried forward	13,023	14,118	15,677	16,792	17,547	17,412	17,343	18,701	20,915	21,535
Funds										
Endowment funds	12,211	13,239	3,726	3,620	4,088	4,160	4,237	4,865	5,218	5,972
General funds	117	250	273	94	(3)	(330)	(403)	(44)	110	(220)
Designated fund	-	-	-	-	-	-	-	-	733	437
Restricted funds	695	629	1,172	1,149	889	648	535	621	647	445
Property revaluation reserve	-	-	10,506	11,929	12,573	12,934	12,974	13,259	14,207	14,901
Total funds carried forward	13,023	14,118	15,677	16,792	17,547	17,412	17,343	18,701	20,915	21,535
Note										
Funds carried forward excluding pension liability	13,061	14,147	15,722	16,818	17,597	17,451	17,396	18,769	20,993	21,602
Pension liability	(38)	(29)	(45)	(26)	(50)	(39)	(53)	(68)	(78)	(67)
Total funds carried forward	13,023	14,118	15,677	16,792	17,548	17,412	17,343	18,701	20,915	21,535