



GUILDFORD  
CATHEDRAL



For the year ended  
**31 December 2020**

# ANNUAL REPORT

and financial  
statements



# OPEN

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



## TELL

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



## DEVELOP

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



## ENABLE

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



## SERVE

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



## CHAPTER REPORT

This Annual Report contains the financial statements of the Cathedral Church of the Holy Spirit, Guildford (known as Guildford Cathedral) for the year ended 31 December 2020 set out on pages 15 to 43 together with the Chapter Report, including an Introduction by the Dean on pages I to II, incorporating a review of our main activities and achievements and a financial review. In addition, the Chapter Report includes legal and administrative information and details of the Cathedral's structure, governance, and management, which are set out in Appendices I to II on pages 44 to 49.

### FROM THE DEAN'S DESK

*2020 began like most other years....*

Our Strategic Development Plan identifies four key facets of our work and purpose. These are Deepening Discipleship, Family Engagement and Schools, Visitor Experience and Events and Worship. We aspire to be a *Warm-hearted Community, Open to God and Open to All*.

Chapter had identified resources necessary for the infrastructure which would support the activities planned for 2020. However, two months into 2020 we and the rest of humanity were plunged into a new world of lock-down, work-from-home, furlough, closed churches, the prohibition of singing, the wearing of face covering, PPE and the National Health Service labouring at far beyond 100% capacity.

Throughout the year covered by this report we have had to find creative new ways to do familiar things and to nimbly develop entirely new activities suited to our changing circumstances. Forward planning was no longer possible and like all cathedrals we found our income plummeted.

*What have we discovered?*

We have discovered a new set of companions of Guildford Cathedral – our on-line members. Thanks to a volunteer sound and editing engineer we have developed high-quality broadcast capability for all our services in the nave. This has been a process of discovery. We are so grateful to the Friends of Guildford Cathedral who generously donated the funds needed for the purchase of new equipment and to the expertise of Richard Davey, a highly skilled sound and editing engineer, who gave his time voluntarily to increase our capabilities. Matt O'Grady has established a new team of volunteers who now take responsibility for the broadcast of each service. Emma Cooper, our Office Manager, developed the processes which make it possible for people to join us from all over the world – and they do. Some of these new members of our congregations may well be able to visit personally but most will not – and for a variety of reasons. But we know through our on-line conversations that the ministry of Guildford Cathedral is enriching the lives of people far beyond the borders of our diocese or even country.

We also discovered virtual visiting choirs from around the world who answered Katherine Dienes-Williams' call-to-arms and recorded all the music for the summer Sundays, which they would have sung had they been able to visit. We used this recorded music as part of our worship when we were finally able to meet in the building. We are so grateful for their enthusiasm and hard work.

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A new Anglican Chaplain to the University of Surrey and Priest Vicar arrived in January and before he and his wife could move into their home lockdown happened. Duncan Myers has brought great verve to the Chaplaincy Team at the University and is so generous with his experience, skills and time that it truly feels as if he is with us 100% of the time (and of course the University think he is with them 100% of the time!)

And we and the rest of the world discovered Zoom and Microsoft Teams. These and other connection platforms have transformed the way meetings happen and enabled the operations of the Cathedral to continue. As we move into the future it is likely that we will operate a 'blended' way of working to strengthen healthier working practices and enrich time physically spent together. And many thanks go to Di North for initiating and continuing to lead a weekly Zoom meeting for fellowship, worship and study – which is open to everyone – thus reminding us that we are all ministers of the gospel through our baptism.

#### *What have we adapted?*

The strongest example of adaptability has been demonstrated by our musicians of all ages. Because we wanted to provide a service each Sunday and we were not allowed into the building we developed a system whereby the different parts of the service would be prepared and recorded and then layered together to make one whole service. This meant that my husband needed to become a cameraman and props assistant as he set an altar up in our garden each week and I presided with birdsong and national rail in the soundtrack. Our choristers had to learn to sing their single part of a whole manner of different music – without hearing the other singers – and only being able to see Katherine via their tablet as they listened to the organ accompaniment in their earphones which had been recorded by Katherine or Richard Moore. Richard very quickly taught himself how to do all the layering of dozens of tracks which was necessary to produce a final version of our service. Our choristers also took up the challenge of recording the Bible readings for each service and we are so grateful to the whole team. With thanks to the Job Retention Scheme our lay clerks were able to be furloughed, thus protecting their posts into the future.

We have changed the 'shape' of our worship to take into account our Covid-secure procedures and in particular Chapter would like to thank the team of Stewards and Servers who have been so flexible in responding to guidance which changes with little notice.

Becki Hartley, our Head of Family Engagement and Schools, was on maternity leave for much of the year and her post was ably covered by Karen Taylor. During her time as Acting Head of Department Karen developed creative ways of delivering Covid-secure Cathedral Tots services and an on-line Christingle Service and created activity packs for visiting children. Becki returned from her leave to find well-organised plans for engagement with schools and at Advent we welcomed a whole company of angels created by children in our church primary schools. Thanks to great teamwork and creativity the angels starred in the Cathedral Advent Calendar which was followed by thousands of people.

At the core of our vocation as the baptised is care for others. This has needed great adaptation as clergy were encouraged not to visit people in their homes and clinically vulnerable people were

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encouraged not to go out. Canon Mavis Wilson called together a small group of members who now pray regularly, in strict confidence, for those who have asked for prayer. This has enabled clergy to be alerted to anything which is a practical necessity and provided a really appreciated lifeline of support through Canon Mavis.

The swift decline in our income meant adapting to ways of giving on-line and to find creative ways to give everyone an opportunity to contribute financially to our work. The QR code has been welcomed and the upgrades to our website (thanks to Emma and to Louise Musgrove) as we await the launch of a new website have meant that it is easier than ever to make donations and to see what the money is put toward. Louise Musgrove has been indefatigable in her work as Head of Visitor Experience and Events. Despite the site being closed to visitors and events for most of the year she continued behind the scenes with our friends and clients finding new ways of sharing the building. Her full order book for 2021 is an indication of that hard work.

Sadly, we needed to adapt to the departure of Canon Paul and Magdalen, almost at the start of lockdown. Although a personal sadness for me, this was also felt by many as a great loss to the cathedral community. Cathedrals are organised to run most effectively with three full-time members of the clergy: the Dean and two Residentiary Canons. Throughout 2020 we had only one full time cleric. I am so grateful to Stuart Beake, Mavis Wilson and Duncan Myers who, although 'part-time', share the load so generously and wisely.

### *What about the future?*

At the time of this report we are currently open for private prayer by individuals or households, congregations are welcome at all services and all services are broadcast. Although a congregation is not yet permitted to sing, our choir and voluntary and visiting choirs are able to sing on our behalf. It is a great delight to have the Guildford Cathedral Singers, under the direction of John Bawden, back 'where they belong' and taking their regular place. Music enhances the worship we offer to God and it is uplifting to hear the beautiful music in person even if we cannot participate.

Like most cathedrals we have a number of distinct congregations and we have added another – our on-line congregation. This is new territory for everyone. Worship, pastoral care, teaching and fellowship are all different on-line, and we will learn how to do all these as the year unfolds.

We will take into the future what we have learned about our capacity for trying new things because the luxury of having fixed approaches is unlikely to return. Our building and site will be completely open once again and we will see the outworking of our aspiration to be Open to God and Open to All.

We will also move into the new future with a new colleague, Chris Hollingshurst, who joined us in February 2021 as Residentiary Canon with responsibility for Public Engagement and Pastoral Care. I am also very grateful to Gilly Myers who gives enthusiastically of her time and skill to officiate at Evensong and to offer an extra set of hands.

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At Pentecost 2021 we begin our Diamond Anniversary Year. We have so much to be grateful for and so much to pass on to the next generation of stewards of this wonderful place and vision. There will be something for everyone as part of our celebrations, culminating in summer 2022 with the National 12-Bell Striking Competition which will be held here. Our band of bell-ringers already sound like winners to my ears. They have proactively rung out our bells when restrictions permit and we are grateful to Chris Rogers, our Tower Captain and to Richard Burton, our Ringing Master.

We are extremely blessed to have Matt O'Grady as our Chief Operating Officer. Matt has steered the good ship Guildford on a steady course throughout the turmoil of 2020. He has maintained the morale of staff and volunteers and done more risk assessments than anyone would have thought possible. The snapshot of activities above is tribute to his leadership and I am personally very grateful to him.

A few highlights from the work of the Cathedral in 2020 follows together with a financial review. I commend all this report from Chapter to you and I hope that you will be encouraged by all God has enabled and, like me, give thanks for all those who have made these things possible.

## HIGHLIGHTS OF 2020

### Liturgy and Music

- On Easter Day we were due to broadcast Sunday Worship Service on BBC Radio 4 and Choral Evensong on BBC Radio 3. Sadly, neither of these could take place. We were then delighted that once restrictions were lifted in September we were just the second cathedral to broadcast Choral Evensong with BBC Radio 3.
- Our musical activity hasn't skipped a beat throughout all the restrictions and Chapter is very grateful to all our musicians – our lay clerks, choristers and to Katherine, Richard, Will Campbell (our Organ Scholar until August) and Luke Saint (our current Organ Scholar) for their creative generosity and good courage.
- During the odd year which was 2020 we said farewell and thank you to Will Campbell for a fantastic Scholarship year. Will has gone to York to begin his undergraduate studies and to take up the position of Organ Scholar at Leeds Minister. We also said a fond farewell with heartfelt thanks to Andy Phillips, who retired after many years sharing his wonderful tenor voice from the back row. Tim Clifford-Hill also departed from us as he prepared for his ordination as Deacon. He is serving his Title at Cranleigh Parish Church. Alex Pratley finished his latest term as member of the back row to concentrate on further studies at the Birmingham Conservatoire and at the end of the year we also bade farewell to Matt Spillett as he moved to take on new challenges in the north-east. We have been hugely blessed through the ministry of these men. We have welcomed new lay clerks also – Kate Lowe, Tim Peters, David Hardwick and Tom Noon and of course Luke Saint, our current Organ Scholar. As always, we are grateful to those deputies who regular supplement our own singers.

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- Particular thanks go to the Guildford Cathedral Singers who provided and recorded all the music for our virtual Age UK Surrey Carol Service in December, which was very well received by hundreds of people in our community and beyond.
- Although the pattern of worship, and the way we do it, has changed throughout 2020 the rhythm of Cathedral life continues to be underpinned by the daily offering of said Morning Prayer and Holy Communion concluding, as often as we can, with sung Evensong at the end of the day, and it is this which sits as the beating heart of who we are.

### Family Engagement and Schools

#### *Cathedral Tots and Storytime and Song*

- Our toddler and baby-friendly services took place in January, February and March, with an average of 25 attendees per service. Our format is a song, a story and a prayer with a craft activity, followed by refreshments. Once conditions permitted we also met in October, November and December within social distancing restrictions. We prepared craft packs for each child and the format was altered due to the prohibition on toys, singing and refreshments.
- Covid prevented the Summer StoryTime and Song Sessions which had been planned but we did manage to provide one in October half-term.

#### *Family Fun Days and Family Services*

- Sadly, only one of these could take place and in February 2020 400 children and their parents and carers enjoyed a wonderful day – made possible through the help of staff members beyond the Family and Schools Team and a wonder team of five volunteers.
- In January 2020 140 people gathered for a Christingle Service in aid of the Children's Society. A giant Christingle was created (thanks to Martin Gwilliams and to Emma Cooper) and children from Cathedral Tots and the wider cathedral family contributed to the leading of the service. Again, many thanks to the volunteers who met before hand to make all the Christingles. In January 2021 Karen produced an on-line Christingle Service in support of the Children's Society with input from the Diocesan Mother's Union as well as our own volunteers. This was appreciated by hundreds of people.

#### *School Visits and Workshops*

We managed a few before lockdown, including,

- Welcoming 90 Year 5 pupils for a bespoke visit exploring Christian Worship;
- Lent Workshops for 150 pupils;
- Easter Workshops for 120 pupils, and
- The development of a new set of Prayer Stations based on the five senses.

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### *Nativity in a Box*

Karen's creativity provided a Covid compliant Christmas Eve activity for children and parents. Each child participant had the opportunity to build a 'Nativity in a Box' which they were able to take home. The two sessions were well attended and appreciated by all who participated.

### *Collaboration with our Diocesan Education Team*

- The Diocesan Resource Centre non-book items were removed to the Cathedral in 2019 to form a new Resource Centre which was able to re-open in 2020. Lisa Hatherall took up the role of Administrator for the Centre and maintains a very efficient loan request, tracking and return system. The Resource Centre is used by the schools and churches of our Diocese.
- We were delighted to be recognised as the holder of the Diocesan Godly Play resources. Staff training is on-hold until conditions permit and we really look forward to being able to provide training to the churches and schools of our Diocese.
- Together we developed an Eco-Day for our schools and cathedral. The day was to coincide with a visit to our Diocese of the Archbishop of Canterbury, but Covid put paid to both our Eco Day and the Archbishop's visit. We will fix a date for the Eco Day as soon as possible.

## **Enterprises - Visitor Experience and Events**

### *Commercial Events*

Despite the unique and challenging nature of the year, we did host a handful of commercial events early in the year and again during the brief lifting of lockdown in the summer:

- Pre-loved kilo sale in February and again in October;
- Craft and Flea Market in February;
- Luna cinema for six nights in August.

Other major events have been moved to the latter half of 2021 and early 2022:

- Aled Jones Cathedral Tour;
- G4 tour, and
- University of Surrey Graduations.

### *Coffee Concerts and Exhibitions*

- Our regular coffee concert programme was suspended but we were delighted to record and broadcast a virtual coffee concert in October with the help of the University of Surrey.
- The exhibition programme was expanded as planned and we hosted three exhibitions across the year; *Creative Coverage* in January, *Tree of Life* during August, and *The Batson Set* in October. We have a full Exhibitions programme planned for the next two years.



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### Filming

- We hosted BBC 2 and Michael Portillo during August for an episode of *Great British Railway Journeys*. We also gave permission for a drone to film and this footage will form part of the opening credits for the new series.
- In August, negotiations began to use the Cathedral as a location for a major new film production. November filming was moved to the New Year because of a Covid-19 outbreak among the crew. We have now had film crews on site for various periods of time between January and April 2021. This major project has generated significant revenue at a time when the Cathedral would otherwise have been closed. We know that the production will attract new visitors and also will help to promote the Cathedral as a flexible filming location.

### Enterprises - Other

#### *Seasons Café and Kitchen*

The Tipsy Pigs have faced an incredibly difficult year and have relied on support from government funding and the Cathedral to keep afloat. They have worked hard to protect staff jobs and have enhanced their reputation by being active in the community. They played a pivotal role in supplying local NHS sites, including Royal Surrey County Hospital, with hot meals for the medical staff during the height of the pandemic. They also devised a local meal box delivery service, offering different themed boxes each week for delivery in the local area. This service is now so popular that it will continue once lockdown life is over.

#### Shop

The shop has been closed for most of the year. However, during the short periods it was able to operate, it generated a contribution before staff costs of £12.5k. Sharon Collier, our Shop Manager, was able to respond to local parish orders via e-mail and offered a collection service for churches.

### Fundraising

The Cathedral gives thanks for all who financially support the mission and ministry of this place. All gifts, no matter their size, make an impact on the work we are able to achieve. Each donation allows us to make a difference to those who visit, worship at and experience the Cathedral, whether on a regular or one-off basis.

2020 was a very challenging year. The forced closure of the Cathedral and associated reduction of Enterprises and visitor income meant the Cathedral faced a larger shortfall than was anticipated in the 2020 Budget. In addition the Head of Fundraising was on furlough leaving one part-time member of staff. And so, we are extremely grateful to the numerous individuals and organisations who have contributed towards our running costs.

In 2020 online giving was over ten times that of the previous year, many donations coming from new audiences engaging with our online services. QR codes also generated additional income. Many long-term supporters increased their regular giving and others made additional gifts for which we are extremely thankful.

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Income from trusts was over 50 percent above budget, with significant core cost grants from The National Lottery Heritage Emergency Fund, The Cathedral Choirs Emergency Fund and Guildford Borough Council.

We are also grateful to the many trusts who responded positively to our funding requests in 2020 and to others for their flexibility in allowing us to carry over project monies we were unable to spend due to forced closures, staff furloughs and social distancing restrictions – including but not limited to The Peter Harrison Foundation and The Borrows Charitable Trust.

Trust Giving in 2020\* includes:

- Atlas Fund
- Borrows Charitable Trust
- Brook Charitable Trust
- Erica Leonard Trust
- Friends of Cathedral Music (Diamond Fund for Choristers)
- Golsoncott Foundation
- Guildford Cathedral Music Development Foundation
- Hobson Charity Limited
- Humphrey Richardson Taylor Charitable Trust
- Maurice and Hilda Laing Charitable Trust
- Ouseley Church Music Trust
- The Friends of Guildford Cathedral
- Vibrated Corn Trust
- William Wates Memorial Fund
- Williams Church Music Trust

\* some trusts wish to remain anonymous.

We give thanks for generous and loyal support from several parishes, including Mickleham Parochial Church Council, St Mary's (Ash Vale) and St Martin's (East Horsley). Their prayerful and financial support means a great deal to us.

For all gifts, from all individuals, Trusts and organisations, we are truly thankful.

### **Fabric Report and Forecast of Maintenance Costs**

The Cathedral Architect's Quinquennial Inspection report from September 2017 identified a list of maintenance and repair items still to be undertaken at a cost of approximately £3.27m after completion of major project work. Dealing with these items remains a medium to long-term aim to be addressed using the annual income from the Cathedral development endowment when it is available. In the meantime, urgent and health and safety related defects continue to be addressed and routine maintenance is being carried out on equipment in accordance with the appropriate specification.

### Staff

The year has been marked by the requirement to place a large proportion of the Staff on furlough to reflect the reduced amount of activity and to take advantage of the government's Coronavirus Job Retention Scheme (CJRS). The maximum number of Staff on furlough or flexible furlough at any one time during 2020 was 19 out of a staff headcount of 31, the minimum number was 6. The total amount received from the CJRS in 2020 was just under £96,000.

Staff stability remained remarkably firm despite the turbulent circumstances, except amongst the Lay Clerks (see Liturgy and Music report). Elsewhere, Susan Barry left us in September 2020 after three excellent years as our Head of Fundraising, and on 24 January 2021 the Reverend Canon Chris Hollingshurst was installed as the Residentiary Canon for Public Engagement and Pastoral Care. Canon Chris fills the gap created by the departure of the Reverend Canon Julie Gittoes in May 2019.

### Volunteers

We are yet again hugely grateful to our large cohort of Volunteers for their dedication, hard work and can-do approach in support of the Cathedral, particularly in the midst of extremely challenging times for all. Bell ringers, Guides, Servers, Stewards and Virgers, amongst others, all turned up for duty in the face of the pandemic threat and we are enormously in their debt.

### Risk Management

Chapter continues to deal with all the effects of COVID-19. The risks identified during 2020 have been ameliorated by risk assessments that have been reviewed and amended on a regular basis to be able to adapt to frequently changing circumstances.

The major risks in 2020 continued to be the underlying deficit and the progress on the sale of the land. Chapter had set challenging budget targets for 2020 and 2021, including plans for increasing income generation. Much of this had to be reviewed and new targets set in the face of changing government guidelines as the situation constantly altered. Movement towards the sale of the land has continued and it is intended to submit an application for planning permission to Guildford Borough Council in Q2 of 2021.

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

The key controls used by Chapter to manage risk include:

- Formal agendas and minutes for the Boards and Committees;
- Comprehensive strategic planning, budgeting, and management reporting;
- Established organisational structure and lines of reporting;
- Formal written policies;

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- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

## Financial Review

Covid-19 had a significant and damaging impact on the Cathedral's finances. The Consolidated Statement of Financial Activities shows that income went down by £313,000 to £1,136,000 (2019: £1,449,000). Income from other trading activities was the most severely affected income line falling by £304,000 to £197,000 (2019: £501,000). Income from charitable activities fell to £4,000 (2019: £35,000) and collections and giving fell to £99,000 (2019: £130,000). Receipts from the Coronavirus Job Retention Scheme were £96,000. Expenditure also reduced by £238,000 to £1,364,000 (2019: £1,602,000). Expenditure on raising funds, which includes trading expenditure, fell to £247,000 (2019: 427,000) and expenditure on charitable activities reduced to £1,117,000 (2019: £1,175,000). Net expenditure for the year before investment losses increasing compared to last year by only £75,000 to a £228,000 deficit (2019 £153,000) was, in the context of Covid, a good result showing the benefit of Chapter's actions to curtail expenditure through furlough and other savings and raising additional funds through a number of charitable trusts.

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

|   | 2020   | 2019   |
|---|--------|--------|
|   | £'000s | £'000s |
| Net movement in funds                   | (223)  | (72)   |
| Net gains/(losses) on investments       | 9      | (19)   |
| Result before investment gains/(losses) | (214)  | (91)   |
| Deferred Legacy Income                  | 50     | 50     |
|   | (164)  | (41)   |
| Land Sale                               | 12     | (45)   |
| Management Accounts Result              | (152)  | (86)   |

This result was worse than Chapter's budget for 2020 of a £47,000 deficit because of the effects of Covid-19. The overall financial position remains challenging Covid-19 has further eroded Chapter's limited reserves and delayed Chapter's plans to eliminate the annual operating deficit. Work towards the sale of the land to secure an endowment has continued but, inevitably, has been delayed due to the impacts of Covid-19.

The budget for 2021, which incorporated many of the continuing impacts of Covid-19, was an operating deficit of £70,000. Further work now needs to take place to deliver balanced finances. Unrestricted free reserves are now below £500,000 (see below under Reserves). Chapter's aim is to continue to challenge costs whilst remaining mindful of the need to achieve its vision. It remains focused on plans to increase income through more legacies, regular giving, grants, increasing visitor numbers, commercial activity and the ongoing support of the Music Development Foundation and



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the Friends of Guildford Cathedral. Bringing the land sale to completion is also important to overall sustainability because it will establish an endowment fund providing investment income that will support the cost of repairs and refurbishment on the Cathedral that currently needs to be supported from unrestricted funds and whilst achieving this it will also help our reserves by recovering costs already incurred on the development.

### Investments

To ensure appropriate financial management Charles Stanley and & Co Ltd hold the main portfolio on behalf of the Cathedral and manage it on a discretionary basis within agreed parameters and in accordance with the Cathedrals Measure 1999. A discretionary mandate enables them to monitor the portfolio on an ongoing basis and they are authorised to take timely action to adjust the portfolio as considered appropriate in response to market developments. Investments are also held with CCLA Investment Management Ltd.

### Reserves

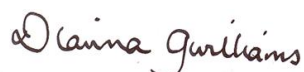
The policy of maintaining £500,000 in liquid unrestricted reserves (cash and on-call investments net of current debtors and creditors) has been maintained since 2017. This represents around 50% of the annual unrestricted running costs of the Cathedral, which Chapter considers reasonable based on the income that it is likely to receive during the time taken to devise and implement a revised set of financial priorities, should this be required. However, with the impact of Covid-19, reserves have now fallen below this level.

|                              |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|
| Liquid Unrestricted Reserves | 2020  | 2019  | 2018  | 2017  | 2016  |
|                              | £'000 | £'000 | £'000 | £'000 | £'000 |
|                              | 333   | 565   | 665   | 592   | 746   |

### Public Benefit

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

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



.....  
**The Very Reverend Dianna Gwilliams – Dean**

**11 May 2021**

## The Cathedral Church of the Holy Spirit, Guildford

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

For the year ended 31 December 2020

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We have audited the financial statements of The Cathedral Church of The Holy Spirit – Guildford (“the Cathedral”) for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, The Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Cathedral’s affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the regulations made under Section 27 of the Cathedrals Measure 1999.

#### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chapter members’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chapter members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Cathedral’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

## The Cathedral Church of the Holy Spirit, Guildford

### INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT GUILDFORD For the year ended 31 December 2020

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

#### **Responsibilities of the Chapter**

As explained more fully in the Statement of the Chapter's Responsibilities statement set out on pages 44 and 45 the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Based on our discussions with Chapter members, we identified that the following laws and regulations are significant to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and the Cathedrals Measures 1999.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the Cathedral and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

## The Cathedral Church of the Holy Spirit, Guildford

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

For the year ended 31 December 2020

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

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

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

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

#### Use of our report

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



Brewers Chartered Accountants

Statutory Auditor

Bourne House

Queen Street

Gomshall

Surrey

GU5 9LY

12 May 2021

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



## The Cathedral Church of the Holy Spirit, Guildford

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

|   | Note | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2020<br>£'000s | Total<br>2019<br>£'000s |
|---|------|---------------------------------|-------------------------------|------------------------------|-------------------------|-------------------------|
| <b>Income and endowments from</b>                         |      |                                 |                               |                              |                         |                         |
| Donations & legacies                                      |      |                                 |                               |                              |                         |                         |
| Donations   | 2    | 203                             | 108                           | -                            | 311                     | 315                     |
| Legacies  | 2    | 1                               | -                             | -                            | 1                       | 17                      |
| Grants  | 2    | 50                              | 400                           | -                            | 450                     | 395                     |
|   |      | 254                             | 508                           | -                            | 762                     | 727                     |
| Charitable activities                                     | 3    | 1                               | 3                             | -                            | 4                       | 35                      |
| Other trading activities                                  | 4    | 193                             | 4                             | -                            | 197                     | 501                     |
| Investments   | 5    | 36                              | 41                            | -                            | 77                      | 84                      |
| Other income  | 6    | 96                              | -                             | -                            | 96                      | 102                     |
| Total income and endowments                               |      | 580                             | 556                           | -                            | 1,136                   | 1,449                   |
| <b>Expenditure on</b>                                     |      |                                 |                               |                              |                         |                         |
| Raising Funds   | 7    | (210)                           | (34)                          | (3)                          | (247)                   | (427)                   |
| Charitable activities                                     |      |                                 |                               |                              |                         |                         |
| Ministry  | 8    | (245)                           | (505)                         | -                            | (750)                   | (733)                   |
| Cathedral & precincts upkeep                              | 8    | (240)                           | (87)                          | (2)                          | (329)                   | (387)                   |
| Education and outreach                                    | 8    | (15)                            | (23)                          | -                            | (38)                    | (55)                    |
| Total expenditure   |      | (710)                           | (649)                         | (5)                          | (1,364)                 | (1,602)                 |
| Net (expenditure)/income before investment (losses)/gains |      | (130)                           | (93)                          | (5)                          | (228)                   | (153)                   |
| Net (losses)/gains on investments                         |      | (9)                             | 25                            | (24)                         | (8)                     | 184                     |
| Net (expenditure)/income                                  |      | (139)                           | (68)                          | (29)                         | (236)                   | 31                      |
| Transfers between funds                                   | 10   | (84)                            | 84                            | -                            | -                       | -                       |
| Net movement in funds                                     |      | (223)                           | 16                            | (29)                         | (236)                   | 31                      |
| Funds brought forward                                     |      | 4,500                           | 893                           | 1,309                        | 6,702                   | 6,671                   |
| Funds carried forward                                     | 17   | 4,277                           | 909                           | 1,280                        | 6,466                   | 6,702                   |

# The Cathedral Church of the Holy Spirit, Guildford

## BALANCE SHEETS

For the year ended 31 December 2020

|  | Note | Group          |                | Chapter        |                |
|--|------|----------------|----------------|----------------|----------------|
|  |      | 2020<br>£'000s | 2019<br>£'000s | 2020<br>£'000s | 2019<br>£'000s |
| <b>Fixed Assets</b>                            |      |                |                |                |                |
| Tangible Assets                                | 12   | 3,720          | 3,711          | 3,720          | 3,711          |
| Heritage assets                                | 13   | 224            | 224            | 224            | 224            |
| Investments                                    | 14   | 2,234          | 2,381          | 2,234          | 2,488          |
|  |      | <u>6,178</u>   | <u>6,316</u>   | <u>6,178</u>   | <u>6,423</u>   |
| <b>Current Assets</b>                          |      |                |                |                |                |
| Investments                                    | 14   | 70             | -              | 70             | -              |
| Stocks - goods for resale                      |      | 18             | 21             | -              | -              |
| Debtors  | 15   | 105            | 192            | 147            | 214            |
| Cash at bank & in hand                         |      | 357            | 351            | 321            | 226            |
|  |      | <u>550</u>     | <u>564</u>     | <u>538</u>     | <u>440</u>     |
| Creditors: Amounts falling due within one year | 16   | (262)          | (178)          | (238)          | (161)          |
|  |      | <u>288</u>     | <u>386</u>     | <u>300</u>     | <u>279</u>     |
| Net current assets                             |      |                |                |                |                |
|  |      | <u>288</u>     | <u>386</u>     | <u>300</u>     | <u>279</u>     |
| Total net assets                               |      | <u>6,466</u>   | <u>6,702</u>   | <u>6,478</u>   | <u>6,702</u>   |
| <b>Funds</b>                                   |      |                |                |                |                |
| Unrestricted Funds                             | 17   | 4,277          | 4,500          | 4,289          | 4,500          |
| Restricted Funds                               | 17   | 909            | 893            | 909            | 893            |
| Endowment Funds                                | 17   | 1,280          | 1,309          | 1,280          | 1,309          |
| Total funds                                    | 17   | <u>6,466</u>   | <u>6,702</u>   | <u>6,478</u>   | <u>6,702</u>   |

The financial statements were approved by the Chapter of Guildford Cathedral on 11 May 2021 and signed on its behalf by:

*Dianna Gwilliams*

**The Very Reverend Dianna Gwilliams**  
Dean

*Andrew Pianca*

**Andrew Pianca**  
Treasurer

## The Cathedral Church of the Holy Spirit, Guildford

### CONSOLIDATED CASH FLOW

For the year ended 31 December 2020

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|   | 2020  | 2019  |
|---|-------|-------|
|   | £'000 | £'000 |
| <b>Cash flows from operating activities</b>   |       |       |
| Net cash from operating activities  | (103) | (393) |
| <b>Cash flows from investing activities</b>   |       |       |
| Net Dividends, interest and rents from investments                                  | 68    | 75    |
| Purchase of property and equipment  | (28)  | (47)  |
| Sale of property and equipment  | -     | 10    |
| Purchase of investments   | (288) | (999) |
| Sales of investments  | 357   | 497   |
| Net cash provided by investing activities   | 109   | (464) |
| Change in cash and cash equivalents   | 6     | (857) |
| Cash and cash equivalents at 1 January  | 351   | 1,208 |
| Cash and cash equivalents at 31 December  | 357   | 351   |
| <b>Reconciliation of net expenditure to net cash flow from operating activities</b> |       |       |
| Net (expenditure)/income  | (236) | 31    |
| Adjustments for:  |       |       |
| Depreciation charges  | 19    | 19    |
| (Gains) on tangible asset disposals   | -     | (10)  |
| Losses/(Gains) on investments   | 8     | (184) |
| Dividends, interest and rents from investments                                      | (77)  | (84)  |
| Property and investment management costs  | 9     | 9     |
| (Increase) in stocks  | 3     | (2)   |
| Decrease/(Increase) in debtors  | 87    | (55)  |
| Increase/(Decrease) in creditors  | 84    | (117) |
| Net cash used in operating activities   | (103) | (393) |
| <b>Analysis of cash and cash equivalents</b>  |       |       |
| Cash at bank and in hand  | 357   | 351   |

### I. ACCOUNTING POLICIES

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

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

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

#### **Basis of consolidation**

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

#### **Going Concern**

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

#### **Income**

- Grants, donations, gift aid reclaimable, fees charged, hire charges, trading income and investment income are recorded when receivable.
- Grants and donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Grants and donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Where any amounts are required to be retained as capital in accordance with the donor's wishes these are accounted for as Endowments.
- The Cathedral benefited from assistance provided under the furlough scheme and a £5,000 discretionary grant from Guildford Borough Council. Amounts received have been recorded as unrestricted in other income and other grants.
- Legacies are recorded when the amount receivable can be determined with reasonable certainty.
- Any income subject to VAT is recorded net of VAT chargeable.
- Gifts in kind are recorded at their estimated value. No value is attributed to voluntary help.

#### **Charging policy**

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



### I. ACCOUNTING POLICIES (continued)

#### Donated assets

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

#### Expenditure

- Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. Support costs not directly attributable to a particular financial activity category are apportioned over the relevant categories on the basis of staff numbers working in each department.
- Costs of raising funds, includes both fundraising and marketing together with the gross costs of the shop.
- Charitable activities is comprised of three categories: Ministry covering clergy stipends and housing together with the costs incurred by our choir and music department, Cathedral and precincts upkeep covering building repairs, depreciation and utilities and Education and outreach which covers the cost of the Schools department and outward giving. Governance costs are included within support costs and consist of audit costs and an allocation of senior management time.
- In the exceptional circumstances of the reduced activity of the Cathedral following the Coronavirus pandemic outbreak Chapter members authorised non contractual payments to some staff and contractors. Further details are given in note 11.
- Chapter makes annual donations totalling 5% of the prior year's unrestricted collections and stewardship income before gift-aid divided between a number of external charities selected by Chapter on recommendations by the Community Committee. An estimate of the amount payable from the current year's income together with any outstanding amounts from prior years' is included within creditors.
- Intra-group sales and associated costs with the Cathedral's subsidiary company, Guildford Cathedral Enterprises Limited, are excluded from the consolidated income and expenditure.

#### Taxation

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

#### Pensions

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

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

### I. ACCOUNTING POLICIES (continued)

#### Operating leases

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

#### Heritage Assets

Heritage assets have been capitalised at a valuation carried out by a professional valuer in 2013. No depreciation is charged on these assets as they are well maintained and are not believed to have a finite useful economic life.

#### Land, Buildings, Inventory and Equipment

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

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

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

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

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

#### Investments

Property investments are stated at fair value at the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. No depreciation is charged on investment properties. Other financial investments are valued at the balance sheet date at their market value. Realised and unrealised gains/losses in the year arising from the investment manager's trading activity are shown combined in the Statement of Financial Activities. If a sale is expected within twelve months the amount is shown under current assets. The investment held in the Cathedral's wholly owned subsidiary, Guildford Cathedral Enterprises Limited is held in the Cathedral entity balance sheet at cost. The carrying value of all investments are reviewed annually for impairment.

#### Stocks

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

#### Cash

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

## **I. ACCOUNTING POLICIES (continued)**

### **Financial Instruments**

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

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

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

### **Funds**

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

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

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

### **Judgements and key sources of estimation uncertainty**

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

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

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 2. INCOME FROM DONATIONS AND LEGACIES

| 2020                                   | Unrestricted<br>Funds<br>£'000s          | Restricted<br>Funds<br>£'000s          | Endowment<br>Funds<br>£'000s          | Total<br>2020<br>£'000s          |
|--|--|--|---------------------------------------|----------------------------------|
| Collections & Giving                   | 99                                       | -                                      | -                                     | 99                               |
| Donations                              | 74                                       | 105                                    | -                                     | 179                              |
| Appeals                                | -  | -                                      | -                                     | -                                |
| Gift Aid                               | 30                                       | 3                                      | -                                     | 33                               |
| <b>Total donations</b>                 | <b>203</b>                               | <b>108</b>                             | <b>-</b>                              | <b>311</b>                       |
| <b>Legacies</b>                        | <b>1</b>                                 | <b>-</b>                               | <b>-</b>                              | <b>1</b>                         |
| <b>Grants</b>                          |  |  |                                       |                                  |
| Church Commissioners                   | -  | 301                                    | -                                     | 301                              |
| Friends and Music Development<br>Trust | 19                                       | 99                                     | -                                     | 118                              |
| Other                                  | 31                                       | -                                      | -                                     | 31                               |
| <b>Total grants</b>                    | <b>50</b>                                | <b>400</b>                             | <b>-</b>                              | <b>450</b>                       |
| <b>Total</b>                           | <b>254</b>                               | <b>508</b>                             | <b>-</b>                              | <b>762</b>                       |
| <b>2019</b>                            | <b>Unrestricted<br/>Funds<br/>£'000s</b> | <b>Restricted<br/>Funds<br/>£'000s</b> | <b>Endowment<br/>Funds<br/>£'000s</b> | <b>Total<br/>2019<br/>£'000s</b> |
| Collections & Giving                   | 130                                      | -                                      | -                                     | 130                              |
| Donations                              | 94                                       | 53                                     | -                                     | 147                              |
| Appeals                                | -  | -                                      | -                                     | -                                |
| Gift Aid                               | 34                                       | 4                                      | -                                     | 38                               |
| <b>Total donations</b>                 | <b>258</b>                               | <b>57</b>                              | <b>-</b>                              | <b>315</b>                       |
| <b>Legacies</b>                        | <b>12</b>                                | <b>5</b>                               | <b>-</b>                              | <b>17</b>                        |
| <b>Grants</b>                          |  |  |                                       |                                  |
| Church Commissioners                   | -  | 238                                    | -                                     | 238                              |
| Friends and Music Development<br>Trust | 37                                       | 76                                     | -                                     | 113                              |
| Other                                  | 44                                       | -                                      | -                                     | 44                               |
| <b>Total grants</b>                    | <b>81</b>                                | <b>314</b>                             | <b>-</b>                              | <b>395</b>                       |
| <b>Total</b>                           | <b>351</b>                               | <b>376</b>                             | <b>-</b>                              | <b>727</b>                       |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 3. INCOME FROM CHARITABLE ACTIVITIES

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

| 2019             | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Special services | 25                              | 10                            | -                            | 35                      |

### 4. INCOME FROM OTHER TRADING ACTIVITIES

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

| 2019               | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|--------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Guided Tours       | 3                               | 3                             | -                            | 6                       |
| Cathedral lettings | 291                             | -                             | -                            | 291                     |
| Fundraising events | 8                               | 49                            | -                            | 57                      |
| Other activities   | 145                             | 2                             | -                            | 147                     |
|                    | 447                             | 54                            | -                            | 501                     |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 5. INVESTMENT INCOME

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

| 2019                 | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|----------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Dividends receivable | 25                              | 40                            | -                            | 65                      |
| Rents receivable     | 18                              | -                             | -                            | 18                      |
| Interest receivable  | 1                               | -                             | -                            | 1                       |
|                      | <u>44</u>                       | <u>40</u>                     | <u>-</u>                     | <u>84</u>               |

### 6. OTHER INCOME

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

| 2019                          | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|-------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Sale of tangible fixed assets | -                               | 10                            | -                            | 10                      |
| Deposit re Land Sale          | 92                              | -                             | -                            | 92                      |
|                               | <u>92</u>                       | <u>10</u>                     | <u>-</u>                     | <u>102</u>              |



**7. EXPENDITURE ON RAISING FUNDS**

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

| 2019                          | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|-------------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Visitor facilities            | 8                               | 1                             | -                            | 9                       |
| Services directly recoverable | 2                               | -                             | -                            | 2                       |
| Other trading activities      | 217                             | -                             | -                            | 217                     |
| Fundraising                   | 62                              | 43                            | -                            | 105                     |
| Investment property           | 2                               | -                             | -                            | 2                       |
| Investment management         | 4                               | -                             | 3                            | 7                       |
| Support costs                 | 56                              | 29                            | -                            | 85                      |
|                               | <b>351</b>                      | <b>73</b>                     | <b>3</b>                     | <b>427</b>              |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 8. EXPENDITURE ON CHARITABLE ACTIVITIES

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

During the year grants totalling £6,900 were made to three charities: Seeds for Development, Home Start Guildford and Guildford Chaplaincy Street Angels.

| 2019                                    | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|---|---------------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Ministry</b>                         |                                 |                               |                              |                         |
| Clergy Stipends and expenses            | 7                               | 112                           | -                            | 119                     |
| Clergy and other Housing                | 47                              | -                             | -                            | 47                      |
| Clergy support                          | 26                              | 27                            | -                            | 53                      |
| Services & Music                        | 26                              | 212                           | -                            | 238                     |
| Allocated Support Costs                 | 185                             | 91                            | -                            | 276                     |
|   | <u>291</u>                      | <u>442</u>                    | <u>-</u>                     | <u>733</u>              |
| <b>Cathedral &amp; precincts upkeep</b> |                                 |                               |                              |                         |
| Repairs and maintenance                 | 144                             | 112                           | 5                            | 261                     |
| Cathedral Insurance                     | 37                              | -                             | -                            | 37                      |
| Precinct security and upkeep            | 20                              | -                             | -                            | 20                      |
| Allocated Support Costs                 | 46                              | 23                            | -                            | 69                      |
|   | <u>247</u>                      | <u>135</u>                    | <u>5</u>                     | <u>387</u>              |
| <b>Education &amp; outreach</b>         |                                 |                               |                              |                         |
| Educational activities                  | -                               | 30                            | -                            | 30                      |
| Charitable & other giving               | 7                               | -                             | -                            | 7                       |
| Allocated Support Costs                 | 13                              | 5                             | -                            | 18                      |
|   | <u>20</u>                       | <u>35</u>                     | <u>-</u>                     | <u>55</u>               |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 9. SUPPORT COSTS

|  | 2020       | 2019       |
|--|------------|------------|
|  | £'000s     | £'000s     |
| Utilities                                  | 66         | 82         |
| Depreciation                               | 19         | 19         |
| Administration                             | 60         | 94         |
| Governance                                 | 27         | 25         |
| Sundry                                     | 50         | 47         |
| Bank charges                               | 4          | 4          |
| Personnel & training                       | 163        | 177        |
|  | <u>389</u> | <u>448</u> |
| Allocated:                                 |            |            |
| Fundraising                                | 60         | 85         |
| Charitable activities                      | 329        | 363        |
|  | <u>389</u> | <u>448</u> |
| Included above:                            |            |            |
| Operating leases                           | 13         | 13         |
| Payments to auditors: Accounts preparation | 1          | 1          |
| Audit                                      | 10         | 9          |

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

### 10. TRANSFERS BETWEEN FUNDS

| 2020                           | Unrestricted | Restricted | Endowment | Total    |
|--------------------------------|--------------|------------|-----------|----------|
|                                | Funds        | Funds      | Funds     | 2020     |
|                                | £'000s       | £'000s     | £'000s    | £'000s   |
| To fund deficit on music funds | (101)        | 101        | -         | -        |
| To fund deficit on Fabric fund | (21)         | 21         | -         | -        |
| Transfer from Newill Trusts    | 50           | (50)       | -         | -        |
| Other transfers                | (12)         | 12         | -         | -        |
|                                | <u>(84)</u>  | <u>84</u>  | <u>-</u>  | <u>-</u> |
| 2019                           | Unrestricted | Restricted | Endowment | Total    |
|                                | Funds        | Funds      | Funds     | 2019     |
|                                | £'000s       | £'000s     | £'000s    | £'000s   |
| To fund deficit on Music funds | (114)        | 114        | -         | -        |
| To fund deficit on Fabric fund | (53)         | 53         | -         | -        |
| Transfer from Newill Trusts    | 28           | (28)       | -         | -        |
| Other transfers                | (2)          | 2          | -         | -        |
|                                | <u>(141)</u> | <u>141</u> | <u>-</u>  | <u>-</u> |

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

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### II. EMPLOYEES AND OFFICE HOLDERS

| <u>Staff Costs</u>    | 2020       | 2019       |
|-----------------------|------------|------------|
|                       | £'000s     | £'000s     |
| Salaries and stipends | 622        | 658        |
| National Insurance    | 45         | 49         |
| Pensions              | 36         | 40         |
|                       | <u>703</u> | <u>747</u> |

| <u>Average staff numbers</u>  | Headcount   |             | Full time equivalent |             |
|-------------------------------|-------------|-------------|----------------------|-------------|
|                               | 2020        | 2019        | 2020                 | 2019        |
|                               | No.         | No.         | No.                  | No.         |
| Ministry & Music              | 13.0        | 13.8        | 8.6                  | 8.8         |
| Clergy Support                | 1.8         | 1.8         | 1.8                  | 1.8         |
| Education                     | 1.0         | 1.0         | 0.8                  | 0.8         |
| Cathedrals & Precincts upkeep | 3.9         | 3.9         | 3.0                  | 3.0         |
| Fundraising                   | 1.0         | 1.5         | 1.0                  | 1.5         |
| Trading                       | 2.6         | 3.3         | 2.3                  | 2.2         |
| Governance                    | 0.4         | 0.4         | 0.3                  | 0.3         |
| Administrative Support        | 7.1         | 6.8         | 4.9                  | 4.9         |
|                               | <u>30.8</u> | <u>32.5</u> | <u>22.7</u>          | <u>23.3</u> |

No employee or office holder was paid more than £60,000 per annum (2019: None). Chapter considers its key management personnel to comprise the clergy members of Chapter and the Chief Operating Officer. The total amount received by key management personnel during the year was £157,000 (2019: £174,000).

Chapter members felt an obligation to ensure that staff and certain self-employed contractors were not significantly disadvantaged by the reduced activity of the Cathedral following the outbreak of the Coronavirus pandemic and authorised non contractual payments of £12,000 to be made during the year. Payments to staff were made through the payroll.

Included within staff costs are payments made by the Church Commissioners to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The stipend and pension of the Dean and two residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops Council, and the Church of England Pensions Board. No supplements to these scales are paid. Each of the individuals also benefits from housing provided by the Cathedral free of rent and council tax in furtherance of their duties. The Cathedral also pays a contribution to the telephone bills. The total stipend for the year was £66,500 (2019: £79,000) and pension provision was £22,100 (2019: £26,000) made up as follows:

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 11. EMPLOYEES AND OFFICE HOLDERS (continued)

|  | 2020          |               | 2019          |               |
|--|---------------|---------------|---------------|---------------|
|  | Stipend       | Pension       | Stipend       | Pension       |
| Very Rev. Dianna Gwilliams                   | 37,500        | 12,300        | 37,000        | 12,000        |
| Rev. Canon Dr Paul Smith                     | 29,000        | 9,800         | 29,000        | 9,500         |
| Rev. Canon Dr Julie Gittoes<br>(to May 2019) | -             | -             | 13,000        | 4,500         |
| <b>Total</b>                                 | <b>66,500</b> | <b>22,100</b> | <b>79,000</b> | <b>26,000</b> |

No remuneration was paid to other members of Chapter during the year (2019: nil). Expenses of £2,000 (2019: £6,000) were reimbursed to 3 (2019: 5) members of the Chapter in the year mainly for travel expenses.

### 12. TANGIBLE ASSETS

|                            | Chapter                       |                               |                 | Subsidiary                    |                 |
|----------------------------|-------------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
|                            | Functional property<br>£'000s | Equipment and plant<br>£'000s | Total<br>£'000s | Equipment and plant<br>£'000s | Total<br>£'000s |
| <u>Cost/Valuation</u>      |                               |                               |                 |                               |                 |
| At 1 January 2020          | 3,635                         | 372                           | 4,007           | 7                             | 4,014           |
| Additions                  | -                             | 28                            | 28              | -                             | 28              |
| Disposals                  | -                             | -                             | -               | -                             | -               |
| Changes in valuation       | -                             | -                             | -               | -                             | -               |
| <b>At 31 December 2020</b> | <b>3,635</b>                  | <b>400</b>                    | <b>4,035</b>    | <b>7</b>                      | <b>4,042</b>    |
| <u>Depreciation</u>        |                               |                               |                 |                               |                 |
| At 1 January 2020          | -                             | 296                           | 296             | 7                             | 303             |
| Charge in year             | -                             | 19                            | 19              | -                             | 19              |
| <b>At 31 December 2020</b> | <b>-</b>                      | <b>315</b>                    | <b>315</b>      | <b>7</b>                      | <b>322</b>      |
| <u>Net Book Values</u>     |                               |                               |                 |                               |                 |
| At 31 December 2020        | 3,635                         | 85                            | 3,720           | -                             | 3,720           |
| At 31 December 2019        | 3,635                         | 76                            | 3,711           | -                             | 3,711           |

The functional property is housing for Cathedral clergy and staff.

### 13. HERITAGE ASSETS

|                            | Group  |        | Chapter |        |
|----------------------------|--------|--------|---------|--------|
|                            | 2020   | 2019   | 2020    | 2019   |
|                            | £'000s | £'000s | £'000s  | £'000s |
| At 1 January & 31 December | 224    | 224    | 224     | 224    |

The heritage assets were valued in February 2006 by Keith Baker, a 19th & 20th Century decorative Arts consultant. A subsequent valuation has been performed by Stephen Clarke of Christies & Roger Heath-Bullock in March 2013. The basis of the valuation was replacement cost. The assets have mostly been donated to the Cathedral over many years. These assets are predominantly liturgical vessels such as chalices, crosses and candlesticks but include the recent addition of jubilee copes. Prior to 2013 there were no changes in value. The Cathedral keeps a register of the assets which are held in the Treasury or the safe and these are used for special services. They are regularly polished and maintained and are not considered to have a finite useful economic life and therefore no depreciation has been charged.



# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 14. INVESTMENTS

|                                 | 2020                         |                               |                 | 2019                         |                               |                 |
|---------------------------------|------------------------------|-------------------------------|-----------------|------------------------------|-------------------------------|-----------------|
|                                 | Listed investments<br>£'000s | Investment property<br>£'000s | Total<br>£'000s | Listed investments<br>£'000s | Investment property<br>£'000s | Total<br>£'000s |
| At 1 January                    | 1,795                        | 508                           | 2,303           | 1,242                        | 400                           | 1,642           |
| Additions                       | 277                          | -                             | 277             | 974                          | -                             | 974             |
| Disposals                       | (357)                        | -                             | (357)           | (497)                        | -                             | (497)           |
| Changes in market value         | (8)                          | -                             | (8)             | 76                           | 108                           | 184             |
| Market Value at 31 December     | 1,707                        | 508                           | 2,215           | 1,795                        | 508                           | 2,303           |
| Cash held for re-investment     | 89                           | -                             | 89              | 78                           | -                             | 78              |
| Total Consolidated Investments  | <u>1,796</u>                 | <u>508</u>                    | <u>2,304</u>    | <u>1,873</u>                 | <u>508</u>                    | <u>2,381</u>    |
| Investment in group undertaking |                              |                               | -               |                              |                               | 107             |
| Total Chapter Investments       |                              |                               | <u>2,304</u>    |                              |                               | <u>2,488</u>    |

The revaluation of the investment property was based on recent sale values of similar properties in the same location.

The Cathedral has one wholly owned subsidiary, Guildford Cathedral Enterprises Limited, which has a share capital of £100. A summary of its financial results and funds which are consolidated in these financial statements are as follows. In the 2020 Chapter accounts the investment is shown at cost and no provision has been made for the net asset deficit as it does not represent a permanent diminution in value.

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

| 2019                      | Unrestricted Funds<br>£'000s | Restricted Funds<br>£'000s | Endowment Funds<br>£'000s | Total<br>2019<br>£'000s |
|---------------------------|------------------------------|----------------------------|---------------------------|-------------------------|
| Turnover                  | 330                          | -                          | -                         | 330                     |
| Cost of sales and trading | (224)                        | -                          | -                         | (224)                   |
| Gift to Chapter           | -                            | -                          | -                         | -                       |
|                           | <u>106</u>                   | <u>-</u>                   | <u>-</u>                  | <u>106</u>              |
| Funds at 1 January        | 1                            | -                          | -                         | 1                       |
| Funds at 31 December      | <u>107</u>                   | <u>-</u>                   | <u>-</u>                  | <u>107</u>              |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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### 15. DEBTORS

|   | Group      |            | Chapter    |            |
|---|------------|------------|------------|------------|
|   | 2020       | 2019       | 2020       | 2019       |
|   | £'000s     | £'000s     | £'000s     | £'000s     |
| Trade Debtors                           | 9          | 36         | 6          | 18         |
| Amounts owed by subsidiary undertakings | -          | -          | 45         | 41         |
| Prepayments and accrued income          | 85         | 151        | 85         | 151        |
| Other debtors                           | 11         | 5          | 11         | 4          |
|   | <u>105</u> | <u>192</u> | <u>147</u> | <u>214</u> |

### 16. CREDITORS

|                              | Group      |            | Chapter    |            |
|------------------------------|------------|------------|------------|------------|
|                              | 2020       | 2019       | 2020       | 2019       |
|                              | £'000s     | £'000s     | £'000s     | £'000s     |
| Trade creditors              | 78         | 80         | 77         | 78         |
| Accruals and deferred income | 152        | 68         | 149        | 64         |
| Other creditors              | 32         | 30         | 12         | 19         |
|                              | <u>262</u> | <u>178</u> | <u>238</u> | <u>161</u> |

| Commitments under non-cancellable leases (Group and Chapter) | 2020      | 2019      |
|--|-----------|-----------|
|  | £'000s    | £'000s    |
| Under 1 year   | 12        | 12        |
| 2-5 years  | -         | 12        |
|  | <u>12</u> | <u>24</u> |

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 17. FUNDS

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

| <u>Fund Movements 2019</u> | 1 January<br>2019 | Income       | Expenditure    | Gains and<br>losses | Transfers | 31<br>December<br>2019 |
|----------------------------|-------------------|--------------|----------------|---------------------|-----------|------------------------|
|                            | £'000s            | £'000s       | £'000s         | £'000s              | £'000s    | £'000s                 |
| <b>Unrestricted Funds</b>  |                   |              |                |                     |           |                        |
| General                    | 4,572             | 959          | (909)          | 19                  | (141)     | 4,500                  |
| <b>Restricted Funds</b>    |                   |              |                |                     |           |                        |
| Choir and Music            | 2                 | 184          | (291)          | -                   | 114       | 9                      |
| General Stipends           | -                 | 238          | (238)          | -                   | -         | -                      |
| Education & other purposes | 13                | 34           | (41)           | -                   | 1         | 7                      |
| Fabric Funds               | 224               | 30           | (104)          | 13                  | 53        | 216                    |
| Newill Trusts              | 683               | 4            | (10)           | 12                  | (28)      | 661                    |
| Organ & World War I        | -                 | -            | (1)            | -                   | 1         | -                      |
|                            | 922               | 490          | (685)          | 25                  | 141       | 893                    |
| <b>Endowment Funds</b>     |                   |              |                |                     |           |                        |
| Choir and Music            | 453               | -            | (2)            | 17                  | -         | 468                    |
| Fabric                     | 250               | -            | (2)            | 15                  | -         | 263                    |
| Property                   | 474               | -            | (4)            | 108                 | -         | 578                    |
|                            | 1,177             | -            | (8)            | 140                 | -         | 1,309                  |
| <b>Total</b>               | <b>6,671</b>      | <b>1,449</b> | <b>(1,602)</b> | <b>184</b>          | <b>-</b>  | <b>6,702</b>           |

Details of transfers are set out in note 10.

## The Cathedral Church of the Holy Spirit, Guildford

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

#### 17. FUNDS (continued)

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

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

As at 31 December 2020 Chapter funds are greater than the consolidated assets because the investment in its subsidiary Enterprises Limited is held at cost as the negative net assets of Enterprises Limited at 31 December 2020 does not represent a permanent diminution of value.

## The Cathedral Church of the Holy Spirit, Guildford

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

| <u>Fund Assets at 31 December 2019</u> | Tangible<br>Assets | Investments | Current<br>Assets | Creditors | Net Assets |
|--|--------------------|-------------|-------------------|-----------|------------|
|  | £'000s             | £'000s      | £'000s            | £'000s    | £'000s     |
| <b><u>Consolidated</u></b>             |                    |             |                   |           |            |
| <b>Unrestricted Funds</b>              |                    |             |                   |           |            |
| General                                | 3,935              | 531         | 212               | (178)     | 4,500      |
| <b>Restricted Funds</b>                |                    |             |                   |           |            |
| Choir and Music                        | -                  | -           | 9                 | -         | 9          |
| Education & other purposes             | -                  | -           | 7                 | -         | 7          |
| Fabric Funds                           | -                  | 216         | -                 | -         | 216        |
| Newill Trusts                          | -                  | 521         | 140               | -         | 661        |
|  | -                  | 737         | 156               | -         | 893        |
| <b>Endowment Funds</b>                 |                    |             |                   |           |            |
| Choir and Music                        | -                  | 380         | 88                | -         | 468        |
| Fabric                                 | -                  | 225         | 38                | -         | 263        |
| Property                               | -                  | 508         | 70                | -         | 578        |
|  | -                  | 1,113       | 196               | -         | 1,309      |
| Total                                  | 3,935              | 2,381       | 564               | (178)     | 6,702      |
| <b><u>Chapter</u></b>                  |                    |             |                   |           |            |
| General Funds                          | 3,935              | 638         | 88                | (161)     | 4,500      |
| Restricted Funds                       | -                  | 737         | 156               | -         | 893        |
| Endowment Funds                        | -                  | 1,113       | 196               | -         | 1,309      |
| Total                                  | 3,935              | 2,488       | 440               | (161)     | 6,702      |

## 17. FUNDS (continued)

### Description of Funds

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

#### Restricted Funds

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

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

**Fabric Funds** Restricted funds for the upkeep of the Cathedral and precincts. As well as more general fabric income and expenditure included within this are a restricted fund for the upkeep and development of the Cathedral's stained glass (£192,000) and a restricted fund for the maintenance and upkeep of the regimental chapel within the Cathedral (£16,000).

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

**Organ and World War I** Restricted fund for the Organ Refurbishment project and the World War I Centenary Cathedral Development project. These were substantially completed in 2019.

#### Endowment Funds

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

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

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



### 18. PENSIONS

#### Church of England Funded Pension Scheme (Clergy)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are £22,000 (2019: £26,000).

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

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

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

| % of pensionable salary        | January 2018 to<br>December 2020 | January 2021 to<br>December 2022 |
|--------------------------------|----------------------------------|----------------------------------|
| Deficit recovery contributions | 11.9%                            | 7.1%                             |

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025. As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

## The Cathedral Church of the Holy Spirit, Guildford

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

#### 18. PENSIONS (continued)

|  | 2020<br>£'000s | 2019<br>£'000s |
|--|----------------|----------------|
| Balance sheet liability at 1 January   | -              | -              |
| Deficit contribution paid  | (3)            | -              |
| Interest cost  | -              | -              |
| Remaining change in balance sheet liability*   | 7              | -              |
| Balance sheet liability at 31 December   | 4              | -              |
| * Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends. |                |                |

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

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

|                                       | December 2020 | December 2019 | December 2018 |
|---------------------------------------|---------------|---------------|---------------|
| Discount rate                         | 0.2%          | 1.1% pa       | 2.1% pa       |
| Price inflation                       | 3.1%          | 2.8% pa       | 3.1% pa       |
| Increase to total pensionable payroll | 1.6%          | 1.3% pa       | 1.6% pa       |

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

#### Church Workers Pension Fund and NEST (lay staff)

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

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

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

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

#### **18. PENSIONS (continued)**

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. Therefore, contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable of £5,000 (2019: £5,000).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

Contributions by the Cathedral to NEST were £8,000 (2019: £6,000).

# The Cathedral Church of the Holy Spirit, Guildford

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

### 19. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

|  | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2019<br>£'000s |
|--|---------------------------------|-------------------------------|------------------------------|-------------------------|
| <b>Income and endowments from</b>          |                                 |                               |                              |                         |
| Donations & legacies                       |                                 |                               |                              |                         |
| Donations                                  | 258                             | 57                            | -                            | 315                     |
| Legacies                                   | 12                              | 5                             | -                            | 17                      |
| Grants                                     | 81                              | 314                           | -                            | 395                     |
|  | 351                             | 376                           | -                            | 727                     |
| Charitable activities                      | 25                              | 10                            | -                            | 35                      |
| Other trading activities                   | 447                             | 54                            | -                            | 501                     |
| Investments                                | 44                              | 40                            | -                            | 84                      |
| Other income                               | 92                              | 10                            | -                            | 102                     |
|  | 959                             | 490                           | -                            | 1,449                   |
| <b>Expenditure on</b>                      |                                 |                               |                              |                         |
| Raising Funds                              | (351)                           | (73)                          | (3)                          | (427)                   |
| Charitable activities                      |                                 |                               |                              |                         |
| Ministry                                   | (291)                           | (442)                         |                              | (733)                   |
| Cathedral & precincts upkeep               | (247)                           | (135)                         | (5)                          | (387)                   |
| Education and outreach                     | (20)                            | (35)                          |                              | (55)                    |
| Total expenditure                          | (909)                           | (685)                         | (8)                          | (1,602)                 |
| Net income/(expenditure) before investment | 50                              | (195)                         | (8)                          | (153)                   |
| Net gains/(losses) on investments          | 19                              | 25                            | 140                          | 184                     |
| Net income/(expenditure)                   | 69                              | (170)                         | 132                          | 31                      |
| Transfers between funds                    | (141)                           | 141                           | -                            | -                       |
| Net movement in funds                      | (72)                            | (29)                          | 132                          | 31                      |
| Funds brought forward                      | 4,572                           | 922                           | 1,177                        | 6,671                   |
| Funds carried forward                      | 4,500                           | 893                           | 1,309                        | 6,702                   |

## The Cathedral Church of the Holy Spirit, Guildford

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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

The Very Reverend Dianna Gwilliams is a Trustee of The Friends of Guildford Cathedral. Grants from The Friends of Guildford Cathedral amounting to £54,000 were accounted for by the Cathedral in the year (2019: £70,000).

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

|                          | Unrestricted | Restricted | Endowment | Total  |
|--------------------------|--------------|------------|-----------|--------|
|                          | Funds        | Funds      | Funds     | 2019   |
|                          | £'000s       | £'000s     | £'000s    | £'000s |
| 2019                     |              |            |           |        |
| Income                   | 143          | 2          | -         | 145    |
| Expenditure              | (84)         | (3)        | -         | (87)   |
| Net income/(expenditure) | 59           | (1)        | -         | 58     |
| Gains on investments     | 18           | -          | 1         | 19     |
| Net movement inf unds    | 77           | (1)        | 1         | 77     |
| Funds brought forward    | 257          | 5          | 33        | 295    |
| Funds carried forward    | 334          | 4          | 34        | 372    |
|                          |              |            |           |        |
| 2018                     |              |            |           |        |
|                          | Unrestricted | Restricted | Endowment | Total  |
|                          | Funds        | Funds      | Funds     | 2018   |
|                          | £'000s       | £'000s     | £'000s    | £'000s |
| Income                   | 62           | 2          | -         | 64     |
| Expenditure              | (51)         | (8)        | -         | (59)   |
| Net income/(expenditure) | 11           | (6)        | -         | 5      |
| Gains on investments     | (13)         | -          | (2)       | (15)   |
| Net movement inf unds    | (2)          | (6)        | (2)       | (10)   |
| Funds brought forward    | 259          | 11         | 35        | 305    |
| Funds carried forward    | 257          | 5          | 33        | 295    |

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

The Very Reverend Dianna Gwilliams and the Reverend Canon Dr Paul Smith were Trustees of Guildford Cathedral Music Development Foundation during the year.

Grants from The Guildford Cathedral Music Development Foundation amounting to £64,000 were accounted for in the year by the Cathedral (2019: £43,000).

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

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

| 2018                     | Unrestricted<br>Funds<br>£'000s | Restricted<br>Funds<br>£'000s | Endowment<br>Funds<br>£'000s | Total<br>2018<br>£'000s |
|--------------------------|---------------------------------|-------------------------------|------------------------------|-------------------------|
| Income                   | 9                               | 21                            | 1                            | 31                      |
| Expenditure              | (30)                            | (36)                          | (2)                          | (68)                    |
| Net income/(expenditure) | (21)                            | (15)                          | (1)                          | (37)                    |
| Gains on investments     | (18)                            | -                             | (22)                         | (40)                    |
| Net movement inf unds    | (39)                            | (15)                          | (23)                         | (77)                    |
| Fund transfers           | 332                             | (884)                         | 552                          | -                       |
| Funds brought forward    | 144                             | 993                           | -                            | 1,137                   |
| Funds carried forward    | 437                             | 94                            | 529                          | 1,060                   |

## 22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.



#### **23. GOING CONCERN**

The Cathedral's activities together with the factors likely to affect its future development and financial position are set out on pages 1 to 11 in the Annual Report. As described in the report the Cathedral currently operates with an annual deficit on its operational activities. Whilst Chapter has been working hard to reduce the deficit with the intention of eliminating this deficit over the next couple of years the recent COVID-19 Pandemic has impacted the ability of Chapter to meet this timetable. Chapter has taken steps as more fully detailed in the Chapter Report to ameliorate its effects. However, there remain considerable uncertainties not least whether there will be a resurgence of the infection.

The latest forecast for 2021 shows a management accounts deficit of £70,000 which is in line with budget. This would produce in the published accounts a net deficit on general funds after transfers but before investment gains/losses of £70,000 and result in free reserves forecast to be £263,000 at the end of 2021 which whilst reduced would still provide a financial safety net for the foreseeable future. In addition, Chapter remains optimistic that the land sale will progress and this together with other measures to secure additional funding in the form of grants and donations has led them to have a reasonable expectation that the Cathedral will be able to continue operationally for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **24. RELATED PARTY TRANSACTIONS**

Donations during the year made by Chapter members personally or through Trusts controlled by them totalled £8,000 (2019: £9,000).

# The Cathedral Church of the Holy Spirit, Guildford

## APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2020

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### Appendix 1 - Governance

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

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

### Appendix 2 - The Chapter

#### The Dean

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

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

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

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

#### The Chapter

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

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

## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2020

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

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

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of Guildford Cathedral and its consolidated entities;
- Stating that they have complied in all material respects with Accounting and Reporting for English Anglican Cathedral and applicable United Kingdom Accounting Standards; or describing which regulations have not been complied with and giving reasons for the non-compliance;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time;
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities, and
- Preparing the accounts on a going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

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

#### **Method of Appointing Members to the Chapter**

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

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

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

## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2020

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#### Members of Chapter

|  |  |
|--|--|
| The Dean                                   | The Very Reverend Dianna Gwilliams   |
| The Sub Dean                               | The Venerable Stuart Beake   |
|  |  |
| The Residentiary Canons                    | The Reverend Canon Dr Paul Smith<br>(until October 2020)<br>The Reverend Canon Chris Hollingshurst<br>(from February 2021) |
| Chapter Appointees:                        | Mr Andrew Pianca (Hon Treasurer)<br>Ms Jo Pinson   |
| One Lay person appointed by the Bishop     | Mr Roddy Porter  |
| Two persons elected by Cathedral Community | Mr Ian Bowler<br>Mrs Linda Sharpin<br>(until October 2020)   |

#### Appendix 3 - The Cathedral Council

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

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

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

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

#### Appendix 4 -The College of Canons

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

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

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

#### **Appendix 5 - The Bishop**

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

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

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

#### **Appendix 6 - The Cathedral Finance and Risk Committee**

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

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

### The Cathedral's Finances

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

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

### Members of the Cathedral Finance and Risk Committee

Mr Andrew Pianca (Honorary Treasurer and Chair)  
The Very Reverend Dianna Gwilliams  
The Venerable Stuart Beake  
Mr Ian Bowler  
Mr Keith Malcouronne (from November 2020)  
Mr Matt O'Grady  
Mr Nigel Stapleton

### Appendix 7 – The Fabric Advisory Committee

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

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

### Members of the Fabric Advisory Committee

Mr Paul Velluet (Chair)  
Mr Matt Champion  
Mr Colin Kerr  
Mr James Miller  
Ms Cressida Williams  
Mr Paul Williams  
The Reverend Canon Stuart Thomas  
Vacant  
Secretary Mr Matt O'Grady

## The Cathedral Church of the Holy Spirit, Guildford

### APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2020

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#### Appendix 8 – The Community Committee

The Cathedral Constitution also makes provision for a Community Committee, to act as a channel of communication between Chapter and the community, and to advise Chapter on any matters affecting the Cathedral community.

#### Appendix 9 – (Statutory) Cathedral Lay Staff

Chief Operating Officer  
Organist & Master of the Choristers

Mr Matt O’Grady  
Mrs Katherine Dienes-Williams

#### Appendix 10 - Cathedral Volunteers

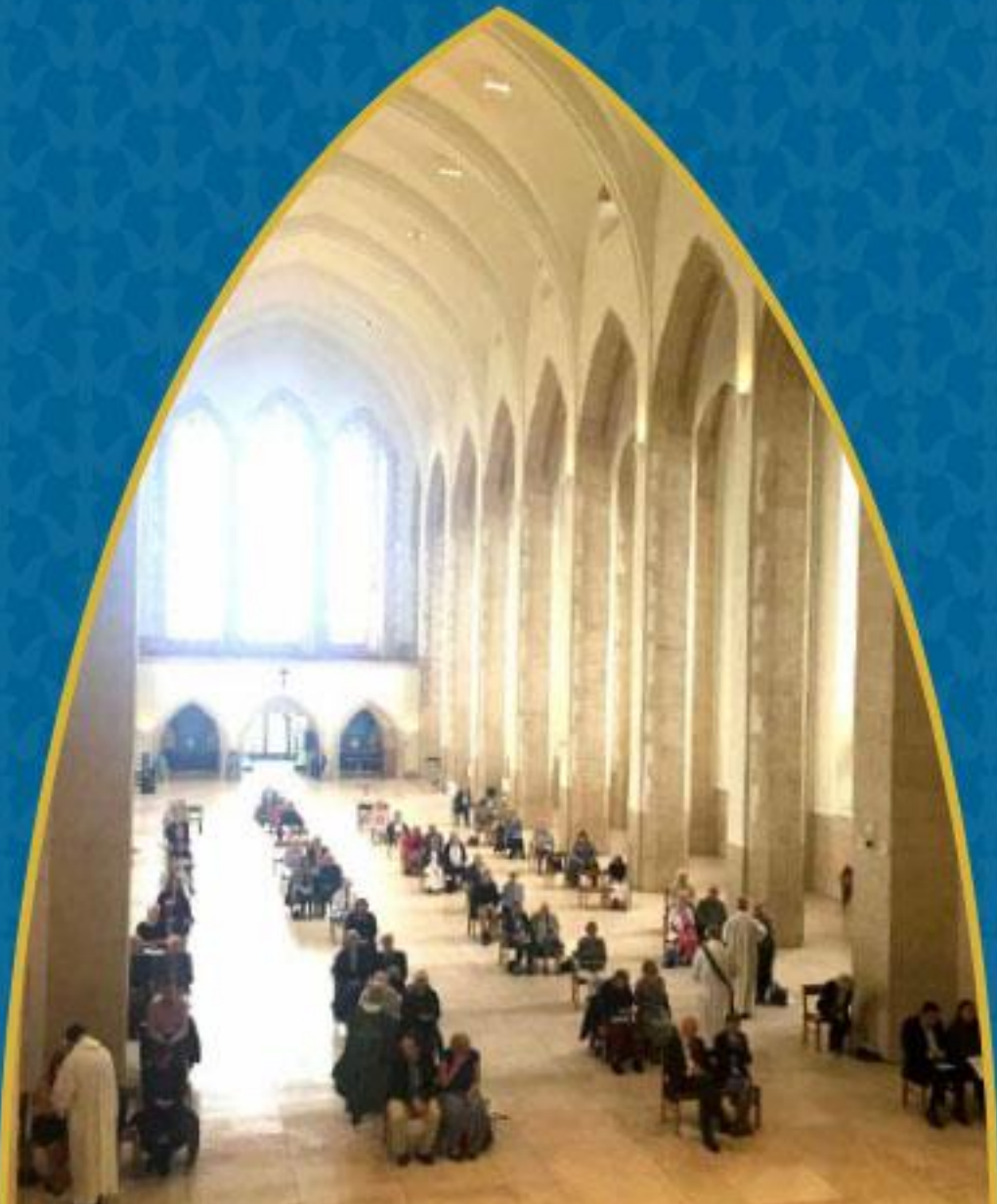
Chapter acknowledges the enormous contribution made more than 300 volunteers throughout the year. The various areas of service include Archivists, Bell Ringers, Coin Scheme, Day Chaplains, Fair Trade, Family Engagement and Schools Helpers, Flower Arrangers, Graphic Designer, Guides, The Guildford Cathedral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

#### Appendix 11 – Cathedral Officers and Advisers

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

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





Guildford Cathedral,  
Stag Hill,  
Guildford,  
Surrey,  
GU2 7UP

[www.guildford-cathedral.org](http://www.guildford-cathedral.org)