



Canterbury Cathedral

Report and Accounts For the year ended 31 March 2020

The Cathedral mission is:

'To show people Jesus'

This is inspired by St John's account of visitors from faraway coming to the temple in Jerusalem and saying to one of the twelve disciples, " We wish to see Jesus" (John 12:20-21)



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Contents

	Page
Annual report	
• Objectives and Activities	2 - 10
• Achievements and Performance	11 - 13
• Financial Review for the Year	13 - 18
• Plans for Future Years	19 - 21
• Structure Governance and Management	21 - 27
Auditor's report	29 - 31
Consolidated Statement of Financial Activities (SOFA)	32
Consolidated Balance Sheet	33
Entity-only Balance Sheet	34
Cashflow Statement	35
Principal accounting policies	36 - 40
Notes to the financial statements	41 - 52
Appendix – comparative information	53 - 56

Canterbury Cathedral

Report and Accounts for the year ended 31 March 2020

Objectives and Activities

The Cathedral's mission is:

"To show people Jesus"

This comes from the account in St John's Gospel (John 12:20-211) which explains that "Among those who went to the temple to worship were people who came saying, "We wish to see Jesus." The mission statement is deliberately open to wide interpretation as befits this Metropolitan Church and it seeks to give purpose to the community and staff in their daily relationships with each other and the many people who make their journey here. The unbroken continuity of offering worship to God on this site for over 1400 years resonates with the understanding that the present incumbents are maintaining the long tradition of stewardship of a significant site in England's Christian history.

The Chapter has set the following strategic objectives to achieve its mission:

- To maintain and develop the tradition of Christian Worship at Canterbury Cathedral as Mother Church of the World-wide Anglican Communion and the seat of the Archbishop of Canterbury.
- To maintain and develop the ministry of welcome to all visitors to the Cathedral and more widely in outreach to the local, national and international community.
- To conserve and develop the fabric of Canterbury Cathedral, its ancillary buildings, monuments and precincts as part of a UNESCO World Heritage site.
- To be a centre of excellence for education and learning.
- To manage the Cathedral, its assets and activities with financial and operational efficiency.

The Chapter sets out its Strategic Direction and expands the principal objectives in a separate Strategic Operating Plan. From this Plan the priorities for the year are identified. The Plan informs the budgetary provision for the year ahead and is used as a framework by departmental heads to set priorities and to deliver the strategic vision identified by the Chapter.

The Chapter has taken due regard of the Charity Commission's guidance on public benefit in determining its mission, setting its strategic objectives and planning the activities undertaken.

The principal objectives of the Chapter aim to make the Cathedral accessible to all people for worship, education, as a centre for heritage and as a centre of culture.

The Cathedral is primarily a working church and there is a regular pattern of daily worship to which all are welcome. The Cathedral is also part of a UNESCO World Heritage Site and attracts a large number of tourists. Charges to visiting tourists are maintained at a competitive but affordable level. Local people are eligible for a 'Precincts Pass' giving them free access to the Cathedral and Precincts.

Education and learning are high priorities as reflected in the aims and objectives set out in this report. Schools from all over the UK and Europe make use of facilities available from the Schools Department. In addition, adult education is promoted through courses and symposia and opportunities for individual study in the Library and Archives. The Cathedral is frequently the venue for concerts and recitals which also attract a wide audience.

The Canterbury Journey project (described on pages 5 and 6 of this report) is enabling further positive engagement with the public and during the year there have been a number of workshops, symposia, exhibitions and events including a number of activity days for families.

The Cathedral again opened the private gardens within the Precincts as part of the National Gardens Scheme.

The Chapter is responsible for maintaining the fabric, stained glass and monuments of the Cathedral for the enjoyment of current visitors and future generations.

There is a strong emphasis on public benefit across all the activities of the Cathedral. A key element of The Canterbury Journey project is to make the Cathedral and Collections more accessible to the public, and provide better resources and interpretation for all visitors.

The Coronavirus pandemic has had a very significant impact on activities across the Cathedral. Whilst the effects of the pandemic have been mainly seen after the year end, its impact was becoming apparent in the last quarter of 2019-20. The Cathedral, The Cathedral Lodge Hotel and Conference Centre and shop were all shut on 23 March 2020 and remained closed until the weekend of 4/5 July 2020. Limited opening was possible over the summer of 2020. Visitors were asked to book tickets in advance, new one-way tourist trails were maintained through the Cathedral and the number of visitors was limited to enable social distancing to be maintained. On 5 November 2020, the Cathedral was again shut to visitors and remains shut. Public Worship and private prayer were possible during November and December 2020 but, at the start of January 2021, the Cathedral was completely closed.

A review of the main activities follows under separate headings.

Ministry

Cathedral Worship

The Cathedral is first and foremost a working church: a place of worship, prayer and pilgrimage. The regular pattern of daily worship is at the heart of Cathedral life. Each day starts with Morning Prayer and ends with Evening Prayer. The Eucharist is also offered daily. Many other services take place throughout the year - including weddings, funerals, memorial services and christenings. Visitors are warmly invited to attend wherever possible.

Following the closure of the Cathedral as a result of the Coronavirus pandemic, the Dean and residentiary canons introduced filmed acts of worship which are available to view through the internet and which have proven very popular. They have allowed people to engage with the Cathedral's worship in ways that have not previously been possible and the services have a wide following from across the world. Live streaming of services was introduced during the year and currently the Sunday Eucharist and evensong each day is live streamed to a global audience.

The Cathedral is used regularly by the King's School Canterbury for daily prayers and Sunday worship, for concerts, and for its annual Commemoration Service.

The Cathedral hosts services throughout the year for local schools and for many other organisations. Each day in December there are Christmas Carol services taking place in the Cathedral for local charities, universities and community-based groups.

The Diocese of Canterbury, which the Cathedral serves, covers the entirety of East Kent. Many Diocesan services and events took place during the year including the ordination of new clergy, special days of activity and worship for Diocesan schools, Diocesan Confirmation services and the annual Archdeacons' Visitations.

2019-20 saw a wide range of special services at the Cathedral.

The musical life of the Cathedral continues to be enriched by the excellence of the boys, girls, and men of the Cathedral choir with daily performances for many hundreds of pilgrims and visitors.

The visiting choir programme continued to help build up our community links,

The Cathedral continued its ministry to the wider Church of England. Extensive work took place in planning the worship and hospitality for the Lambeth Conference which was expected to take place in the summer of 2020, but which has now been delayed until 2022 as a result of the pandemic. The Cathedral also continues its ministry to the Church Universal and significant work was undertaken in the year planning for the ecumenical celebrations of the significant anniversaries of St Thomas Becket, which were due to take place in 2020 but which have also been deferred as a result of the pandemic.

The number attending regular services during the calendar year remains at around 120,000. 2,328 people attended worship on Easter Day (2018: 2,560) and 5,571 attended worship on Christmas Eve or Christmas Day (2018: 5,299).

Other main Cathedral Events held in the Year

The Chapter's ministry of welcome was extended to those attending other events held in the Cathedral during the year. These included conferences, concerts and other non-

liturgical events. In total there were 66 such events during the year (2018:73). In addition, 24 graduation ceremonies took place for the local universities (2018: 24).

Visitors staying in the International Study Centre (ISC) have continued to attend the Cathedral's regular services during the period of their stay. At certain times in the year the ISC is the focus for gatherings of representatives from the worldwide Anglican Communion who share the life of the Cathedral Community during their stay. During 2020 all of this activity has been curtailed due to the pandemic.

Visitors to the Cathedral

The number of visitors to the Cathedral (including worshippers, people attending events, Precincts Pass holders and 'tourists') during the calendar year 2019 showed a decrease on the previous year of around 2% to 876,700 compared with 893,500 in 2018.

Included within the total visitor numbers for the calendar year were 371,212 paying visitors (almost the same as the previous year (371,315 in 2018). Visitor numbers were negatively impacted by the Coronavirus pandemic in the final quarter of the financial year. In the quarter ended 31 March 2020, we saw 34,338 paying visitors compared with 57,358 paying visitors in the same quarter in 2019. There was a drop in foreign tourists and school visits during February and March and the closure on 23 March saw all tourism cease.

Tourism visitors are charged an entrance fee to enter the Cathedral Precincts. The charges are reviewed annually and are at a level which is deemed reasonable compared to other cathedrals and regional attractions. The standard adult entry charge was increased on 1 July 2017 to £12.50 and remained at that level throughout 2019/20. Concessionary charges continue to be available. Around 140,000 free Precincts Passes have been issued since 1995.

The Visits department continued to be supported by around 600 volunteers who do a huge amount to welcome visitors, act as guides within the Cathedral, and answer any questions they might have.

Cathedral and Precincts upkeep

Works to the Fabric of the Cathedral and other major works in the Precincts

The Chapter is committed to conserving and developing the fabric of Canterbury Cathedral, its ancillary buildings, monuments and Precincts.

Works on The Canterbury Journey, a £24.7 million project, have continued throughout 2019. Work has progressed well in most areas with the completion and handover of the facilities in and around the new Visitor Centre in late 2020.

In spite of the Coronavirus pandemic, the first quarter of 2020 saw the completion and use of the new Community Studio, Shop, Shop Store and Ticketing Area, as well as significant areas of the Landscaping of the Western Precincts, including a replacement of the water main. The Viewing Gallery in the new Visitor Centre remains closed with some outstanding interpretation works to be completed. Subject to these and introducing robust social distancing access arrangements, it is hoped that the area will be opened to the public during 2021.

Landscaping has progressed well with the main outstanding area under the Christ Church Gate being completed in September 2020. This was complicated in terms of archaeology and access as it is the main entry point to the Precincts for emergency vehicles. The archaeologists finished all their in-ground works elsewhere and have a significant amount of writing up, assessing finds and reporting to do.

The main works to the North Nave Aisle Roof was completed in the first quarter of 2020 and progression was made on the South Nave Aisle Roof, with opening up for inspection of the timber condition. On inspection it was discovered that the timber on the south side was in much worse condition than the north and will require more intensive and intrusive repairs and replacement, impacting programme for delivery.

Masons were busy during the year working on the stone repairs and replacement on the Cathedral. Reconstruction of the flint wall to the front of The Lodge was completed during the summer of 2020. Both these elements were aided by mild winter weather in 2019-20.

The clock dial and mechanism from the Western Towers were in the process of being repaired and restored off site. The clock face is now back in Canterbury and will be installed during 2021.

In January 2020, the statue of Christ was removed from the front of Christ Church Gate in preparation for works to that structure later in 2020. This has allowed the conservation and polychromy work to the Gate to commence. Scaffolding has been erected over the top of the Gate and back down into The Precincts to facilitate the work.

There were delays to elements of the project, in particular the Crypt exhibition space, as cracks appeared in the new floor that will require rectification before that exhibition can be fully installed and opened to the public. Options have been reviewed to address this and recommendations are being formulated. There were some delays to the other exhibition spaces, mainly due to design and build integration of contractors and the snagging. It is hoped that the spaces will be completed in readiness for summer 2021.

Delays have also occurred as a result of the Coronavirus pandemic. Work ceased on site at the end of March for around 3 months and subsequently there have been some delays as some contractors have been unable to come back to site. The impact of this on the programme is still being assessed and discussions are ongoing with the NLHF.

All in all it was a complicated and busy year for the capital works, and it was pleasing that we achieved the completion and handover of significant elements of the works.

In addition to the Canterbury Journey Project, the major project to rebuild the Cathedral's main Organ, which is sited in the 12th Century Quire, continued. The new and restored pipes have been re-ordered across the North and South Triforium to better balance the instrument's sound. The new console has been moved to the North Quire Aisle to improve communication between the organist, conductor and musicians.

Originally built in 1886 by Henry Willis, the restoration work has been undertaken by organ builders, Harrison & Harrison. Conservation works to the Quire have been carried out by the Cathedral's in-house craftsmen and women.

The majority of the work was completed before 31 March 2020, with final voicing of the instrument taking place in January and February 2020. An inaugural concert was planned for early May 2020 but had to be cancelled due to the Coronavirus pandemic.

Education and outreach

The promotion of Education and Learning remains a key part of the mission of Canterbury Cathedral.

Schools Department:

The number of schools visiting Canterbury Cathedral in 2019 was comparable to the two previous years.

The total number of students visiting the Cathedral in 2019 was 74,425 (77,424 in 2018). This figure does not include students from language schools who continue to be processed by the Visits department. Of this number, 10,712 were from UK schools (this figure includes 950 students from local schools who attended a free educational event at the Cathedral).

The number of school visits in January 2020 were as expected and comparable to previous years. In January and February we welcomed 2,524 children to the Cathedral from schools in the UK and overseas. However from mid-February most overseas schools had cancelled due to the Coronavirus and the UK lockdown (including school closures) saw all school visits stop from mid-March.

The Schools Department continues to work alongside the Canterbury Journey Learning and Participation team. The Schools Outreach Roadshow took place early in the 2019-2020 academic year and was a great success. The loan boxes and online resources are now nearing completion and we expect them to be available for schools from early 2021. It is hoped that they will be an invaluable engagement tool moving forward.

Engaging with schools in post-Covid may be a challenge. The Schools Department expects to work towards a more blended offer. Virtual visits and outreach will sit alongside our usual programme of school visits. It is anticipated that it will be a few months before overseas schools are again confident to travel to the UK.

Archives and Library:

There were 1,445 research visits to the Reading Room in the 12 months to 31 March 2020. The reading room closed on 17 March because of the COVID-19 public health crisis, and all staff other than the Head of Department were placed on furlough shortly afterwards.

Over the year, there were 152 group visits to the Archives and Library, attended by about 3,355 people. These visits included university seminars, school groups, and special interest group visits. An event of particular note was the afternoon held on 27 January to mark Holocaust Memorial Day and the 75th anniversary of the liberation of Auschwitz. The department organised and co-ordinated the afternoon, including walking tours of the city; and it proved very successful and well attended. We held some successful commercial day events in collaboration with the Cathedral Lodge. Because of the COVID outbreak, eight groups (125 people) due to visit in March were cancelled. Further cancellations of group visits were caused by university staff strikes. Eleven talks and papers were delivered at external events, including a paper at a conference to mark the 30th anniversary of the Canterbury World Heritage Site, and a paper at the symposium at the University of Cambridge on medieval theological texts.

The Archives and Library co-hosted the first event of the Becket2020 programme in Canterbury, a lecture by Prof David Carpenter in January; this attracted an audience of over 250. The COVID-19 crisis meant that other events in the Becket2020 programme have been postponed until 2021; the department was due to be closely involved in many of these.

There were 47 accessions to the Archives collections over the year, including several items relating to the Cathedral Choir; 134 new items were added to the printed book collections. Cataloguing work included work on Cathedral service sheets, parish records and early printed items in the archive collections. Work was also carried out by volunteers to contribute to the Manorial Documents Register project for Kent. Progress was made with the Partbook project, funded by the Lanier Theological Library Foundation. Volumes were digitised and a detailed catalogue was prepared. A week-long exhibition of the music was held in the Howley-Harrison Library during the Canterbury Festival. There was an accompanying performance in the reading room by the Girls and Men of the Cathedral Choir.

The Archives and Library co-ordinated the submission of images of the Cathedral, its collections and its stained glass to Bridgeman Images for licencing. The images can be found at <https://www.bridgemanimages.co.uk/> Digitisation of items from the collections was carried out by Adam Matthew for its resource entitled 'Early Modern England: society, culture and everyday life'.

The wooden door to the Howley-Harrison Library was replaced by a wooden folding door with an internal glazed screen, allowing a view into the library space from the Watertower corridor. This work was funded by the Guy and Elinor Meynell Trust through the Friends of Canterbury Cathedral, and was delivered through The Canterbury Journey project.

Our team of volunteers contributed nearly 2,500 hours over the year. The team included younger people securing work experience for their future careers.

Training and Conferences:

The apprenticeship programme has continued throughout the year. Keen to promote traditional crafts and trades and recognising that there is a growing shortage of skilled craftsmen and craftswomen with practical experience, the Chapter aims to give young people opportunities to gain training and experience in a variety of roles: stonemasonry, plumbing, gardening, electrical work, scaffolding, cooking, and carpentry. The apprentices have day release to attend college, and thus have training in both the theory and practice of their chosen subject, which will lead to a recognised qualification. Experienced staff act as mentors, responding to the needs of the apprentices, developing their confidence and skills, providing encouragement, and helping them take responsibility for themselves and their own development.

The Anglican Communion worldwide continues to be supported by offering courses: one usually takes place in January each year for newly consecrated bishops and a second, held in June, for newly ordained priests. Attendees at these courses are termed 'Canterbury Scholars' and receive regular newsletters to help them keep in touch with one another. It was decided not to hold the January course in 2020 as it was anticipated that the Bishops would be in Canterbury later in the year to attend the Lambeth Conference. As a result of the Coronavirus pandemic the Lambeth Conference has been postponed until 2022. The June course for newly ordained priests was held in June 2019 and was well attended. The Chapter maintains a fund and applies for grants from other

charities for bursaries to ensure that these courses can be attended by individuals from across the world.

Public lectures provided further opportunities for the public to learn more about the history and treasures of the Cathedral and its current day activities and worship.

Public Learning and Participation:

2019 and 2020 continued to be very busy for The Canterbury Journey across the wider Learning and Participation spectrum of the project, seeking to engage all visitors with the life of the Cathedral.

Online learning resources have been in development throughout the year and these resources will be ready for use in the academic year 2020-21 after being tested with schools.

The content of the stone and glass loan boxes is now ready, and can be used by schools and other groups on and off site without facilitators, as resources are provided with them to explain the content, but facilitators can be arranged if necessary.

Schools outreach was launched in September 2019; this was trialled with schools in Ashford in conjunction with the University of Kent, and will be offered to schools in particular target areas. The Cathedral's Schools Department is actively assisting with the development process.

The Art of the Lost conference took place in November 2019, with around 100 delegates per day and was successful with new approaches taken to engage the audience and the wide remit of research that was undertaken and presented. Lessons were learned for future conference models. Feedback has emphasised the multi-disciplinary nature of the conference and how unique and beneficial this was to delegates.

The conference was discussed on social media during the three days, and the Cathedral's own twitter feed kept up live engagement with the conference contents. On average our Facebook live early career speakers delivered their papers to 595 people. These papers were uploaded to the Cathedral's YouTube channel where they will reach a wider audience still.

Work on the new Media Guide continued and the actress Lucy Briers was appointed as the narrative voice for the guide, with other people contributing including members of the Boys' and Girls' Choirs and the "Sacred Space" group. Filming was undertaken for the guide, including 360° filming within the Cathedral. The Gregory Gargoyle character has been animated, and he will be getting his own voice. It is hoped that around 12% of visitors, as a minimum, will take up the offer of the guide; it will be offered both at the point of physical ticket sale and online.

A Learning and Discipleship Committee has been constituted which will focus on holistic Cathedral wide learning and engagement. The Committee will work to bring together both secular and non-secular learning across the Cathedral and to ensure the sustainability of wider learning and engagement beyond The Canterbury Journey project.

The Community Engagement Manager led an introductory tour of the Cathedral and Christmas tea for part for the Thanet LGBT 50+ Group. Thanet LGBT 50+ Group is a community group originally established as part of the Lottery funded Ageless Thanet. The group aims to reduce loneliness and prevent isolation through a programme of visits and social activities. The group was delighted to visit Canterbury Cathedral for their

Christmas social. The Director of Works gave the group a presentation about the organ project and the Canon Missioner met the group for tea and cake after the walking tour.

The Community Engagement Manager also hosted community partner Homestart for their volunteer Christmas party at the Cathedral. The Community Engagement Manager led a tour of the Cathedral before the Homestart team provided refreshments and entertainment for their volunteers. The Cathedral's Canon Missioner joined Homestart at this event.

The Community Engagement Manager facilitated a speaker from Kent Refugee Action Network (KRAN) to attend the Cathedral's Sunday Club. The Community Engagement Manager met one of the young refugees who now works as a mentor to new arrivals in Kent for KRAN and accompanied him on his visit to the Cathedral Sunday Club. At Sunday Club, the KRAN speaker told the children about his experiences as a refugee arriving in the UK. The Sunday Club group have collected donations for KRAN.

The work on the new interpretation and exhibition display spaces in the Crypt Treasury, Water Tower, Library Corridor, Library Undercroft and the Viewing Gallery continued so that many of the unique and precious objects from the Cathedral's collections can be placed on display, and be interpreted and enjoyed by many more people. The construction of the display cases and fit-out of supporting infrastructure and graphics progressed, with the exhibitions themselves planned to open in mid 2021.

Many research projects continued to further assess the collections, using volunteers, university students, experts and professionals which have helped to inform the interpretation displays, media guide and online resources.

The Collections Manager worked on a Scala publication for the collection objects going on display as part of the new exhibitions. This was then reviewed internally with staff from both the Cathedral and Cathedral Enterprises Limited and comments fed back to Scala. The final draft of the publication is now complete with the aim to publish in 2021, when all the exhibition spaces are due to be open. The publication will be on sale in the Cathedral shop.

Other:

Cathedral Clergy and Staff undertake a number of extra-Cathedral duties in the community and within the Diocese.

The Chapter has close marketing links with Visit Kent, Cruise Connection, the Canterbury Attractions Group, Canterbury Festival, the Association of Leading Visitor Attractions, and the Canterbury Connected Business Improvement District.

All the Residentiary Canons are Governors of the King's School and one is a Governor of St Edmund's School where the Cathedral Choristers are educated.

The Dean is Chairman of the Governors of the King's School.

Various senior members of staff are members of the Diocesan Advisory Committee and hold trusteeships of local charities.

The work of the Cathedral is assisted by some 800 volunteers. Around 600 volunteers assist with our Ministry of Welcome as Guides, Welcomers, Assistants, Treasury Custodians and Chaplains. An extensive training programme is in place to ensure that a

high quality service is offered to all visitors. The Cathedral is also supported by many other groups of volunteers including the Stewards and Servers, Bellringers and Flower Arrangers, the 'Holy Dusters' and the 'Holy Stitchers'.

Achievements and Performance

The Chapter has identified five strategic objectives to support the Cathedral's mission statement (see page 2) which are fundamental to the life and work of the Cathedral. These are supported by seven key values which underpin and inform the activities of the Cathedral:

- To maintain the highest standard of liturgy and music.
- To care for all people and provide welcome and hospitality in keeping with the Benedictine tradition.
- To maintain our buildings, assets and culture to the highest possible standards.
- To be a centre of excellence in all that we do.
- To minimise our impact on the environment and to adopt environmentally friendly practices wherever possible.
- To maintain a stable economic base to ensure long term financial sustainability and self-sufficiency.
- To encourage ideas and innovation to meet the challenges of the 21st Century, and ensure our relevance to the communities we serve.

Performance against the Strategic Objectives is measured against these values.

To maintain and develop the tradition of Christian Worship at Canterbury Cathedral as Mother Church of the World-wide Anglican Communion and the seat of the Archbishop of Canterbury.

The regular pattern of daily worship continued, with congregations for the major religious festivals in line with the previous year. Special services and events were held throughout the year. When the Cathedral was shut as a result of the Coronavirus pandemic, Chapter introduced on-line worship. This has proven to be very popular and is likely to continue to be part of the regular pattern of worship offered by Canterbury Cathedral.

To maintain and develop the ministry of welcome to all visitors to the Cathedral and more widely in outreach to the local, national and international community.

All people are made welcome to the Cathedral whether they come to worship, as pilgrims, to attend events, for education or as tourists. We monitor visitor feedback through Trip Advisor and other forms of social media and proactively conduct customer surveys.

We use the feedback to improve services to visitors.

To conserve and develop the fabric of Canterbury Cathedral, its ancillary buildings, monuments and precincts as part of a UNESCO World Heritage site.

The Chapter employs a skilled work force covering all building trades, and conservators and craftsmen and women to maintain its property. Priorities for the Cathedral are informed by the Quinquennial Inspection Reports within budgetary and fundraising constraints.

As noted earlier, in 2019-20 work included major conservation to the Cathedral and associated buildings as part of the Canterbury Journey project, as well as the restoration of the main pipe organ. Cyclical and reactive maintenance continued across the Estate.

The Chapter will be reassessing its priorities as the impact of the Coronavirus pandemic becomes clearer.

To be a centre of excellence for education and learning.

The Cathedral's activities and achievements are indicated earlier in this report and are an important strand of the Canterbury Journey project.

To manage the Cathedral, its assets and activities with financial and operational efficiency

The strategic objectives set by the Chapter form the basis for a long-term business plan and financial forecast, which help the Chapter and senior management understand and develop the sustainability of the Cathedral. The financial forecast is updated regularly throughout the year to take account of audited accounts, changes in activity and revised budget predictions.

The financial plan has been used to establish key performance indicators which are regularly monitored by the Chapter.

Grant claims are made monthly to the National Lottery Heritage Fund in respect of expenditure on The Canterbury Journey project. Project forecasts are kept under continuous review.

Managers prepare a budget which is approved by the Chapter each year. Monthly accounts are produced against budget and variances reported and investigated.

Visitor income is a key source of income for the Cathedral and in setting the ticket price Chapter has reference both to the need to generate income and to ensure value for money for visitors.

Rents from investment property and donations are the other key sources of income.

The International Study Centre and Lodge make a significant contribution. Other retail and trading activities are carried out by a trading subsidiary, Cathedral Enterprises Limited, which transfers its taxable profits (if any) to the Cathedral under a Gift Aid-compliant Deed of Covenant. Potential new commercial opportunities are regularly explored.

Investment income is monitored against benchmarks as reported in the Financial Review.

The Chapter has a procurement policy which aims to ensure that the Cathedral gets value for money for goods and services purchased.

The Chapter recognises its environmental responsibility and is committed to reducing the use of energy within the Precincts, reducing waste, and managing resources effectively. Energy usage has been monitored in all buildings used by the Chapter since 2008. Most of the buildings are difficult to heat and light efficiently because of their age and structure and it is clear that large reductions in energy use will not be achieved without significant investment. However, steps have been taken to raise awareness amongst staff, to replace light fittings with energy efficient equivalents, insulate roof spaces, improve heating controls and explore alternative energy supplies. We installed solar panels on the stone yard roof in 2011.

The Cathedral achieved a bronze Eco-Church award in 2019. Also in 2019 its electricity supplies have been moved to a 100% renewable contract.

The Chapter has in place an Environment and Resources Group made up of senior staff and members of the Chapter to monitor energy usage and improvements.

Since the financial year end, during the pandemic, Chapter has carried out a major restructure to reduce costs and has furloughed as many staff as possible in order to protect the Cathedral's financial position. Grant income has been sought and we have been successful in attracting a number of specific recovery grants which are listed in note 24 to these accounts. Chapter also took out a loan under the Coronavirus Business Interruption Loan Scheme of £4million. These measures have helped protect reserves, preserving cash for the short term, as well as overall operating costs in the longer term by at least £2million per annum, so that recovery from a post-Covid return of visitor income should be as rapid as possible.

Financial Review for the year.

The Chapter has prepared the financial statements in accordance with the requirements of Section 27 of the Cathedrals Measure 1999 and as set out in the Guidelines on Accounting and Reporting by English Anglican Cathedrals, specified in December 2018 by the Church Commissioners and in compliance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The accounts of Cathedral Enterprises Limited have been consolidated with those of the Cathedral.

The Funds are shown broken down between Unrestricted (General), Designated, Restricted and Permanent.

- Unrestricted Funds which totalled £6.6million at the year end, can be used by the Chapter within the charitable objects of the Cathedral. Unrestricted Funds arise from the income generating activities of the Cathedral and from general donations. Within the total, £57,000 was designated at the year end to meet future marketing costs and £2,000 was designated to meet future costs associated with the Girls' Choir. £2.79million is represented by investment property and tangible fixed assets which is not readily available to meet expenditure. Hence at the year end free reserves totalled £3.75million.

- Restricted Funds which totalled £9.88million at the year end can only be used for a specified purpose as described in the notes to the accounts. These funds have arisen from gifts and donations where the donor has specified the purpose for which the gift is to be used.
- Permanent Funds (£47.34million at the year end) comprise the Cathedral Permanent Endowment fund and permanent endowment funds belonging to consolidated Trusts.

Unrestricted Reserves

It is the intention of the Chapter that free reserves should cover between three and six months' total operating costs. (Chapter defines this as total costs even where costs were funded by restricted funds). Based on historic costs for the year, this was achieved throughout most of the year. At the year end however free reserves covered 2.75 months' of total operating costs. If costs met by restricted funds are excluded, this increases to 4.5 months' cover.

These reserves were very helpful when all income ceased as a result of the Coronavirus pandemic and they allowed us to meet our financial obligations in the short term as we furloughed staff and commenced a review of our activities.

Unrestricted Fund Results for the Year

There was a net deficit on unrestricted funds for the year of £449,000 before taking account of net unrealised losses on investments of £39,000 and a transfer of funds from general funds of £170,000. This compares with a deficit of £893,000 in the previous year before taking account of unrealised gains of £15,000 and a transfer of funds from restricted funds of £651,000.

The total net movement in unrestricted funds for the year was a decrease of £658,000 compared with a decrease of £227,000 in 2018-19.

The outgoing transfer of funds in 2019-20 was the net position after capitalising expenditure met on the new Visitor Centre from unrestricted funds and capitalising expenditure relating to new display cabinets and till systems which were originally funded from restricted income in the year.

The unrestricted fund is represented by property, cash, deposits and investments, the Chapter's holding in Cathedral Enterprises Limited and the day to day working capital of the Chapter.

Results of Trading Activities

Cathedral Enterprises Limited ("CEL") which operates the trading activities of the Chapter returned a surplus of £45,000 for the year on a turnover of £1.25million compared with a surplus of £66,000 on a turnover of £1.34million in the previous year. The turnover is derived from the activities of the Cathedral Shop and the work for third parties including other cathedrals and churches carried out by the Chapter's Works and Stained Glass departments. Cathedral Enterprises Limited continues to pay a commercial rent to the Chapter for the premises it occupies. In the last quarter of the

financial year, Cathedral Enterprises Limited moved from its old premises to the new Welcome Centre which has been created by the Canterbury Journey project. The new location is smaller and more compact and has allowed the management to reduce staff levels and to better manage stock. The Coronavirus pandemic closed the business in March 2020 and it reopened at the start of July 2020 before closing again at the start of November 2020. Initial feedback from customers has been positive.

As in previous years, profits from commissions undertaken by the Stained Glass Studio accounted for most of the profit made in the year ended 31 March 2020. It is hoped that retail activity and profitability will improve as the enterprise settles into its new facility.

Restricted Fund results for the year

Net income for the year on restricted funds before transfers between funds and before accounting for unrealised losses on investments was £1,518,000. This compares to a surplus of £2,335,000 in 2018-19.

After accounting for unrealised losses on investments of £635,000 and transfers of funds to the permanent and general funds of £1,815,000 to match capitalised expenditure which was funded from restricted income, the restricted funds showed a deficit of £932,000 for the year. In 2018-19 there was a net deficit of £199,000 on restricted funds after taking account of unrealised gains on investments of £208,000 and a transfer to permanent and general funds of £2,742,000.

Donations receivable by the Chapter from the trustees of the Canterbury Cathedral Trust towards the restoration of the fabric and the maintenance of the music and choir foundation during the year amounted to £4,150,000 (2019: £4,774,000), including £2,756,000 towards the Canterbury Journey project (2019: £3,013,000) and £1,053,000 for the Organ project (2019: £491,000). The Friends of Canterbury Cathedral donated £606,000 (2019: £67,000) including the gift of a commercial property valued at £490,000 which it had acquired via a generous legacy.

Other restricted donations received in the year were £40,000 compared to £71,000 in the previous year.

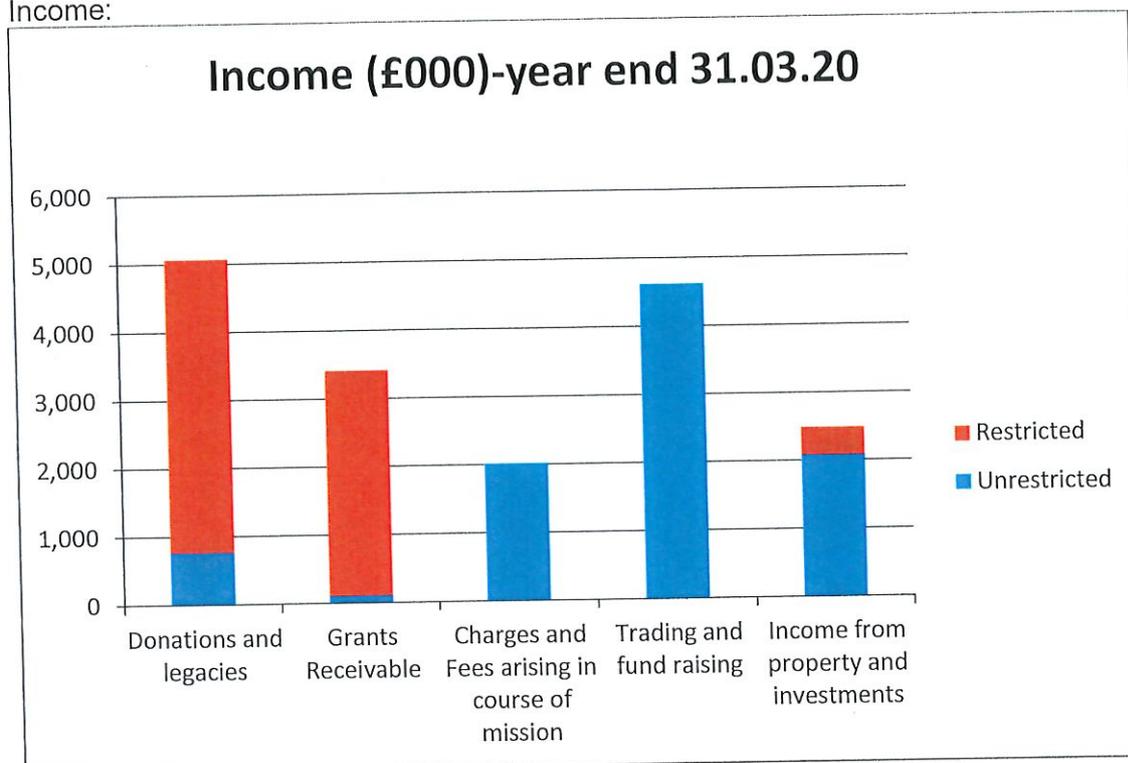
A grant of £2,945,000 was receivable in the year from the Heritage Lottery Fund towards the Canterbury Journey project (2019: £3,838,000).

The expenses borne by restricted funds and Trusts totalled £6,485,000.

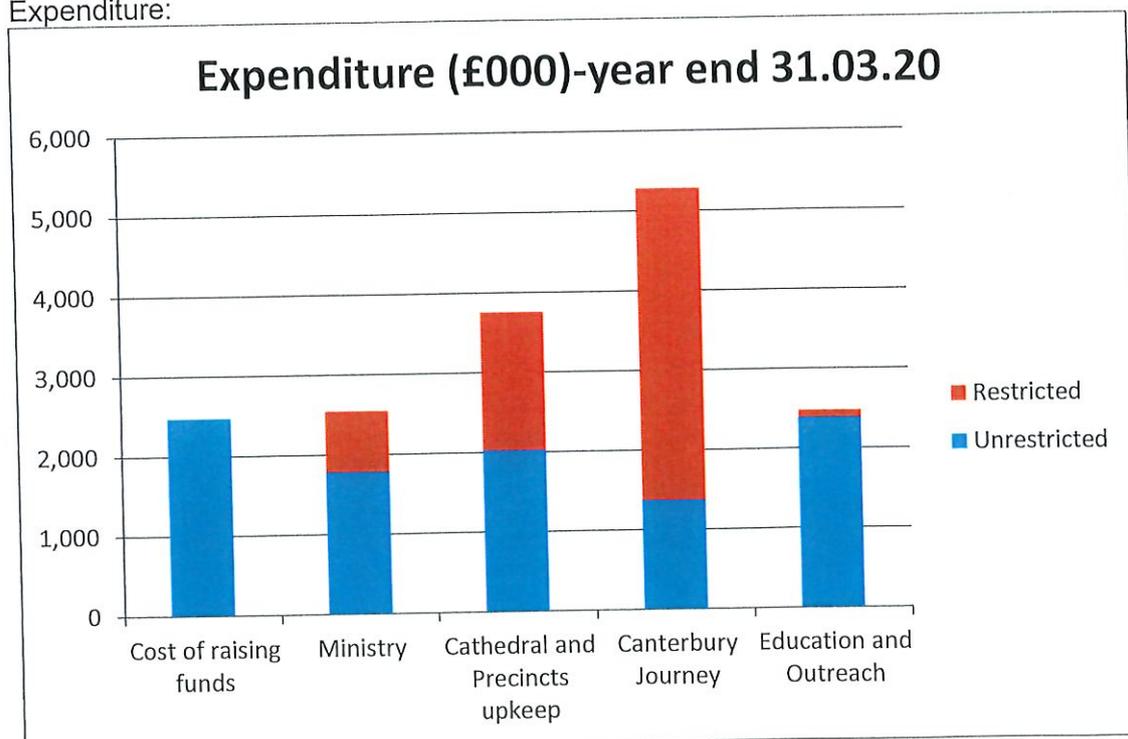
Summary of Total Income and Expenditure

Total income and expenditure, which is set out in notes 2 to 4 of the accounts for the year is graphically illustrated below.

Income:



Expenditure:



Investments

The Chapter of Canterbury has a long term portfolio consisting of both investment property and investments. The latter are held mainly in Sarasin Alpha Endowment Fund units and in two funds managed by Cazenove Schroder. There are also investments in funds managed by CCLA (see note 6). In making and holding investments, the Chapter seeks to comply with the guidance set out in Church of England's Ethical Investment policies.

The investment returns over the last 5 years are shown below.

Total Return on Investment properties

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Rents and other Income	2,078	2,118	1,993	2,005	1,938
Landlord's repairs	(321)	(586)	(476)	(443)	(479)
Insurance, cleaning and utility costs	(68)	(75)	(86)	(76)	(74)
Other costs including management and professional charges	(76)	(64)	(71)	(73)	(77)
Net Income	1,613	1,393	1,360	1,413	1,308
Net gain on revaluation of property	148	509	132	1,740	500
Total Return on Investment properties	1,761	1,902	1,492	3,153	1,808
Total Return on Investment properties %	5.9%	6.5%	5.2%	11.7%	11.7%

Total Return on Other Investments

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Investment Income	409	419	332	240	237
Net unrealised (loss)/gain on revaluation of investments	(762)	299	(98)	735	(412)
Total Return on Other Investments	(353)	718	234	975	(175)
Total Return on Other Investments %	(3.3)%	6.9%	2.2%	15.7%	(2.6)%
FTSE All-Share Total % Return (UK)	(18.5)%	6.4%	1.3%	22.0%	(3.9)%

Investment Properties

The investment properties belonging to the Chapter are included on the Balance Sheet at existing use value. This equates to market value, taking into account such factors as the terms of the existing lease, the quality of the covenant as well as the current market conditions. The value of these properties therefore varies from year to year. The total revaluation gain in the year to 31 March 2020 was £148,000 compared with a revaluation gain of £509,000 in the previous year.

It is not the intention of the Chapter to sell any of the properties making up its Estate, so any change in value will not be realised in the foreseeable future. The Coronavirus pandemic has had an impact on global financial markets but the impact on the real estate market is not fully known. Valuations have been reported on the basis of 'material valuation uncertainty' in line with RICS guidance and valuations will be kept under frequent review.

Rents from the properties owned by the Chapter continue to contribute towards the costs of running and repairing the Cathedral. The properties also provide an attractive setting for the Cathedral.

The allocation of property between investment and non-investment categories is according to their use. The Friends of Canterbury Cathedral donated a commercial property to the Cathedral in the year which it had acquired via a legacy.

Non-Investment Properties

The International Study Centre has been valued on a depreciated replacement cost basis, as set down in note 7, in accordance with the Guidelines specified by the Church Commissioners. The valuation has been prepared using Building Cost Indices as the basis for the calculation. It is the Chapter's belief that this methodology reflects the value of this building based on latest indices taking into account location factors. The valuation method for the Cathedral's public toilets is also on depreciated replacement cost value rather than an existing use value.

The remaining non-investment properties have been valued as set out in note 7 to the accounts. The properties are revalued on a rolling 5 year basis so that 20% of the properties are revalued each year. The revaluation at 31 March 2020 resulted in an overall decrease of £1,690,000 in the value of the non-investment properties compared with a decrease in the year to 31 March 2019 of £477,000.

It is not the intention of the Chapter to sell any of the properties making up its Estate, so any changes in value will not be realised in the foreseeable future. As for the investment properties, valuations have been reported on the basis of 'material valuation uncertainty'.

The fluctuations in total value are a reflection partly of market conditions, but also the terms on which the properties are occupied and their effect on the vacant possession values.

Principal Risks and Uncertainties

In delivering the objectives, the Chapter faces a variety of operational, financial, and economic risks. Major risks are reviewed quarterly and appropriate systems have been established to mitigate the likelihood and the impact of these risks occurring.

Senior staff manage risk as an integral part of their daily activities and the most significant risks are reported regularly to the Finance and Estates Committee and the Chapter.

The Canterbury Journey Project has a separate risk map covering the physical and non-physical works and a separate management process which feeds into the Cathedral risk management process.

The following major risks were identified in 2019-20. The key actions to mitigate the risks are noted alongside each. The potential impact of the Coronavirus pandemic on the Cathedral's financial sustainability, activities and staff was initially recognised in February 2020 and is highlighted below.

Risk	Management Action
Financial sustainability compromised as a result of reduced income and increased costs following national and international lockdown measures and changed working practices.	-Significant restructuring underway involving voluntary and compulsory redundancy and review of activities and systems to improve efficiency. New working practices adopted and "we're good to go" standard in place.
Income uncertainty due to reduced visitor numbers in a "Covid-19 world", low level of regular giving, uncertainty around Brexit and potential fatigue amongst the major donors following recent fundraising campaigns.	<ul style="list-style-type: none"> - Tight budgetary control. - Restructuring under way. - Monthly management accounts and reports to Finance Committee and the Chapter. - Review of marketing opportunities to promote the Cathedral as a tourist destination, - Consideration of other income generating opportunities. - Review of regular giving programme.
Staff morale low as a result of the impact of Coronavirus pandemic on the organisation and necessary restructuring.	<ul style="list-style-type: none"> -Good communication with staff throughout the consultation process and beyond. -Good pastoral care arrangements.
Canterbury Journey costs exceeding budget due to market prices or unforeseen events or circumstances.	<ul style="list-style-type: none"> - Tight budgetary control. - Regular communications with the NLHF and other stakeholders. - Strong project management. - Possible value engineering within project.
Impact on Cathedral life as a result of insufficient funds to enable further major projects and managing expectation around planned major projects.	<ul style="list-style-type: none"> - Wide level communication to stakeholders and interested parties. - Ensure strong project management. - Ongoing review of business planning and management processes.
Unanticipated issues identified during delivery of major projects causing time delays and cost over-runs.	<ul style="list-style-type: none"> - Significant investment during project development phase to reduce likelihood. - Regular monitoring during project.

Plans for Future Years

Canterbury Cathedral is first and foremost a place of worship and the daily services will continue to underpin the life of the Cathedral.

The Cathedral's response to the Coronavirus Pandemic

The Chapter's immediate priority is to address the challenges posed by the Coronavirus pandemic. This includes to make the Cathedral, its offices and commercial premises a safe destination for all visitors whether they are coming to worship, as tourists or as employees and volunteers and securing the financial sustainability of the Cathedral.

New working practices have been introduced throughout including reduced seating in the Cathedral, one-way tourist routes through the building, enhanced cleaning regimes and readily available hand-sanitisation stations around the Precincts. The Cathedral has been shut for many months over the last year and is unlikely to open until at least Easter 2021. The focus for the Visits, Hospitality and Marketing Teams is to promote Canterbury Cathedral as a safe destination to visit and to welcome those returning. Systems are in place to encourage advanced booking and visitor numbers will be limited to ensure social distancing can be maintained. The team is also working with partners such as group tour operators to plan visits to the Cathedral in the summer of 2021 and beyond.

To reduce costs and improve efficiency, a major restructuring exercise is taking place which is involving a significant number of voluntary and compulsory redundancies and investment in new systems. Many staff have been furloughed or partly furloughed to protect jobs. Where staff are able they have been encouraged to work at home and this is likely to continue. A new management structure is being put in place to focus on business recovery activity.

During the next few months Chapter will be carrying out an Estates review to maximise income generation.

Over the course of the pandemic, the Cathedral has been streaming daily acts of worship which have attracted world-wide audiences. In addition the Chapter has generated more on-line content including lectures and readings to further engage with the public. It is planned to continue on-line worship alongside public worship in the Cathedral.

Fundraising has become even more important and the fundraising team is focussing on funding recovery and protecting craft skills which are a priority for Chapter.

We have been successful in attracting a number of grants from various grant giving bodies to help the Cathedral recover from the pandemic for which Chapter is very grateful. Further grant applications have been made to help us through the next few months and particularly as we seek to invite visitors back in person to the Cathedral.

A Coronavirus Business Interruption Loan Scheme (CBILS) loan has been taken out for £4million to help manage cash flow over the next period.

Chapter are considering forecasts and cash flow predictions on a regular basis and are confident that with the measures they are taking to control costs and generate income, the Cathedral will weather the pandemic. The Cathedral has unrestricted listed investments valued at £652,000 at 31 March 2020 which will be sold if necessary to assist cash flow. New capital projects will only be undertaken where funding is in place. Projects which will help improve the long term financial health of the Cathedral will be prioritised.

Other priorities

The Canterbury Journey project also continues to be the main focus for Chapter and is due to complete at the end of 2021. The project will continue to address the historic fabric's urgent priorities and respond to the needs of the visitor in the twenty first century, improving access, interpretation and learning opportunities. It is the aim of the Chapter that all will leave with a better understanding of the Cathedral's purpose, its place in history, stories, people, architecture and treasures. The Coronavirus pandemic has had an impact on delivery of the project. Work on site had to cease for a period and new

working practices put in place by contractors as they returned, in order to maintain social distancing.

Work continues on the conservation of the stone work to the western towers of the Cathedral and the upper levels of the exterior of the Nave; repair and conservation of the stained glass in the North Nave Clerestory; repair to failing timbers in the roof and replacement of the lead roof and on improving the landscaping and accessibility of the Cathedral.

Work commenced in late 2020 to repair the iconic entrance to the Precincts (the Christ Church Gate), including replacement of the roof, stone conservation and also work to conserve the polychromy.

Exhibition spaces will be opened during 2021 in the Cathedral and in the new Visitor Centre. As part of the project, we will continue to deliver new activities for new and existing audiences.

Work is ongoing to introduce a new ticketing system which will enable online purchase of tickets and will improve efficiency and data management. A new Precincts Pass will also be introduced for local residents within the next 18 months.

Work will also continue on digitising some of the collections to widen access through new technology.

A new multi-media guide is being developed to help visitors better understand the Cathedral, its history, people and architecture. This is also expected to be released later in 2021.

Whilst the Canterbury Journey project is planned to complete in 2021, work is ongoing with the National Lottery Heritage Fund to explore a possible extension of time to maximise the output from the project following delays due to the ongoing Coronavirus pandemic.

2020 marks a dual anniversary for Thomas Becket. It is 850 years since he was murdered in Canterbury Cathedral and 800 years since his body was moved from a tomb in the crypt of the Cathedral into a glittering shrine which made Canterbury a major centre of pilgrimage. The shrine no longer exists but Canterbury remains a place of pilgrimage. A number of commemoration events had been planned for 2020 which as a result of the Coronavirus pandemic have been deferred.

Structure, Governance and Management

Constitution and Statutes

The Cathedral is governed by the Constitution and Statutes of the Cathedral and Metropolitan Church of Christ Canterbury, prepared in accordance with the Cathedrals Measure 1999 and authorised by the Archbishops of Canterbury and York on 6 October 2002.

Role of the Cathedral in the Diocese and the Anglican Communion

Canterbury Cathedral is primarily the seat of the Archbishop and as such it is a focus for his worldwide ministry.

The Archbishop is the Diocesan Bishop of the Diocese of Canterbury. The Cathedral's role as the Mother Church of the Diocese is important and is shown, not only on the occasions when representatives of the whole Diocese gather together for Ordinations or special services presided over by the Archbishop, but also in the hospitality which the Chapter offers to the Area Deaneries. At the same time, the facilities of the Cathedral are offered to the Diocese and Synods; and other meetings take place regularly, both in the Cathedral Church itself and in the International Study Centre (ISC).

As Mother Church of the Anglican Communion, the Cathedral welcomes Primate and Bishops from the Communion, together with Seminarians and young clergy for courses leading to their enrolment as Canterbury Scholars and future alumni of the ISC.

Organisational Structure of the Cathedral

Visitor

The Visitor of the Cathedral Church is the Archbishop of Canterbury, The Most Reverend and Right Honourable Justin Welby. As Visitor he is entitled to attend and speak at meetings of the Cathedral Council, but not to vote.

Body Corporate

The Body Corporate consists of the Chapter, the Council and the College of Canons. Each part of the Body Corporate has rights, functions and duties granted to and imposed upon it by the Cathedral Measure 1999 and the Constitution and Statutes of the Cathedral.

The Chapter

The Chapter consists of the Dean, the Residentiary Canons, the Receiver General and four additional members appointed by the Archbishop of whom not more than one may be a person in Holy Orders.

The duty of the Chapter is to direct and oversee the administration of the affairs of the Cathedral Church: it is required to meet at least nine times a year. The Dean is the Chairman of the Chapter and has a second or casting vote.

The Council

The Council consists of a Lay Chairman appointed by the Archbishop and up to nineteen other Members, including the Dean, three other Members of the Chapter and two Members of the College of Canons. Members are appointed for a term of four years.

The Council is required to meet at least twice a year to further and support the work of the Cathedral Church by advising the Chapter: this includes the receiving and consideration of the Annual Budget and the Annual Report and Accounts.

The College of Canons

The College of Canons consists of the Dean, the Suffragan Bishops, the Residentiary and Honorary Canons and the Archdeacons of Canterbury, Maidstone and Ashford.

In the event of a vacancy in the See, the College of Canons elects an Archbishop of Canterbury, in accordance with the Appointment of Bishops Act 1533. Additionally, the College receives and considers the Annual Report and Accounts of the Cathedral Church.

The Finance and Estates Committee

As required under the Cathedrals Measure 1999, the Chapter is advised by the Finance and Estates Committee in connection with its responsibilities for financial, investment and property management. The committee comprises members with financial, legal and property experience.

The Audit Committee

An Audit Committee is established as part of the governance arrangements for the Cathedral. The committee's primary purpose is to consider the annual report and accounts and oversee relations with the external auditor.

The committee comprises five members who are independent of the Chapter and of whom at least one will have recent and relevant financial experience and hold a qualification from one of the professional accountancy bodies. The committee meets at least twice each year.

The Fabric Advisory Committee

As required under the Care of Cathedrals Measure 1990, the Chapter is advised by a Fabric Advisory Committee.

The Administration of the Cathedral

The Cathedral is administered by the Chapter through the Receiver General and the Heads of Departments. The Chapter sets the strategic direction for the Cathedral and the day to day management is exercised by the departmental heads and co-ordinated by the Receiver General, who oversees the financial and central administration, together with the personnel management of all Cathedral staff. Formal and ad hoc committees are chaired by members of the Chapter and these direct the processes of planning and co-ordination.

Relationships with Other Organisations

The Cathedral maintains a positive relationship with the Diocese of Canterbury, through the Diocesan Office, the Archbishop's Staff Meeting, the Archdeacons of Canterbury, Ashford and Maidstone, the Canon Treasurer's role in the training of Diocesan curates and in a programme of visits to the Cathedral by the Area Deaneries at the invitation of the Chapter.

The Chapter has a strong commitment to the Archbishop of Canterbury and the growth of his Archiepiscopal Ministry, through the use of the Cathedral and the International Study Centre in the Precincts: this is a dimension which extends to Lambeth Palace and

the wider Anglican Communion, through the relationship with the Anglican Consultative Council.

The Cathedral maintains strong links with Canterbury City Council, the University of Kent and Canterbury Christ Church University.

Method of Appointing Members of the Chapter

The Dean is appointed by the Crown. Two of the Residentiary Canons are appointed by the Archbishop of Canterbury, the other two being appointed by the Crown, with the Archbishop having the right of appointment every fourth time. The Receiver General is appointed by the Chapter and the four non-executive lay members of the Chapter are appointed by the Archbishop of Canterbury, after consultation with the Chapter and the Archbishops' Council.

Induction and Training of New Members of the Chapter

The Association of English Cathedrals (AEC) runs a series of training sessions for the training of new members of the Chapter, both clerical and lay.

Changes in Senior Clerical and Lay Appointments

Commodore Martin Atherton left his post of Receiver General at the Cathedral on 31 October 2019. He has been replaced on a short term basis by Air Marshal Christopher Nickols. Air Marshal Nickols is acting Receiver General but is not a member of Chapter.

Arrangements for setting the pay and remuneration of key senior staff.

Key senior staff include the Dean, Residentiary Canons, Receiver General and members of the Senior Management Team. The Dean and Residentiary Canons are remunerated in accordance with Church of England Guidelines. The remuneration of the Receiver General and other key senior staff is set with reference to market salaries locally for equivalent posts and across similar heritage organisations.

Fundraising

The Chapter aims to achieve best practice in the way that it communicates with its supporters and visitors and act in accordance with Fundraising Regulator guidance. It takes care with the tone and accuracy of its communications to minimise pressure on supporters and to ensure that their data is protected. The Chapter never sells data and never exchanges data other than with other departments of the Cathedral to enable services to be delivered. Fundraising for the Cathedral is mostly done by Canterbury Cathedral Trust Fund (registered charity 1112590). The Chapter undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year ended 31 March 2020, the Chapter received no complaints about its fundraising activities.

Statement of the Responsibilities of the Chapter in respect of the financial statements

The Chapter is responsible under requirements laid down by the Church Commissioners under the powers given to 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 the Cathedral and its connected entities;
- Stating that they have complied in all material respects with the regulations specified by the Church Commissioners as prepared by the Cathedrals Administration and Finance Association (CAFA) or describing which recommendations have not been complied with and giving reasons for such 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; and
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investment Powers

Under the Cathedrals Measure 1999, the Chapter may invest in any of the following:

- Land
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Limited.
- Investments in which 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 the Cathedral itself and its ancillary buildings unless a total return approach under the Church of England (Miscellaneous Provisions) Measure 2014 has been adopted.

Legal and Administrative Information

The legal name of the Cathedral is the Cathedral and Metropolitan Church of Christ, Canterbury, but it is commonly referred to as Canterbury Cathedral.

The Members of the Chapter during the year and to the date of this report were:

- | | |
|---|--------------------------------------|
| • The Very Reverend Dr Robert Willis DL | Dean of Canterbury |
| • The Reverend Canon Emma Pennington | Canon Missioner |
| • The Reverend Canon Timothy Naish | Canon Librarian |
| • The Reverend Canon Andrew Dodd | Canon Treasurer (from 31 May 2020) |
| • The Venerable Jo Kelly Moore | Archdeacon of Canterbury |
| • Commodore Martin Atherton OBE RN | Receiver General (until 31 Oct 2019) |
| • Mrs Caroline Spencer | |
| • Mr William Pettit | |
| • Mrs Janice Reid | |

Receiver GeneralCommodore Martin Atherton OBE RN
(until 31 Oct 2019)Air Marshal Christopher Nickols
(from 1 November 2019)**Surveyor to the Fabric**

Mr Jonathan Deeming

Consultant Archaeologist

Ms Nathalie Cohen

Organist and Master of the ChoristersDr David Flood (*until 31 Dec 2020*)**The Finance and Estates Committee**

The members of the Committee during the year were:

- The Very Reverend Dr Robert Willis DL Dean of Canterbury
- The Reverend Canon Andrew Dodd Canon Treasurer (*from 31 May 2020*)
- Commodore Martin Atherton OBE RN Receiver General (*until 31 Oct 2019*)
- Air Marshal Christopher Nickols Receiver General (*from 1 Nov 2019*)
- Mr Michael Steed
- Mr Adrian Inscoc
- Mr Christopher Byrne
- Sir Thomas Best Shaw
- Ms Julie Wood Director of Finance and Planning
- *Mrs Catherine Miller* Secretary

There is also an Audit Committee, which meets to monitor and approve the preparation of the Annual Report and Accounts.

The membership of the Committee during the year was:

- Mr Alan Gibbins Chairman
- Mr James Loudon DL
- Mr Peter Canney (*until May 2020*)
- Mr Julian Hills
- Mr Richard Davis (*from 9 May 2019*)
- *Ms Julie Wood* Secretary

The Fabric Advisory Committee

The membership of the Committee during the year was:

- Mr Michael Archer OBE (Chairman) Appointed by:
The Chapter
- Mr Eric Parry RA The Chapter

Archaeological Consultants

Canterbury Archaeological Trust Ltd
92A Broad Street
Canterbury
Kent CT1 2LU

Architects

Purcell LLP
9 The Precincts
Canterbury
Kent CT1 2EE



Robert Willis
Dean

26 February 2021

Independent Auditor's Report to the Chapter of Canterbury Cathedral

Opinion

We have audited the accounts of Canterbury Cathedral (the 'parent entity') and of Canterbury Cathedral and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated and parent entity balance sheets, the consolidated statement of cash flows, the principal accounting policies, the notes to the financial statements and the appendix. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of affairs of the group and the parent entity as at 31 March 2020 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the regulations specified by the Church Commissioners under the powers given to them by section 27 of the Cathedrals Measure 1999.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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's use of the going concern basis of accounting in the preparation of the accounts statements is not appropriate; or
- ◆ the Chapter has not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or the parent entity'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 accounts are authorised for issue.

Other information

The Chapter is responsible for the other information. The other information comprises the information included in the Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Chapter

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

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

Use of this report

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

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

3 March 2021

Consolidated statement of financial activities for the year ended 31 March 2020

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2020	Total Funds 2019
	Note	£'000	£'000	£'000	£'000	£'000
Income and Endowments from:						
Donations and legacies		767	4,300	-	5,067	5,228
Grants in support of mission		110	3,300	-	3,410	4,281
Charges and fees arising in the course of mission		2,017	-	-	2,017	2,151
Trading and fundraising		4,615	-	-	4,615	4,713
Investments		2,084	403	-	2,487	2,537
Total Income	2	<u>9,593</u>	<u>8,003</u>	<u>-</u>	<u>17,596</u>	<u>18,910</u>
Expenditure on:						
Raising funds	3	2,472	-	-	2,472	2,804
Charitable activities:						
Ministry	4	1,787	760	-	2,547	2,310
Cathedral and precincts upkeep	4	2,025	1,729	-	3,754	3,705
Education and outreach	4	2,389	90	-	2,479	2,691
Other expenditure: VAT payable	4	-	2	-	2	650
The Canterbury Journey Project	4	1,369	3,904	-	5,273	5,308
Total Expenditure		<u>10,042</u>	<u>6,485</u>	<u>-</u>	<u>16,527</u>	<u>17,468</u>
Net (expenditure)/ income before investment (losses)/gains		<u>(449)</u>	<u>1,518</u>	<u>-</u>	<u>1,069</u>	<u>1,442</u>
Net (losses)/gains on investments						
Investment property	5	(5)	-	153	148	509
Listed investments	6	(34)	(635)	(93)	(762)	299
Total net (losses)/gains on investments		<u>(39)</u>	<u>(635)</u>	<u>60</u>	<u>(614)</u>	<u>808</u>
Net (expenditure)/ income before transfers		<u>(488)</u>	<u>883</u>	<u>60</u>	<u>455</u>	<u>2,250</u>
Gross transfers between funds	13	<u>(170)</u>	<u>(1,815)</u>	<u>1,985</u>	<u>-</u>	<u>-</u>
Net (expenditure)/ income		<u>(658)</u>	<u>(932)</u>	<u>2,045</u>	<u>455</u>	<u>2,250</u>
Other recognised losses						
Non investment property	7	-	-	(1,690)	(1,690)	(477)
Net movement in funds		<u>(658)</u>	<u>(932)</u>	<u>355</u>	<u>(1,235)</u>	<u>1,773</u>
Reconciliation of funds:						
Total funds brought forward		7,253	10,807	46,982	65,042	63,269
Total funds carried forward		<u>6,595</u>	<u>9,875</u>	<u>47,337</u>	<u>63,807</u>	<u>65,042</u>

The notes numbered 1 to 24 and the appendix which contains comparative information form part of these accounts.

The Statement of Financial Activities includes all gains and losses recognised in the year.

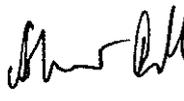
**Consolidated balance sheet
at 31 March 2020**

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2020	Total Funds 2019
	Note	£'000	£'000	£'000	£'000	£'000
Fixed Assets						
Investment assets						
Property	5	723	625	29,303	30,651	30,013
Listed Investments	6	652	7,358	1,938	9,948	10,644
		<u>1,375</u>	<u>7,983</u>	<u>31,241</u>	<u>40,599</u>	<u>40,657</u>
Tangible fixed assets						
International Study Centre	7	-	-	5,808	5,808	5,808
Other property	7	438	-	10,264	10,702	10,407
Other tangible assets	9	1,626	-	-	1,626	1,037
		<u>2,064</u>	<u>-</u>	<u>16,072</u>	<u>18,136</u>	<u>17,252</u>
Total fixed assets		<u>3,439</u>	<u>7,983</u>	<u>47,313</u>	<u>58,735</u>	<u>57,909</u>
Current Assets						
Stocks	10	267	-	-	267	291
Debtors	11	2,637	100	-	2,737	2,840
Cash at bank and in hand		4,303	1,792	24	6,119	8,356
		<u>7,207</u>	<u>1,892</u>	<u>24</u>	<u>9,123</u>	<u>11,487</u>
Liabilities due within one year						
Creditors	12	4,051	-	-	4,051	4,354
Net current assets		<u>3,156</u>	<u>1,892</u>	<u>24</u>	<u>5,072</u>	<u>7,133</u>
Total net assets		<u>6,595</u>	<u>9,875</u>	<u>47,337</u>	<u>63,807</u>	<u>65,042</u>
Funds						
General	13	6,536	-	-	6,536	7,194
Designated	13	59	-	-	59	59
Restricted	13	-	9,836	-	9,836	10,773
Trust Funds	13	-	39	1,943	1,982	2,070
Corporate Estate	13	-	-	45,394	45,394	44,946
		<u>6,595</u>	<u>9,875</u>	<u>47,337</u>	<u>63,807</u>	<u>65,042</u>

Revaluation reserves of £1.939million (2019: £2.514million) are included in the above funds relating to non-property investments of which £0.627m (2019: £0.719m) relates to the permanent fund, £1.072m (2019: £1.538m) to restricted funds and £0.239m (2019: £0.257m) to general funds. The revaluation reserve for property cannot be determined given the historic nature of some of the property.

The financial statements were approved and authorised for issue by the Chapter on 26/02/2021 and signed on their behalf by:


Robert Willis
Dean


Andrew Dodd
Canon Treasurer

The notes numbered 1 to 24 and the appendix which contains comparative information form part of these accounts.

Entity-only balance sheet
at 31 March 2020

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2020	Total Funds 2019
	Note	£'000	£'000	£'000	£'000	£'000
Fixed Assets						
Investment assets						
Property	5	723	625	29,303	30,651	30,013
Listed investments	6	652	7,358	1,938	9,948	10,644
Investment in Subsidiary	23	190	-	-	190	190
		<u>1,565</u>	<u>7,983</u>	<u>31,241</u>	<u>40,789</u>	<u>40,847</u>
Tangible fixed assets						
International Study Centre	7	-	-	5,808	5,808	5,808
Other property	7	438	-	10,264	10,702	10,407
Other tangible assets	9	1,537	-	-	1,537	1,027
		<u>1,975</u>	<u>-</u>	<u>16,072</u>	<u>18,047</u>	<u>17,242</u>
Total fixed assets		<u>3,540</u>	<u>7,983</u>	<u>47,313</u>	<u>58,836</u>	<u>58,089</u>
Current Assets						
Stocks	10	105	-	-	105	134
Debtors	11	2,755	100	-	2,855	2,903
Cash at bank and in hand		4,181	1,792	24	5,997	8,193
		<u>7,041</u>	<u>1,892</u>	<u>24</u>	<u>8,957</u>	<u>11,230</u>
Liabilities due within one year						
Creditors	12	4,038	-	-	4,038	4,281
		<u>3,003</u>	<u>1,892</u>	<u>24</u>	<u>4,919</u>	<u>6,949</u>
Net current assets		<u>3,003</u>	<u>1,892</u>	<u>24</u>	<u>4,919</u>	<u>6,949</u>
Total net assets		<u>6,543</u>	<u>9,875</u>	<u>47,337</u>	<u>63,755</u>	<u>65,038</u>
Funds						
General		6,486	-	-	6,486	7,190
Designated	13	59	-	-	59	59
Restricted	13	-	9,836	-	9,836	10,773
Trust Funds	13	-	39	1,943	1,982	2,070
Corporate Estate	13	-	-	45,394	45,394	44,946
		<u>6,545</u>	<u>9,875</u>	<u>47,337</u>	<u>63,757</u>	<u>65,038</u>

Revaluation reserves of £1.939million (2019: £2.514million) are included in the above funds relating to non-property investments of which £0.627m (2019: £0.719m) relates to the permanent fund, £1.072m (2019: £1.538m) to restricted funds and £0.239m (2019: £0.257m) to general funds. The revaluation reserve for property cannot be determined given the historic nature of some of the property.

The financial statements were approved and authorised for issue by the Chapter on 26/02/2021 and signed on their behalf by:


Robert Willis
Dean


Andrew Dodd
Canon Treasurer

The notes numbered 1 to 24 and the appendix which contains comparative information form part of these accounts.

Canterbury Cathedral

35.

Consolidated cashflow statement
For the year ended 31 March 2020

	2020 £'000	2019 £'000
Cash flow statement		
Net cash (used in)/provided by operating activities	<u>(982)</u>	<u>852</u>
Cash flows from investing activities		
Income from property (net)	1,651	1,394
Income from investments (net)	409	419
Purchase of investments	(68)	-
Purchase of tangible fixed assets	<u>(3,247)</u>	<u>(2,883)</u>
Net cash used in investing activities	<u>(1,255)</u>	<u>(1,070)</u>
Reconciliation of net cash flow to movement in net funds		
(Decrease) in cash in year	(2,237)	(218)
Net funds at 1 April	8,356	8,574
Net funds at 31 March	<u>6,119</u>	<u>8,356</u>

Reconciliation of net income before investment gains and losses to net cash (used in)/provided by operating activities

	£'000	£'000
Net income before investment (losses)/gains for the reporting period (as per the SOFA)	1,069	1,442
Adjustments for:		
Income from property (net)	(1,651)	(1,394)
Income from investments (net)	(409)	(419)
Depreciation	182	198
(Increase)/Decrease in stocks	24	(54)
Decrease in debtors	105	156
(Decrease)/Increase in creditors	<u>(302)</u>	<u>923</u>
Net cash (used in)/provided by operating activities	<u>(982)</u>	<u>852</u>

Analysis of cash and cash equivalents and net funds

	£'000	£'000
Cash at bank and in hand	<u>6,119</u>	<u>8,356</u>
Total cash and cash equivalents	<u>6,119</u>	<u>8,356</u>

Canterbury Cathedral

Principal Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of Preparation of accounts

These accounts have been prepared for the year ended 31 March 2020 with comparative information given in respect to the year to 31 March 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies or other notes to these accounts.

The accounts have been prepared in accordance with the Regulations on Accounting and Reporting by English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Canterbury Cathedral is an ecclesiastical corporation and constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and rounded to the nearest thousand pounds.

Basis of consolidation

The group accounts consolidate the accounts of the Cathedral and its subsidiaries, Cathedral Enterprises Limited and the Ivor Read Charity. The Cathedral's total income for the year was £17,596,000 (2019: £18,910,000) and its net income for the year was £1,069,000 (2019: £1,442,000).

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Chapter and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- assessing the probability of receipt of legacy income and determining the amount to be recognised as income in the accounts;
- estimating the useful economic life of tangible fixed assets for the purposes of determining a depreciation charge;
- assessing the appropriateness of the assumptions and methodology used in determining the fair value of investment and non-investment properties;
- assessing the need for any provision against slow moving or obsolete stock;
- assessing the recoverability of outstanding debtors and the need for any provision for bad or doubtful debts;
- determining the value of designated funds needed at the year end to meet specific future expenditure;
- assessing the basis for the allocation of support costs;
- estimating future income and expenditure flows and assessing the impact of the Covid19 pandemic on the future of the organisation and the basis for preparing the accounts; and
- estimating the VAT liability.

Assessment of going concern

The Chapter has assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Chapter has made this assessment in respect to a period of at least one year from the date of approval of these accounts.

Principal Accounting Policies

The Covid 19 pandemic has had a significant financial impact on the Cathedral. The Cathedral, its hotel and conference centre and shop were closed from 23 March 2020 through to 5 July 2020. Income during this period was minimal. The majority of staff were furloughed and cost cutting measures considered. From 6 July through to 5 November we were able to welcome a limited number of visitors. A number of measures have been introduced to ensure that the risk of catching Coronavirus whilst at the Cathedral is minimum. Since Early November the Cathedral has been closed to visitors. Further information is included in note 24 to the accounts.

The pandemic continues and Chapter is undertaking a major restructure of the organisation. In addition the Chapter has taken out a Coronavirus Business Interruption Loan with its bankers. As a result of these actions and in spite of the continuing uncertainty, the Chapter has concluded that the level of uncertainty does not cast significant doubt on the ability of the Cathedral to continue as a going concern. The Chapter is of the opinion that the Cathedral will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the Cathedral has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, grants, charges and fees arising in the course of mission, income from trading and fundraising activities and investment income.

Donations (including income from offertory and similar collections) are recognised when the Cathedral has confirmation of both the amount and the settlement date. When donations are pledged but not received, the income is accrued for when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Cathedral is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Cathedral and it is probable that those conditions will be fulfilled within the reporting period.

When a third party pays for goods or services on behalf of the Cathedral the cost is shown as both a donation and expenditure in the statement of financial activities. Similarly, donated goods and services are valued on an arm's length basis and shown as income and either capital or revenue expenditure as appropriate. No monetary value is placed on the services provided by Cathedral volunteers.

Legacies are recognised in the statement of financial activities when the chapter is satisfied that:

- the Cathedral is entitled to the legacy,
- the value of the legacy can be reliably estimated,
- the executors have established that there are sufficient surplus assets in the estate to pay the legacy and that receipt of the legacy is therefore probable and
- fulfilment of any conditions attached to the legacy is wholly in the control of the Cathedral.

Grants from government and other agencies, including the National Lottery Heritage Fund, have been included as grants in support of mission. Income is deferred when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Income from charges and fees arising in the course of mission are recognised as and when the related goods or services are provided.

Income generated from the activities of the trading subsidiary comprises income from the Cathedral shop, catering and external work carried out by the Cathedral's stained glass and stonemasons' departments. It is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable; this is normally upon notification from the bank of the interest payable or paid.

Income from the rental of properties is recognised when the income is receivable under the lease document, when the amount can be measured reliably and it is probable such income will be received.

Canterbury Cathedral

Principal Accounting Policies

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Cathedral to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure category. The classification between activities is as follows:

- Expenditure on raising funds comprises the costs incurred by the trading subsidiary, investment property management costs, the costs of facilities provided to visitors, fundraising costs and support costs.
- Other expenditure comprises the costs of Ministry, cathedral and precincts upkeep, education and outreach and the Canterbury Journey project. Such costs include staff costs and other direct overheads attributable to those purposes.

A detailed analysis of the expenditure is provided in note 4.
All expenditure is stated inclusive of irrecoverable VAT.

Support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary object of the Cathedral it is necessary to provide support in the form of administration and financial procedures, information technology, personnel and training. Support costs are apportioned based on estimated time spent per category. Governance costs include audit fees and relevant expenditure relating to specific meetings and are included within support costs.

Investment in subsidiary company

The Cathedral's investment in its subsidiary company is included on the Cathedral's balance sheet at cost.

Investment and non-investment properties

Freehold properties are included in the balance sheet at market value as detailed in the notes to the accounts with the exception of the International Study Centre which is included at depreciated replacement cost. Properties are classed as investments or tangible fixed assets according to their use.

Listed Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The Cathedral and its Ancillary buildings

No value is attributed in these accounts to the Cathedral and its ancillary buildings on the basis that the buildings are of a unique historic nature and are held primarily for the mission of the Cathedral. The nature and construction of the buildings are such that conventional valuation approaches lack sufficient reliability. The cost of providing a full valuation would be significant and onerous compared with the benefit derived by users of the accounts. A value is agreed for insurance purposes which represents the cost of restoration and repair in the event of a serious loss.

Principal Accounting Policies

Heritage Assets and Inventory

The Chapter does not consider that reliable cost or valuation information can be obtained for items recorded in inventory prepared under s24 of the Care of Cathedrals Measure 2011. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the accounts.

Similarly, the Chapter considers that obtaining valuations for the books, manuscripts and artefacts and other heritage assets in its care would involve disproportionate cost compared with the benefit derived by users of the accounts. Consequently no values are attributed to heritage assets in the balance sheet.

Heritage assets acquired are not capitalised in the balance sheet. The Chapter considers that the inclusion of isolated assets would give the reader of the accounts a false impression of the true value of heritage assets in its care.

The Cathedral has a policy of retaining its heritage assets for the long term and cannot dispose of these assets without the agreement of the Cathedral Fabric Commission for England (CFCE)/Church Commissioners. Heritage items are generally acquired by donation.

Expenditure to preserve and maintain objects recorded in the Inventory or held as heritage assets is recognised in the statement of financial activities in the year that the expenditure is incurred.

Other fixed assets

Items of plant, machinery, vehicles, office equipment, loose tools, furniture and fittings costing in excess of £250 are capitalised and depreciated at rates calculated to write off the cost on a straight line basis in order to write off their original cost over the expected useful lives of the assets concerned as follows:

- Motor vehicles – 5 years
- Computer and telephone system – 3 years
- Fire alarm system – 10 years
- Shop fittings – 8 years
- Other furniture, fixtures and fittings – 5 years
- Scaffolding - 10 years

Stock and work in progress

Stock and work-in-progress are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or that have a maturity of less than three months from the date of investment or acquisition. Deposits made for longer than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Chapter anticipates it will pay to settle the debt.

Canterbury Cathedral

Principal Accounting Policies

Funds held as Trustee

In addition to the Trust Funds which are for the benefit of the Cathedral and included in Restricted Funds, the Chapter acts as Trustee for a number of other Trust Funds of which the Cathedral is not a beneficiary. These funds are included as creditors in the financial statements of the Cathedral.

Funds structure

Funds are divided between Permanent, Restricted and Unrestricted funds. These are described in note 1 to these accounts.

Pensions

The Chapter operates a money purchase pension scheme with defined contribution levels together with a Group Personal Pension Scheme whereby the Chapter agrees to pay, for eligible employees, a defined contribution into the member's individual pension plan. The charge in the Statement of Financial Activities represents the amounts payable in respect of the year.

The Cathedral also participates in the Church of England Funded Pension Scheme which is a defined benefit scheme. It is not possible to identify the assets and liabilities that are attributable to the Cathedral and therefore the normal contributions to the scheme are recognised when payable. The present value of the expected deficit recovery contributions is recognised as a liability at the balance sheet date. The amount is reviewed annually taking into account any changes to the deficit contribution rate or the implicit rate of interest used in discounting the liability.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

**Notes to the financial statements
for the year ended 31 March 2020**

1 Funds

Funds are divided between Permanent, Restricted and Unrestricted.

1.1 The **Permanent Fund** represents the Corporate Estate of the Chapter and, as an endowment fund, cannot be expended, although it may be realised and reinvested in a different form. Also included is the capital of trust funds of which the Chapter is the Trustee and which are for the benefit of the Cathedral.

1.2 The **Restricted Funds** may only be applied for particular purposes. Brief descriptions of these Funds are:

Fabric Maintenance Fund

This fund may only be applied towards repairs and major works of refurbishment to the fabric of the Cathedral.

Music and Choir Fund

This fund may only be used to meet the costs of the Choir and the provision of Music in the Cathedral generally.

International Study Centre (I S C) Capital Fund

This fund receives all donations, grants and legacies that are specified to be used in connection with the International Study Centre.

ISC Scholarship Fund

This fund receives donations, grants and legacies specified for use towards the courses and training run by The Chapter of Canterbury for new Bishops and Seminarians.

Other Restricted Funds

This group includes other funds (including any accumulated income from trust funds) which have been given for various specific purposes.

1.3 The **Unrestricted Funds** are those which can be applied for any of the purposes for which the Chapter was established.

General Fund

This is the main unrestricted fund through which are passed all the regular items of income and expenditure relating to the day-to-day running of the Cathedral.

Designated Funds

When appropriate the Chapter will set aside sums within unrestricted funds for certain specified purposes. These are termed "Designated Funds". If in due course they are not required for those purposes they may be transferred back to the General Fund.

1.4 In addition to the Trust Funds which are for the benefit of the Cathedral and included in the Restricted Funds mentioned above, the Chapter acts as Trustee for a number of other Trust Funds of which the Cathedral is not a beneficiary. These funds are included as creditors in the accounts of the Cathedral.

Notes to the financial statements
for the year ended 31 March 2020

2 Income and endowments from:

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total funds 2019 £'000
Donations and legacies						
Donations	228	40	268	209	71	280
Gift aid on donations	19	-	19	18	-	18
The Friends of Canterbury Cathedral	516	90	606	9	58	67
The Friends of Canterbury Cathedral - Canterbury Journey (note 14)	-	18	18	-	10	10
Canterbury Cathedral Trust Fund	4	1,394	1,398	12	1,761	1,773
Canterbury Cathedral Trust Fund - Canterbury Journey (note 14)	-	2,756	2,756	-	3,013	3,013
Legacies	-	2	2	67	-	67
	<u>767</u>	<u>4,300</u>	<u>5,067</u>	<u>315</u>	<u>4,913</u>	<u>5,228</u>
Grants in support of mission						
Church Commissioners	-	307	307	-	271	271
Heritage Lottery Fund - Canterbury Journey (note 14)	-	2,945	2,945	-	3,838	3,838
Other	110	48	158	-	172	172
	<u>110</u>	<u>3,300</u>	<u>3,410</u>	<u>-</u>	<u>4,281</u>	<u>4,281</u>
Charges and fees arising in the course of mission						
Facility fees	250	-	250	260	-	260
International Study Centre	1,720	-	1,720	1,836	-	1,836
Library, Archives, Schools and Courses income	47	-	47	55	-	55
	<u>2,017</u>	<u>-</u>	<u>2,017</u>	<u>2,151</u>	<u>-</u>	<u>2,151</u>
Trading and fundraising						
Admission fees from visitors	3,245	-	3,245	3,353	-	3,353
Gift aid on annual admissions	98	-	98	108	-	108
Other income from visitors	107	-	107	115	-	115
Gross income from trading and other activities	1,165	-	1,165	1,137	-	1,137
	<u>4,615</u>	<u>-</u>	<u>4,615</u>	<u>4,713</u>	<u>-</u>	<u>4,713</u>
Investments						
Property	2,036	42	2,078	2,076	42	2,118
Listed investments and interest receivable	48	361	409	43	376	419
	<u>2,084</u>	<u>403</u>	<u>2,487</u>	<u>2,119</u>	<u>418</u>	<u>2,537</u>
Total income	<u>9,593</u>	<u>8,003</u>	<u>17,596</u>	<u>9,298</u>	<u>9,612</u>	<u>18,910</u>

3 Expenditure on:

Raising Funds						
Costs of facilities for visitors	486	-	486	530	-	530
Gross costs of trading and other activities	1,039	-	1,039	1,087	-	1,087
Investment property costs	427	-	427	724	-	724
Support services (note 20)	520	-	520	463	-	463
	<u>2,472</u>	<u>-</u>	<u>2,472</u>	<u>2,804</u>	<u>-</u>	<u>2,804</u>

Notes to the financial statements
for the year ended 31 March 2020

4 Expenditure on Charitable Activities:	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	funds	funds	funds	funds
	2020	2020	2020	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Ministry						
Clergy stipends and working expenses	103	148	251	113	148	261
Clergy housing costs	510	-	510	409	-	409
Services and music costs	857	581	1,438	943	410	1,353
Major repairs & restoration	-	31	31	-	1	1
Support services (note 20)	317	-	317	286	-	286
	<u>1,787</u>	<u>760</u>	<u>2,547</u>	<u>1,751</u>	<u>559</u>	<u>2,310</u>
Cathedral and precincts upkeep						
Major repairs and restoration	-	59	59	-	167	167
Organ Project	-	1,225	1,225	-	1,705	1,705
Maintenance and interior upkeep	449	442	891	369	68	437
Cathedral insurance	147	-	147	121	-	121
Precincts, security and gardens upkeep	883	3	886	787	3	790
Support services (note 20)	546	-	546	485	-	485
	<u>2,025</u>	<u>1,729</u>	<u>3,754</u>	<u>1,762</u>	<u>1,943</u>	<u>3,705</u>
Education and outreach						
International Study Centre	1,507	-	1,507	1,584	-	1,584
Schools department & courses	155	90	245	111	164	275
Education of craft apprentices	77	-	77	74	10	84
Archives and library	183	-	183	183	132	315
Charitable giving	133	-	133	134	-	134
Support services (note 20)	334	-	334	299	-	299
	<u>2,389</u>	<u>90</u>	<u>2,479</u>	<u>2,385</u>	<u>306</u>	<u>2,691</u>
Other expenditure						
VAT liability (see below)	-	2	2	650	-	650
The Canterbury Journey Project (note 14)						
Major repairs, conservation and improvements	1,167	2,951	4,118	587	3,725	4,312
Exhibition, education and interpretation	-	488	488	4	263	267
Professional fees	196	168	364	248	205	453
Direct staff and other costs	6	297	303	-	276	276
	<u>1,369</u>	<u>3,904</u>	<u>5,273</u>	<u>839</u>	<u>4,469</u>	<u>5,308</u>
Total	<u><u>7,570</u></u>	<u><u>6,485</u></u>	<u><u>14,055</u></u>	<u><u>7,387</u></u>	<u><u>7,277</u></u>	<u><u>14,664</u></u>

Other expenditure: VAT liability

Following a review by the Cathedral's VAT advisors in 2019, the Chapter believes that VAT had not been correctly treated on supplies of educational services. In addition, a partial exemption calculation had not been applied to VAT recovered through the Cathedral Banding Scheme. As a result a provision was made in 2019 for the amount of VAT estimated as due to HMRC. HMRC were notified and discussions are ongoing with them.

Notes to the financial statements
for the year ended 31 March 2020

5 Investment property

	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Fund £'000	Total £'000
Market value at 1 April 2019	238	625	29,150	30,013
Additions	490	-	-	490
Net (decrease)/increase on revaluation	(5)	-	153	148
Market value 31 March 2020	<u>723</u>	<u>625</u>	<u>29,303</u>	<u>30,651</u>
Net increase on revaluation year ended 31 March 2019	<u>-</u>	<u>-</u>	<u>509</u>	<u>509</u>

All investment property is freehold and appears at Market Value. The valuations have been made for the purpose of these accounts by the Estates Surveyor Mrs N. Beldin BSc(Hons), MRICS. They are based on various specific assumptions regarding occupation and use appropriate to each property at the balance sheet date using her knowledge of the property market in Canterbury, which has been supplemented by advice on the value of some properties by an independent firm of Chartered Surveyors. Whilst the Coronavirus pandemic has had an impact on global financial markets, the impact on the real estate market is not yet clear. Valuations have therefore been reported on the basis of "material valuation uncertainty" in line with RICS guidance. Valuations will be kept under frequent review.

6 Listed Investments

	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Fund £'000	Total £'000
Market value at 1 April 2019	679	7,934	2,031	10,644
Additions	7	61	-	68
Disposals	-	(2)	-	(2)
Net gains on disposals and revaluations	(34)	(635)	(93)	(762)
Market value 31 March 2020	<u>652</u>	<u>7,358</u>	<u>1,938</u>	<u>9,948</u>
Analysed as follows:				
Sarasin Endowments Fund Units	652	6,282	1,602	8,536
Schroder Charity Multi-Asset Fund Units	-	600	-	600
Schroder Income Fund Units	-	476	-	476
COIF Units	-	-	319	319
CBF Investments	-	-	17	17
	<u>652</u>	<u>7,358</u>	<u>1,938</u>	<u>9,948</u>

Investment values fell significantly between the end of January 2020 and end of March 2020 as a result of the economic uncertainty associated with the Coronavirus pandemic. By June 2020 values had recovered to pre-Coronavirus levels.

7 Tangible Fixed Assets: Non-investment properties

International Study Centre (ISC)	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Fund £'000	Total £'000
Depreciated replacement cost value at 1 April 2019	-	-	5,808	5,808
Depreciated replacement cost value at 31 March 2020	<u>-</u>	<u>-</u>	<u>5,808</u>	<u>5,808</u>

The decrease in valuation for the year ended 31 March 2019 was £Nil

Other non investment property

	Unrestricted Fund £'000	Restricted Fund £'000	Permanent Fund £'000	Total £'000
Market value at 1 April 2019	438	-	9,969	10,407
Additions	-	-	1,985	1,985
Net decrease on revaluation	-	-	(1,690)	(1,690)
Market value 31 March 2020	<u>438</u>	<u>-</u>	<u>10,264</u>	<u>10,702</u>
Non-investment properties are held and used as follows:				
At 31 March 2020				
for Cathedral clergy, choir and staff housing	-	-	6,038	6,038
for Cathedral trading activities	-	-	2,700	2,700
for Cathedral maintenance and administration	438	-	1,526	1,964
	<u>438</u>	<u>-</u>	<u>10,264</u>	<u>10,702</u>
At 31 March 2019				
for Cathedral clergy, choir and staff housing	-	-	5,976	5,976
for Cathedral trading activities	-	-	2,467	2,467
for Cathedral maintenance and administration	438	-	1,526	1,964
	<u>438</u>	<u>-</u>	<u>9,969</u>	<u>10,407</u>
Net decrease on revaluation year ended 31 March 2019	<u>-</u>	<u>-</u>	<u>(477)</u>	<u>(477)</u>

Notes to the financial statements for the year ended 31 March 2020

7 Continued

All the non-investment properties are freehold: they are valued for the purpose of these accounts by the Estates Surveyor, Mrs N.Beldin BSc(Hons), MRICS, in accordance with the Regulations on Accounting and Reporting by English Anglican Cathedrals. Properties are revalued on a rolling 5 year cycle. As for the investment properties, the valuations are reported on the basis of "material valuation uncertainty" in line with RICS guidance.

The ISC has been valued on a depreciated replacement cost basis, as provided for in the Cathedral Regulations.

The valuations of other non investment properties are based on various specific assumptions regarding occupation and use of each property at the balance sheet date with, where appropriate, allowance being made for deferment to the date when legal possession can be obtained of properties occupied by members of the Chapter and staff under the terms of their employment.

In accordance with the Regulations, no value has been attributed to the Cathedral and its ancillary buildings (see note 8).

8 Assets not recognised in the Balance Sheet

Cathedral, Ancillary Buildings and Inventory

The history of Canterbury Cathedral goes back to 597AD when St Augustine, sent by Pope Gregory the Great as a missionary, established his seat (or 'Cathedra') in Canterbury. The oldest part of the current building is the crypt which dates back to the 11th century. The rest of the existing building was mostly constructed between 1175 and 1405 and was substantially completed in its current form by 1498. It stands in the centre of Canterbury within its own walled precincts surrounded by medieval buildings and ruins. Parts of the monastery's Granary, Bakery and Brewery still stand along with a Romanesque Water Tower which was once the centre of the monastic water supply. The Chapter House leading off the Cloisters is the largest of its kind in England. The Cathedral has some of the finest stained glass in the country including some which dates to the 12th and 13th centuries.

Objects considered to be of architectural, archaeological, artistic or historic interest are recorded in the Inventory in accordance with S13(1) of the Care of Cathedrals Measure 1990. These objects are held primarily for use by the Cathedral in its mission or have been vested in Chapter over time and are held as part of the historical record of the Cathedral.

No value is attributed to the Cathedral, ancillary buildings or items recorded in the Inventory as explained in the accounting policy note.

The Chapter has a statutory duty under the Cathedrals Measure 1999 to manage and maintain the Cathedral, its contents and other buildings and monuments. Chapter has a planned programme of major restoration works to the Cathedral and other buildings which is informed by a full quinquennial review by the Surveyor to the Fabric. Works are overseen by the Clerk of Works and the Surveyor to the Fabric. The majority of the conservation and repair is carried out by highly skilled craftsmen and women employed by the Cathedral.

Conservation and Management of Heritage Assets

No value is attributed to Heritage Assets as explained in the accounting policy note.

Since the Reformation, a series of donations have formed the core of the holdings now in the Cathedral Library. The Library contains about 30,000 books and pamphlets printed before 1900, and an expanding collection of some 20,000 books and serials published in the 20th and 21st centuries. It is particularly rich in books on church history, older theology, national and local history, travel, natural science, medicine and the anti-slavery movement.

Notes to the financial statements
for the year ended 31 March 2020

8 Continued

The Cathedral also has an archive which dates from the 8th century and is particularly rich in charters, accounts and court material from the Middle Ages. Amongst other records it includes records of the Cathedral's estates, records relating to the Cathedral and precincts buildings, records relating to the monks, clergy and lay personnel of the Cathedral, and surviving manuscripts and service books from the medieval Cathedral.

The Cathedral Archive is also home to two very significant collections of artefacts. The first of these is the original silk vestments of Archbishop Hubert Walter (d.1205). The second is the collection of objects acquired by Dr John Bargrave, a canon of Canterbury Cathedral, during his travels around Europe between 1645 and 1660.

The collections in the Library and Archive are managed by a Librarian and Archivist. The collections are maintained under strictly controlled environmental conditions to ensure their long term protection. Necessary conservation works are carried out by trained conservators. The Library and Archive welcomes researchers with interests in the collections. Due to its unique nature, access to parts of the collection is restricted although the Bargrave Collection is available as a virtual tour through the Cathedral's website.

In the year there were 47 accessions to the Archives collections including a number of items relating to the cathedral choir and 134 new items added to the printed book collection.

9 Other tangible fixed assets

	Shop fixtures and fittings £'000	Other fixed assets & fire alarm system £'000	Computers and telephone system £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2019	464	2,926	1,097	166	4,653
Additions	89	582	100	-	771
Disposals	(360)	-	-	-	(360)
At 31 March 2020	193	3,508	1,197	166	5,064
Depreciation					
At 1 April 2019	454	2,063	976	123	3,616
Charge for year	10	94	67	11	182
Depreciation on disposals	(360)	-	-	-	(360)
At 31 March 2020	104	2,157	1,043	134	3,438
Net book values					
At 31 March 2020	89	1,351	154	32	1,626
At 31 March 2019	10	863	121	43	1,037
Entity-only balance sheet (i.e. excluding shop fixtures and fittings)					
Net book values at 31 March 2020		1,351	154	32	1,537
Net book values at 31 March 2019		863	121	43	1,027

Notes to the financial statements
for the year ended 31 March 2020

	Unrestricted	
	2020	2019
	£'000	£'000
10 Stocks		
General Stock	45	49
Stock of Stone	60	85
Entity stocks	105	134
Shop trading stocks	162	157
Total stocks	267	291
11 Debtors		
Trade debtors including rent receivable	374	627
Amounts owed by related undertakings	1,102	559
Amounts owed in respect to The Canterbury Journey	294	577
VAT	247	266
Other debtors	620	381
Total unrestricted fund debtors	2,637	2,410
Restricted fund legacies receivable and investment income	100	430
	2,737	2,840
Entity debtors		
Trade debtors including rent receivable	410	593
Amounts owed by related undertakings	1,102	559
Grants owed in respect to The Canterbury Journey	294	577
VAT	247	266
Other debtors	592	336
Amounts owed by subsidiary company	110	142
Total unrestricted fund debtors	2,755	2,473
Restricted fund legacies receivable and investment income	100	430
	2,855	2,903
12 Creditors		
Expense creditors	796	671
Rent and insurance in advance	352	479
VAT	655	652
Taxation	118	112
Accruals	1,005	1,475
Other creditors	1,125	963
Total unrestricted fund creditors	4,051	4,352
Restricted fund other creditors and accruals	-	2
	4,051	4,354
Entity creditors		
Expense creditors	806	639
Rent and insurance in advance	352	479
VAT	650	650
Taxation	118	112
Accruals	988	1,436
Other creditors	1,124	963
Total unrestricted fund creditors	4,038	4,279
Restricted fund other creditors and accruals	-	2
	4,038	4,281

The Chapter acts as trustee for a number of trusts which are not for the benefit of Canterbury Cathedral. The value of the trusts at 31 March 2020 included within creditors on the balance sheet and which are represented by investments and cash was £219,571 (2019: £206,284).

Notes to the financial statements
for the year ended 31 March 2020

13 Analysis of consolidated reserves

	Opening balance £'000	Income £'000	Expenditure £'000	Transfers between funds £'000	Capital losses £'000	Closing balance £'000
Income Funds						
Unrestricted Funds						
The Cathedral including Cathedral Enterprises	7,194	9,593	(10,042)	(170)	(39)	6,536
Designated for future marketing to visitors	57	-	-	-	-	57
Designated for future costs for the Girls' choir	2	-	-	-	-	2
	<u>7,253</u>	<u>9,593</u>	<u>(10,042)</u>	<u>(170)</u>	<u>(39)</u>	<u>6,595</u>
Restricted Funds						
Fabric Maintenance	2,537	168	(291)	-	(106)	2,308
Ivor Read Fabric Maintenance Fund	3,762	118	(66)	-	(421)	3,393
The Ivor Read Charity	667	58	-	-	-	725
ISC Capital	550	3	-	-	-	553
Music and Choir (incorporating Cathedral Organ)	2,068	1,503	(1,791)	-	(81)	1,699
Chapels	38	-	(2)	-	-	36
Church Commissioners	-	307	(307)	-	-	-
Canterbury Journey Fund (see note 14)	126	5,720	(3,904)	(1,815)	-	127
Friends	109	3	-	-	(4)	108
ISC Scholarship	654	40	(40)	-	(23)	631
Jackman	117	1	(35)	-	-	83
Triforium	38	-	-	-	-	38
Other	107	64	(36)	-	-	135
Total restricted funds	<u>10,773</u>	<u>7,985</u>	<u>(6,472)</u>	<u>(1,815)</u>	<u>(635)</u>	<u>9,836</u>
Trust Fund Income balances						
For the benefit of Music and Choir	22	15	(9)	-	-	28
For the benefit of the cathedral and precincts	8	3	(4)	-	-	7
For the benefit of education, the library and Archives	4	-	-	-	-	4
	<u>34</u>	<u>18</u>	<u>(13)</u>	<u>-</u>	<u>-</u>	<u>39</u>
Total restricted and Trust Fund income balances	<u>10,807</u>	<u>8,003</u>	<u>(6,485)</u>	<u>(1,815)</u>	<u>(635)</u>	<u>9,875</u>
Permanent Funds						
Corporate estate of the Cathedral	<u>44,946</u>	-	-	<u>1,985</u>	<u>(1,537)</u>	<u>45,394</u>
Trust fund capital balances						
For the benefit of Music and Choir						
A G Halford Bequest	187	-	-	-	(5)	182
Spence Cathedral Choir Fund	1,642	-	-	-	(80)	1,562
Crawford Benefaction	51	-	-	-	(2)	49
Other	46	-	-	-	(2)	44
	<u>1,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89)</u>	<u>1,837</u>
For the benefit of the cathedral and precincts						
FE Cleary precincts fund	74	-	-	-	(2)	72
Other	22	-	-	-	(2)	20
	<u>96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>92</u>
For the benefit of education, the library, archives						
WE/EM Church endowment fund	14	-	-	-	-	14
Total Trust fund capital balances	<u>2,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>1,943</u>
Total permanent and Trust Fund capital	<u>46,982</u>	<u>-</u>	<u>-</u>	<u>1,985</u>	<u>(1,630)</u>	<u>47,337</u>
Total reserves	<u>65,042</u>	<u>17,596</u>	<u>(16,527)</u>	<u>-</u>	<u>(2,304)</u>	<u>63,807</u>

Comparative information for the year ended 31 March 2019 is included in the appendix.

Notes to the financial statements
for the year ended 31 March 2020

14 The Canterbury Journey Project

	Unrestricted £ 000	Restricted £ 000	2020 Total £ 000	2019 Total £ 000
Income				
HLF Grant	-	2,945	2,945	3,838
Canterbury Cathedral Trust Fund	-	2,756	2,756	3,013
Friends of Canterbury Cathedral	-	18	18	10
Other	64	1	65	9
	<u>64</u>	<u>5,720</u>	<u>5,784</u>	<u>6,870</u>
Expenditure				
Project Costs	(1,369)	(3,904)	(5,273)	(5,308)
	<u>(1,305)</u>	<u>1,816</u>	<u>511</u>	<u>1,562</u>
Transfer of funds to meet capitalised project costs	-	(1,815)	(1,815)	(2,091)
	<u>(1,305)</u>	<u>1</u>	<u>(1,304)</u>	<u>(529)</u>

As shown in note 4, costs in the year (£3,904,000) relating to conservation of the Nave roof, western towers, landscaping, interpretation and education, were funded by a Heritage Lottery Fund (HLF) grant and matched funds from Canterbury Cathedral Trust Fund and The Friends of Canterbury Cathedral.

An additional sum of £1,369,000 was incurred by the Cathedral for costs associated with the project. Note 4 shows the break down of these costs.

Further costs of £1,985,000 were incurred towards the construction of the new Welcome Centre and have been capitalised. A sum of £1,815,000 was transferred from restricted and £170,000 from general funds to permanent funds.

15 Commitments under operating leases

The Chapter has a commitment to make payments under an operating lease for photocopiers. This lease expires in January 2023. The commitment shown includes the element of disallowed VAT.

	2020 £ 000	2019 £ 000
Within one year	11	-
Within two to five years	19	-
	<u>30</u>	<u>-</u>

16 Auditor's remuneration

	£'000	£'000
Audit Services	25	21
Other Services - Audit of Subsidiary	5	6
	<u>30</u>	<u>27</u>

17 Employee information

The average weekly number of employees during the year was 227 (2019: 229) full-time equivalents and 372 (2019: 376) based on headcount. These are analysed as follows:

	2020		2019	
	FTE	Headcount	FTE	Headcount
Cathedral staff (including Welcome Centre, Virgers and Music)	42	112	43	129
Works department (including Stained Glass studio)	74	82	65	69
International Study Centre	38	74	38	70
Cathedral shop	13	27	16	26
Administration (including Friends and Security)	60	77	67	82
	<u>227</u>	<u>372</u>	<u>229</u>	<u>376</u>

18 Emoluments of employees and key management personnel

Staff costs (including those in respect to Chapter members) during the year were as follows:

	2020 £'000	2019 £'000
Salaries and Stipends	6,150	5,746
National Insurance Costs	513	483
Other Pension Costs	460	419
	<u>7,123</u>	<u>6,648</u>

**Notes to the financial statements
for the year ended 31 March 2020**

18 Emoluments of employees and key personnel (continued)

There were no employees whose earnings fell in the band of £60,000 to £70,000, three whose earnings fell in the band £70,000 to £80,000, none whose earnings fell in the band £80,000 to £90,000 and one whose earnings fell in the band £110,000 to £120,000 of which 50% was met by Canterbury Cathedral Trust Fund under a joint employment contract. (2019: Two, none, one and none)

Members of the Chapter received the following remuneration in the year:	Salary	Pension Contributions
	£'000	£'000
The Dean	37	12
Canon Librarian	30	19
Archdeacon	36	5
Canon Missioner	30	10
Receiver General	51	5

The other members of the Chapter did not receive any remuneration.

The remuneration of and pension provision for Clerical members of the Chapter was paid in accordance with the scales laid down annually by the National Church Institutions.

Expenses paid to members of the Chapter amounted to £41,130 (2019: £37,065) incurred by nine members of the Chapter. These relate to travelling, hospitality and other working expenses.

Key management personnel include the members of Chapter, the Receiver General, Executive Director of Strategic Development and the Director of Finance and Planning. The total remuneration of key management personnel, including employer's national insurance and pension contributions was £520,779 of which £71,520 was met by Canterbury Cathedral Trust Fund under a joint employment contract.

19 Pensions

The Chapter continued to operate a Group Personal Pension Scheme whereby the Chapter agrees to pay, for eligible employees, a defined contribution into the member's individual pension plan. An insurance company independently administers contributions to the scheme. The pension cost charge represents contributions payable by the Chapter to the scheme and amounted to £397,823 (2019: £355,220). Contributions of £96,031 (2019: £42,734) were payable to the scheme at the year end.

The Chapter continued to operate a money purchase pension scheme with defined contribution levels, which is closed to new members. An insurance company independently administers the scheme. No contributions were payable by the Chapter to the scheme (2019: £Nil).

The Chapter participates in the Church of England Funded Pensions Scheme for stipendiary clergy. 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 FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to 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 statement of financial activities (SoFA) in the year are contributions payable towards benefits and expenses accrued in that year.

There was one active member of the scheme in the year (2019: None)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 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 appropriate assumptions.

The most recent statement shows a balance sheet deficit recovery liability of £6,000 at 31 December 2019. Contributions paid for the year were £7,265.

Notes to the financial statements
for the year ended 31 March 2020

20 Support services

These comprise:

	2020 £000	2019 £000
Administration and finance	1,089	968
Information technology	378	322
Personnel and training	250	243
	<u>1,717</u>	<u>1,533</u>
Support Services include Governance costs of	<u>30</u>	<u>27</u>

These have been apportioned based on estimated time spent per category and these equate to approximately 30% to the cost of generating funds, 19% to ministry, 32% to cathedral and precincts upkeep and 19% to education and outreach (see notes 3 and 4).

21 Corporation Tax

No Corporation Tax is due on any surpluses generated from the sale of spare accommodation capacity in the Cathedral Lodge during the year. There were sufficient tax losses brought forward to cover any potential liability.

22 Capital Commitments

In prior years, The Chapter of Canterbury had entered into contracts associated with The Canterbury Journey project and the rebuilding of the Cathedral's Organ of £18.2 million (2019: £15.2 million). Of those amounts, at the year end £0.4 million (2019: £3.7 million) remained committed but not accrued.

23 Related Entities

23.1 Controlled by the Chapter

The Chapter has one wholly owned subsidiary company, Cathedral Enterprises Limited, (company registration number 3295400 England and Wales) which carries out Cathedral trading activities. Taxable Profits if any are transferred to the Cathedral via a Gift Aid compliant Deed of Covenant. Cathedral Enterprises Ltd pays a commercial rent to the Cathedral for the premises which it occupies. This and other transactions between the two entities are eliminated on consolidation.

The Ivor Read Charity (Charity Registration No 298061) is a registered charity with the principal object of making payment to Canterbury Cathedral for the benefit of the maintenance of the fabric of the cathedral. The Chapter of Canterbury became the sole trustee of the charity on 11 December 2017.

The only asset held by the Ivor Read Charity is land comprising a golf course in the South East of England which has been valued at £625,000 and is included within these accounts as an investment property asset. Rental income is recognised in the consolidated accounts along with any expenditure incurred.

23.2 Not controlled by the Chapter

There are two Charities which are wholly for the benefit of the Cathedral but which are not controlled by the Chapter, these being The Friends of Canterbury Cathedral and The Canterbury Cathedral Trust Fund.

The accounts for the year ended 31 March 2020 are summarised as follows:

	The Friends of Canterbury Cathedral £000	The Canterbury Cathedral Trust £000
Income and Expenditure Account		
Gross Income	<u>493</u>	<u>1,045</u>
Net surplus before revaluation and grant commitments	<u>389</u>	<u>777</u>
Grant funding to Cathedral	<u>648</u>	<u>1,400</u>
Balance Sheet		
Investments	809	4,975
Net Current Assets	777	2,601
Creditors due after one year	-	-
Net Assets	<u>1,586</u>	<u>7,576</u>

Notes to the financial statements for the year ended 31 March 2020

23.2 Not controlled by the Chapter (continued)

The figures are taken from the audited accounts of The Friends of Canterbury Cathedral and Canterbury Cathedral Trust Fund.

Canterbury Cathedral Trust Fund has a policy of recognising grants when they are committed whereas the income recognised in the accounts of Canterbury Cathedral represents only the grants receivable for project expenditure incurred in the year.

Except for transactions included in notes 18 and 23 there are no related party transactions which require disclosure.

24 Post Balance Sheet Event

As a result of the Coronavirus pandemic, the Cathedral, its hotel and conference centre and shop were all closed on 23 March 2020 and did not open again until 6 July. At that point a limited number of visitors were able to visit. Visitors were asked to book in advance, routes were designed through the cathedral to enable social distancing to be maintained and numbers limited to ensure that people could be kept safe. Hand sanitisation points were installed and track and trace processes established. This continued until the beginning of November when the Cathedral had to shut again as Kent moved to tighter restrictions to control the pandemic. As a result income has been severely depleted for most of the year.

At the same time income from investment rents were also negatively impacted as tenant businesses were also shut. The Cathedral has been working with its tenants to support them and as far as possible protect the rental income.

Over this period, the Chapter furloughed up to 90% of its staff.

In order to remain sustainable, Chapter has carried out a major review of the organisation, running a redundancy (both voluntary and compulsory) programme and making further changes both to the structure and to terms and conditions in order to reduce costs. This has resulted in long-term savings of some £2million from overall staff costs.

The fund raising team has been applying for emergency recovery grants from a number of sources and has been awarded two grants from the Cathedral Sustainability Fund to help meet the employment costs of Heritage staff and Lay Clerks. The Chapter has also been awarded a grant from the first round of the NLHF's Culture Recovery Fund for Heritage of £999,000 to meet core administrative costs for the 6 months to 31 March 2021. A grant was also received from the Cultural Recovery Capital Works Fund 2020 to spend on capital works to the West Front and Towers before 31 March 2021.

The Chapter has taken out a Coronavirus Business Interruption Loan of £4,000,000 over a 6 year term. Repayments commence after 12 months. Interest charges are met by HM Government for the first 12 months.

During the pandemic, public worship has also been limited. New online acts of worship have been offered daily with some services live streamed. These have attracted a global audience and Chapter anticipate that some level of online worship will continue beyond the pandemic.

Chapter continues to keep all aspects of its activity under review, and regularly monitors forecasts and cash flow predictions. As well as keeping pressure on costs, it has a range of initiatives ready to increase income as the Covid crisis eases, ranging from new visitor experiences to better use of the Cathedral's estate for income generation.

Consolidated statement of financial activities for the year ended 31 March 2019

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2019
	Note	£'000	£'000	£'000	£'000
Income and Endowments from:					
Donations and legacies		315	4,913	-	5,228
Grants in support of mission		-	4,281	-	4,281
Charges and fees arising in the course of mission		2,151	-	-	2,151
Trading and fundraising		4,713	-	-	4,713
Investments		2,119	418	-	2,537
Total Income	2	9,298	9,612	-	18,910
Expenditure on charitable activities:					
Raising funds	3	2,804	-	-	2,804
Ministry	4	1,751	559	-	2,310
Cathedral and precincts upkeep	4	1,762	1,943	-	3,705
Education and outreach	4	2,385	306	-	2,691
Other Expenditure: VAT payable	4	650	-	-	650
The Canterbury Journey Project	4	839	4,469	-	5,308
Total Expenditure		10,191	7,277	-	17,468
Net income/(expenditure) before investment gains/(losses)		(893)	2,335	-	1,442
Net gains on investments					
Investment property	5	-	-	509	509
Listed investments	6	15	208	76	299
Total net gains on investments		15	208	585	808
Net income		(878)	2,543	585	2,250
Gross transfers between funds	13	651	(2,742)	2,091	-
		(227)	(199)	2,676	2,250
Other recognised losses					
Non investment property	7	-	-	(477)	(477)
Net movement in funds		(227)	(199)	2,199	1,773
Reconciliation of funds:					
Total funds brought forward		7,480	11,006	44,783	63,269
Total funds carried forward		7,253	10,807	46,982	65,042

Appendix: Prior Year Comparative Information

54.

Consolidated balance sheet
at 31 March 2019

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2019
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Investment assets					
Property	5	238	625	29,150	30,013
Listed Investments	6	679	7,934	2,031	10,644
		<u>917</u>	<u>8,559</u>	<u>31,181</u>	<u>40,657</u>
Tangible fixed assets					
International Study Centre	7	-	-	5,808	5,808
Other property	7	438	-	9,969	10,407
Other tangible assets	9	1,037	-	-	1,037
		<u>1,475</u>	<u>-</u>	<u>15,777</u>	<u>17,252</u>
Total fixed assets		<u>2,392</u>	<u>8,559</u>	<u>46,958</u>	<u>57,909</u>
Current Assets					
Stocks	10	291	-	-	291
Debtors	11	2,410	430	-	2,840
Cash at bank and in hand		6,512	1,820	24	8,356
		<u>9,213</u>	<u>2,250</u>	<u>24</u>	<u>11,487</u>
Liabilities due within one year					
Creditors	12	4,352	2	-	4,354
Net current assets		<u>4,861</u>	<u>2,248</u>	<u>24</u>	<u>7,133</u>
Total net assets		<u>7,253</u>	<u>10,807</u>	<u>46,982</u>	<u>65,042</u>
Funds					
General	13	7,194	-	-	7,194
Designated	13	59	-	-	59
Restricted	13	-	10,773	-	10,773
Trust Funds	13	-	34	2,036	2,070
Corporate Estate	13	-	-	44,946	44,946
		<u>7,253</u>	<u>10,807</u>	<u>46,982</u>	<u>65,042</u>

Entity-only balance sheet
at 31 March 2019

		Unrestricted Funds	Restricted Funds	Permanent Funds	Total Funds 2019
Note	£'000	£'000	£'000	£'000	£'000
Fixed Assets					
Investment assets					
Property	5	238	625	29,150	30,013
Listed investments	6	679	7,934	2,031	10,644
Investment in Group Subsidiary		190	-	-	190
		<u>1,107</u>	<u>8,559</u>	<u>31,181</u>	<u>40,847</u>
Tangible fixed assets					
International Study Centre	7	-	-	5,808	5,808
Other property	7	438	-	9,969	10,407
Other tangible assets	9	1,027	-	-	1,027
		<u>1,465</u>	<u>-</u>	<u>15,777</u>	<u>17,242</u>
Total fixed assets		<u>2,572</u>	<u>8,559</u>	<u>46,958</u>	<u>58,089</u>
Current Assets					
Stocks	10	134	-	-	134
Debtors	11	2,473	430	-	2,903
Cash at bank and in hand		6,349	1,820	24	8,193
		<u>8,956</u>	<u>2,250</u>	<u>24</u>	<u>11,230</u>
Liabilities due within one year					
Creditors	12	4,279	2	-	4,281
Net current assets		<u>4,677</u>	<u>2,248</u>	<u>24</u>	<u>6,949</u>
Total net assets		<u>7,249</u>	<u>10,807</u>	<u>46,982</u>	<u>65,038</u>
Funds					
General		7,190	-	-	7,190
Designated		59	-	-	59
Restricted	13	-	10,773	-	10,773
Trust Funds	13	-	34	2,036	2,070
Corporate Estate	13	-	-	44,946	44,946
		<u>7,249</u>	<u>10,807</u>	<u>46,982</u>	<u>65,038</u>

Notes to the financial statements
for the year ended 31 March 2019

13 Analysis of consolidated reserves

	Opening balance £'000	Income £'000	Expenditure £'000	Transfer between funds £'000	Capital gains/(losses) £'000	Closing balance £'000
Income Funds						
Unrestricted Funds						
The Cathedral including Cathedral Enterprises	7,414	9,298	(10,184)	651	15	7,194
Designated for future marketing to visitors	64	-	(7)	-	-	57
Designated for future costs for the Girls' choir	2	-	-	-	-	2
	<u>7,480</u>	<u>9,298</u>	<u>(10,191)</u>	<u>651</u>	<u>15</u>	<u>7,253</u>
Restricted Funds						
Fabric Maintenance	2,379	129	(35)	-	64	2,537
Ivor Read Fabric Maintenance Fund	3,560	134	(7)	-	75	3,762
The Ivor Read Charity	625	42	-	-	-	667
ISC Capital	547	3	-	-	-	550
Music and Choir (incorporating Cathedral Organ)	2,227	1,841	(2,048)	-	48	2,068
Chapels	37	1	-	-	-	38
Church Commissioners	-	271	(271)	-	-	-
Canterbury Journey Fund	473	6,864	(4,469)	(2,742)	-	126
Friends	104	3	-	-	2	109
ISC Scholarship	627	95	(81)	-	13	654
Jackman	250	7	(146)	-	6	117
Triforium	37	1	-	-	-	38
Other	106	155	(154)	-	-	107
Total restricted funds	<u>10,972</u>	<u>9,546</u>	<u>(7,211)</u>	<u>(2,742)</u>	<u>208</u>	<u>10,773</u>
Trust Fund Income balances						
For the benefit of Music and Choir	22	63	(63)	-	-	22
For the benefit of the cathedral and precincts	8	3	(3)	-	-	8
For the benefit of education, the library and Archives	4	-	-	-	-	4
	<u>34</u>	<u>66</u>	<u>(66)</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total restricted and Trust Fund income balances	<u>11,006</u>	<u>9,612</u>	<u>(7,277)</u>	<u>(2,742)</u>	<u>208</u>	<u>10,807</u>
Permanent Funds						
Corporate estate of the Cathedral	<u>42,823</u>	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>32</u>	<u>44,946</u>
Trust fund capital balances						
For the benefit of Music and Choir						
A G Halford Bequest	173	-	-	-	14	187
Spence Cathedral Choir Fund	1,593	-	-	-	49	1,642
Crawford Benefaction	47	-	-	-	4	51
Other	45	-	-	-	1	46
	<u>1,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68</u>	<u>1,926</u>
For the benefit of the cathedral and precincts						
FE Cleary precincts fund	68	-	-	-	6	74
Other	21	-	-	-	1	22
	<u>89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>96</u>
For the benefit of education, the library, archives						
WE/EM Church endowment fund	13	-	-	-	1	14
Total Trust fund capital balances	<u>1,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>2,036</u>
Total permanent and Trust Fund capital	<u>44,783</u>	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>108</u>	<u>46,982</u>
Total reserves	<u>63,269</u>	<u>18,910</u>	<u>(17,468)</u>	<u>-</u>	<u>331</u>	<u>65,042</u>

