

ROCHESTER CATHEDRAL

Growing in Christ since AD604



PHOTO: Clive Tanner

ANNUAL REPORT
Statutory Accounts
2020

Rochester Cathedral Annual Report and Statutory Accounts

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Part 2

Part 2 of the Annual Report contains all the information the Cathedral is required to disclose by statute and regulation. Part 1 of the report describes the wide range of activities undertaken by the Cathedral over the year and measures them against our present and future plans.

1. Legal and administrative information

1.1 Legal name of the Cathedral

The legal name of the Cathedral is the Cathedral Church of Christ and the Blessed Virgin Mary Rochester

Name commonly used: Rochester Cathedral

1.2 Chapter Office

Garth House

The Precinct

Rochester

ME1 1SX

Telephone: 01634 843366

Email: administrator@rochester-cathedral.org

1.3 Chapter

Members of Chapter who served during 2020 (with their year of appointment) were as follows:

| | |
|---|---|
| <i>Dean</i> | The Very Revd Dr Philip Hesketh - 2016 |
| <i>Canon Precentor</i> | The Revd Canon Matthew Rushton – 2017 (Commissioners' Canon) |
| <i>Canon Chancellor</i> | The Revd Canon Dr Gordon Giles – 2020 (Commissioners' Canon) |
| <i>Bishop's Appointee</i> | The Revd Canon Chris Dench (Vice Dean) – 2018 |
| <i>Bishop's Appointee</i> | The Revd Canon Sue Brewer – 2018 |
| <i>Bishop's Appointee</i> | Canon Colin Lovell – 2019 |
| <i>Bishop's Appointee</i> | Canon Paul Hudson - 2010 |
| <i>Bishop's Appointee</i> | Canon Andrew Gray – 2013 (resigned Sep 2020) |
| <i>Bishop's Appointee</i> | Canon Barbara Lloyd – 2013 (resigned Mar 2021) |
| <i>Chapter Clerk – Executive Director</i> | Mr Simon Lace - 2017 |

1.4 Other key appointments

Chapter Clerk – Executive Director

Appointed 2017 Mr Simon Lace

Director of Music

Appointed 2019 Miss Francesca Massey

Surveyor to the Fabric

Appointed 2015 Mr John Bailey
Thomas Ford & Partners
177 Kirkdale, London SE26 4QH

Archaeologist

Appointed 2006

Mr Graham Keevill
Keevill Heritage Consultancy
85 Kynaston Road,
Didcot, Oxon OX11 8HA

1.5 Finance Risk and Audit Committee

External members Mrs Alison Mings (Chair) – 2012 (resigned Jan 2020)
Mr John Sands – 2008 (Chair from Jan 2020, resigned Dec 2020)
Mr Andrew Webster – 2010 (resigned Dec 2020)
Mr Paul Francis – Jun 2020 (Chair from Jan 2021)
Mr Ben Draper – Jan 2021
Mr Stephen Smith – Jan 2021
Mrs Kam Tesse – Jan 2021 (resigned Mar 2021)

Internal members The Very Revd Dr Philip Hesketh
Canon Paul Hudson
Mr Simon Lace
The Revd Canon Sue Brewer

Finance Manager Mr Rob Trice

1.6 Fabric Advisory Committee

Appointed by CFCE Dr Nicola Coldstream (Chair)
Mr Allan Brodie
Mr David Baker
Mr James Ford

Appointed by Chapter Mrs Annaliese Arnold
Mrs Heather Newton
Mr Tobit Curteis
Mrs Margaret Davies
Mr Jeremy Ashbee

Secretary Mrs Sue Malthouse

The Dean, Chapter Clerk- Executive Director, Canon Precentor and the Head Verger attend all FAC meetings. All members of Chapter are invited to attend FAC meetings when they are able. The Cathedral Archaeologist and Surveyor to the Fabric also attend all FAC meetings.

1.7 Auditors

The Cathedral Auditors, appointed in 2007, are Haysmacintyre LLP.
Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

1.8 Banker and other professional advisers

| | |
|---------------------------|---|
| Banker | Lloyds TSB Bank plc 142-146 High Street Chatham, Kent ME4 4DQ |
| Solicitors | DGB Solicitors LLP The Captain's House Central Avenue Pembroke Chatham Maritime, Kent ME4 4UF |
| Investment Manager | CCLA - CBF Funds Senator House 85 Queen Victoria Street London EC4V 4ET |
| Surveyor (general) | J.A. Warner Ltd The Guardhouse Church Lane The Historic Dockyard Chatham Kent ME4 4TE |
| Rent Advisors | |
| Commercial | Harrisons Oasis House Ambley Green Gillingham Business Park Kent ME8 0NJ |
| Residential | Kent Residential Lettings 151 New Rd Chatham Kent ME4 4PT |

2. Structure, governance and management

2.1 Governing Statute

The Cathedral is governed by the Cathedrals Measure 1999 and the Rochester Cathedral Constitution and Statutes dated September 2000, updated in December 2009, July 2013 and July 2016.

The Cathedral is an ecclesiastical corporation.

2.2 Relationship with the Diocese

The Cathedral is the formal 'seat' of the Bishop of Rochester, and he is the official Visitor. The Bishop is a valued friend and advisor to the Cathedral, which in turn seeks to support the Bishop's work of leading the Diocese in mission and ministry.

The Diocesan Bishop, the Rt Revd James Langstaff was appointed in 2010. The Suffragan Bishop of Tonbridge, The Rt Revd Simon Burton-Jones was consecrated in July 2018.

The Cathedral is the mother church of the Diocese covering the western half of Kent and the London Boroughs of Bromley and Bexley, and is a centre of worship and mission. It is also a venue for civic events, concerts and graduation ceremonies.

2.3 Corporate body

The members of the Chapter, Council, and College of Canons form the corporate body of the Cathedral.

The Chapter

The Chapter consists of the Dean, four Residentiary Canons (these are the on-site clergy of whom two are full-time, and two have other primary appointments within the Diocese), the Chapter Clerk-Executive Director (a full time employee of the Cathedral) and four non-residentiary lay members (recruited for their skills and expertise in specific areas of the Cathedral's life), who are all members of the College of Canons. The Chapter is responsible for leadership, policy, strategy and vision and meets 10 times each year with an additional residential meeting in July.

The two full-time Residentiary Canons are responsible for different portfolios within the Cathedral's life. These functions are supported by a range of committees and teams of staff led by the Chapter Clerk – Executive Director with overall responsibility for Cathedral support services and resources.

The Cathedral Council

The Council is an advisory and consultative body, established to support the work of the Chapter and to ensure accountability to the wider community and Diocese. It provides a sounding board and guidance for the Chapter as well as offering an informal critical friend role to ensure that the Cathedral fulfils its legal responsibilities. It also has a formal executive role if any amendments to the Cathedral's Constitution and Statutes should be proposed. The Chair of the Council is Lady Anne-Marie Nelson.

The College of Canons

The College consists of senior clergy and lay members from across the Diocese, appointed by the Bishop, along with a number of ecumenical canons (representatives from other denominations). Its role is to ensure that the Cathedral is open to informed opinions, observations and comment from churches within and beyond the Diocese.

2.4 Finance Risk and Audit Committee

This committee is responsible for advising Chapter in connection with its responsibilities for financial and investment management. The committee also reviews the major risks the Cathedral faces on a regular basis and acts as the audit committee, meeting with the auditors to discuss the audit findings and make recommendations to the Chapter regarding the Annual Accounts. It meets monthly in order to maintain a detailed scrutiny of Cathedral income and expenditure against the annual budget and a longer term 5-year strategy.

2.5 Fabric Advisory Committee

This committee is responsible for ensuring that any work to the fabric of the Cathedral is done with proper regard to the integrity of a Grade 1 listed building of national significance and in accordance with statutory processes. It includes experts in the conservation and repair of historic buildings, the Surveyor to the Fabric and the Cathedral Archaeologist.

2.6 The Cathedral Forum

This is a quarterly meeting open to all members of the Cathedral's congregation and community. It has no statutory powers but allows for open discussion of any issue of interest within the life of the Cathedral.

2.7 Chapter appointments and training

The Dean and two Commissioners' Canons (Canon Precentor and Canon Chancellor) are appointed by the Crown.

The non-residentiary lay members of the Chapter are appointed by the Bishop, usually on the recommendation of the Chapter.

New members of the Chapter are provided with key documents such as the Constitution & Statutes and links to the Cathedrals Measure 1999. Informal discussions are used to brief them on their role and to help them understand the different aspects of the Cathedral's work. Training in corporate governance, HR and H&S responsibilities is given internally.

Chapter members are encouraged to participate in the training programme offered each year by the Association of English Cathedrals.

2.8 Chapter responsibilities

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 Accounting and Reporting Regulations for English Anglican Cathedrals prepared by the Cathedral Administrators and Finance Association (CAFA) specified by the Church Commissioners, or describing which recommendations have not been complied with and giving reasons for the non compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which, the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and
- safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities. In discharging these obligations, the Chapter is strongly supported by the Finance Committee through preparing the necessary documents and providing considered and detailed advice.

2.9 Clergy and senior staff changes

The Revd Canon Dr Gordon Giles was appointed Canon Chancellor in July 2020.

There were no other changes during the year.

2.10 Subsidiary Company

Rochester Cathedral Enterprises Ltd

RCE Ltd is an wholly owned company set up to maximise the Cathedral's commercial potential for generating income, and to run the Cathedral's catering and retail operations. Profits from the company are paid across to the Cathedral as Gift Aid. The Board is comprised of four members of Chapter, (including the Chapter Clerk- Executive Director) and up to three external members recruited for their specialist knowledge and expertise. The Board is currently chaired by one of the independent external members.

2.11 Related Organisations

Organisations for the sole benefit of the Cathedral

Friends of Rochester Cathedral (Registered Charity 273973)

The Friends is an independent network of people with an interest in the built heritage environment in general and Rochester Cathedral in particular. They had a total membership of 902 at the end of the year. They provide substantial and welcome financial support for the work necessary to the fabric of the Cathedral covering a number of projects.

Rochester Cathedral Trust (Registered Charity 291616)

The Trust is an independent body set up to raise money on the Cathedral's behalf and to make grants in accordance with the terms of the Trust Deed to support the development of the Cathedral. The Trustees are drawn from across West Kent. Their present priorities are to grow the Music Endowment with a target of raising £2m by 2025, and to raise funds for a range of projects to restore the Cathedral's historic fabric. The amount raised for the Music Endowment so far and transferred to the Cathedral to the end of 2020 was £1,527k.

Other Organisations

King's School Rochester

King's School plays an important role in the life of the Cathedral, supplying the boy choristers and some of the girl choristers for the Cathedral choirs and regularly holding major events and concerts in the Cathedral. All Cathedral Residentiary Canons are Governors of the School, and the Dean is Vice Chair of the School Governors. King's School pays a rent for a number of Cathedral buildings they use. The Cathedral contributes towards scholarships for the choristers who attend the School, and a new arrangement has been recently agreed between both parties which will see a single unified choir consisting of Kings School boys and girl choristers.

2.12 Investment Powers

Under the Cathedral's Measure 1999 the Chapter may invest the Cathedral's funds in any of the following:

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

2.13 Public Benefit

Although it is not a current reporting requirement of the Church Commissioners (this will change on the implementation of the new Cathedral's Measure in 2021), nevertheless the Chapter confirms that they have complied with section 17 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral maintains a policy of free access to all members of the public. It not only serves the community daily in its religious and charitable work but is an active resource of national importance in the promotion of religion, music, education, history and architecture.

2.14 Risk analysis

The Chapter considers that the principal risks faced by the Cathedral are Fire, Safeguarding and Financial, particularly in relation to building projects.

The most urgent risk is that of fire breaking out in the Cathedral, and consequently the air sampling and fire detection system has been replaced alongside the recently completed HTFE project. The loss of reputation and potential claim through lack of appropriate safeguarding of vulnerable young people and adults has also been addressed with ongoing monitoring and application of the safeguarding policies. Additionally, all staff involved with young people are automatically subject to DBS checks. During the year we created a Safeguarding Group to monitor and improve safeguarding across the Cathedral.

The financial risk relating to cost overruns on building projects has been addressed and is covered by the Capital Projects Board at its monthly meetings, where all capital projects are monitored to ensure that overrun problems do not occur. The Reserves policy and Capital Improvement Fund further contribute to ensuring that the Chapter can meet any excess costs.

The accounts are approved during a period where there remains much uncertainty as a result of the continuing impact of the coronavirus (COVID-19) pandemic. In particular, the re-opening of the Cathedral and the return of volunteers and visitors is likely to be over a longer period which cannot yet be determined. The Cathedral's response has been to implement its contingency planning arrangements for such circumstances in order to continue to serve its congregation and wider stakeholders. The ultimate impact of COVID-19 on the UK, the world, the economy and the Cathedral is yet to be seen. However, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Chapter considers it appropriate for the going concern basis to be adopted for these accounts.

The Cathedral remained open when permitted for individual prayer and streamed services on line with pre closure recorded input from the choir and musicians. Once limited singing was permitted services were live streamed to support the spiritual wellbeing of congregation members and others more widely. Social distancing rules were applied and all appropriate measures taken to keep staff, worshippers and visitors safe.

Extensive use of hand sanitisers was encouraged and new signage installed to encourage social distancing. During the year many staff were furloughed and the Cathedral received support from the Government's Job Retention Scheme grants. Other activity related costs were reduced especially routine maintenance, heating and lighting, and Estate projects. While the Cathedral was closed and it was considered safe to do so certain major refurbishments were undertaken, in particular the Quire vaulting and the North Nave Clerestory and glazing works.

2.15 Staffing and Volunteers

The Cathedral employs 30 (FTE) staff to deliver its objectives – vergers, musicians, gardeners, education officers, cleaners, finance staff, fundraisers and administrative support workers.

In addition, more than 356 volunteers provide invaluable support without which the Cathedral could not function properly – stewards, welcomers, guides, chaplains, educationalists, Sunday Club leaders and helpers, embroiderers, retail and catering volunteers, musicians, flower arrangers, pastoral visitors, events organisers, brass polishers, choir helpers, servers, readers, intercessors, bell-ringers, cash-counters, committee volunteers, envelope stuffers and many more besides.

3. Financial review

3.1 Major sources of finance

Investment income

The Cathedral owns 43 (2019 43) properties, both commercial and residential, in Rochester, mostly in the Cathedral precinct and the High Street. Property is the principal source of investment income and in 2020 rents accounted for £590k (2019 £558k) (53% of unrestricted income in 2020; 47% in 2019). Other investment income from shares, stocks and interest amounted to £99k (2019 £109k). A review of investment performance is given in a separate section below.

Income from supporter groups & trusts

The Friends of Rochester Cathedral contributed a total of £53k (2019: £10k). This award was made up as follows: Gardens and Grounds £8k and Lighting (Spire and parcans) £45k.

Donations and grants received through the Rochester Cathedral Trust totalled £26k and were made up as follows: Music running costs £21k and £5k for the Children's Community Choir.

The amount raised by the Rochester Cathedral Trust in 2020 for the music endowment was £48k (2019: £21k). This amount was transferred to the Cathedral in 2020 and is included in these accounts.

Grants receivable

Total grants for the year included amounts received from the Church Commissioners under various sections of the Cathedrals Measure 1999 to contribute towards administrative salaries, clergy salaries, removals costs for clergy and chancel repairs. In 2020, the total figure of £320k (2018 £239k) included the contribution towards administrative salaries £116k (2019 £119k), the contribution towards the stipend of the Dean and Commissioners' Canons which was £117k (2019 £120k), £55k s21 block grant for staff salaries, £16k towards Lay Clerks salary costs and £16k from s21 funds for the clergy removal costs and resettlement costs.

Job Retention Scheme grant was received in the year from the Government totalling £147k.

Additionally, other grants totalling £487k including £25k from the Allchurches Trust (2019 £25k), £21k from Rochester Cathedral Trust towards administrative costs (2019 £33k), £63k from the Listed Places of Worship grant scheme (2019 £25k) and £362k (2019 £182k) from from Rochester Cathedral Trust for various capital projects.

Voluntary income

The total received from congregational giving, donations and gift aid amounted to £207k (2019 £223k) during the period, which included £1k (2019 £5k) raised for Chennai in India, £2k (2019 £6k) raised for the “Team Charlie” project in India, and £6k raised specifically for Cathedral Youth and Ministry.

Trading

The Cathedral’s trading company, Rochester Cathedral Enterprises Ltd (RCE Ltd), operates a “Cafe in the Crypt” staffed largely by volunteers. During the year the small retail operation also in the crypt was permanently closed and an on line shop set up in December. Cathedral lettings and educational income continued to be treated as trading activity in RCE Ltd.

Due to the national lockdown in response to the Coronavirus pandemic the activities of the company ceased in March 2020 and only a token income was made from the on-line shop later in the year. The operations will remain closed until current restrictions are lifted in 2021.

RCE Ltd turnover for the period was £82k (2019 £215k). The company made a trading loss in the year of £1k and made a gift-aided payment to the Cathedral of £14k (2019 - £67k).

Charges and fees arising in the course of mission

Total income from lettings of the Cathedral, charges for educational visits, guided tours, concerts and recitals, filming and recording fees, etc. amounted to £9k (2019 £19k).

3.2 Reserves Policy

Reserves are needed both to maintain the level of the Cathedral’s current activities and to enable the completion of long-term projects. The Chapter considers that the Cathedral should aim to hold unrestricted reserve levels to cover at least six months of ordinary activity, which at the present time would be approximately £600k. The Cathedral’s five year plan sets out a gradual increase in reserves to achieve this target. In 2020 the consolidated general fund reserves stood at £601k in surplus (2019 £542k in surplus) just meeting the threshold of six months of ordinary activity.

There was a surplus in 2020 on the unrestricted fund of £59k (2019 £351k). The main factors affecting the 2020 results were Job Retention Scheme funding from the Government, unrealised investment gains and savings made in the year through costs savings and forced closure due to the Covid-19 pandemic.

3.3 Investment Policy

The Chapter aims to keep a balanced portfolio of investments that is risk averse and appropriate to the purposes of the funds that are represented by them.

Investments in property are to be either capable of efficient local management or in the form of managed property funds. Performance is measured against income yield on the CBF Property Fund, the property fund managed by CCLA Investment Management Ltd on behalf of the Central Board of Finance of the Church of England.

Investments held through the Church of England Central Board of Finance are subject to the ethical guidelines issued by the Church of England Ethical Investments Advisory Group (EIAG).

Restricted Funds

These funds usually arise from legacies and donations, and are limited to spending on defined purposes. The policy is to achieve a balance between capital growth and the ability to realise assets within a given timescale.

Unrestricted Funds

These funds are used for managing fluctuations in the ordinary operations and to fund future projects. The policy is to achieve a mixed portfolio of assets with capital growth and those providing high yields and easy liquidity.

Endowment Funds

Where the capital is to be retained, the policy is to achieve long-term income growth, with less emphasis on liquidity.

3.4 Investment Performance

Property Investments

Rochester Cathedral owns property in the precinct to house clergy and staff, and to use for offices. Other property in Rochester High Street is held for investment purposes and is rented out on a commercial basis where possible to generate funds for the day-to-day operation of the ministry of the Cathedral. Properties were fully revalued at market value during 2006/7 and are revised annually at 31st December with reference to a yield basis for commercially let property and an external index for residential property (Land Registry house price index).

Property Investments

| | £'000 |
|-----------------------|--------------|
| Rental income | 590 |
| Professional services | (31) |
| Other costs | (35) |
| Property repairs | (54) |
| Net income | 470 |

| Yield on investment properties | £'000 |
|---|--------------|
| Capital value investment property | £13,242 |
| Net income yield | 3.55% |
| CBF Property Fund income yield (Gross) | 4.75% |

Gross rental income has increased to £590k (2019 £558k), and the net income yield of 3.55% for the year compares with 3.54% for 2019. The annual net income yield will vary year by year depending on the amount of capital works carried out in the year. The 2020 yield is unchanged from the previous year. Due to the Covid 19 pandemic planned capital works were unable to proceed. It is

worth noting that the benchmark CBF yield is based on a portfolio of larger commercial property with no residential property.

Other investments

The performance of the Cathedral's other investments is shown below:

| <i>Gross income from other investments</i> | <i>Equities</i> £'000 | <i>Property</i> £'000 | <i>Variable interest</i> £'000 | Total £'000 |
|--|--------------------------|--------------------------|-----------------------------------|-----------------------|
| Listed in the UK | 143 | 13 | - | 156 |
| Cash deposits | - | - | 2 | 2 |
| | 143 | 13 | 2 | 158 |
| Gains/(losses) on revaluations/disposals | 325 | (13) | - | 312 |
| Total return on other investments | 468 | - | 2 | 470 |

| <i>Return on other investments</i> | £'000 |
|------------------------------------|----------------|
| Market value of other investments | 5,355 |
| Return | 17.5% |
| FTSE All Share | (9.82)% |

At 31st December 2020 our total investments, excluding direct property holdings, totalled £5.36m (up from £5.06m in 2019), of which 94.0% were held in equity funds, 0.0% in fixed interest stocks, 5.02% in property funds and 1.0% in cash.

3.5 Maintenance Plan for the Cathedral and its Precincts

A plan for regular routine maintenance of the Cathedral is in place and is managed by the Head Verger.

The most recent Quinquennial Inspection was carried out by the Surveyor to the Fabric during 2018 and considerable effort has been put into establishing a costed and prioritised forward programme of works. Major projects completed during 2020 included repairs to the South Quire Clerestory and Ceiling, North Nave Clerestory and North Aisle, several of the Cathedral's medieval stained glass windows and emergency works to the external walls of the 12th century Chapter House.

3.6 Achievements and performance

During 2020 the Chapter took steps to further implement the Development Plan for the period 2018-2022. The Development Plan was produced following detailed consultations with the Cathedral Council, College of Canons, Rochester Cathedral Trust, Friends of Rochester Cathedral, Cathedral staff, volunteers and congregation.

The Development Plan sets out the Cathedral's aspirations and activities over the next five years arranged over three core themes - Grow, Enrich, Resource. The five specific key aims are:

1. Grow our communities through prayer, worship and action.
2. Develop opportunities for personal and spiritual growth.
3. Strengthen our engagement with our partners and stakeholders through listening and collaboration.
4. Maintain and improve historic buildings, spaces, monuments and collections.
5. Become a more sustainable and resilient organisation.

Progress on the Development Plan was severely restricted by the Coronavirus pandemic. Nevertheless, the Cathedral continued to address its key aims:

Key Aim 1/2 - The Cathedral continued to be a place of prayer and worship acting within the government restrictions and Church of England Guidelines. The Cathedral remain open for individual prayer through most of the lockdown and supported people through online prayer networks, groups and phone calls. People were placed in touch with local food delivery services.

When permitted worship continued in person social distanced in the Cathedral nave. A 9.30 and 11.30 Sunday Eucharist was instigated with booking essential. At each service the numbers were between 40-50 people. Some seats were kept available to respond to pastoral issues at the door on the day. When choirs were permitted choristers sang at one service and adult/lay clerks at the other. For a short period they were allowed to sing together socially distanced.

In order to give greater musical diversity and repertoire for the choir Matins was re-introduced at 9.30am and the Eucharist at 11.am. Christmas Eve and Christmas Day worship was ticked with approximately 50 people present at Midnight Mass and around 80 on Christmas morning. When congregations were not allowed the Cathedral continued to live stream or record services. A number of civic and festive services were recorded. Sunday Club continued to meet online with over 25 families regularly attending and for a short period were allowed to meet in the crypt socially distanced. Material was made available for families home schooling at home and struggling with the stress of lock down at home.

The Cathedral was closed for a period during the second lockdown due to the infection rate in Medway and the strain placed on the local hospital. Worship continued online. The website was expanded to include a Daily Prayer or Sermon/Thought for the Day and a new weekly newsletter established with a circulation that has grown to 400.

In February 2020, just before the Coronavirus lockdown began, the Cathedral hosted the 'Museum of the Moon exhibition'. This was a major event with over 120,000 people visiting the Cathedral in just three weeks. This was a free event, although special viewings at night cost £2 and a number of concerts and events were organized in the evenings.

Key Aim 3 - During the year members of the Cathedral staff kept in regular contact with Medway Council, the medical services, Royal Engineers and church and community groups. A listening and supportive attitude was adopted. The Cathedral crypt was made available as a non-symptomatic

Coronavirus Test Centre at first staffed by the Royal Engineers and then a Council Team. This proved very successful and did not affect other areas of the Cathedral's life.

Key Aim 4 - A significant amount of restoration of the Cathedral's fabric took place during the year. Much of this was completed during the forced closure of the building which, due to the absence of worshippers and visitors, enabled the work to be completed more quickly than planned. All of this work was funded by the Rochester Cathedral Trust. The largest projects were the restoration of the ceiling and vault above the quire and of the windows on the southern clerestory level, and the windows along the northern elevation of the clerestory. Significant repairs were also made to a number of windows which required the attention of specialist conservators.

Work progressed on the garden and open spaces of the Cathedral. King's Orchard was cleared of extensive overgrowth and new trees and bulbs were planted. A new rose hedge of 76 roses bushes was planted as the first stage of the envisaged Dean Hole Memorial Garden and a new garden created at the back of the Deanery with access into The Orchard. It is hoped that this will increase opportunities for fund raising events.

A great deal of progress was made on the inventory and in creating 3D images of the Cathedral's collections and its memorials and structure.

Key Aim 5 - The year was financially challenging with a significant reduction in income anticipated at the beginning of lockdown. Significant financial support was received from the Government Furlough Scheme and a Dean's Covid Fund established through a number of generous donations. The former Deanery at Priors Gate was let and Cloister House refurbished. The Dean returned to the former 1960 Deanery in King's Orchard which had been used as the archdeaconry for a number of decades.

In preparation for the new Cathedral Measure a great deal of work was done on reviewing policies and leases, the future organisational structure and safeguarding procedures. An external review of safeguarding following the conviction of Scott William Farrell, the former Director of Music was completed and forwarded to the National Safeguarding Team. A new Safeguarding Action Plan was written and adopted by Chapter which included the recommendations of this review and of the audit of the Cathedral's safeguarding arrangements conducted by the Social Care Institute for Excellence in September 2019 and of the Past Cases Review concluded in December 2019. A new Commissioners Canon was appointed who took on the Chapter safeguarding lead.

3.7 Commentary on the 2020 results.

The results for the year ended 31 December 2020 reflect another year in which the Cathedral faced substantial challenges. The key challenges revolved around the Covid-19 pandemic. This involved periods of complete closure and the cancellation of planned exhibitions and attractions, with consequential sharp reductions in overall income. Nevertheless, while the Cathedral was empty and unused we took the opportunity to bring forward planned quinquennial works to the Quire vaulting and North Nave Clerestory.

The unrestricted surplus for the year is largely due to the revaluation of investments and the substantial support towards normal running costs provided by the Government's Job Retention Scheme.

Our combined investment policy bringing together the property aspirations with the investments objectives continues to deliver good investment returns whilst maintaining the underlying value of the assets. No properties were sold in the year. Future years will continue to benefit from this policy; the reinvestment of our non-property monetary assets has already produced good results – investment income was £158k in 2020 and £170k in the previous year.

We have seen reduced levels of income from congregations and visitors due to the pandemic, but supporters have been generous in maintaining contributions. Congregational collections and giving, including Gift Aid, was £207k in 2020, a relatively small decrease in the circumstances of £16k over 2019 (£223k).

The final result on the unrestricted fund was a surplus of £59k, which leads to an overall general fund surplus carried forward of £602k.

Funds for restricted purposes increased £46k from £316k to £362k. Designated funds increased by £126k from £381k to £507k. This is mainly due to the donations allocated to responding to the pandemic and future funding of initiatives around on-line ministry, choral scholarships and estate repairs.

Revaluation of Property

Properties were revalued as stated in section 3.4.

Net gains on revaluation of property amounted to £449k (2019: £212k) of which commercial investment properties increased in the year, by an average of 3.0%, and residential properties increased by 5.6%.

Trading

The Cathedral's trading subsidiary, Rochester Cathedral Enterprises Ltd, was closed from March 2020 due to the Covid-19 pandemic. During 2020 the Cathedral shop was permanently closed, and a small on-line trading operation has started. Operations will recommence in 2021 as Government restrictions are eased.

RCE Ltd gift-aided £14k to the Cathedral in 2020 (2019 £67k).

Expenditure

Operating expenditure was well controlled during the year with most departments spending within their budget limits. Unexpected costs in relation to the pandemic were additional IT costs to enable home working where this was necessary. We were able to complete most of the planned repair projects to the Cathedral and wider estate and now need to catch up with the programme of repairs.

Financial consequences of the pandemic

The worldwide pandemic caused by the COVID-19 virus continues to have a major impact on the Cathedral. The Cathedral closed its doors on 18 March 2020 with some staff working from home and the majority being placed on furlough. The Cathedral has maintained its connection with its

worshipping community and the wider world through regular daily worship, supported by on-line streaming of services, and social media platforms, including Facebook, twitter and a regular weekly newsletter sent by email and post to staff, volunteers and supporters.

Throughout most of 2020, the Chapter has met fortnightly in an on-line fashion to keep the Cathedral's financial position under very tight scrutiny. The attention of the management team continues to be focussed on managing day to day cash flow and ensuring a stable and sustainable financial position for the future. This situation, and the consequential financial impacts, is set to continue well into 2021.

As a result of the COVID-19 pandemic the value of investments, generally, fell significantly during March and April 2020. However, the Cathedral's portfolio is largely invested in overseas equities which have not fallen but continue to provide good income and capital returns. The Cathedral's investment portfolio is invested with CCLA and the investment manager insists that the underlying value of the investments remain in good quality businesses that should weather the storm. The Cathedral holds its investments generally for the longer term (meaning 50+ years) and any temporary reduction in value due to the pandemic should not affect the longer-term performance of the portfolio.

Equally the Cathedral's commercial tenants have all closed their doors but many moved their business on-line and continue to operate. Most tenants have kept up with their rental payments. The commercial estate is valued on a yield basis and it is anticipated that the income yield will remain unchanged in the short term. In the longer term we do not consider that there is any major effect on the underlying value of the estate which remains in good quality properties, well maintained and in good positions.

CONCLUSION

The most quoted Charles Dickens novel this year has surely been the opening lines from *A Tale of Two Cities*: 'It was the best of times, it was the worst of times'. In some ways these words have encapsulated much of the experiences of people during lockdown, good and bad. It has been a time of aching loss and profound sadness, of disorientation and disruption. Yet, it has also been a time when we have seen the best in people, what is kind, decent, generous, and self-less.

History narrates the constant triumph of the human spirit in the face of adversity. On numerous occasions across the centuries, Rochester Cathedral has witnessed war, disaster and disease, when doors were closed and financial resources sparse. Nevertheless, hope within the indomitable human breast prevails and triumph is writ large in the story of perseverance and accomplishment. Indeed, in the very stones of the Cathedral. As the poet Gerard Manley Hopkins reminds us, despite the 'bleared, smeared' toil of generations, 'There lives the dearest freshness deep down things'. We begin anew and the 'bright wings' of the Holy Spirit energise and restore.

It has been a disastrous year for the Cathedral, yet there have been moments of inspiration, goodness, beauty, and truth. I am deeply indebted to the Cathedral staff who have shown immense resilience and strength of character: to those who have worked from home and covered staff on furlough or absent due to ill health; to those who have balanced multiple expectations; to those who have been thrust into learning new skills and discovered untapped resources within themselves.

However, as we anticipate a world with an effective vaccine, it would be easy to think we will immediately bounce back to some normal life. Yet, this would be completely unrealistic and fail to recognise the long term fatigue many people are experiencing coming out of the present crisis. We need to plan for the re-opening of the Cathedral with this in mind. New patterns of working, learnt during the pandemic, may help to address a better work-life balance and we may not be able to return to full capacity for some time. We will certainly be a smaller team going forward.

During this pandemic year the Chapter and Finance, Risk and Audit Committee carefully considered the wider and long-term impacts upon the Cathedral's financial resilience, reviewing the constantly changing situation by establishing a special Covid-19 group which met weekly and then fortnightly. Provision was made for a reduction in income through the loss of commercial rents and visitor donations. Unrestricted funds were re-prioritised and provision was made for a bank loan, if required. Stricter measures have been introduced to sign off invoices and review expenditure on a weekly review.

All staff, with the exception of a small core team, were furloughed at the beginning of the year, with some remaining on part time furlough still. This allowed the Cathedral to access government support via the Coronavirus Job Retention Scheme. This Government scheme enabled the Cathedral finances to show a better outcome than had been predicted at the beginning of the year. The Cathedral also received a number of generous donations and grants from the Cathedral Sustainability Fund to assist recovery when the Cathedral is allowed to welcome visitors.

Ensuring staff safety was a priority and approved PPE was introduced to all staff. Rigorous measures were put in place for the protection of visitors coming to the Cathedral for individual prayer or worship. The area used for worship was cleaned between services. Non-contact donation points were placed at entrances and exits as were hand sanitising stations. Careful thought was given to social distancing and some services were ticketed.

As Rochester is so strongly linked to Charles Dickens, perhaps his words are more pertinent to us. Certainly, they can encourage and inspire. In *A Tale of Two Cities* Dickens asserts his belief in the possibility of resurrection and transformation. This is both on a personal and on a societal level. Not only does Sydney Carton's death secure a new life for Lucie Manette and Charles Darnay, but Carton finds meaning and purpose in his own actions and death. Carton goes to the guillotine in the expectation of a greater rest 'in a better land' and imagines his actions will motivate others going forward to create a better world.

At the heart of the Cathedral's mission is the confidence in a God of love who has demonstrated that love in Jesus; that goodness will finally defeat evil and new life is to be found in death - 'that all things work together for good to those who love in God' (Romans 8v28).

Dickens, although not an orthodox Christian believer, was deeply influenced by the life of Christ and the hope of resurrection. In many respects his own life had been a triumph over adversity. It is significant that the last words he wrote before his unexpected death in June 1870 were of Rochester Cathedral and the hope of resurrection life:

"A brilliant morning shines on the old city. Its antiquities and ruins are surprisingly beautiful, with the lusty ivy gleaming in the sun, and the rich trees waving in the balmy air. Changes of glorious light from moving boughs, songs of birds, scents from gardens, woods and fields - or, rather, from the one great garden of the whole cultivated island in its yielding time - penetrate into

the Cathedral, subdue its earthy odour, and preach the Resurrection and the Life. The cold stone tombs of centuries ago grow warm; and flecks of brightness dart into the sternest marble corners of the building, fluttering there like wings."

Reading these words as we emerge from a winter of despair is uplifting, knowing that once again the cold stones of the Cathedral will warm to the sound of human voices and speak of new life. In all this, it is the Holy Spirit of God whose 'fluttering' wings hover over the gathered people of God restoring, rebuilding and recreating in this springtide of hope.

A handwritten signature in black ink that reads "P. J. Hesketh". The signature is written in a cursive style with a horizontal line underneath the name.

**Very Revd Dr Philip Hesketh
Dean**

12th April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF ROCHESTER CATHEDRAL FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the Cathedral's affairs as at 31 December 2020 and of the group's net movement in funds 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 Cathedral in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Chapter are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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:

- sufficient accounting records have not been kept by the Cathedral;
- the Cathedral's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the members of Chapter

As explained more fully in the Chapter Responsibilities statement set out on page 8, the Chapter is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the Cathedral and its circumstances, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the Cathedrals Measure 1999, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks was related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the Cathedral Chapter, as a body, in accordance with section 27 of the Cathedral 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 the Cathedral and the Cathedral Chapter as a body, for our audit work, for this report, or for the opinions we have formed.

Haysmactyre LLP

Haysmactyre LLP
Statutory Auditor
Date: 12 May 2021

10 Queen Street Place
London
EC4R 1AG

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Rochester Cathedral

Consolidated Statement of Financial Activities
for the year ended 31 December 2020

| | Notes | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2020 £000 | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Restated Total Funds 2019 £000 |
|---|----------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--|
| Income and endowments from: | 1 | | | | | | | | | | |
| Donations and legacies | | 135 | 55 | 118 | 48 | 356 | 199 | 4 | 73 | 21 | 297 |
| Grants | | 193 | 16 | 745 | - | 954 | 78 | - | 462 | - | 540 |
| Charges and fees arising in the course of mission | | 9 | - | - | - | 9 | 19 | - | - | - | 19 |
| Trading and Fundraising | | 82 | - | - | - | 82 | 216 | - | - | - | 216 |
| Investments | | 689 | 11 | 48 | - | 748 | 670 | 12 | 46 | - | 728 |
| Other | | 1 | - | - | - | 1 | 1 | - | - | - | 1 |
| Total | | 1,109 | 82 | 911 | 48 | 2,150 | 1,183 | 16 | 581 | 21 | 1,801 |
| Expenditure on: | | | | | | | | | | | |
| Raising funds | 2 | 299 | 5 | 11 | 85 | 400 | 340 | 193 | 12 | 57 | 602 |
| Ministry & music | | 278 | 27 | 289 | - | 594 | 297 | 39 | 252 | - | 588 |
| Cathedral and precincts upkeep | | 284 | 15 | 537 | - | 836 | 300 | - | 263 | - | 563 |
| Education and outreach | | 154 | 1 | 35 | - | 190 | 195 | 5 | 37 | - | 237 |
| Community, parish and congregation | | 10 | - | 3 | - | 13 | 6 | - | 3 | - | 9 |
| Other | | 2 | - | - | - | 2 | 3 | - | - | - | 3 |
| Total | | 1,027 | 48 | 875 | 85 | 2,035 | 1,141 | 237 | 567 | 57 | 2,002 |
| Net income/(expenditure) before investment gains | | 82 | 34 | 36 | (37) | 115 | 42 | (221) | 14 | (36) | (201) |
| Realised gains/(losses) on investments | | - | - | - | - | - | 2 | - | - | 80 | 82 |
| Gains/(losses) on revaluation of Investments | 6 | 63 | 7 | 10 | 232 | 312 | 143 | 24 | 23 | 533 | 723 |
| Net income/(expenditure) | | 145 | 41 | 46 | 195 | 427 | 187 | (197) | 37 | 577 | 604 |
| Transfers between funds | | (85) | 85 | - | - | - | 164 | 45 | (209) | - | - |
| Other recognised gains (losses) | | | | | | | | | | | |
| Gains/(losses) on revaluation of Property (Cathedral own use) | 6/8 | - | - | - | 449 | 449 | - | - | - | 212 | 212 |
| Net movement in funds | | 60 | 126 | 46 | 644 | 876 | 351 | (152) | (172) | 789 | 816 |
| Total funds brought forward | | 542 | 381 | 316 | 21,150 | 22,389 | 191 | 533 | 488 | 20,361 | 21,573 |
| Total funds carried forward | 14/15/16 | 602 | 507 | 362 | 21,794 | 23,265 | 542 | 381 | 316 | 21,150 | 22,389 |

The notes numbered 1 to 25 together with the accounting policies on page 30 form part of these accounts.

Rochester Cathedral

Consolidated Balance Sheet
as at 31 December 2020

| | Notes | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2020 £000 | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Restated Total Funds 2019 £000 |
|--|-----------------|----------------------------|--------------------------|--------------------------|-------------------------|--------------------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------------|
| Fixed Assets | | | | | | | | | | | |
| Investment assets | | | | | | | | | | | |
| Property | 7 | - | - | - | 13,242 | 13,242 | - | - | - | 11,344 | 11,344 |
| Other investments | 6 | 981 | 323 | 184 | 3,867 | 5,355 | 918 | 327 | 176 | 3,635 | 5,056 |
| | | 981 | 323 | 184 | 17,109 | 18,597 | 918 | 327 | 176 | 14,979 | 16,400 |
| Non investment assets | | | | | | | | | | | |
| Property | 8 | - | - | - | 4,625 | 4,625 | - | - | - | 5,435 | 5,435 |
| Plant & equipment | 9 | 14 | - | - | - | 14 | 19 | - | - | - | 19 |
| | | 14 | - | - | 4,625 | 4,639 | 19 | - | - | 5,435 | 5,454 |
| Total fixed assets | | 995 | 323 | 184 | 21,734 | 23,236 | 937 | 327 | 176 | 20,414 | 21,854 |
| Current Assets | | | | | | | | | | | |
| Stocks | 10 | 18 | - | - | - | 18 | 19 | - | - | - | 19 |
| Debtors | 11 | 159 | - | 55 | - | 214 | 217 | - | 27 | - | 244 |
| Short term deposits | | 297 | - | - | - | 297 | 407 | - | - | 556 | 963 |
| Cash at bank and in hand | | (216) | 201 | 123 | 60 | 168 | (387) | 54 | 221 | 213 | 101 |
| | | 258 | 201 | 178 | 60 | 697 | 256 | 54 | 248 | 769 | 1,327 |
| Liabilities due within one year | | | | | | | | | | | |
| Creditors | 12 | (312) | (17) | - | - | (329) | (304) | - | (108) | (33) | (445) |
| | | (312) | (17) | - | - | (329) | (304) | - | (108) | (33) | (445) |
| Net current assets | | (54) | 184 | 178 | 60 | 368 | (48) | 54 | 140 | 736 | 882 |
| Liabilities due after one year | | | | | | | | | | | |
| | | (339) | - | - | - | (339) | (347) | - | - | - | (347) |
| Net assets | | 602 | 507 | 362 | 21,794 | 23,265 | 542 | 381 | 316 | 21,150 | 22,389 |
| Funds | | | | | | | | | | | |
| General Fund | | 586 | - | - | - | 586 | 511 | - | - | - | 511 |
| Rochester Cathedral Enterprises | | 16 | - | - | - | 16 | 31 | - | - | - | 31 |
| Mary J Smith (Barrett's Folly) Bequest | | - | 256 | - | - | 256 | - | 261 | - | - | 261 |
| Other Funds | | - | 251 | 362 | - | 613 | - | 120 | 316 | - | 436 |
| Endowment | | - | - | - | 21,794 | 21,794 | - | - | - | 21,150 | 21,150 |
| Revaluation reserve | | - | - | - | - | - | - | - | - | - | - |
| Total funds | 14/15/16 | 602 | 507 | 362 | 21,794 | 23,265 | 542 | 381 | 316 | 21,150 | 22,389 |

The notes numbered 1 to 25 together with the accounting policies on page 23 form part of these accounts.

Approved by Chapter on 12 April 2021 and signed on its behalf by

P. Hesketh

Very Revd Dr Phillip Hesketh
Dean

Chris Deuch

Revd Canon Chris Deuch
Vice Dean

Rochester Cathedral

**Balance Sheet - Cathedral only
as at 31 December 2020**

| | Notes | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2020 £000 | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2019 £000 |
|--|-----------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Fixed Assets | | | | | | | | | | | |
| Investment assets | | | | | | | | | | | |
| Property | 7 | - | - | - | 13,242 | 13,242 | - | - | - | 11,344 | 11,344 |
| Investments | 6 | 981 | 323 | 184 | 3,867 | 5,355 | 918 | 327 | 176 | 3,635 | 5,056 |
| Non investment assets | | | | | | | | | | | |
| Property | 8 | - | - | - | 4,625 | 4,625 | - | - | - | 5,435 | 5,435 |
| Plant & equipment | 9 | 14 | - | - | - | 14 | 19 | - | - | - | 19 |
| | | 14 | - | - | 4,625 | 4,639 | 19 | - | - | 5,435 | 5,454 |
| Total fixed assets | | 995 | 323 | 184 | 21,734 | 23,236 | 937 | 327 | 176 | 20,414 | 21,854 |
| Current Assets | | | | | | | | | | | |
| Debtors | 11 | 155 | - | 55 | - | 210 | 198 | - | 27 | - | 225 |
| Short term deposits | | 297 | - | - | - | 297 | 407 | - | - | 556 | 963 |
| Cash at bank and in hand | | (229) | 201 | 123 | 60 | 155 | (419) | 54 | 221 | 212 | 68 |
| | | 223 | 201 | 178 | 60 | 662 | 186 | 54 | 248 | 768 | 1,256 |
| Liabilities due within one year | | | | | | | | | | | |
| Creditors | 12 | (293) | (17) | - | - | (310) | (266) | - | (108) | (32) | (406) |
| | | (293) | (17) | - | - | (310) | (266) | - | (108) | (32) | (406) |
| Net current assets | | (70) | 184 | 178 | 60 | 352 | (80) | 54 | 140 | 736 | 850 |
| Liabilities due after one year | | | | | | | | | | | |
| Creditors | 13 | (339) | - | - | - | (339) | (347) | - | - | - | (347) |
| Net assets | | 586 | 507 | 362 | 21,794 | 23,249 | 510 | 381 | 316 | 21,150 | 22,357 |
| Funds | | | | | | | | | | | |
| General Fund | | 586 | - | - | - | 586 | 510 | - | - | - | 510 |
| Mary J Smith Bequest | | - | 256 | - | - | 256 | - | 268 | - | - | 268 |
| Other Funds | | - | 251 | 362 | - | 613 | - | 113 | 316 | - | 429 |
| Endowment | | - | - | - | 21,794 | 21,794 | - | - | 21,150 | - | 21,150 |
| Revaluation reserve | | - | - | - | - | - | - | - | - | - | - |
| Total funds | 14/15/16 | 586 | 507 | 362 | 21,794 | 23,249 | 510 | 381 | 316 | 21,150 | 22,357 |

The notes numbered 1 to 25 together with the accounting policies on page 23 form part of these accounts.

Approved by Chapter on 12 April 2021 and signed on its behalf by

[Signature]

Very Revd Dr Philip Hesketh
Dean

[Signature]
Revd Canon Chris Dench
Vice Dean

Rochester Cathedral

Cash Flow Statement
as at 31 December 2020

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2019 £000 | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2019 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Cash flows from operating activities: | | | | | | | | | | |
| Net Cash provided by/(used in) operating activities | (626) | 136 | (146) | (117) | (753) | (453) | (206) | (238) | (73) | (970) |
| Cash flows from investing activities: | | | | | | | | | | |
| Rents received net of costs | 590 | - | - | - | 590 | 558 | - | - | - | 558 |
| Investment income received net of costs | 99 | 11 | 48 | - | 158 | 112 | 12 | 46 | - | 170 |
| Proceeds from sale of property, plant & equipment | - | - | - | - | - | - | - | - | - | - |
| Purchase of property, plant & equipment | (2) | - | - | (640) | (642) | (3) | - | - | - | (3) |
| Proceeds of sale of investments | - | - | - | - | - | - | 53 | - | 556 | 609 |
| Purchase of investments | - | - | - | - | - | - | (10) | (7) | (65) | (82) |
| Net cash provided by/(used in) investing activities | 687 | 11 | 48 | (640) | 106 | 667 | 55 | 39 | 491 | 1,252 |
| Cash flows from financing activities: | | | | | | | | | | |
| Repayments of borrowing | - | - | - | - | - | - | - | - | - | - |
| Cash inflows | - | - | - | - | - | - | - | - | - | - |
| Receipt of endowment | - | - | - | 48 | 48 | - | - | - | 21 | 21 |
| Net cash provided by/(used in) financing activities | - | - | - | 48 | 48 | - | - | - | 21 | 21 |
| Change in cash and cash equivalents in the year | 61 | 147 | (98) | (709) | (599) | 214 | (151) | (199) | 439 | 303 |
| Cash and cash equivalents as at 1 January 2020 | 20 | 54 | 221 | 769 | 1,064 | (194) | 205 | 420 | 330 | 761 |
| Cash and cash equivalents as at 31 December 2020 | 81 | 201 | 123 | 60 | 465 | 20 | 54 | 221 | 769 | 1,064 |

Rochester Cathedral

Cash Flow Statement
as at 31 December 2020

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2020 £000 | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total Funds 2019 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Reconciliation of net movement in funds to net cash flow from operating activities | | | | | | | | | | |
| Net movement in funds for the year | 59 | 126 | 46 | 644 | 875 | 354 | (136) | (172) | 789 | 835 |
| Adjustments: | | | | | | | | | | |
| Depreciation | 7 | - | - | - | 7 | 7 | - | - | - | 7 |
| Income added to endowments | - | - | - | (48) | (48) | - | - | - | (21) | (21) |
| Income from property | (590) | - | - | - | (590) | (558) | - | - | - | (558) |
| Income from investments | (99) | (11) | (48) | - | (158) | (112) | (28) | (46) | - | (186) |
| Investment management costs | - | - | - | - | - | - | - | - | - | - |
| Loss/(profit) on sale of fixed assets | - | - | - | - | - | - | - | - | - | - |
| Loss/(profit) on sale of investments | - | 11 | 2 | - | 13 | - | (2) | - | (80) | (82) |
| Unrealised on revaluation of investments | (63) | (7) | (10) | (232) | (312) | (143) | (24) | (23) | (533) | (723) |
| Revaluation of Investment Property | - | - | - | (448) | (448) | - | - | - | (212) | (212) |
| (Increase)/decrease in stocks | 1 | - | - | - | 1 | 2 | - | - | - | 2 |
| (Increase)/decrease in debtors | 63 | - | (28) | - | 35 | (34) | - | 4 | 4 | (26) |
| Increase/(decrease) in creditors | (4) | 17 | (108) | (33) | (128) | 31 | (16) | (1) | (20) | (6) |
| Transfer between funds | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by/(used in) operating activities | (626) | 136 | (146) | (117) | (753) | (453) | (206) | (238) | (73) | (970) |
| Analysis of cash and cash equivalents | | | | | | | | | | |
| Cash at bank | (216) | 201 | 123 | 60 | 168 | (387) | 54 | 221 | 213 | 101 |
| Cash on deposit | 297 | - | - | - | 297 | 407 | - | - | 556 | 963 |
| Total cash and cash equivalents | 81 | 201 | 123 | 60 | 465 | 20 | 54 | 221 | 769 | 1,064 |

Rochester Cathedral

Accounting Policies - For the year ended 31 December 2020

Basis of preparation

The accounts have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2019, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Cathedral meets the definition of a public benefit entity under FRS102.

The accounts are presented in sterling, which is the functional currency of the Cathedral, and rounded to the nearest thousand pound.

Consolidation

The accounts consolidate the results of the Cathedral and its wholly owned subsidiary Rochester Cathedral Enterprises Ltd.

In addition the, the Cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided in note 24.

Going concern

The Chapter has considered whether the use of the going concern basis of accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the cathedral's ability to continue as a going concern. They have carried out this assessment for a period of at least one year from the date of approval of these accounts. they have concluded that there are no material uncertainties about the Cathedral's ability to continue as a going concern.

From March 2020, the COVID-19 crisis resulted in significant reductions in the Cathedral's cash inflows. The Chapter has taken actions to mitigate the shortfall by reducing costs, notably in relation to staffing and discretionary expenditure including use of the Government's Job Retention Scheme. Cashflow forecasts have been constantly monitored and updated into 2021 and 2022 and, based on these forecasts, the Chapter consider that there continues to be no material uncertainties about the Cathedral's ability to continue as a going concern.

Income

Legacies are accounted for when there is entitlement, receipt is probable and the value of the legacy is measurable.

Grants are defined as sums receivable from trusts and public bodies, payment of which is determined by compliance with determined criteria. Grants are accounted for when due.

Investment income is recognised in the accounts in the period in which it is earned.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs of commercial trading and their associated support costs; and
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the the Cathedral and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the Cathedral but do not directly undertake either charitable or fundraising activities. Please see note 5 for details of these costs and the basis of allocation.

Tangible Fixed assets

Individual fixed assets costing £1000 or more are capitalised at cost and depreciated over their useful economic lives on a straight line basis as follows:

| | |
|---|----------|
| Computer & IT equipment | 3 years |
| Other plant, machinery, furniture or fittings | 5 years |
| Temporary buildings | 15 years |

Heritage assets

Heritage assets include the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 31 December 2018, because information on their historical cost is not available.

Items donated to the inventory since 1 January 2019 are valued in the year of acquisition and shown as a heritage asset unless there is insufficient information available to reliably estimate the value of the asset.

Rochester Cathedral

Accounting Policies - For the year ended 31 December 2020

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the market value based on their bid price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and 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 at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The Cathedral does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Cathedral is that of volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or subsectors.

Stock

Retail and catering stocks are stated at the lower of cost and net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of the acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Type of funds

A fund is an amount set aside for specific purposes in accordance with the circumstances under which the resources were originally received. Funds are divided into:

- Endowment funds . These are restricted funds where the capital must be held permanently.
- Restricted funds . These have specific conditions attached to the expenditure of capital and income.
- Designated funds . These are unrestricted funds set aside by Chapter for specific purposes.
- Unrestricted funds . Chapter have the discretion to spend both capital and income.

Property

Property valuations have been included on the Balance Sheet on the following basis:

- Investment properties – market value
- Non – investment properties – existing use value

The Cathedral's policy is to carry out an internal revaluation by reference to established indices and to instigate formal revaluations to the properties every five years or when considered necessary.

Third Party receipts and payments

The Church Commissioners pay the stipends of the Dean and the two Commissioner's Canons. The amounts are shown in a Restricted Fund in the Statement of Financial Activities, both under grants received and under clergy costs.

Pensions

The Cathedral participates in the Pension Builder Scheme of the Church Workers Pension Fund for lay staff.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme and charged in the SoFA during the year when the contributions become payable.

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 1. Income | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
|--|--|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|
| (i) Donations and legacies | | | | | |
| Congregational collections and giving | 58 | - | - | - | 58 |
| Donations | 62 | 31 | 36 | - | 129 |
| Tax recovered under Gift Aid | 12 | 5 | 3 | - | 20 |
| Income from supporter groups & trusts | | | | | |
| Friends of Rochester Cathedral | - | - | 53 | - | 53 |
| Rochester Cathedral Trust (see note below) | - | - | 26 | 48 | 74 |
| Legacies | 3 | 19 | - | - | 22 |
| | 135 | 55 | 118 | 48 | 356 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Congregational collections and giving | 90 | - | - | - | 90 |
| Donations | 86 | 4 | 23 | - | 113 |
| Tax recovered under Gift Aid | 18 | - | 2 | - | 20 |
| Income from supporter groups & trusts | | | | | |
| Friends of Rochester Cathedral | - | - | 10 | - | 10 |
| Rochester Cathedral Trust (see note below) | - | - | 33 | 21 | 54 |
| Legacies | 5 | - | 5 | - | 10 |
| | 199 | 4 | 73 | 21 | 297 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (ii) Grants receivable | | | | | |
| Church Commissioners | - | - | 320 | - | 320 |
| Job Retention Scheme | 147 | - | - | - | 147 |
| Other grants | 46 | 16 | 425 | - | 487 |
| | 193 | 16 | 745 | - | 954 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Church Commissioners | 20 | - | 239 | - | 259 |
| Diocese | - | - | 11 | - | 11 |
| Other grants | 58 | - | 212 | - | 270 |
| | 78 | - | 462 | - | 540 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (iii) Charges and fees arising in the course of mission | | | | | |
| Fees | 9 | - | - | - | 9 |
| | 9 | - | - | - | 9 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Fees | 19 | - | - | - | 19 |
| | 19 | - | - | - | 19 |

Other Grants includes Allchurches Trust £25k (unrestricted - 2019 £25k).

Other Grants includes Rochester Cathedral Trust £362k (restricted - 2019 £186k).

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
|-------------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| (iv) Trading and fundraising | | | | | |
| Charges to visitors | - | - | - | - | - |
| Commercial activities (RCEL) | 67 | - | - | - | 67 |
| Management Charges | 15 | - | - | - | 15 |
| | 82 | - | - | - | 82 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Charges to visitors | 1 | - | - | - | 1 |
| Commercial activities (RCEL) | 200 | - | - | - | 200 |
| Management Charges | 15 | - | - | - | 15 |
| | 216 | - | - | - | 216 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (v) Income from investments | | | | | |
| Investment property income | 590 | - | - | - | 590 |
| Other investment income | 97 | 11 | 48 | - | 156 |
| Interest from short-term deposits | 2 | - | - | - | 2 |
| | 689 | 11 | 48 | - | 748 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Investment property income | 558 | - | - | - | 558 |
| Other investment income | 109 | 12 | 46 | - | 167 |
| Interest from short-term deposits | 3 | - | - | - | 3 |
| | 670 | 12 | 46 | - | 728 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (vi) Other income | | | | | |
| Other Charges | 1 | - | - | - | 1 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Other Charges | 1 | - | - | - | 1 |
| | 1,109 | 82 | 911 | 48 | 2,150 |

Income from Rochester Cathedral Trust included a transfer of £48k to the Music Endowment, which is shown as a separate endowment to the Cathedral's existing endowments. (see note 16).

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 2. Costs of raising funds | Unrestricted | Designated | Restricted | Endowment | Total |
|--|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2020 |
| | £000 | £000 | £000 | £000 | £000 |
| Facilities for visitors | 27 | - | - | - | 27 |
| Services directly recoverable | 5 | - | - | - | 5 |
| Trading | 68 | - | - | - | 68 |
| Marketing costs | 10 | - | - | - | 10 |
| Costs of appeals and fundraising | 32 | - | - | - | 32 |
| Non-investment property costs (Note 4) | - | - | - | 85 | 85 |
| Investment property costs | | | | | |
| Estate projects (Note 4) | - | 5 | - | - | 5 |
| Other investment property costs | 145 | - | - | - | 145 |
| Support costs | 12 | - | 11 | - | 23 |
| | 299 | 5 | 11 | 85 | 400 |

The cost of raising funds is any cost directly attributable to the income generated and not associated with specific areas of ministry (see below)
Cost of raising funds includes costs of generating income through Rochester Cathedral Enterprises Ltd.

| | Unrestricted | Designated | Restricted | Endowment | Total |
|----------------------------------|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2019 |
| | £000 | £000 | £000 | £000 | £000 |
| Facilities for visitors | 2 | - | - | - | 2 |
| Services directly recoverable | 28 | - | - | - | 28 |
| Trading | 119 | - | - | - | 119 |
| Marketing costs | 6 | - | - | - | 6 |
| Costs of appeals and fundraising | 38 | - | - | - | 38 |
| Investment property costs | | | | | |
| Estate projects (Note 4) | - | 193 | - | 57 | 250 |
| Other investment property costs | 134 | - | - | - | 134 |
| Support costs | 13 | - | 12 | - | 25 |
| | 340 | 193 | 12 | 57 | 602 |

| 3. Expenditure on mission | Unrestricted | Designated | Restricted | Endowment | Total |
|--------------------------------------|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2020 |
| (i) Ministry & music | £000 | £000 | £000 | £000 | £000 |
| Clergy stipends and working expenses | - | - | 117 | - | 117 |
| Clergy housing costs | 24 | - | - | - | 24 |
| Clergy support costs | 47 | - | 16 | - | 63 |
| Services and music | 151 | 27 | 104 | - | 282 |
| Ministry support costs | 56 | - | 52 | - | 108 |
| | 278 | 27 | 289 | - | 594 |
| | Unrestricted | Designated | Restricted | Endowment | Total |
| | Funds | Funds | Funds | Funds | 2019 |
| | £000 | £000 | £000 | £000 | £000 |
| Clergy stipends and working expenses | - | - | 120 | - | 120 |
| Clergy housing costs | 21 | - | - | - | 21 |
| Clergy support costs | 57 | - | - | - | 57 |
| Services and music | 159 | 39 | 79 | - | 277 |
| Ministry support costs | 60 | - | 53 | - | 113 |
| | 297 | 39 | 252 | - | 588 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
|--|--|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|
| (ii) Cathedral and precincts upkeep | | | | | |
| Major projects (note 4) | - | - | 470 | - | 470 |
| Maintenance and interior upkeep | 175 | 15 | 26 | - | 216 |
| Insurance | 38 | - | - | - | 38 |
| Precincts security and gardens upkeep | 35 | - | 8 | - | 43 |
| Support costs | 36 | - | 33 | - | 69 |
| | 284 | 15 | 537 | - | 836 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Major projects (note 4) | - | - | 218 | - | 218 |
| Maintenance and interior upkeep | 193 | - | 3 | - | 196 |
| Insurance | 34 | - | - | - | 34 |
| Precincts security and gardens upkeep | 34 | - | 8 | - | 42 |
| Support costs | 39 | - | 34 | - | 73 |
| | 300 | - | 263 | - | 563 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (iii) Education and outreach | | | | | |
| Educational activities | 135 | 1 | 18 | - | 154 |
| Archives & library | - | - | - | - | - |
| Charitable giving | 1 | - | - | - | 1 |
| Support costs | 18 | - | 17 | - | 35 |
| | 154 | 1 | 35 | - | 190 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Educational activities | 170 | 3 | 13 | - | 186 |
| Archives & library | - | 2 | - | - | 2 |
| Charitable giving | 5 | - | 6 | - | 11 |
| Support costs | 20 | - | 18 | - | 38 |
| | 195 | 5 | 37 | - | 237 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
| (iv) Community, parish and congregation | | | | | |
| Community, parish and congregation costs | 7 | - | - | - | 7 |
| Support costs | 3 | - | 3 | - | 6 |
| | 10 | - | 3 | - | 13 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Community, parish and congregation costs | 3 | - | - | - | 3 |
| Support costs | 3 | - | 3 | - | 6 |
| | 6 | - | 3 | - | 9 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2020

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| (v) Other expenditure on mission | | | | | |
| Interest and similar charges | 2 | - | - | - | 2 |
| Care of chancels | - | - | - | - | - |
| | 2 | - | - | - | 2 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| Interest and similar charges | 3 | - | - | - | 3 |
| Care of chancels | - | - | - | - | - |
| | 3 | - | - | - | 3 |
| | 1,027 | 48 | 875 | 85 | 2,035 |

4. Major Projects - gross cost (Note 2)

| | Start date | 2020 Funds £000 | 2019 Funds £000 | 2018 Funds £000 | 2017 Funds £000 | Total Funds £000 |
|--|------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Estate Projects | | | | | | |
| Prebendal House | 2012/16 | - | - | - | 1 | 1 |
| 84 High Street - extension project | 2015 | - | - | - | 30 | 30 |
| Phelips Lodge Refurbishment | 2016 | - | - | - | 26 | 26 |
| Easter Garth refurbishment | 2017 | - | - | - | 12 | 12 |
| East Canonry refurbishment | 2017 | - | - | - | 15 | 15 |
| 1a College Yard refurbishment | 2017 | - | - | - | 9 | 9 |
| College Yard External Repairs | 2019/2017 | - | 23 | - | 10 | 33 |
| Pheonix House - common area redecoration | 2018 | - | - | 45 | - | 45 |
| Deanery Window & Roof repairs | 2018 | - | - | 3 | - | 3 |
| 82 High Street - refurbishment | 2019/2018 | - | 57 | 152 | - | 209 |
| Balance overspend on WW1 Roof Repairs | 2018 | - | 10 | - | - | 10 |
| Garth House Refurbishment/Reception | 2019/2016 | - | 66 | - | - | 66 |
| Garth House External works | 2019 | - | 50 | - | - | 50 |
| 5 St Margarets Street | 2019 | - | 42 | - | - | 42 |
| Deanery Refurbishment | 2020 | 85 | - | - | - | 85 |
| Others under £5,000 | | 5 | 2 | 1 | 3 | 11 |
| | | 90 | 250 | 201 | 106 | 647 |

4. Major Projects - gross cost

| | Start date | 2020 Funds £000 | 2019 Funds £000 | 2018 Funds £000 | 2017 Funds £000 | Total Funds £000 |
|--|------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Cathedral major projects (Note 3) | | | | | | |
| Others under £5,000 | | 9 | 7 | 6 | 5 | 27 |
| North Nave Glazing & Clerestory | 2020 | 176 | - | - | - | 176 |
| Cathedral Lighting Scheme | 2020 | 52 | - | - | - | 52 |
| Quire Vaulting & Clerestory | 2020 | 190 | - | - | - | 190 |
| Live streaming equipment | 2020 | 14 | - | - | - | 14 |
| Pinnacle & South Presbytery | 2019 | 4 | 182 | - | - | 186 |
| Handrails | 2019 | - | 11 | - | - | 11 |
| Ground Radar Survey | 2018 | - | - | 7 | - | 7 |
| Glazing Survey | 2018 | - | - | 7 | - | 7 |
| St Andrew Centre Asbestos removal | 2018 | - | - | 18 | - | 18 |
| QI Fees | 2018 | - | - | 5 | - | 5 |
| Electrical Testing | 2018 | - | - | 6 | - | 6 |
| CCTV | 2018 | - | - | 32 | - | 32 |
| Cloister Garth Project | 2018 | 17 | 18 | 47 | - | 82 |
| Pulpitum Screen | 2017 | - | - | 2 | 20 | 22 |
| Crypt Servery | 2017 | - | - | - | 56 | 56 |
| Crypt Ventilation | 2017 | - | - | 26 | 73 | 99 |
| WIFI | 2017 | - | - | 2 | 9 | 11 |
| WW1 QI Roof Repairs/Eastern Roof | 2017/2015 | - | - | 153 | 357 | 510 |
| Vestry Fit Out | 2020/2016 | 8 | - | - | 3 | 11 |
| Crypt Flood | 2016 | - | - | 1 | - | 1 |
| | | 470 | 218 | 312 | 523 | 1,523 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

5. Support costs

Support costs, which are the running costs of administration, are allocated to the different expenditure headings on the basis of the number of full-time staff in each department. The support costs are apportioned as follows to the main expenditure headings:

| | Direct costs £000 | Support costs £000 | Total 2020 £000 | Direct costs £000 | Support costs £000 | Total 2019 £000 |
|------------------------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Funds generation | 377 | 23 | 400 | 574 | 25 | 599 |
| Ministry | 486 | 108 | 594 | 459 | 113 | 572 |
| Cathedral and precincts upkeep | 767 | 69 | 836 | 490 | 73 | 563 |
| Education and outreach | 155 | 35 | 190 | 200 | 38 | 238 |
| Community, parish and congregation | 7 | 6 | 13 | 3 | 6 | 9 |
| Other | 2 | - | 2 | 3 | - | 3 |
| | 1,794 | 241 | 2,035 | 1,729 | 255 | 1,984 |

Auditors remuneration

Auditors' remuneration for audit services amounted to £14,676 (2019: £11,330)

Operating lease commitments

The Cathedral has entered into a number of operating leases as lessee for which the total of future minimum lease payments are as follows:

| | 2020 £000 |
|---|--------------|
| Within 1 year | 5 |
| Later than one year but within five years | 39 |
| Later than five years | - |
| Total | 44 |

6. Other investments

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2020 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| Value at 1st January 2020 | 918 | 327 | 176 | 3,635 | 5,056 |
| Additions/ disposals | - | (11) | (2) | - | (13) |
| Net increase on disposals and revaluation | 63 | 7 | 10 | 232 | 312 |
| Value at 31st December 2020 | 981 | 323 | 184 | 3,867 | 5,355 |
| CBF Church of England Funds | 981 | 185 | 160 | 3,712 | 5,038 |
| CBF Property Funds | - | 110 | - | 155 | 265 |
| Cash investments | - | 28 | 24 | - | 52 |
| | 981 | 323 | 184 | 3,867 | 5,355 |

As at the 31 December 2020 the whole of the investment portfolio was managed by CCLA and held in CBF Funds.

No individual equity holding amounts to over 5% of the total value of investments.

No investments are held by the subsidiary company.

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| Value at 1st January 2019 | 775 | 344 | 146 | 3,512 | 4,777 |
| Additions/ disposals | - | (44) | 7 | (491) | (528) |
| Net increase on disposals and revaluation | 143 | 27 | 23 | 614 | 807 |
| Value at 31st December 2019 | 918 | 327 | 176 | 3,635 | 5,056 |
| CBF Church of England Funds | 918 | 188 | 149 | 3,472 | 4,727 |
| CBF Property Funds | - | 116 | - | 163 | 279 |
| Cash investments | - | 23 | 27 | - | 50 |
| | 918 | 327 | 176 | 3,635 | 5,056 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 7. Investment property | Endowment Funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------------------------------------|--------------------------------|--------------------------------|
| Value at 1st January 2020 | 11,344 | 11,344 | 10,745 |
| Disposal | - | - | - |
| Transferred from non investment property | 1,450 | 1,450 | 388 |
| Gain on revaluation | 448 | 448 | 211 |
| Value at 31st December 2020 | <u>13,242</u> | <u>13,242</u> | <u>11,344</u> |

The Cathedral's properties were revalued by Robert Wickham FRICS, an external valuer, as at March 2007 and revised for values up to December 2020 on a yield basis for commercial property and by reference to a recognised property index for residential property.

The Cathedral's properties have not been revalued by a formal external valuer. FRS 102 s2.13 states that the "benefits derived from the information should exceed the cost of providing it". Chapter believes that the cost of a formal revaluation, even on a 5 year rolling basis, exceeds the benefit that such a valuation would provide.

The property transferred from non-investment property to investment property was the former Deanery, now 1 Prior's Gatehouse which is now a residential letting.

All properties are held at freehold value, and none are held by the subsidiary company.

| 8. Non- investment property | Endowment Funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|-------------------------------------|--------------------------------|--------------------------------|
| Freehold value at 1st January 2020 | 5,435 | 5,435 | 5,823 |
| Net increase/(decrease) in revaluation | - | - | (388) |
| Purchase of property | 640 | 640 | - |
| Transferred to investment property | (1,450) | (1,450) | - |
| Freehold value at 31st December 2020 | <u>4,625</u> | <u>4,625</u> | <u>5,435</u> |
| For Cathedral use | <u>4,625</u> | <u>4,625</u> | <u>5,435</u> |
| | <u>4,625</u> | <u>4,625</u> | <u>5,435</u> |

The Cathedral's properties were revalued by Robert Wickham FRICS, an external valuer, as at March 2007 and revised for values up to December 2020 on a yield basis for commercial property and by reference to a recognised property index for residential property.

No investment properties are held by the subsidiary company.

| 9. Plant and equipment | Temporary Buildings £000 | Plant £000 | Computer Equipment £000 | Fixtures & Fittings £000 | Total 2020 £000 |
|--|---|-----------------------|--|---|--------------------------------|
| Cost brought forward at 1st January 2020 | 13 | 33 | 8 | 14 | 68 |
| Additions | - | - | 2 | - | 2 |
| Disposals | - | - | - | - | - |
| Cost carried forward at 31st December 2020 | <u>13</u> | <u>33</u> | <u>10</u> | <u>14</u> | <u>70</u> |
| Depreciation brought forward at 1st January 2020 | 5 | 31 | 4 | 9 | 49 |
| Charge for year | - | 1 | 4 | 2 | 7 |
| On disposals | - | - | - | - | - |
| Depreciation carried forward at 31st December 2020 | <u>5</u> | <u>32</u> | <u>8</u> | <u>11</u> | <u>56</u> |
| Net book value | <u>8</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>14</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Cost brought forward at 1st January 2019 | 13 | 34 | 20 | 16 | 83 |
| Additions | - | 2 | - | - | 2 |
| Disposals | - | (3) | (12) | (2) | (17) |
| Cost carried forward at 31st December 2019 | <u>13</u> | <u>33</u> | <u>8</u> | <u>14</u> | <u>68</u> |
| Depreciation brought forward at 1st January 2019 | 4 | 33 | 15 | 8 | 60 |
| Charge for year | 1 | 1 | 2 | 3 | 7 |
| On disposals | - | (3) | (13) | (2) | (18) |
| Depreciation carried forward at 31st December 2019 | <u>5</u> | <u>31</u> | <u>4</u> | <u>9</u> | <u>49</u> |
| Net book value | <u>8</u> | <u>2</u> | <u>4</u> | <u>5</u> | <u>19</u> |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| | | | |
|--|---------------|--------------|--------------|
| 10 Stocks | Retail | Total | Total |
| | £000 | 2020 | 2019 |
| Value at lower of cost or net realisable value | 18 | £000 | £000 |
| All the stocks above are held in the subsidiary company. | | 18 | 19 |

| | | | | | |
|---|---------------------|-------------------|-------------------|------------------|--------------|
| 11 Debtors due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
| Consolidated | Funds | Funds | Funds | Funds | 2020 |
| | £000 | £000 | £000 | £000 | £000 |
| Trade debtors | 45 | - | - | - | 45 |
| Grants - Rochester Cathedral Trust | - | - | 18 | - | 18 |
| Grants - Friends of Rochester Cathedral | - | - | 33 | - | 33 |
| Rochester Cathedral Enterprises Ltd | 7 | - | - | - | 7 |
| Other | 94 | - | 4 | - | 98 |
| Prepayments | 12 | - | - | - | 12 |
| | 158 | - | 55 | - | 213 |
| Cathedral Only | | | | | |
| Trade debtors | 45 | - | - | - | 45 |
| Grants - Rochester Cathedral Trust | - | - | 18 | - | 18 |
| Grants - Friends of Rochester Cathedral | - | - | 33 | - | 33 |
| Rochester Cathedral Enterprises Ltd | 3 | - | - | - | 3 |
| Other | 94 | - | 4 | - | 98 |
| Prepayments | 12 | - | - | - | 12 |
| | 154 | - | 55 | - | 209 |

| | | | | | |
|---|--------------|------------|------------|-----------|------------|
| Debtors due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
| Consolidated | Funds | Funds | Funds | Funds | 2019 |
| | £000 | £000 | £000 | £000 | £000 |
| Trade debtors | 83 | - | - | - | 83 |
| Grants - Rochester Cathedral Trust | - | - | 17 | - | 17 |
| Grants - Friends of Rochester Cathedral | - | - | 9 | - | 9 |
| Rochester Cathedral Enterprises Ltd | 34 | - | - | - | 34 |
| Other | 89 | - | 1 | - | 90 |
| Prepayments | 11 | - | - | - | 11 |
| | 217 | - | 27 | - | 244 |
| Cathedral Only | | | | | |
| Trade debtors | 83 | - | - | - | 83 |
| Grants - Rochester Cathedral Trust | - | - | 17 | - | 17 |
| Grants - Friends of Rochester Cathedral | - | - | 9 | - | 9 |
| Rochester Cathedral Enterprises Ltd | 15 | - | - | - | 15 |
| Other | 89 | - | 1 | - | 90 |
| Prepayments | 11 | - | - | - | 11 |
| | 198 | - | 27 | - | 225 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2020

| 12. Creditors falling due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
|---|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2020 |
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Trade creditors | 72 | - | - | - | 72 |
| Rochester Cathedral Enterprises Ltd | 20 | - | - | - | 20 |
| Other | 159 | 17 | - | - | 176 |
| Bank Loan | 15 | - | - | - | 15 |
| Accruals and deferred income | 46 | - | - | - | 46 |
| | 312 | 17 | - | - | 329 |
| Cathedral Only | | | | | |
| Trade creditors | 72 | - | - | - | 72 |
| Rochester Cathedral Enterprises Ltd | - | - | - | - | - |
| Other | 160 | 17 | - | - | 177 |
| Bank Loan | 15 | - | - | - | 15 |
| Accruals and deferred income | 46 | - | - | - | 46 |
| | 293 | 17 | - | - | 310 |

| Creditors falling due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
|---------------------------------------|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2019 |
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Trade creditors | 41 | - | - | - | 41 |
| Rochester Cathedral Enterprises Ltd | 38 | - | - | - | 38 |
| Other | 172 | - | - | - | 172 |
| Bank Loan | 15 | - | - | - | 15 |
| Accruals and deferred income | 38 | - | 108 | 33 | 179 |
| | 304 | - | 108 | 33 | 445 |
| Cathedral Only | | | | | |
| Trade creditors | 41 | - | - | - | 41 |
| Rochester Cathedral Enterprises Ltd | - | - | - | - | - |
| Other | 165 | - | - | - | 165 |
| Bank Loan | 15 | - | - | - | 15 |
| Accruals and deferred income | 45 | - | 108 | 32 | 185 |
| | 266 | - | 108 | 32 | 406 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2020

| 13. Creditors falling due after one year | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2020 |
|--|--------------------|------------------|------------------|-----------------|------------|
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Bank Loan | 339 | - | - | - | 339 |
| | <u>339</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>339</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 62 | - | - | - | 62 |
| Over five years | 261 | - | - | - | 261 |
| | <u>339</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>339</u> |
| Cathedral Only | | | | | |
| Bank Loan | 339 | - | - | - | 339 |
| | <u>339</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>339</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 62 | - | - | - | 62 |
| Over five years | 261 | - | - | - | 261 |
| | <u>339</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>339</u> |

The loan secured is for £850k from Lloyds Bank secured on 5 commercial properties owned by the Cathedral. The repayment of the loan is over 20 years at an interest rate of 2.6% above base.

| Creditors falling due after one year | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2019 |
|--------------------------------------|--------------------|------------------|------------------|-----------------|------------|
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Bank Loan | 347 | - | - | - | 347 |
| | <u>347</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 62 | - | - | - | 62 |
| Over five years | 269 | - | - | - | 269 |
| | <u>347</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347</u> |
| Cathedral Only | | | | | |
| Bank Loan | 347 | - | - | - | 347 |
| | <u>347</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 62 | - | - | - | 62 |
| Over five years | 269 | - | - | - | 269 |
| | <u>347</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347</u> |

The loan secured is for £850k from Lloyds Bank secured on 5 commercial properties owned by the Cathedral. The repayment of the loan is over 20 years at an interest rate of 2.6% above base.

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 14. Designated Funds | Balance at 01 Jan 2020 £ | Income £ | Expenditure £ | Investment Movements £ | Transfers £ | Balance at 31 Dec 2020 £ |
|--|--------------------------------|---------------|------------------|------------------------------|----------------|--------------------------------|
| Organ Sinking Fund | 49,151 | 1,255 | - | 1,757 | 5,000 | 57,163 |
| Mary J Smith (Barrett's Folly) Bequest | 267,985 | 9,726 | (27,000) | 4,858 | - | 255,569 |
| Music Outreach Fund | 9,239 | - | - | - | - | 9,239 |
| Education Fund | 4,105 | - | (500) | - | (245) | 3,270 |
| Missioner Fund | 2,972 | - | - | - | - | 2,972 |
| Gardens & Grounds - Plants | 2,000 | - | - | - | - | 2,000 |
| India Travel Fund | 1 | - | (1) | - | - | - |
| Stewards Fund | 1,643 | - | (23) | - | - | 1,620 |
| Dean's Fund | 2,219 | 6,775 | - | - | - | 8,994 |
| Junior Church Fund | 2,224 | - | - | - | - | 2,224 |
| Cathedral Lighting | 1,000 | - | - | - | - | 1,000 |
| Capital Improvement Fund | 33,047 | 18,750 | (4,645) | - | 80,000 | 127,152 |
| Roof Tiles Fund - Library | 5,602 | - | - | - | - | 5,602 |
| Dean's Covid Recovery Fund | - | 35,000 | (15,186) | - | - | 19,814 |
| On line Ministry Fund | - | 4,500 | - | - | - | 4,500 |
| Choral Scholarships Fund | - | 6,000 | - | - | - | 6,000 |
| | 381,188 | 82,006 | (47,445) | 6,615 | 84,755 | 507,119 |

| | Balance at 01 Jan 2019 £ | Income £ | Expenditure £ | Investment Movements £ | Transfers £ | Balance at 31 Dec 2019 £ |
|--|--------------------------------|---------------|------------------|------------------------------|----------------|--------------------------------|
| Organ Sinking Fund | 36,402 | 3,788 | - | 3,961 | 5,000 | 49,151 |
| Mary J Smith (Barrett's Folly) Bequest | 263,471 | 11,243 | (27,000) | 20,271 | - | 267,985 |
| Music Outreach Fund | 9,239 | - | - | - | - | 9,239 |
| Education Fund | 5,912 | - | (1,807) | - | - | 4,105 |
| Missioner Fund | 2,972 | - | - | - | - | 2,972 |
| Gardens & Grounds - Plants | 2,000 | - | - | - | - | 2,000 |
| India Travel Fund | 554 | - | (553) | - | - | 1 |
| Stewards Fund | 1,866 | 436 | (659) | - | - | 1,643 |
| Dean's Fund | 2,219 | - | - | - | - | 2,219 |
| Junior Church Fund | 2,224 | - | - | - | - | 2,224 |
| Cathedral lighting | 1,000 | - | - | - | - | 1,000 |
| Capital Improvement Fund | 11,634 | - | (76,715) | - | 98,128 | 33,047 |
| Garth House Internal | 66,000 | - | (66,000) | - | - | - |
| Garth House External | 73,351 | - | (49,917) | - | (23,434) | - |
| 2019 Projects | 47,000 | - | (12,306) | - | (34,694) | - |
| Roof Tiles Fund - Library | 6,983 | 200 | (1,581) | - | - | 5,602 |
| | 532,827 | 15,667 | (236,538) | 24,232 | 45,000 | 381,188 |

Designated Funds - description

| | |
|--|---|
| Organ Sinking Fund | For the future refurbishment of the organ |
| Mary J Smith (Barrett's Folly) Bequest | For supporting music in the Cathedral |
| Music Outreach Fund | To support the music outreach programme |
| Education Fund | To support developmental education work |
| Missioner Fund | Canon Missioner's discretionary fund |
| Gardens & Grounds - Plants | For the acquisition of plants for garden development |
| India Travel Fund | To assist travel to Cathedral supported projects in Chennai |
| Stewards Fund | To support costs and training of cathedral stewards |
| Dean's Fund | Dean's discretionary fund (includes £6k for Aids Quilt display) |
| Junior Church Fund | To support costs and set-up of Junior Church |
| Cathedral lighting | To improve lighting within the Cathedral |
| Capital Improvement Fund | To provide for future repairs and improvements to Estate Properties |
| Roof Tiles Fund - Library | Donations for Library Roof Tiles for Library |
| Deans Covid Recovery fund | To support Cathedral activities affected by the Covid 19 closures |
| On Line Ministry Fund | Designated from an anonymous donation to be expended on on-line ministry |
| Choral Scholarships Fund | Designated from an anonymous donation to be expended on choral scholarships |

Transfers in 2020 made up as follows:

| | |
|---|---------------|
| Transfer from General Fund to Capital Improvement Fund for 2020 Capital Projects | £ 80,000 |
| Transfer from General Fund to Organ Sinking Fund for 2020 contribution | 5,000 |
| Transfer from Education Fund to restricted Education Fund for balance of 2019 unspent grant | (245) |
| | <u>84,755</u> |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 15. Restricted Funds | Balance at | Income | Expenditure | Investment | Transfers | Balance at |
|--------------------------------------|----------------|----------------|------------------|---------------|------------|----------------|
| | 01 Jan 2020 | | | Movements | | 31 Dec 2020 |
| | £ | £ | £ | £ | £ | £ |
| Church Commissioners' Restricted | - | 319,951 | (319,951) | - | - | - |
| HJ Hoby Bequest - Capital | 123,378 | - | - | 8,520 | - | 131,898 |
| HJ Hoby Bequest - Income | 34,984 | 3,757 | - | - | - | 38,741 |
| Doris Colmore Peters Bequest | 28,354 | 797 | - | 1,783 | - | 30,934 |
| Cathedral Projects fund | 4,035 | 486,638 | (469,660) | - | - | 21,013 |
| Music fund | 83 | 69,757 | (69,840) | - | - | - |
| Garth Garden Fund | - | 7,500 | (7,500) | - | - | - |
| Roman Wall Fund | 6,768 | - | - | - | - | 6,768 |
| Chennai project fund | 12,000 | 1,421 | - | - | - | 13,421 |
| Chennai - Team Charlie | 15,497 | 2,404 | - | - | - | 17,901 |
| EV Family Fun Day | 2,826 | - | - | - | - | 2,826 |
| Garth Roses | 4,496 | 1,220 | (1,125) | - | - | 4,591 |
| Embroidery fund | 801 | 3 | - | - | - | 804 |
| Library Fund | 805 | 3 | - | - | - | 808 |
| Choir fund | 500 | - | - | - | - | 500 |
| Flower Guild | 2,304 | 1,080 | (460) | - | - | 2,924 |
| Youth Fund | 29,996 | 2,550 | - | - | - | 32,546 |
| Congregation Fund | 10,430 | 2,589 | - | - | - | 13,019 |
| Friends of Rochester Cathedral Music | 21,210 | 1,050 | (80) | - | - | 22,180 |
| ACVC | 1,391 | 160 | - | - | - | 1,551 |
| Bells Centenary Fund | 15,739 | 1,146 | - | - | - | 16,885 |
| Dean's Covid Recovery Fund | - | 6,250 | (6,250) | - | - | - |
| On Line Ministry Fund | - | 1,562 | - | - | - | 1,562 |
| Education fund | - | 1,000 | - | - | 245 | 1,245 |
| | 315,597 | 910,838 | (874,866) | 10,303 | 245 | 362,117 |

Father Smith Bequest

At the end of the HTFE project in 2017, the project showed a significant overspend which at the time was funded by general unrestricted funds. Consideration had been given to expending the Father Smith Bequest to cover some of the overspend, as the fund purposes would have been satisfied and the assets of the bequest had been sold to help fund the cash flow of the HTFE project. The plan had been to reinstate the Father Smith Bequest assets at a later date.

During 2019 it was decided that the Cathedral was not in a position to reinstate the Father Smith Fund assets and that the fund balance would be transferred to the General Funds as a belated defrayment of the HTFE overspend.

| | Balance at | Income | Expenditure | Investment | Transfers | Balance at |
|--------------------------------------|----------------|----------------|------------------|---------------|------------------|----------------|
| | 01 Jan 2019 | | | Movements | | 31 Dec 2019 |
| | £ | £ | £ | £ | £ | £ |
| Church Commissioners' Restricted | - | 239,216 | (239,216) | - | - | - |
| Father Smith Bequest | 208,735 | - | - | - | (208,735) | - |
| HJ Hoby Bequest - Capital | 104,171 | - | - | 19,207 | - | 123,378 |
| HJ Hoby Bequest - Income | 31,337 | 3,647 | - | - | - | 34,984 |
| Doris Colmore Peters Bequest | 23,557 | 778 | - | 4,019 | - | 28,354 |
| Cathedral Projects fund | 7,687 | 214,590 | (218,242) | - | - | 4,035 |
| Music fund | - | 78,948 | (78,865) | - | - | 83 |
| Garth Garden Fund | - | 7,500 | (7,500) | - | - | - |
| Roman Wall Fund | 6,768 | - | - | - | - | 6,768 |
| Chennai project fund | 8,558 | 4,942 | (1,500) | - | - | 12,000 |
| Chennai - Team Charlie | 14,471 | 5,810 | (4,784) | - | - | 15,497 |
| EV Family Fun Day | 2,844 | - | (18) | - | - | 2,826 |
| Garth Roses | 4,496 | - | - | - | - | 4,496 |
| Embroidery fund | 795 | 6 | - | - | - | 801 |
| Library Fund | 799 | 6 | - | - | - | 805 |
| Choir fund | 500 | - | - | - | - | 500 |
| Flower Guild | 2,740 | 2,712 | (3,148) | - | - | 2,304 |
| Youth Fund | 27,446 | 2,550 | - | - | - | 29,996 |
| Congregation Fund | 7,200 | 3,230 | - | - | - | 10,430 |
| Friends of Rochester Cathedral Music | 20,595 | 2,089 | (1,474) | - | - | 21,210 |
| ACVC | 1,697 | 1,975 | (2,281) | - | - | 1,391 |
| Bells Centenary Fund | 13,995 | 1,744 | - | - | - | 15,739 |
| CYP Fund Knife Angel | - | 10,768 | (10,768) | - | - | - |
| | 488,391 | 580,511 | (567,796) | 23,226 | (208,735) | 315,597 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 15. Restricted Funds - description | | Income/ capital |
|--|--|--------------------------|
| Church Commissioners' Restricted Father Smith Bequest | To meet stipends and associated costs of clergy This fund derived from the will of Revd CL Smith. It is to be applied in constructive work in connection with the Cathedral, for example the reconditioning of a Chapel. Both income and capital may be used. | Both Both |
| HJ Hoby Bequest | This fund derived from the estate of HJ Hoby. The Capital is to be retained intact with the income to be used for Cathedral fabric and Music, particularly Music. | Residue - income only |
| Doris Colmore Peters Bequest | For work with youth and children | Both |
| Cathedral Projects Fund | For projects specifically funded by outside bodies | Both |
| Music Fund | For the provision of music. From the Music Endowment | Both |
| Garth Garden Fund | For maintenance of the Garth gardens | Both |
| Roman Wall Fund | For maintenance of the Roman Wall | Both |
| Chennai project fund | For constructing a church near Chennai, India | Both |
| EV Family Fun Day | Specific grant funding/fundraising for the Family Fun Day | Both |
| Garth Roses | For acquiring new roses for the Garth | Both |
| Embroidery Fund | For restoration of the Library curtains and other embroidery projects | Both |
| Library Fund | For purchases and running costs of the library | Both |
| Choir Fund | For Choir recruitment brochures | Both |
| Flower Guild | For the provision of flowers in the Cathedral | Both |
| Youth Fund | Specific donations for Young Peoples Work | Both |
| Congregation Fund | Specific donations for developing the congregation | Both |
| Friends of Rochester Cathedral Music | Specific fundraising for the Choir and Music | Both |
| ACVC | Association of Cathedral Voluntary Choirs Festival 2019 | Both |
| Bells Centenary fund | Specific fundraising for a new bell | Both |
| CYP Fund | Knife Angel income and expenditure | Both |
| Dean's Covid Recovery Fund | Restricted donations to support the Cathedral activities affected by Covid 19 closures | Both |
| On Line Ministry Fund | Restricted donations to support on-line ministry | Both |
| Education Fund | Restricted donations to support developmental education work | Both |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

| 16. Endowment Funds | Balance at | Income | Expenditure | Investment | Transfers | Balance at |
|---------------------|-------------------|---------------|-----------------|----------------|-----------|-------------------|
| | 01 Jan 2020 | | | Movements | | 31 Dec 2020 |
| | £ | £ | £ | £ | £ | £ |
| General endowment | 19,769,062 | - | (85,000) | 582,436 | - | 20,266,498 |
| Music endowment | 1,381,353 | 48,041 | - | 97,610 | - | 1,527,004 |
| | <u>21,150,415</u> | <u>48,041</u> | <u>(85,000)</u> | <u>680,046</u> | <u>-</u> | <u>21,793,502</u> |

| | Balance at | Income | Expenditure | Investment | Transfers | Balance at |
|-------------------|-------------------|---------------|-----------------|----------------|-----------|-------------------|
| | 01 Jan 2019 | | | Movements | | 31 Dec 2019 |
| | £ | £ | £ | £ | £ | £ |
| General endowment | 19,220,552 | - | (57,162) | 605,672 | - | 19,769,062 |
| Music endowment | 1,140,438 | 21,061 | - | 219,854 | - | 1,381,353 |
| | <u>20,360,990</u> | <u>21,061</u> | <u>(57,162)</u> | <u>825,526</u> | <u>-</u> | <u>21,150,415</u> |

| Endowment Funds - description | | Income/capital |
|-------------------------------|--|----------------|
| General endowment | Permanent endowment to generate income for the Cathedral | Income only |
| Music Endowment | Raised by Rochester Cathedral Trust for the provision of music | Income only |

The Music Endowment Fund includes specific endowments for a chorister (£50,000 each) as follows:

The Ousley Trust
The Hans and Julia Rausing Trust
The Henry Oldfield Trust
Saddlers Livery Company
Mercers' Livery Company
The J & J Medal
The Cooke Medal
The Aiken Medal

17. Staff numbers

The average full time equivalent number of paid staff working for the Cathedral during the year was 30.4 (2019: 30.2).

| | 2020 No. | 2019 No. |
|------------------------------------|-------------|-------------|
| Funds generation | 1.5 | 2.3 |
| Ministry | 12.2 | 11.1 |
| Cathedral and precincts upkeep | 7.6 | 7.4 |
| Education and outreach | 3.6 | 3.8 |
| Community, parish and congregation | 0.5 | 0.5 |
| Administration and finance | 5.0 | 5.1 |
| | <u>30.4</u> | <u>30.2</u> |

Of the above, members of Chapter numbered 3.0 (2019: 3.0)

18. Staff costs

| | Salaries & Stipends | Employers' NI | Employers' Pension | Total |
|------|---------------------|---------------|--------------------|-------|
| | £000 | £000 | £000 | £000 |
| 2020 | 783 | 47 | 60 | 890 |
| 2019 | 796 | 51 | 57 | 904 |

19. Emoluments of higher paid staff

No of staff members paid more than £60,000 were 1 (2019: 1).

Key Management Personnel

Salary levels for Chapter members is set by the Church Commissioners.

Salary levels for the Chapter Clerk - Executive Director and other senior staff are set by reference to available benchmarks.

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

20. Remuneration of members of Chapter

The remuneration of the members of Chapter was:

| | 2020 | | 2019 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| | Stipend (incl Employers NI) | Employers' Pension | Stipend (incl Employers NI) | Employers' Pension |
| The Dean | 40,766 | 12,293 | 40,250 | 12,050 |
| Canon Precentor | 31,408 | 9,834 | 30,728 | 9,640 |
| Canon Chancellor/Canon for Mission & Growth | 17,105 | 5,431 | 20,005 | 6,560 |
| | 89,369 | 27,558 | 91,974 | 28,249 |

The remuneration and pension provision of clerical members of Chapter are paid in accordance with scales laid down annually by the Church

£679 (2019 - £3,567) in expenses were paid in total to the 10 (2019: 10) members of Chapter during the year. Expenses comprised travel, entertainment and non-departmental expenses.

Related Party Transactions

Unrestricted donations totalling £3,585 (2019: £3,415) were made by members of Chapter in the year. Details of remuneration and expenses paid to members of Chapter are shown in note 20.

There were no other related party transactions in the year.

21. Pensions

Rochester Cathedral participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

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

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide their benefits at retirement.

Pensions contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable. (2020: £31,676, 2019: £29,262).

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

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

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

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

22. Contingent Liability

The Chapter have a legal responsibility for the maintenance and repair of 25 parish church chancels. They are entitled to claim 66.6% of the costs incurred from the Church Commissioners.

From 1st January 2019 future Chancel Repair liabilities will be funded 100% by the Church Commissioners.

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2020

23. Consolidated entities

Rochester Cathedral Enterprises Ltd is wholly owned by the Cathedral, and its results and assets have been consolidated into these accounts. The company gift-aided £14k to the Cathedral during the period (2019: £84k).

24. Connected entities

Two entities exist which are wholly for the benefit of the Cathedral, but which are not under its control: being Rochester Cathedral Trust and Friends of Only income received or receivable from the entities is included in the accounts.

Relevant information about their income and assets, based on the latest available accounts, is:

| | Friends of Rochester Cathedral | | Rochester Cathedral Trust | |
|------------------------------|--------------------------------|--------------|---------------------------|--------------|
| | 2019 £000 | 2018 £000 | 2020 £000 | 2019 £000 |
| Gross income | 88 | 102 | 422 | 452 |
| Net income/(expenditure) | 24 | 40 | (60) | 141 |
| Amount paid to the Cathedral | 16 | 86 | 450 | 268 |
| Gross Assets | 1,253 | 1,263 | 336 | 394 |
| Net Assets | 1,252 | 1,262 | 334 | 394 |

25. Heritage Assets

The Cathedral owns a number of assets that are of architectural, archaeological, artistic or historic interest and which would be considered to be heritage assets. As stated in the Accounting Policies note, no value is placed on these assets in the balance sheet.

Nature of assets

Heritage assets fall into the following categories:

- Paintings
- Plate
- Textiles (including robes and altar linen)
- Books
- Stained Glass
- Monuments and Ledgers
- Miscellaneous (including bells, organs, clocks, and lights).

No items included in the inventory have been disposed of in the period and no items acquired which would warrant inclusion in the inventory.

Acquisition, disposal, preservation and management of heritage assets

Under section 13(1) of the Care of Cathedrals Measure 1990, Cathedrals are required to keep an inventory of items owned by the Cathedral that are of architectural, archaeological, artistic or historic interest.

Section 2(b) and (c) of the Measure also issues strict guidelines about the acquisition and disposal of such assets.

Many of the heritage assets held are situated within the Cathedral itself and can be viewed by visitors to the Cathedral. From time to time, the Chapter will grant public access to certain heritage assets such as the exhibition in July 2010 of the Textus Roffensis, the earliest written record of the English language. The Textus went on permanent display following the completion of the Crypt renovations. From September 2018 to February 2019 it was exhibited at the British Library alongside Magna Carta.

26. Post balance sheet event

Since the year-end the COVID-19 crisis has continued to have a major impact both globally and in the UK. The Chapter has disclosed its assessment of the impact on the cathedral on page 26. The financial impact of the crisis has reduced the expected future income of the cathedral and cost reductions have been required. Management accounts forecasts for 2021 currently show a shortfall of approximately £100k for the 2021 year. The value of other investments (CCLA) have grown 5.9% in 2020 as disclosed in note 6.