

ROCHESTER CATHEDRAL

Growing in Christ since AD604



PHOTO: Clive Tanner

ANNUAL REPORT
Statutory Accounts – Part 2
2019

Rochester Cathedral Annual Report and Statutory Accounts – Part 2

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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@rochestercathedral.org

1.3 Chapter

Members of Chapter who served during 2019 were as follows:

| | |
|---|---|
| <i>Dean</i> | The Very Revd Dr Philip Hesketh |
| <i>Canon for Mission & Growth</i> | The Revd Canon Rachel Phillips - 2017 to Aug 2019 (Commissioners' Canon) |
| <i>Canon Precentor</i> | The Revd Canon Matthew Rushton – 2017 (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 – Nov 2019 |
| <i>Bishop's Appointee</i> | Canon Paul Hudson - 2010 |
| <i>Bishop's Appointee</i> | Canon Andrew Gray – 2013 |
| <i>Bishop's Appointee</i> | Canon Barbara Lloyd – 2013 |
| <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)
Mr Andrew Webster – 2010

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 | Winch & Winch New Road Avenue Chatham, Kent ME4 6AR |
| 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. Chapter is responsible for leadership, policy, strategy and vision and meets 10 times each year with an additional residential meeting in July.

Residentiary members of Chapter 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. During the year, committees to deal with safeguarding and capital projects have been formally established.

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 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 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 Chapter are appointed by the Bishop, usually on the recommendation of the Chapter.

New members of 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 participating in the training programme offered by the Association of English Cathedrals in 2018 and 2019.

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, 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 Rachel Phillips resigned from the Chapter in August 2019. Mr Adrian Bawtree, acting Director of Music, left in August after successfully completing a secondment from Canterbury Cathedral.

Revd Canon Christopher Dench was appointed Vice Dean in September 2019. Canon Colin Lovell was appointed as a lay member of Chapter in November 2019 and Francesca Massey was appointed Director of Music from September 2019. There were no other changes during the year.

2.10 Subsidiary Company

Rochester Cathedral Enterprises Ltd

RCE Ltd is an independent 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 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 908 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 Kent. Their present priorities are to grow the Music Endowment with a target of raising £2m by 2025, and to raise funds for the programme 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 2019 was £1,381k.

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

- Land Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Ltd;
- investments in which 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 reporting requirement of the Church Commissioners, nevertheless Chapter confirm 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

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 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 have consolidated further the Cathedral Safeguarding Group's work and progressed the recommendations from a major audit by the Social Care institute for Excellence.

The financial risk relating to cost overruns on building projects has been addressed and is covered in more detail in section 3.2 below.

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Cathedral's response has been to implement its contingency planning arrangements for such circumstances and will therefore be able to serve its 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, Chapter considers it appropriate for the going concern basis to be adopted for these accounts.

2.15 Staffing and Volunteers

The Cathedral employs staff to deliver its objectives – vergers, musicians, gardeners, education officers, cleaners, caterers, shop workers, accountants, book-keepers, 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 (2018 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 2019 rents accounted for £558k (2018 £535) (44% of unrestricted income in 2019; 43% in 2018). Other investment income from shares, stocks and interest amounted to £109k (2018 £108). 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 £10k (2018: £37k). This award was made up as follows: Gardens and Grounds £8k and resiting the Northbourne Pall £2k.

Donations and grants received through the Rochester Cathedral Trust totalled £33k and were made up as follows: Music running costs £21k and £12k for the Children's Community Choir.

The amount raised by the Rochester Cathedral Trust in 2019 for the music endowment was £21k (2018: £72k). This amount was transferred to the Cathedral in 2019 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 2019, the contribution towards administrative salaries was £119k (2018 £119k) and this is included in the total figure of £239k (2018 £254k). The balance includes their contribution towards the stipend of the Dean and Commissioners' Canons which was £120k (2018 £130k), and £Nil towards chancel insurance (2018 £5k).

Additionally, £25k was received from the Allchurches Trust (2018 £22k), £33k was received from Rochester Cathedral Trust towards admin costs, £11k from Rochester Diocese, £25k from the LPW Grant Scheme (2018 £28k) and £182k from from Rochester Cathedral Trust for various capital projects.

Voluntary income

The total received for congregational giving, donations and gift aid amounted to £223k (2018 £224k) during the period, which included £5k (2018 £4k) raised for Chennai in India, £6k (2018 £3k) 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 and a small retail operation also in the crypt. From October 2019 the cathedral lettings and educational income were treated as trading activity and moved to RCE Ltd.

RCE Ltd turnover for the period was £200k (2018 £92k). The company made a trading gain in the year of £84k and made a gift-aided payment to the Cathedral of £67k (2018 - £20k).

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 £19k (2018 £72k).

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. 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 2019 the consolidated general fund reserves stood at £545k in surplus (2018 £191 in surplus) representing just 5.4 months of ordinary activity and some £55k short of the target set.

There was a surplus in 2019 on the unrestricted fund of £354k (2018 £36k deficit). The main factors affecting the 2019 result were unrealised investment gains, improved income from visitor donations, and fees for services, but this was partly off set by continuing additional costs in securing the Cathedral's IT systems and fees in relation to property matters.

3.3 Investment Policy

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 required for 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 to house clergy and staff, and to use for offices. Other property 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 were revised for values at 31st December 2019 with reference to a yield basis for commercially let property and an external index for residential property (Land Registry house price index).

Property Investments - continued

| | £'000 |
|-----------------------|--------------|
| Rental income | 558 |
| Professional services | (32) |
| Other costs | (70) |
| Property repairs | (53) |
| Net income | 402 |

| Yield on investment properties | £'000 |
|---|--------------|
| Capital value investment property | £10,758 |
| Gross income yield | 3.7% |
| CBF Property Fund income yield (Gross) | 5.46% |

Gross income has increased to £558k (2018 £535k), and net income yield of 3.7% for the year compares with 3.6% for 2018. The annual net income yield will vary year by year depending on the amount of capital works carried out in the year. Our higher yield for 2019 reflects a low level of voids and improved income levels as underused property has been made available for the rental market. Strict control of the number and range of capital works also contributed to improved position. 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> | <i>Fixed interest</i> | <i>Variable interest</i> | <i>Total</i> |
|--|-----------------|-----------------------|--------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Listed in the UK | 152 | 15 | - | 167 |
| Cash deposits | - | - | 3 | 3 |
| | 152 | 15 | 3 | 170 |
| Gains/(losses) on revaluations/disposals | 817 | (12) | - | 805 |
| Total return on other investments | 969 | 3 | 3 | 975 |

| Return on other investments | £'000 |
|------------------------------------|--------------|
| Market value of other investments | 5,056 |
| Return | 15.9% |
| FTSE All Share | 13.9% |

At 31st December 2019 our total investments, excluding direct property holdings, totalled £5.06m (up from £4.78m in 2018), of which 10.2% were held in listed UK equity funds, 46.2% were held in overseas equities, 0.0% in fixed interest stocks, 24.7% in property funds and 18.8% 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 the consequential programme of works ranges from minor routine maintenance to the major project of replacing a pinnacle on the south side of the Cathedral.

3.6 Achievements and performance

During 2019 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.

In particular progress has been made in the following:

Key Aim 1 – The Cathedral has continued to be a place prayer and mission, with visitors of all ages being engaged with the daily rhythm of prayer and worship. Even during the busy summer period of the adventure golf, visitors often stopped their play for daily prayers at mid day and many went on to light candles. The Cathedral also hosted the Knife Angel in September and many people were challenged. Over 283,000 people visited the Cathedral in 2019, an increase of 23% on 2018. Initiatives such as the adventure golf and the Knife Angel contributed to a 16% rise in the number of worshippers at services during Advent and Christmas. Additionally, prayer stations were set up for the Knife Angel with large numbers of prayer requests and many pastoral concerns met.

Key Aim 2 – The Cathedral has continued to develop its volunteer team and extended opportunities for people to contribute to the visitor welcome, especially during the golf and Knife Angel exhibitions, including serving tea and cake in the Cafe in the Crypt. Library volunteers have had greater opportunity to share the library treasures with visitors. Several members of the Cathedral family continue to pursue their calling for ordained ministry.

Key Aim 3 – The work of the Cathedral with partners and stakeholders continues to grow including the collaboration with the Rochester Bridge Trust which resulted in the Adventure Golf installation

in the summer. The Cathedral welcomed many school groups during the year and participated with Medway Council in the Rochester festivals.

Key Aim 4 – The main area of work carried out in 2019 was the replacement of the South Pinnacle and repairs to the southern fabric. Investigations continued to the further development of the Cloister Garth including restoration and protection of the exposed and deteriorating stone work in the east end of the Garth and preserving the remains of the Chapter House. Other priority works identified in the Quinquennial Review undertaken in 2018, will be carried out in 2020 after further successful fundraising work by Rochester Cathedral Trust.

Key Aim 5 – The deficit of 2017 has been eradicated and focus in this area is now moved to building consistent and sustainable free reserves to support the day to day operations of the Cathedral. The trading subsidiary has been restructured and the new arrangements have improved profitability and the return to the Cathedral. Two further properties in the estate were returned residential use improving the income from the estate. Discussions took place with Rochester Diocese to buy back their share of the Archdeaconry – this purchase was completed in February 2020. Much effort went into ensuring that recent improvements to ensure the safety of children, young people and vulnerable adults is embedded across all areas of the Cathedral. The safeguarding review of the cathedral undertaken by the Social Care Institute for Excellence in September 2019 recognised this and made suggestions for further consolidation of safeguarding practice.

3.7 Commentary on the 2019 results.

The results for the year ended 31 December 2019 reflect another year in which the Cathedral faced substantial challenges. The key challenges revolved around media interest and managing visitor numbers for the Adventure Golf closely followed by the Knife Angel exhibit. Over 75,000 visitors were recorded for these two key attractions. At the same time urgent repairs to the south side of the Cathedral were completed making a busy year for managing our small site.

The unrestricted surplus for the year is largely due to the revaluation of investments with a modest contribution from operating activities.

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 other monetary assets has already produced good results – investment income was £170k in 2019 and was £163k in the previous year.

We have continued to seek every opportunity to maximise the take-up of Gift Aid amongst the congregation and visitors. Congregational collections and giving, including Gift Aid, was £223k in 2019, a decrease of £1k over 2018 (£224k).

The final result on the unrestricted fund was a surplus of £354k, which leads to an overall general fund surplus carried forward of £545k. This compares to our planned reserves of £181k at the end of 2019 which is estimated without counting investment gains. 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.

Revaluation of Property

Properties were revalued on a mixture of published indices and calculated on a deemed yield basis. The commercial properties and property on longer leases were valued by reference to a yield basis. Residential properties continued to be valued by reference to a published index.

Net gains on revaluation of property amounted to £14k (2018: £165k). Commercial investment properties increased in the year, by an average of 1.6%, and residential properties reduced by 0.4%.

Trading

The Cathedral's trading subsidiary, Rochester Cathedral Enterprises Ltd, continued to operate with its activities consolidated in the crypt of the Cathedral.

Focus in the year concentrated on income from events, school and other group visits, and Cathedral rentals, along with maximising secondary spend from visitors during the summer Adventure Golf and Knife Angel exhibit. New arrangements following an agreement between Chapter and the Company Board resulted in all staff being transferred to the Cathedral and the payment by the trading company of a monthly management charge. As a result underlying costs in the business were largely eliminated and both the café and the shop have made solid contributions to the overall surplus in the year.

RCE Ltd gift-aided £67k to the Cathedral in 2019 (2018 £20k).

RCE Ltd looks forward to further improvements in trading in 2020.

Expenditure

Operating expenditure was well controlled during the year with most departments spending within their budget limits. We were able to complete most of the planned repair projects to the estate and now need to catch up with the programme of repairs.

Unexpected costs in relation to legal and safeguarding advice and additional costs for staffing the events team to cover absences in the vergers team being the exception.

Funds for restricted purposes increased £36k from £488k to £524k. Designated funds increased by £136k from £533k to £397k. This is mainly due to the expenditure of legacy funding recognised in 2018.

Post Balance Sheet Event

Since the year end a worldwide pandemic caused by the COVID-19 virus has caused the closedown of every major economy across the world. 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.

As a result of the COVID-19 pandemic the value of investments, generally, fell significantly during March and April 2020. 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 the temporary reduction in value due to the pandemic should

not affect the longer-term performance of the portfolio. At the end of April, the CCLA portfolio was approximately 6% (£341k) down on the value at 31st December 2019.

Equally the Cathedral's commercial tenants have all closed their doors and income from business rentals has all but dried up. The commercial estate is valued on a yield basis and it is anticipated that the income yield will reduce in the short term and this will reduce the short-term valuation of the properties. However, in the longer term this would not affect the underlying value of the estate which remains in good quality, properties, well maintained and in prime positions.

FUTURE PLANS

Another challenging year for the Cathedral has seen an increase in our profile both nationally and internationally and great successes like the Adventure Golf and the Knife Angel bring their own new experiences as the small Cathedral team has welcomed many more visitors this year than in the past. The Chapter thanks all the staff team and volunteers especially for maintaining a high-quality welcome.

Other challenges still remain as we seek to bring closure to the outstanding snagging issues arising from the Hidden Treasures Fresh Expressions Project (which ended in 2017), whilst still looking forward to the next project, developing the Garth and creating new spaces for music and education.

We remain vigilant in our safeguarding responsibilities and continue to push forward with training and implementation of best practice procedures to ensure that the Cathedral is a safe place for all people.

The successful fundraising campaign commenced in 2018 continued to yield generous support and having completed the restoration of the southern presbytery pinnacle, the most significant fabric issue highlighted in the Cathedral Surveyor's quinquennial inspection conducted in 2018, we now have funding for the next two major sections of work to the south quire clerestory, quire & vault and also to the north nave clerestory.

In the near future, the organisation of the Cathedral is likely to see some major changes, if the proposals for a new Cathedrals Measure approved by General Synod are enacted. In the meantime, Chapter has given much thought to how our systems and administrative processes can be improved without waiting for legislation. We be will seeking grant funding support from the Cathedral's Sustainability Fund to further develop the visitor experience in 2020 and beyond. We were looking forward to 2020 with much optimism, stronger and more robust with IT systems and administrative spaces fit to deal with future challenges. But the Covid-19 crisis has delayed our exciting programme of events planned for 2020, although the Museum of the Moon in February 2020 did go ahead and was hugely successful.

Further to section 2.14 Risk Analysis, Chapter has considered and assessed the latest cash flow projections and confirmed that the going concern assumption is appropriate.



Very Revd Dr Philip Hesketh
Dean

1 June 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF ROCHESTER CATHEDRAL FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Rochester Cathedral for the year-ended 31 December 2019 which comprise the Consolidated 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 of the Cathedral's affairs as at 31 December 2019 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the members of the Chapter for the financial statements

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

In preparing the financial statements, the members of the Chapter are responsible for assessing the group's and 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 they either intend to liquidate the group or 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.

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.

Conclusions relating to going concern

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

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

Other information

The members of the Chapter are responsible for the other information. The other information comprises the information included in the Annual Report of the Chapter. 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; or
- the Cathedral's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

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

Haysmacintyre LLP
Statutory Auditors



15 July 2020

10 Queen Street Place
London
EC4R 1AG

4. Statutory Accounts

ROCHESTER CATHEDRAL

**ANNUAL REPORT &
CONSOLIDATED ACCOUNTS**

**FOR THE YEAR ENDED
31 DECEMBER 2019**

Rochester Cathedral

Consolidated Statement of Financial Activities
for the year ended 31 December 2019

| | Notes | 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 2018 £000 |
|---|-----------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|
| Income and endowments from: | 1 | | | | | | | | | | |
| Donations and legacies | | 199 | 4 | 73 | 21 | 297 | 331 | 3 | 98 | 72 | 504 |
| Grants | | 78 | - | 462 | - | 540 | 106 | 2 | 496 | - | 604 |
| Charges and fees arising in the course of mission | | 19 | - | - | - | 19 | 72 | - | - | - | 72 |
| Trading and Fundraising | | 216 | - | - | - | 216 | 96 | - | - | - | 96 |
| Investments | | 670 | 12 | 46 | - | 728 | 644 | 14 | 42 | - | 700 |
| Other | | 1 | - | - | - | 1 | 2 | 1 | - | - | 3 |
| Total | | 1,183 | 16 | 581 | 21 | 1,801 | 1,251 | 20 | 636 | 72 | 1,979 |
| Expenditure on: | | | | | | | | | | | |
| Raising funds | 2 | 337 | 193 | 12 | 57 | 599 | 270 | 49 | 11 | 152 | 482 |
| Ministry & music | | 297 | 23 | 252 | - | 572 | 353 | 27 | 257 | - | 637 |
| Cathedral and precincts upkeep | | 300 | - | 263 | - | 563 | 299 | - | 343 | - | 642 |
| Education and outreach | | 195 | 5 | 37 | - | 237 | 148 | 1 | 20 | - | 169 |
| Community, parish and congregation | | 6 | - | 3 | - | 9 | 7 | 2 | 3 | - | 12 |
| Cathedral Buildings additions | | - | - | - | - | - | - | - | - | - | - |
| Statutory inventory additions | | - | - | - | - | - | - | - | - | - | - |
| Other | | 3 | - | - | - | 3 | 5 | 7 | 114 | - | 126 |
| Total | | 1,138 | 221 | 567 | 57 | 1,983 | 1,082 | 86 | 748 | 152 | 2,068 |
| Net income/(expenditure) before investment gains | | 45 | (205) | 14 | (36) | (182) | 169 | (65) | (112) | (80) | (89) |
| Realised gains/(losses) on investments | | 2 | - | - | 80 | 82 | - | - | - | - | - |
| Gains/(losses) on revaluation of Investments | 6 | 143 | 24 | 23 | 533 | 723 | (21) | 1 | (2) | (49) | (71) |
| Net income/(expenditure) | | 190 | (181) | 37 | 577 | 623 | 148 | (65) | (114) | (129) | (160) |
| Transfers between funds | | 164 | 45 | (209) | - | - | (184) | 184 | - | - | - |
| Other recognised gains (losses) | | - | - | - | 212 | 212 | - | - | - | 492 | 492 |
| Gains/(losses) on revaluation of Property (Cathedral own use) | 6/8 | | | | | | | | | | |
| Net movement in funds | | 354 | (136) | (172) | 789 | 835 | (36) | 119 | (114) | 363 | 332 |
| Total funds brought forward | | 191 | 533 | 488 | 20,361 | 21,573 | 227 | 414 | 602 | 19,998 | 21,241 |
| Total funds carried forward | 13/14/15 | 545 | 397 | 316 | 21,150 | 22,408 | 191 | 533 | 488 | 20,361 | 21,573 |

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

Rochester Cathedral

Consolidated Balance Sheet
as at 31 December 2019

| | Notes | 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 2018 £000 |
|---|-----------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|
| Fixed Assets | | | | | | | | | | | |
| Investment assets | | | | | | | | | | | |
| Property | 7 | - | - | - | 11,344 | 11,344 | - | - | - | 10,745 | 10,745 |
| Other investments | 6 | 918 | 327 | 176 | 3,635 | 5,056 | 775 | 344 | 146 | 3,512 | 4,777 |
| | | 918 | 327 | 176 | 14,979 | 16,400 | 775 | 344 | 146 | 14,257 | 15,522 |
| Non investment assets | | | | | | | | | | | |
| Property | 8 | - | - | - | 5,435 | 5,435 | - | - | - | 5,823 | 5,823 |
| Plant & equipment | 9 | 19 | - | - | 19 | 19 | 23 | - | - | - | 23 |
| | | 19 | - | - | 5,454 | 5,454 | 23 | - | - | 5,823 | 5,846 |
| Total fixed assets | | 937 | 327 | 176 | 20,414 | 21,854 | 798 | 344 | 146 | 20,080 | 21,368 |
| Current Assets | | | | | | | | | | | |
| Stocks | 10 | 22 | - | - | - | 22 | 24 | - | - | - | 24 |
| Debtors | 11 | 217 | - | 27 | - | 244 | 183 | - | 31 | 4 | 218 |
| Short term deposits | | 407 | - | - | 556 | 963 | 615 | - | - | - | 615 |
| Cash at bank and in hand | | (387) | 70 | 221 | 213 | 117 | (809) | 205 | 420 | 330 | 146 |
| | | 259 | 70 | 248 | 769 | 1,346 | 13 | 205 | 451 | 334 | 1,003 |
| Liabilities due within one year | | | | | | | | | | | |
| Creditors | 12 | (304) | - | (108) | (33) | (445) | (258) | (16) | (109) | (53) | (436) |
| | | (304) | - | (108) | (33) | (445) | (258) | (16) | (109) | (53) | (436) |
| Net current assets | | (45) | 70 | 140 | 736 | 901 | (245) | 189 | 342 | 281 | 567 |
| Liabilities due after one year | | | | | | | | | | | |
| | | (347) | - | - | - | (347) | (362) | - | - | - | (362) |
| Net assets | | 545 | 397 | 316 | 21,150 | 22,408 | 191 | 533 | 488 | 20,361 | 21,573 |
| Funds | | | | | | | | | | | |
| General Fund | | 511 | - | - | - | 511 | 173 | - | - | - | 173 |
| Rochester Cathedral Enterprises | | 34 | - | - | - | 34 | 18 | - | - | - | 18 |
| Father Smith Bequest | | - | - | - | - | - | - | - | 209 | - | 209 |
| Mary J Smith (Barrett's Folly) Bequest | | - | 277 | - | - | 277 | - | 277 | - | - | 277 |
| Other Funds | | - | 120 | 316 | - | 436 | - | 256 | 279 | - | 535 |
| Endowment | | - | - | - | 21,150 | 21,150 | - | - | - | 20,361 | 20,361 |
| Revaluation reserve | | - | - | - | - | - | - | - | - | - | - |
| Total funds | 13/14/15 | 545 | 397 | 316 | 21,150 | 22,408 | 191 | 533 | 488 | 20,361 | 21,573 |

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

Approved by Chapter on 1 June 2020 and signed on its behalf by

P. J. Heaketh
Very Revd Dr Philip Heaketh
Dean

Mr. M. R. Rushton
Revd Canon Matthew Rushton
Canon Precentor

Rochester Cathedral

Balance Sheet - Cathedral only
as at 31 December 2019

| | Notes | 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 2018 £000 |
|--|-----------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Fixed Assets | | | | | | | | | | | |
| Investment assets | | | | | | | | | | | |
| Property | 7 | - | - | - | 11,344 | 11,344 | - | - | - | 10,745 | 10,745 |
| Investments | 6 | 918 | 327 | 176 | 3,635 | 5,056 | 775 | 344 | 145 | 3,512 | 4,777 |
| | | 918 | 327 | 176 | 14,979 | 16,400 | 775 | 344 | 146 | 14,257 | 15,522 |
| Non Investment assets | | | | | | | | | | | |
| Property | 8 | - | - | - | 5,435 | 5,435 | - | - | - | 5,823 | 5,823 |
| Plant & equipment | 9 | 19 | - | - | 19 | 19 | 23 | - | - | 23 | 23 |
| | | 19 | - | - | 5,454 | 5,454 | 23 | - | - | 5,823 | 5,846 |
| Total fixed assets | | 937 | 327 | 176 | 20,414 | 21,854 | 798 | 344 | 145 | 20,080 | 21,368 |
| Current Assets | | | | | | | | | | | |
| Debtors | 11 | 198 | - | 27 | - | 225 | 183 | - | 31 | 4 | 218 |
| Short term deposits | | 407 | - | - | 556 | 963 | 615 | - | - | - | 615 |
| Cash at bank and in hand | | (419) | 70 | 221 | 212 | 84 | (821) | 205 | 420 | 330 | 134 |
| | | 186 | 70 | 248 | 768 | 1,272 | (23) | 205 | 451 | 334 | 967 |
| Liabilities due within one year | | | | | | | | | | | |
| Creditors | 12 | (266) | - | (108) | (32) | (406) | (240) | (16) | (109) | (53) | (418) |
| | | (266) | - | (108) | (32) | (406) | (240) | (16) | (109) | (53) | (418) |
| Net current assets | | (80) | 70 | 140 | 736 | 866 | (263) | 189 | 342 | 281 | 549 |
| Liabilities due after one year | | | | | | | | | | | |
| Creditors | 13 | (347) | - | - | - | (347) | (362) | - | - | - | (362) |
| Net assets | | 510 | 397 | 316 | 21,150 | 22,373 | 173 | 533 | 488 | 20,361 | 21,555 |
| Funds | | | | | | | | | | | |
| General Fund | | 510 | - | - | - | 510 | 173 | - | - | - | 173 |
| Father Smith Bequest | | - | - | - | - | - | - | 209 | - | - | 209 |
| Mary J Smith Bequest | | - | 284 | - | - | 284 | - | 277 | - | - | 277 |
| Other Funds | | - | 113 | 316 | - | 429 | - | 256 | 279 | - | 535 |
| Endowment | | - | - | - | 21,150 | 21,150 | - | - | - | 20,361 | 20,361 |
| Revaluation reserve | | - | - | - | - | - | - | - | - | - | - |
| Total funds | 13/14/15 | 510 | 397 | 316 | 21,150 | 22,373 | 173 | 533 | 488 | 20,361 | 21,555 |

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

Approved by Chapter on 1 June 2020 and signed on its behalf by

P. Hesketh

Very Revd Dr Philip Hesketh
Dean

M. Rushton

Revd Canon Matthew Rushton
Canon Precentor

Rochester Cathedral

**Cash Flow Statement
as at 31 December 2019**

| | 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 2018 £000 |
|---|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|
| Cash flows from operating activities: | | | | | | | | | | |
| Net Cash provided by/(used in) operating activities | (453) | (206) | (238) | (73) | (970) | (166) | 122 | 41 | (50) | (53) |
| Cash flows from investing activities: | | | | | | | | | | |
| Rents received net of costs | 558 | - | - | - | 558 | 535 | - | - | - | 535 |
| Investment income received net of costs | 112 | 28 | 46 | - | 186 | 109 | 14 | 42 | - | 165 |
| Proceeds from sale of property, plant & equipment | (3) | - | - | - | (3) | (6) | - | - | - | (6) |
| Purchase of property, plant & equipment | - | 53 | - | 556 | 609 | - | 16 | 1 | - | 17 |
| Proceeds of sale of investments | - | (10) | (7) | (65) | (82) | (300) | (9) | (13) | (122) | (444) |
| Net cash provided by/(used in) investing activities | 667 | 71 | 39 | 491 | 1,268 | 338 | 21 | 30 | (122) | 267 |
| Cash flows from financing activities: | | | | | | | | | | |
| Repayments of borrowing | - | - | - | - | - | - | - | - | - | - |
| Cash inflows | - | - | - | - | - | - | - | - | - | - |
| Receipt of endowment | - | - | - | 21 | 21 | - | - | - | 72 | 72 |
| Net cash provided by/(used in) financing activities | - | - | - | 21 | 21 | - | - | - | 72 | 72 |
| Change in cash and cash equivalents in the year | 214 | (135) | (199) | 439 | 319 | 172 | 143 | 71 | (100) | 286 |
| Cash and cash equivalents as at 1 January 2019 | (194) | 205 | 420 | 330 | 761 | (356) | 62 | 349 | 430 | 475 |
| Cash and cash equivalents as at 31 December 2019 | 20 | 70 | 221 | 769 | 1,080 | (194) | 205 | 420 | 330 | 761 |

Rochester Cathedral

**Cash Flow Statement
as at 31 December 2019**

**Reconciliation of net movement in funds to
net cash flow from operating activities**

| | 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 2018 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|
| Net movement in funds for the year | 354 | (136) | (172) | 789 | 835 | (36) | 119 | (114) | 363 | 332 |
| Adjustments: | | | | | | | | | | |
| Depreciation | 7 | - | - | - | 7 | 6 | - | - | - | 6 |
| Income added to endowments | - | - | - | (21) | (21) | - | - | - | (72) | (72) |
| Income from property | (558) | - | - | - | (558) | (535) | - | - | - | (535) |
| Income from investments | (112) | (28) | (46) | - | (186) | (109) | (14) | (42) | - | (165) |
| Investment management costs | - | - | - | - | - | - | - | - | - | - |
| Loss/(profit) on sale of fixed assets | - | - | - | - | - | - | - | - | - | - |
| Loss/(profit) on sale of investments | - | (2) | - | (80) | (82) | - | (1) | - | - | (1) |
| Unrealised on revaluation of investments | (143) | (24) | (23) | (533) | (723) | 21 | - | 2 | 49 | 72 |
| Revaluation of Investment Property (Increase)/decrease in stocks | 2 | - | - | (212) | (212) | - | - | - | (492) | (492) |
| (Increase)/decrease in debtors | (34) | - | 4 | 4 | (26) | 2 | - | - | - | 2 |
| Increase/(decrease) in creditors | 31 | (16) | (1) | (20) | (6) | (4) | 16 | 109 | 53 | 174 |
| Transfer between funds | - | - | - | - | - | - | - | - | - | - |
| Net cash provided by/(used in) operating activities | (453) | (206) | (238) | (73) | (970) | (166) | 122 | 41 | (50) | (53) |
| Analysis of cash and cash equivalents | | | | | | | | | | |
| Cash at bank | (387) | 70 | 221 | 213 | 117 | (809) | 205 | 420 | 330 | 146 |
| Cash on deposit | 407 | - | - | 556 | 963 | 615 | - | - | - | 615 |
| Total cash and cash equivalents | 20 | 70 | 221 | 769 | 1,080 | (194) | 205 | 420 | 330 | 761 |

Rochester Cathedral

Accounting Policies - For the year ended 31 December 2019

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. Cashflow forecasts have been constantly monitored and updated 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 received.

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 2019

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 mid market value.

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 Commissioners' 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 2019

| 1. Incoming resources | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|--|--|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|
| (i) Voluntary income | | | | | |
| 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 2018 £000 |
| Congregational collections and giving | 88 | - | - | - | 88 |
| Donations | 74 | 3 | 38 | - | 115 |
| Tax recovered under Gift Aid | 19 | - | 2 | - | 21 |
| Income from supporter groups & trusts | | | | | |
| Friends of Rochester Cathedral | - | - | 37 | - | 37 |
| Rochester Cathedral Trust (see note below) | - | - | 21 | 72 | 93 |
| Legacies | 150 | - | - | - | 150 |
| | 331 | 3 | 98 | 72 | 504 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (ii) Grants receivable | | | | | |
| 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 2018 £000 |
| Church Commissioners | 50 | - | 254 | - | 304 |
| Diocese | - | - | - | - | - |
| Other grants | 56 | 2 | 242 | - | 300 |
| | 106 | 2 | 496 | - | 604 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (iii) Charges and fees arising in the course of mission | | | | | |
| Fees | 19 | - | - | - | 19 |
| | 19 | - | - | - | 19 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2018 £000 |
| Fees | 72 | - | - | - | 72 |
| | 72 | - | - | - | 72 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| (iv) Income from activities generating funds | | | | | |
| 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 2018 £000 |
| Charges to visitors | 4 | - | - | - | 4 |
| Commercial activities (RCEL) | 92 | - | - | - | 92 |
| Management Charges | - | - | - | - | - |
| | 96 | - | - | - | 96 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (v) Income from investments | | | | | |
| 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 2018 £000 |
| Investment property income | 535 | - | - | - | 535 |
| Other investment income | 108 | 13 | 42 | - | 163 |
| Interest from short-term deposits | 1 | 1 | - | - | 2 |
| | 644 | 14 | 42 | - | 700 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (vi) Other incoming resources | | | | | |
| Other Charges | 1 | - | - | - | 1 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2018 £000 |
| Other Charges | 2 | 1 | - | - | 3 |
| | 1,183 | 16 | 581 | 21 | 1,801 |

Income from Rochester Cathedral Trust included a transfer of £21k 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 2019

| 2. Costs of generating funds | 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 |
| Retail | 116 | - | - | - | 116 |
| Catering | - | - | - | - | - |
| Events | - | - | - | - | - |
| 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 |
| | 337 | 193 | 12 | 57 | 599 |

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

| | Unrestricted | Designated | Restricted | Endowment | Total |
|----------------------------------|--------------|------------|------------|------------|------------|
| | Funds | Funds | Funds | Funds | 2018 |
| | £000 | £000 | £000 | £000 | £000 |
| Facilities for visitors | 21 | - | - | - | 21 |
| Services directly recoverable | 31 | - | - | - | 31 |
| Retail | 35 | - | - | - | 35 |
| Catering | 19 | - | - | - | 19 |
| Events | 6 | - | - | - | 6 |
| Marketing costs | 11 | - | - | - | 11 |
| Costs of appeals and fundraising | 39 | - | - | - | 39 |
| Investment property costs | | | | | |
| Estate projects (Note 4) | - | 49 | - | 152 | 201 |
| Other investment property costs | 96 | - | - | - | 96 |
| Support costs | 12 | - | 11 | - | 23 |
| | 270 | 49 | 11 | 152 | 482 |

| 3. Expenditure on mission | Unrestricted | Designated | Restricted | Endowment | Total |
|--------------------------------------|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2019 |
| | £000 | £000 | £000 | £000 | £000 |
| (i) Ministry & music | | | | | |
| Clergy stipends and working expenses | - | - | 120 | - | 120 |
| Clergy housing costs | 21 | - | - | - | 21 |
| Clergy support costs | 57 | - | - | - | 57 |
| Services and music | 159 | 23 | 79 | - | 261 |
| Ministry support costs | 60 | - | 53 | - | 113 |
| | 297 | 23 | 252 | - | 572 |
| | Unrestricted | Designated | Restricted | Endowment | Total |
| | Funds | Funds | Funds | Funds | 2018 |
| | £000 | £000 | £000 | £000 | £000 |
| Clergy stipends and working expenses | - | - | 130 | - | 130 |
| Clergy housing costs | 21 | - | - | - | 21 |
| Clergy support costs | 44 | - | - | - | 44 |
| Services and music | 226 | 27 | 68 | - | 321 |
| Ministry support costs | 62 | - | 59 | - | 121 |
| | 353 | 27 | 257 | - | 637 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|--|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| (ii) Cathedral and precincts upkeep | | | | | |
| 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 2018 £000 |
| Major projects (note 4) | 16 | - | 296 | - | 312 |
| Maintenance and interior upkeep | 187 | - | 3 | - | 190 |
| Insurance | 28 | - | - | - | 28 |
| Precincts security and gardens upkeep | 30 | - | 8 | - | 38 |
| Support costs | 38 | - | 36 | - | 74 |
| | 299 | - | 343 | - | 642 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (iii) Education and outreach | | | | | |
| 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 2018 £000 |
| Educational activities | 130 | 1 | 2 | - | 133 |
| Archives & library | - | - | - | - | - |
| Charitable giving | 7 | - | 8 | - | 15 |
| Support costs | 11 | - | 10 | - | 21 |
| | 148 | 1 | 20 | - | 169 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
| (iv) Community, parish and congregation | | | | | |
| Community, parish and congregation costs | 3 | - | - | - | 3 |
| Support costs | 3 | - | 3 | - | 6 |
| | 6 | - | 3 | - | 9 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2018 £000 |
| Community, parish and congregation costs | 4 | 2 | - | - | 6 |
| Support costs | 3 | - | 3 | - | 6 |
| | 7 | 2 | 3 | - | 12 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2019 £000 |
|---|-------------------------------|-----------------------------|-----------------------------|----------------------------|-----------------------|
| (v) Other expenditure on mission | | | | | |
| Interest and similar charges | 3 | - | - | - | 3 |
| Care of chancels | - | - | - | - | - |
| | 3 | - | - | - | 3 |
| | Unrestricted Funds £000 | Designated Funds £000 | Restricted Funds £000 | Endowment Funds £000 | Total 2018 £000 |
| Interest and similar charges | 3 | - | - | - | 3 |
| Care of chancels | 2 | 7 | 5 | - | 14 |
| Hidden Treasures project (HLF) (Note 4) | - | - | 109 | - | 109 |
| | 5 | 7 | 114 | - | 126 |
| | 1,138 | 221 | 567 | 57 | 1,983 |

4. Major Projects - gross cost (Note 2)

| | Start date | 2019 Funds £000 | 2018 Funds £000 | 2017 Funds £000 | 2016 Funds £000 | Total Funds £000 |
|--|------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Estate Projects | | | | | | |
| Prebendal House | 2012/16 | - | - | 1 | 28 | 29 |
| 84 High Street - extension project | 2015 | - | - | 30 | 32 | 62 |
| Phoenix House - common area redecoration | 2018 | - | 45 | - | - | 45 |
| Garth House Refurbishment/Reception | 2019/2016 | 66 | - | - | 10 | 76 |
| Garth House External works | 2019 | 50 | - | - | - | 50 |
| 5 St Margarets Street | 2019 | 42 | - | - | - | 42 |
| Phelips Lodge Refurbishment | 2016 | - | - | 26 | 31 | 57 |
| Deanery Refurbishment | 2016 | - | - | - | 9 | 9 |
| Easter Garth refurbishment | 2017 | - | - | 12 | - | 12 |
| East Canonry refurbishment | 2017 | - | - | 15 | - | 15 |
| Ta College Yard refurbishment | 2017 | - | - | 9 | - | 9 |
| College Yard External Repairs | 2019/2017 | 23 | - | 10 | - | 33 |
| 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 |
| Others under £5,000 | | 2 | 1 | 3 | 5 | 11 |
| | | 250 | 201 | 106 | 115 | 672 |

4. Major Projects - gross cost

| | Start date | 2019 Funds £000 | 2018 Funds £000 | 2017 Funds £000 | 2016 Funds £000 | Total Funds £000 |
|--|------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Cathedral major projects (Note 3) | | | | | | |
| Others under £5,000 | | 7 | 6 | 5 | 13 | 31 |
| Pinnacle & South Presbytery | 2019 | 182 | - | - | - | 182 |
| 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 | 18 | 47 | - | - | 65 |
| Pulpitum Screen | 2017 | - | 2 | 20 | - | 22 |
| Crypt Seryery | 2017 | - | - | 56 | - | 56 |
| Crypt Ventilation | 2017 | - | 26 | 73 | - | 99 |
| WiFi | 2017 | - | 2 | 9 | - | 11 |
| WW1 QI Roof Repairs/Eastern Roof | 2017/2015 | - | 153 | 357 | 10 | 520 |
| Precinct/Garden Walls | 2015 | - | - | - | 21 | 21 |
| Fire detection System | 2016 | - | - | - | 33 | 33 |
| Vestry Fit Out | 2016 | - | - | 3 | 31 | 34 |
| Crypt Flood | 2016 | - | 1 | - | 36 | 37 |
| | | 218 | 312 | 523 | 144 | 1,197 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

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

| | Direct | Support | Total | Direct | Support | Total |
|------------------------------------|--------|---------|-------|--------|---------|-------|
| | costs | costs | 2019 | costs | costs | 2018 |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Funds generation | 574 | 25 | 599 | 459 | 23 | 482 |
| Ministry | 459 | 113 | 572 | 516 | 121 | 637 |
| Cathedral and precincts upkeep | 490 | 73 | 563 | 568 | 74 | 642 |
| Education and outreach | 200 | 37 | 237 | 148 | 21 | 169 |
| Community, parish and congregation | 3 | 6 | 9 | 6 | 6 | 12 |
| Other | 3 | - | 3 | 126 | - | 126 |
| | 1,729 | 254 | 1,983 | 1,823 | 245 | 2,068 |

Auditors remuneration

Auditors' remuneration for audit services amounted to £11,330 (2018: £10,735)

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:

| | 2019 |
|---|------|
| | £000 |
| Within 1 year | 5 |
| Later than one year but within five years | 42 |
| Later than five years | 2 |
| Total | 49 |

6. Other investments

| | Unrestricted | Designated | Restricted | Endowment | Total |
|---|--------------|------------|------------|-----------|-------|
| | Funds | Funds | Funds | Funds | 2019 |
| | £000 | £000 | £000 | £000 | £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 |

As at the 31 December 2019 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.

Due to the COVID-19 crisis the value of the investments has reduced after the year-end. At 30 April 2020, the value was £4,715k.

| | Unrestricted | Designated | Restricted | Endowment | Total |
|---|--------------|------------|------------|-----------|-------|
| | Funds | Funds | Funds | Funds | 2017 |
| | £000 | £000 | £000 | £000 | £000 |
| Value at 1st January 2018 | 496 | 351 | 135 | 3,438 | 4,420 |
| Additions/ disposals | 300 | (8) | 13 | 123 | 428 |
| Net increase on disposals and revaluation | (21) | 1 | (2) | (49) | (71) |
| Value at 31st December 2018 | 775 | 344 | 146 | 3,512 | 4,777 |
| CBF Church of England Funds | 775 | 203 | 126 | 3,342 | 4,446 |
| CBF Property Funds | - | 121 | - | 170 | 291 |
| Cash Investments | - | 20 | 20 | - | 40 |
| | 775 | 344 | 146 | 3,512 | 4,777 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| 7. Investment property | Endowment Funds £000 | Total 2019 £000 | Total 2018 £000 |
|--|-------------------------------------|--------------------------------|-----------------------|
| Value at 1st January 2019 | 10,745 | 10,745 | 10,580 |
| Disposal | - | - | - |
| Transferred from non investment property | 388 | 388 | - |
| Gain on revaluation | 211 | 211 | 165 |
| Value at 31st December 2019 | <u>11,344</u> | <u>11,344</u> | <u>10,745</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 2019 on a 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.

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

| 8. Non- investment property | Endowment Funds £000 | Total 2019 £000 | Total 2018 £000 |
|--|-------------------------------------|--------------------------------|-----------------------|
| Freehold value at 1st January 2019 | 5,823 | 5,823 | 5,496 |
| Net increase/(decrease) in revaluation | - | - | 327 |
| Transferred to investment property | (388) | (388) | - |
| Freehold value at 31st December 2019 | <u>5,435</u> | <u>5,435</u> | <u>5,823</u> |
| For Cathedral use | <u>5,435</u> | <u>5,435</u> | <u>5,823</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 2019 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 2019 £000 |
|--|---|-----------------------|--|---|--------------------------------|
| 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> |
| | Temporary Buildings £000 | Plant £000 | Computer Equipment £000 | Fixtures & Fittings £000 | Total 2018 £000 |
| Cost brought forward at 1st January 2018 | 13 | 44 | 14 | 16 | 87 |
| Additions | - | - | 6 | - | 6 |
| Disposals | - | (10) | - | - | (10) |
| Cost carried forward at 31st December 2018 | <u>13</u> | <u>34</u> | <u>20</u> | <u>16</u> | <u>83</u> |
| Depreciation brought forward at 1st January 2018 | 3 | 42 | 14 | 5 | 64 |
| Charge for year | 1 | 1 | 1 | 3 | 6 |
| On disposals | - | (10) | - | - | (10) |
| Depreciation carried forward at 31st December 2018 | <u>4</u> | <u>33</u> | <u>15</u> | <u>8</u> | <u>60</u> |
| Net book value | <u>9</u> | <u>1</u> | <u>5</u> | <u>8</u> | <u>23</u> |

| 10 Stocks | Retail £000 | Total 2019 £000 | Total 2018 £000 |
|--|------------------------|--------------------------------|-----------------------|
| Value at lower of cost or net realisable value | 22 | 22 | 24 |

All the stocks above are held in the subsidiary company.

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

| 11 Debtors due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
|---|--------------|------------|------------|-----------|------------|
| | Funds | Funds | Funds | Funds | 2019 |
| Consolidated | £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 | 88 | - | 1 | - | 89 |
| Prepayments | 11 | - | - | - | 11 |
| | 197 | - | 27 | - | 224 |
| | | | | | |
| Debtors due within one year | Unrestricted | Designated | Restricted | Endowment | Total |
| Consolidated | Funds | Funds | Funds | Funds | 2018 |
| | £000 | £000 | £000 | £000 | £000 |
| Trade debtors | 50 | - | - | - | 50 |
| Grants - Rochester Cathedral Trust | - | - | 18 | - | 18 |
| Grants - Friends of Rochester Cathedral | - | - | 11 | - | 11 |
| Grants - Other | - | - | - | 4 | 4 |
| Rochester Cathedral Enterprises Ltd | 6 | - | - | - | 6 |
| Other | 86 | - | 2 | - | 88 |
| Prepayments | 41 | - | - | - | 41 |
| | 183 | - | 31 | 4 | 218 |
| Cathedral Only | | | | | |
| Trade debtors | 50 | - | - | - | 50 |
| Grants - Rochester Cathedral Trust | - | - | 18 | - | 18 |
| Grants - Friends of Rochester Cathedral | - | - | 11 | - | 11 |
| Grants - Other | - | - | - | 4 | 4 |
| Rochester Cathedral Enterprises Ltd | 7 | - | - | - | 7 |
| Other | 85 | - | 2 | - | 87 |
| Prepayments | 41 | - | - | - | 41 |
| | 183 | - | 31 | 4 | 218 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

| 12. Creditors falling due within one year | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 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 | - | 109 | 33 | 180 |
| | 304 | - | 109 | 33 | 446 |
| Cathedral Only | | | | | |
| Trade creditors | 41 | - | - | - | 41 |
| Rochester Cathedral Enterprises Ltd | - | - | - | - | - |
| Other | 165 | - | - | - | 165 |
| Bank Loan | 15 | - | - | - | 15 |
| Accruals and deferred income | 45 | - | 109 | 33 | 187 |
| | 266 | - | 109 | 33 | 408 |

| Creditors falling due within one year | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2018 |
|---------------------------------------|--------------------|------------------|------------------|-----------------|------------|
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Trade creditors | 54 | - | - | - | 54 |
| Rochester Cathedral Enterprises Ltd | 17 | - | - | - | 17 |
| Other | 37 | 16 | - | - | 53 |
| Bank Loan | 16 | - | - | - | 16 |
| Accruals and deferred income | 134 | - | 109 | 53 | 296 |
| | 258 | 16 | 109 | 53 | 436 |
| Cathedral Only | | | | | |
| Trade creditors | 36 | - | - | - | 36 |
| Rochester Cathedral Enterprises Ltd | - | - | - | - | - |
| Other | 54 | 16 | - | - | 70 |
| Bank Loan | 16 | - | - | - | 16 |
| Accruals and deferred income | 134 | - | 109 | 53 | 296 |
| | 240 | 16 | 109 | 53 | 418 |

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

| 13. 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

| Creditors falling due after one year | Unrestricted Funds | Designated Funds | Restricted Funds | Endowment Funds | Total 2018 |
|--------------------------------------|--------------------|------------------|------------------|-----------------|------------|
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Bank Loan | 362 | - | - | - | 362 |
| | <u>362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>362</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 64 | - | - | - | 64 |
| Over five years | 282 | - | - | - | 282 |
| | <u>362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>362</u> |
| Cathedral Only | | | | | |
| Bank Loan | 362 | - | - | - | 362 |
| | <u>362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>362</u> |
| One to two years | 16 | - | - | - | 16 |
| Two to five years | 64 | - | - | - | 64 |
| Over five years | 282 | - | - | - | 282 |
| | <u>362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>362</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

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

| 14. Designated Funds | 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 | 27,000 | (27,000) | 20,271 | - | 283,742 |
| 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 | 31,424 | (236,538) | 24,232 | 45,000 | 396,945 |

| | Balance at 01 Jan 2018 £ | Income £ | Expenditure £ | Investment Movements £ | Transfers £ | Balance at 31 Dec 2018 £ |
|--|--------------------------------|---------------|------------------|------------------------------|----------------|--------------------------------|
| Chancels Sinking Fund | 51,938 | 2,271 | (7,679) | (679) | (45,851) | - |
| Organ Sinking Fund | 28,720 | 3,009 | - | (327) | 5,000 | 36,402 |
| Mary J Smith (Barrett's Folly) Bequest | 277,077 | 11,483 | (26,983) | 1,894 | - | 263,471 |
| Music Outreach Fund | 9,239 | - | - | - | - | 9,239 |
| Education Fund | 4,429 | 2,400 | (917) | - | - | 5,912 |
| Missioner Fund | 2,972 | - | - | - | - | 2,972 |
| Gardens & Grounds - Plants | 2,000 | - | - | - | - | 2,000 |
| India Travel Fund | 554 | - | - | - | - | 554 |
| Stewards Fund | 1,586 | 493 | (213) | - | - | 1,866 |
| Dean's Fund | 2,674 | 150 | (605) | - | - | 2,219 |
| Junior Church Fund | 2,800 | - | (576) | - | - | 2,224 |
| Cathedral Lighting | 1,000 | - | - | - | - | 1,000 |
| Capital Improvement Fund | 22,109 | - | (49,475) | - | 39,000 | 11,634 |
| Garth House Internal | - | - | - | - | 66,000 | 66,000 |
| Garth House External | - | - | - | - | 73,351 | 73,351 |
| 2019 Projects | - | - | - | - | 47,000 | 47,000 |
| Roof Tiles Fund - Library | 6,983 | - | - | - | - | 6,983 |
| | 414,081 | 19,806 | (86,448) | 888 | 184,500 | 532,827 |

Designated Funds - description

| | |
|--|---|
| Chancels Sinking Fund | To provide for future repairs to parish church chancels (note 22) |
| 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 |
| Precentors Fund | Canon Precentor's discretionary fund |
| 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 |
| 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 |

Transfers in 2019 made up as follows:

| | |
|--|---------------|
| Transfer from General Fund to Capital Improvement Fund for 2019 Capital Projects | £ 40,000 |
| Transfer from General Fund to Organ Sinking Fund for 2019 contribution | 5,000 |
| | <u>45,000</u> |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| 15. Restricted Funds | 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 Hobby Bequest - Capital | 104,171 | - | - | 19,207 | - | 123,378 |
| HJ Hobby 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 |

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 the year 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 2018 | | | Movements | | 31 Dec 2018 |
| | £ | £ | £ | £ | £ | £ |
| Church Commissioners' Restricted | - | 253,740 | (253,740) | - | - | - |
| Father Smith Bequest | 317,485 | - | (108,750) | - | - | 208,735 |
| HJ Hobby Bequest - Capital | 105,757 | - | - | (1,586) | - | 104,171 |
| HJ Hobby Bequest - Income | 27,796 | 3,541 | - | - | - | 31,337 |
| Doris Colmore Peters Bequest | 23,142 | 747 | - | (332) | - | 23,557 |
| Cathedral Projects fund | 37,111 | 283,046 | (312,470) | - | - | 7,687 |
| Music fund | - | 68,700 | (68,700) | - | - | - |
| Roman Wall Fund | 6,768 | - | - | - | - | 6,768 |
| Chennai project fund | 8,383 | 3,675 | (3,500) | - | - | 8,558 |
| Chennai - Team Charlie | 15,554 | 3,417 | (4,500) | - | - | 14,471 |
| EV Family Fun Day | 2,844 | - | - | - | - | 2,844 |
| Garth Roses | 4,496 | - | - | - | - | 4,496 |
| Embroidery fund | 791 | 4 | - | - | - | 795 |
| Library Fund | 795 | 4 | - | - | - | 799 |
| Choir fund | 500 | - | - | - | - | 500 |
| Flower Guild | 3,117 | 2,485 | (2,862) | - | - | 2,740 |
| Youth Fund | 24,896 | 2,550 | - | - | - | 27,446 |
| Congregation Fund | 3,861 | 3,339 | - | - | - | 7,200 |
| Friends of Rochester Cathedral Music | 19,205 | 3,041 | (1,651) | - | - | 20,595 |
| ACVC | - | 1,697 | - | - | - | 1,697 |
| | - | 13,995 | - | - | - | 13,995 |
| | 602,501 | 643,981 | (756,173) | (1,918) | - | 488,391 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| 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 |
| Mary J Smith (Barrett's Folly) Bequest HJ Hoby Bequest | For supporting music in the Cathedral - transferred to designated funds 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. | Both Residue - Income only |
| Doris Colmore Peters Bequest Cathedral Projects Fund | For work with youth and children For projects specifically funded by outside bodies | Both 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 |
| Homeless (Emmaus) | Balance of funds received for the Homeless Project | 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 |

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

| 16. Endowment Funds | Balance at 01 Jan 2019 £ | Income £ | Expenditure £ | Investment Movements £ | Transfers £ | Balance at 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> |

| | Balance at 01 Jan 2018 £ | Income £ | Expenditure £ | Investment Movements £ | Transfers £ | Balance at 31 Dec 2018 £ |
|-------------------|--------------------------------|---------------|------------------|------------------------------|----------------|--------------------------------|
| General endowment | 18,909,443 | - | (151,756) | 462,865 | - | 19,220,552 |
| Music endowment | 1,088,949 | 71,631 | - | (20,142) | - | 1,140,438 |
| | <u>19,998,392</u> | <u>71,631</u> | <u>(151,756)</u> | <u>442,723</u> | <u>-</u> | <u>20,360,990</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 |

17. Staff numbers

The average full time equivalent number of paid staff working for the Cathedral during the year was 28.6 (2017: 27.0).

| | 2019 No. | 2018 No. |
|------------------------------------|-------------|-------------|
| Funds generation | 2.3 | 2.2 |
| Ministry | 11.1 | 11.1 |
| Cathedral and precincts upkeep | 7.4 | 7.1 |
| Education and outreach | 3.8 | 3.1 |
| Community, parish and congregation | 0.5 | 0.5 |
| Administration and finance | 5.1 | 4.6 |
| | <u>30.2</u> | <u>28.6</u> |

Of the above, members of Chapter numbered 3.0 (2017: 4.2)

18. Staff costs

| | Salaries & Stipends £000 | Employers' NI £000 | Employers' Pension £000 | Total £000 |
|------|--------------------------------|--------------------------|-------------------------------|---------------|
| 2019 | 796 | 51 | 57 | 904 |
| 2018 | 737 | 51 | 62 | 850 |

19. Emoluments of higher paid staff

No of staff members paid more than £60,000 were 1 (2018: 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.

20. Remuneration of members of Chapter

The remuneration of the members of Chapter was:

| | 2019 | | 2018 | |
|----------------------------|--------------------------------|-----------------------|--------------------------------|-----------------------|
| | Stipend (incl Employers NI) | Employers' Pension | Stipend (incl Employers NI) | Employers' Pension |
| The Dean | 40,250 | 12,050 | 39,509 | 11,826 |
| Canon for Mission & Growth | 20,995 | 6,560 | 30,385 | 9,460 |
| Canon Precentor | 30,728 | 9,640 | 30,344 | 8,537 |
| | <u>91,974</u> | <u>28,249</u> | <u>100,238</u> | <u>29,823</u> |

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

£3,567 (2018 - £2,285) in expenses were paid in total to the 10 (2018: 9) members of Chapter during the year. Expenses comprised travel, entertainment and non-departmental expenses.

Related Party Transactions

Unrestricted donations totalling £3,415 (2018: £2,680) were made by members of Chapter in the year. Details of remuneration and expenses paid to

There were no other related party transactions in the year.

Rochester Cathedral

Notes to the Accounts - For the year ended 31 December 2019

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.

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This 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. (2019: £29,262, 2018: £29,695)

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.

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

As at 31st December 2018, Chapter were aware of only 1 current chancel repair for which it would be responsible for 33.3% of the costs. Provision has been made for this item in the year.

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

Rochester Cathedral
Notes to the Accounts - For the year ended 31 December 2019

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 is:

| | Friends of Rochester Cathedral | | Rochester Cathedral Trust | |
|------------------------------|--------------------------------|--------------|---------------------------|--------------|
| | 2019 £000 (Draft) | 2018 £000 | 2019 £000 | 2018 £000 |
| Gross income | | 102 | 452 | 256 |
| Net income | | 40 | 141 | (2) |
| Amount paid to the Cathedral | | 86 | 268 | 192 |
| Gross Assets | | 1,263 | 394 | 254 |
| Net Assets | | 1,262 | 394 | 252 |

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 Dean and 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 was on display in October 2015 together with the Faversham Magna Carta and from September 2018 to February 2019 it has been exhibited at the British Library.

26. Post balance sheet event

Since the year-end the COVID-19 crisis has had 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 currently show a shortfall of approximately £100k for the year. The values of investments have reduced since the year-end as disclosed in note 5.

