



REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF THE CORPORATION OF THE CATHEDRAL CHURCH OF ST PAUL IN LONDON (ST PAUL'S CATHEDRAL) FOR THE YEAR ENDED 31st DECEMBER 2019

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The Dean's Report

Writing this report in late summer 2020, it might feel hard in a time of pandemic to recapture the essence of the Cathedral's work in 2019; but it was a year of developing our mission, with a record number of visitors from across the world. Worship and prayer continued to be at the heart of the Cathedral; there was a Consecration Service for four women bishops in June and a programme of summer late opening including Compline, with a trial of later Evensongs in August.

More visitors resulted in a significant surplus of income, which was earmarked for continued investment in fabric and in long-term endowment – aspirations which the events of 2020 have rendered unattainable. However, the Cathedral was delighted to be able, after significant fundraising, to begin in 2019 the installation of the first major new element into the fabric of St Paul's since it was built, the creation of a permanent equal access ramp at the North Porch, in line with the Cathedral's values of equal welcome for all; and also to be able to undertake the renovation of the Library after 300 years of use. The construction of a new boarding house and additional facilities at the Cathedral School began in earnest, further safeguarding the future for the choral tradition and the viability of the School.

During 2019 the Cathedral refined its Strategic Plan for 2020-25, working towards having greater impact in London in partnership with the Bishop and Diocese. As part of this, a commitment was made to develop work to support mental health among young people, partly catalysed by the tragic death of a young person which caused the ongoing closure of the Whispering Gallery until permission and funding is obtained to enclose it. The Cathedral's music outreach work continued to grow, as did the Schools and Families work with children and young people; and the Collections Department installed a new exhibition in the Crypt following the City of London's 'Fantastic Feats' theme, telling the little-known story of the Great Restoration of St Paul's in the later 1920s. A UNHCR refugee tent from Syria was erected in June in the North Transept as a focus for prayer and awareness about the plight of refugees and the Syrian conflict.

As 2019 began, the topic of Brexit was in our thoughts and prayers: in February there was a public debate with the Bishop of London on 'Who is Welcome Here?', and at the end of March the Bishop of Berlin, one of our Honorary Canons, came to preach and affirm our Christian unity across national boundaries. The cloud of Brexit remained on the horizon in the Cathedral's planning until being eclipsed by the coronavirus pandemic from March 2020 onwards, when the relatively optimistic view in the 2020 budget gave way to the urgent need for restructuring and a different approach to funding, in the light of the collapse in overseas tourism and the experience of lockdown.

Governance and management continued to be refined during the year, as the new Cathedrals Measure was being debated by General Synod. In Chapter, Gavin Ralston stepped down in March 2019 after nine years of dedicated service, and at the end of the year Canon Tricia Hillas succeeded Rose Hudson-Wilkin as Chaplain to the Speaker of the House of Commons. Canon James Milne applied for and, ably stepped up as Precentor, and Canon Paula Gooder made history as the first lay minister to be Chancellor of St Paul's. Among many other staff achievements, Chris Head, the Cathedral's fitter, became Freeman of the Clockmakers' Company in recognition of his expert work especially in maintaining the Cathedral clock and keeping us all on time.

As stated in more detail elsewhere in this annual report and in the financial statements (see note 22), the events of 2020 so far have been immensely challenging for St Paul's. The Cathedral is very heavily dependent

upon visitor income in order to maintain the fabric of the building as well as deliver the pattern of daily worship and other activities. The closure of the building for three months and the ongoing lack of visitors, with the consequent loss of income and cash flow, has meant that Chapter had to make the difficult decision to reduce staff numbers as well as suspend some of its work. We have been very mindful of the human cost of this: every member of staff has been affected, and we have sadly had to lose about a quarter of our staff team in order to sustain a reduced size of operation. The Chapter will have to use the majority of unrestricted reserves, which have been successfully built up over the past few years, to pay the Cathedral's operating costs until visitors return in greater numbers in 2021 and 2022. This has also meant that we have had to sell a significant proportion of the Cathedral's investments in order to generate the cash required for this difficult period. We are therefore even more dependent upon fundraising and generous donations in order to ensure that St Paul's can continue to fulfil its mission and purpose of enabling everyone to encounter the transforming presence of God in Jesus Christ.

A handwritten signature in black ink, appearing to read 'David Ison', written over a horizontal line.

**The Very Revd Dr David Ison
Dean**

23rd September 2020

Cathedral Directory

The Corporation of the Cathedral Church of St Paul in London (St Paul's Cathedral)

The legal entity of the Cathedral is the Corporation of the Cathedral Church of St Paul's. The constitution of the Cathedral provides that the members of the Chapter, the Council and the College of Canons shall be a body corporate with perpetual succession and a common seal.

Address: London EC4M 8AD

Charity Taxation Number: X7067

The Corporation of the Cathedral Church of St Paul in London comprises its Chapter, Council and the College of Canons and falls under the requirements of the Cathedrals Measure 1999. The body that has core responsibility for administering the affairs of the Cathedral is Chapter. Chapters are formed of both clergy and lay people, who act as trustees and manage a cathedral's affairs. The composition of Chapter varies slightly from cathedral to cathedral but the Dean and all Residentiary Canons are members, as are a number of other people whose numbers and methods of appointment are specified in a cathedral's governing documents, known as its Constitution and Statutes.

The Council of each cathedral meets at least twice a year to further and support the work of the cathedral and advise the Chapter. Its membership is again specified in the Constitution and Statutes. The Council is chaired by a lay person who is appointed by the diocesan bishop, and the bishop can attend and speak at the Council although is not a member.

The College of Canons consists of the Dean and Residentiary Canons, suffragan bishops, archdeacons and honorary and lay canons. The College meets at least once a year to consider Cathedral affairs.

Cathedrals are corporations aggregate established for spiritual purposes. Cathedrals have a charitable purpose as defined in the Cathedrals Measure 1999.

Cathedrals are not regulated by the Charity Commissioners in respect of their main activities but are regulated by their Visitors (the Cathedrals Measure 1999 makes the diocesan bishop the Visitor of their cathedral). However, Cathedrals qualify as charities for taxation purposes; HMRC treats cathedrals as exempt charities and enables them to recover sums under Gift Aid.

Should you wish further information, please visit: <https://www.englishcathedrals.co.uk/cathedrals/about-cathedrals/how-is-it-administered/>

Chapter

Mrs Pim Baxter OBE, Lay Canon
The Revd Canon Jonathan Brewster, Treasurer
The Revd Canon Tricia Hillas, Pastor *(to 16th February 2020)*
The Very Revd Dr David Ison, Dean
The Revd Canon James Milne, Precentor *(from 9th May 2019)*
Ms Sheila Nicoll OBE, Lay Canon
Mr Gavin Ralston, Lay Canon *(to 13th March 2019)*
The Ven Sheila Watson, Canon Non-Residentiary

In attendance:

Dr Paula Gooder, Chancellor *(from 23rd February 2019)*

Cathedral Council

Sir David Brewer KG, CMG, CVO, JP, Chair
The Very Revd Dr David Ison, Dean
The Revd Canon Jonathan Brewster, Treasurer
The Revd Canon Tricia Hillas, Pastor *(to 16th February 2020)*
The Revd Canon James Milne, Precentor *(from 9th May 2019)*
Ms Sheila Nicoll OBE, Lay Canon
Mr Gavin Ralston, Lay Canon *(to 13th March 2019)*
Mr Christopher Allen
Mr Robert Bowles
Revd Prebendary Marjorie Brown
Mr James de Sausmarez
Mr Bernard Donoghue
Mr Richard Gough
Mr Paul Gray
Mr Simon Holden
Ms Kathryn McDowell CBE
Ms Catherine McGuinness
Revd Prebendary Jonathan Osborne
The Rt Hon Stephen Timms MP
Mr Suleyman Wellings-Longmore *(to 14th January 2019)*

College of Canons

Chapter

Mrs Pim Baxter OBE, Lay Canon
The Revd Canon Jonathan Brewster, Treasurer
The Revd Canon Tricia Hillas, Pastor *(to 16th February 2020)*
The Very Revd Dr David Ison, Dean
The Revd Canon James Milne, Precentor *(from 9th May 2019)*
Ms Sheila Nicoll OBE, Lay Canon
Mr Gavin Ralston, Lay Canon *(to 13th March 2019)*
The Ven Sheila Watson, Canon Non-Residentiary

St Paul's Cathedral Annual Report & Financial Statements 2019

Area Bishops and Archdeacons

Bishop of Fulham (Suffragan)	The Rt Revd Jonathan Baker
Bishop of Stepney	The Rt Revd Joanne Grenfell (<i>from 3rd July 2019</i>)
Bishop of Kensington	The Rt Revd Dr Graham Tomlin
Bishop of Edmonton	The Rt Revd Robert Wickham
Bishop of Willesden	The Rt Revd Peter Broadbent
Bishop of Islington (Suffragan)	The Rt Revd Ric Thorpe
Archdeacon of London	The Ven Luke Miller
Archdeacon for the Two Cities	The Ven Rosemary Lain-Priestley (<i>to 1st January 2019</i>)
Archdeacon of Hackney	The Ven Liz Adekunle
Archdeacon of Middlesex	The Ven Stephan Welch (<i>to 31st December 2019</i>)
Archdeacon of Hampstead	The Ven John Hawkins
Archdeacon of Northolt	The Ven Duncan Green (<i>to 30th November 2019</i>)

Prebendaries

The Revd Prebendary Francis Adu-Boachie
The Revd Prebendary Marjorie Brown
The Revd Prebendary Rosemia Brown
The Revd Prebendary Stephen Coles
The Revd Prebendary Jeremy Crossley
The Revd Prebendary Irena Edgumbe
The Revd Prebendary Peter Elvy (*to 1st January 2019*)
The Revd Prebendary Dr Neil Evans
The Revd Prebendary Alan Everett (*to 7th July 2019*)
The Revd Prebendary Olwen Field
The Revd Prebendary Alan Green
The Revd Prebendary Dr Isabelle Hamley (*from 17th November 2019*)
The Revd Prebendary David Houlding
The Revd Prebendary Rose Hudson-Wilkin (*to 18th November 2019*)
The Revd Prebendary Dr Brian Leathard
The Revd Prebendary Nicholas Lee
The Revd Prebendary Charles Marnham (*to 11th September 2019*)
The Revd Prebendary Mark Melliush
The Revd Prebendary Hugh Moore
The Revd Prebendary Michael Moorhead
The Revd Prebendary Alan Moses (*to 3rd November 2019*)
The Revd Prebendary Graham Noyce
The Revd Prebendary Jonathan Osborne
The Revd Prebendary Roy Pearson
The Revd Prebendary Julia Porter-Pryce
The Revd Prebendary Tunde Roberts
The Revd Prebendary Graeme Rowlands
The Rt Revd Ric Thorpe

Administration

Registrar

Ms Emma Davies

Chapter Finance Committee

The Revd Canon Jonathan Brewster, Treasurer (Chair)

Ms Emma Davies, Registrar

The Very Revd Dr David Ison, Dean

Ms Sheila Nicoll OBE, Lay Canon (Finance)

Ms Helen Platts ACA, Chief Financial Officer *(to 31st January 2019)*

Ms Dheepa Balasundaram ACA, Interim Chief Finance Officer *(from 1st February 2019 to 25th July 2019)*

Ms Joanne Day ACMA, Director Corporate Services and Chief Finance Officer *(from 26th July 2019)*

Mr Gavin Ralston, Lay Canon (Finance) *(to 13th March 2019)*

Senior Leadership Team

The Revd Canon Jonathan Brewster, Treasurer

Ms Emma Davies, Registrar

Ms Joanne Day, Director Corporate Services

Dr Paula Gooder, Chancellor *(from 23rd February 2019)*

The Revd Canon Tricia Hillas, Pastor *(to 16th February 2020)*

The Very Revd Dr David Ison, Dean

Ms Sandra Lynes Timbrell, Director Visitor Engagement *(from 1st March 2020)*

The Revd Canon James Milne, Precentor *(from 9th May 2019)*

Ms Nicky Wynne, Director Development *(from 29th May 2019)*

Trust Bodies

City of London Endowment Trust for St Paul's Cathedral

The Friends of St Paul's Cathedral

Garfield Weston Trust for St Paul's Cathedral

St Paul's Cathedral Chorister Trust

St Paul's Cathedral Foundation

St Paul's Cathedral Trust in America

These bodies provide support for the Cathedral but are not consolidated in the Cathedral's annual financial statements as they are organisations separate from the Cathedral with independent governance arrangements.

Fabric Advisory Committee

Appointed by Chapter:

Mr Martin Drury CBE
Mr Sandy Nairne CBE (Chair)
Professor Christine Stevenson
Dr Virginia Tandy OBE
Mr Rory Young

Appointed by the Cathedrals Fabric Commission for England:

Mr Chris Cowper
Dr Jennifer Freeman OBE
Professor Derek Keene
Mr John Neale
Mr Paul Williams

There is an open invitation to all members of Chapter, the Registrar, the Clerk of the Works and the Surveyor to the Fabric to attend the Fabric Advisory Committee.

Other Bodies

Chapter has established the following bodies to advise on management issues and bring recommendations to Chapter (committees and bodies marked * include a majority of independent members):

Finance

Finance, Audit & Risk Committee*
Investment Advisory Committee*
Remuneration Committee**

Fabric

Fabric & Works and Fabric Finance Committee
Visual Arts Policy & Planning Committee*
Individual Project Boards

Security, Access and Health & Safety

Security Advisory Group*
Safeguarding Advisory Group
Health & Safety Committee
Accessibility Advisory Group*

Liturgy and Music

Welcome, Worship and Events (replaced by the Events Events Committee)

Education

Institute Advisory Board*

Commercial

St Paul's Enterprises Board*

Employee and Volunteer Engagement

Staff Consultative Committee

Cathedral School

Governing Body*
Finance and General Purposes Committee*
Board of Trustees

***The Remuneration Committee is responsible only for the remuneration of clergy. Three of its eight members are independent of the Cathedral, with the Dean being the only member of clergy on the Committee. The Dean is constitutionally a member of all sub-committees of Chapter, but to avoid a conflict of interest does not exercise a vote in this Committee.*

External Advisors

Bankers

Lloyds Bank plc
PO Box 18436
2nd Floor
25 Gresham Street
London EC2V 7HN

Statutory Auditor

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Insurers

Ecclesiastical Insurance Office plc
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Ruffer LLP

80 Victoria Street
London SW1E 5JL

Pension Actuary

Mr Richard Soldan
Lane Clarke & Peacock LLP
93 Wigmore Street
London W1U 1DQ

Property Consultant

Strutt & Parker
Coval Hall
Chelmsford
Essex CM1 2QF

Solicitor

Mr Owen Carew-Jones
Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Surveyor to the Fabric

Mr Oliver Caroe
Caroe Architecture Ltd
Office 5 Unit 8
23-25 Gwydir Street
Cambridge CB1 2LG

Report of Chapter as Trustees of St Paul's Cathedral

History

For more than 1400 years a cathedral dedicated to St Paul has stood on the highest point in the City of London. The Cathedral has since been built and rebuilt five times and the existing Cathedral building was completed by Christopher Wren in 1712, following the destruction of the previous Cathedral building by the Great Fire of London.

Governance

St Paul's Cathedral is an ecclesiastical corporation and has been governed according to several constitutions during its long history, all drawn up according to law and subject to the Sovereigns of this Realm. The constitution and statutes established for, and currently applying to, St Paul's Cathedral were made under the Cathedrals Measure 1999 by Order in Council dated 13th April 2000 and amended on 8th May 2019. There are no resulting changes from this change to the Financial Statements.

Structure

The governing body of the Corporation is the Chapter, which meets monthly on average. From time to time, Chapter invite key personnel and department heads to those meetings to review proposals or recommendations put forward for authorisation.

In accordance with the Cathedral's Constitution and Statutes (as amended 8th May 2019) the membership of the Chapter consists of:

- the Dean, who is appointed by the Crown and instituted by the Bishop under the Terms of Common Tenure
- the Canons Residentiary of the Cathedral, who shall not exceed six at any one time, three of whom may be appointed by the Crown and instituted by the Bishop, and three appointed by the Bishop with the agreement of the Dean after consultation with the Chapter and collated by the Bishop; the appointments being held under the Terms of Common Tenure, and
- seven additional persons, at least two-thirds of whom shall be lay persons, appointed by the Bishop with the agreement of the Dean, after consultation with the Chapter and the Chair of the Council. These persons hold office for three years and are eligible for further terms of office. Any such person who is a Clerk in Holy Orders shall be a Canon Non-Residentiary of the Cathedral.

All new members of Chapter are required to undergo appropriate induction training to brief them on key elements of their role. This involves meeting other Chapter members and key employees and safeguarding training. Members of Chapter are encouraged to attend appropriate external training events and personal development activities where these will facilitate the undertaking of their role.

The Cathedral Council furthers and supports the work of the Cathedral – spiritual, pastoral, evangelistic, missionary, social and ecumenical - and reviews and advises upon the direction and oversight of that work by

Chapter. The Bishop of London, Chapter and College of Canons have responsibilities for appointing a specific number of members. Although the Bishop of London is not a member, she has the right to attend and speak at Council meetings. The Council met three times in 2019 and received the annual report and audited financial statements for 2018 and the annual budget for 2020.

The College of Canons deals with the election of the Bishop and advises the Bishop when requested. It also receives and considers the annual report and audited financial statements, as well as discussing other matters raised by the members. The College of Canons met once, in June 2019 for its AGM and to receive the annual report and audited financial statements for 2018.

There are two Minor Canons (Succentor and Sacrist) and a Priest Vicar (Chaplain) who are assistant stipendiary clergy at the Cathedral. They have no governance role and assist the Chapter with the liturgical and pastoral work of St Paul's.

For the Fabric Advisory Committee, five members are appointed by Chapter, and five by the Cathedrals Fabric Commission for England. The Committee meets three times each year giving broad advice on, and statutory endorsement of, fabric project proposals.

The Finance Committee is appointed by Chapter to advise Chapter on the Cathedral's financial management. It meets at least four times each year to review the Cathedral's financial strategy and financial performance.

The Finance, Audit & Risk Committee comprises not less than five members of whom the majority shall be independent lay people. At least one member of the Committee shall be a member of the Cathedral's clergy. It meets at least four times a year to monitor the effectiveness of the Cathedral's finance function; to review the Cathedral's annual budget and long term financial plans; to review the annual report and audited financial statements; to monitor the processes relating to the management of the Cathedral's overall risks and internal controls; to oversee the appointment of the external auditors; and consider issues of probity and conduct.

The liturgical and musical life of the Cathedral Church is the responsibility of the Precentor on behalf of Chapter.

The Cathedral School was created for the education of boy choristers, but has accepted day pupils and girls for many years. It is wholly owned by Chapter, who are its Trustees and who have delegated its running to a Board of Governors with a majority of external lay governors. The Board of Governors' management agreement is described as an 'Instrument of Delegation' effective since 2005 and is cancellable.

The Registrar is the senior administrative officer assisting Chapter in their executive responsibilities and is appointed by Chapter. The remuneration for this post is decided by Chapter, taking into account the responsibilities of the role and also market factors. Chapter also considers and decides the annual pay award for all Cathedral employees to take account of market factors including cost of living increases.

During the course of the year, the Registrar, at the direction of Chapter, led a review of senior staffing at the Cathedral. This resulted in a Directorate structure with a mix of Ministerial and lay Directors, accountable to Chapter via the Registrar for the delivery of the Strategic Plan. A new Senior Leadership Team has been

developed, with defined delegations for decision making from Chapter. This met approximately once a week during 2019.

Statement of the Responsibilities of Chapter

Chapter are 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 financial statements 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 issued in February 2015 by the Cathedrals' Administration and Finance Association in conjunction with the Association of English Cathedrals, or describing which recommendations have not been complied with and giving reasons for the non-compliance
- following applicable accounting standards and 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 at any time
- safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives

The strategic plan was refreshed during 2019. This sets out our Mission Statement and our Purpose.

Our Mission Statement guides us in all that we do at St Paul's:

- St Paul's Cathedral seeks to enable people in all their diversity to encounter the transforming presence of God in Jesus Christ.

This informs the Purpose of St Paul's Cathedral:

- the Cathedral is a community of worship and mission with a particular role in supporting the Bishop of London in her work across the Diocese and beyond
- we are above all a living Christian church, inspired by the love of God in Jesus Christ to offer welcome, prayer and learning
- together, we are entrusted with the outstanding building and iconic dome, the fruit of human skills offered to the glory of God. We will curate and fashion the building on behalf of current and future generations as a sign of hope for all
- we will bring together all our resources to make a tangible difference to people's lives, shaping policy and attitudes to tackle social injustice.

We will deliver this by being:

- welcoming – we all offer a warm inclusive welcome to everyone: our colleagues, volunteers and each one of our visitors
- responsible – we are people of integrity, each responsible for part of the whole of the Cathedral's work, looking after the Cathedral for the next generation
- engaging – we seek to engage everyone in our mission, at the Cathedral, within London and across the world
- nourishing – as a community we work together in a learning environment, aiming for the highest possible standards in everything we do whilst acknowledging we cannot do everything.

To achieve our strategy, our work is now grouped into Directorates, involving teams of people from across the Cathedral:

- Liturgy and Worship – led by the Precentor
- Theology, Education and Outreach – led by the Chancellor
- Diversity and Social Justice – led by the Canon Pastor
- Visitor Engagement – led by the Director Visitor Engagement
- Corporate Services – led by the Director Corporate Services, and CFO
- Development – led by the Director Development.

In early 2020 the Canon Pastor left the Cathedral, taking up her new role as Chaplain to the Speaker of the House of Commons, and her Directorate was split, leaving five Directorates.

We also introduced a third 'strategic theme' alongside the two previously agreed:

- diversity – so the whole life of the Cathedral reflects the diversity of its context
- engagement with London – with the City, the Diocese of London and the people of Greater London
- reduce our environmental impact.

We have two important partnerships which are continuing to open up new opportunities and help us deliver these cross-cutting themes. We are working closely with the Bishop of London, who has the explicit remit of providing leadership in engaging with society across London. We are also looking forward to continue being part of developments in the City of London, in both the cultural sphere and the area of social responsibility.

Our achievements during 2019 under each of the Cathedral's Directorates are summarised below.

Liturgy and Worship

In 2019 the daily rhythm of prayer and worship remained at the heart of our common life. Over 5,000 people typically attended our regular services each week, with some 12,000 people attending both in Holy Week and at Christmas. We also delivered (with other partners) a wide range of special services and musical events including:

- Choral Evensong to mark the 60th Anniversary of the 59 Club (a London-based church motorcycle club) attended by 200 motorbikes (and riders)
- the Consecration of the Bishops of Dover, Huntingdon, Reading, Shrewsbury, Southampton, and Stepney
- a service to celebrate the 125th Anniversary of the City of London School for Girls
- memorial services for Sir Hugh Cortazzi, GCMG; Sir Roger Gibbs; Bernice McCabe, OBE; Robert Neil, MBE; and Julien Spicer, OBE
- a Sung Eucharist to mark the 25th Anniversary of the Ordination of Women to the Priesthood in the Diocese of London
- a performance of Hector Berlioz's Requiem which was live streamed, recorded for DVD and CD, and broadcast to French Television.

We continued to invest in our Choral Tradition and commenced our School Learning in Harmony project, which will deliver better boarding facilities for the choristers and more capacity for School pupils. We also continued to share that Tradition with a diverse range of children across London through our Music Outreach Programme, establishing (with financial support from the Mayor of London) a new choir for teenagers at risk of exclusion. 129 visiting choirs sang in the Cathedral in 2019.

2019 marked a period of change and transition for the Liturgy Department with the appointment of a new Liturgical Administrator, Sacrist, and Precentor. Following a review, the Worship, Welcome and Events Committee was replaced by a new Events Committee comprising a wider representation from across the Cathedral. This new committee has responsibility for assessing the wide range of requests for special services and events received each year (based on agreed principles) and for helping to ensure that our special services and events run smoothly.

Theology, Education and Outreach

The Collections Department has been focused on the restoration of the Library along with a joint project with the University of York to research and interpret monuments in the Cathedral which date from between 1780 and 1918. In addition a number of exhibitions have been facilitated such as the one focused on the Great Restoration of the 1920s which linked to the City of London's Fantastic Feats engineering in the City of London public engagement programme as well as a contemporary art celebration of the building's architecture *Unfamiliar St Paul's* by Linda Kitson in Oculus. Other highlights included the projection of *The Ancient of Days*, by William Blake, on to the dome of St Paul's by Tate Britain, and the installation in the North aisle of "Am I my brother's keeper?", a UNHCR tent, lived in by a Syrian refugee family in Jordan's Za'atari camp, covered with woven 'flowers' handmade by women still living in towns under siege in Syria. This was displayed in Refugee Week.

The Cathedral's Adult Learning events are about Christian formation, including prayer, the Bible, spiritual formation and learning. In 2019 there were a number of very popular talks on the Cathedral floor ranging from an exploration of Christology by Rowan Williams, former Archbishop of Canterbury, to an inspiring invitation to join the way of love in the Jesus movement from Michael Curry, the Presiding Bishop and Primate of the Episcopal Church in the USA; from a powerful discussion about the effect of racism in the Church with Ben

Lindsay, Guvna B, Rosemarie Mallet and Chine McDonald to a personal memoir of exploring interfaith relations with Barbara Brown Taylor.

There was also a regular and well attended programme of talks once a month on Sunday lunchtimes covering a diverse range of topic such as what Jesus might have looked like, the nature of holiness and diverse saints in a diverse world. Adult Learning events were attended by over 9,000 people, with attendees from across the globe and others watching online, with over 150,000 online engagements with Adult Learning videos and podcasts over the year.

2019 saw the highest ever engagement figures for the Schools and Family Learning team. Overall there were more than 31,000 paying participants in the Schools and Family Learning programmes, with just over 3,500 more taking part in free drop-ins in the Cathedral or free festivals such as Messy Cathedral, Disabled Access Day, Open House Families, and Fraction Packed, a jointly run event held at Westminster Abbey. The team also expanded the GCSE connected offer, working with exam boards and teachers to develop a series of History (Restoration England) and RS (Peace & Conflict, Gender & Family) bookable workshops as well as delivering a conference on the RS topic of Crime and Punishment to almost 250 students.

2019 was also a year of successful collaborations: working with *Stitches in Time* (a Community Arts charity based in Limehouse) to create a temporary tented sacred space within the Cathedral which was made from the silk screen paintings of 160 participants from local schools and community groups who had been asked to paint their special or sacred spaces; *the National Literacy Trust and Young City Poets* on a schools project working with young people to create poems using John Donne and his work as a catalyst for exploring Metaphysical Poetry; *Historic England and The Poetry Society* on a poetry project which included schools and community workshops as part of the creation and development of a poem which was projected onto the dome of the Cathedral over several nights, and *Spread the Word*: it was also our third year of working with the Young People's Laureate for London, who for 2019 was Theresa Lola. She did a residency that focused on young people's health and finding hope in difficult times, and which included a series of poetry writing workshops with 60 students from two London high-schools.

Diversity, Social Justice, Inter-Faith and Chaplaincy

Diversity and Social Justice

In April, a second young person tragically died by suicide at St Paul's Cathedral. In July, the Canon Pastor led a round table exercise with national leaders in this area, to look at ways to reduce suicide at St Paul's Cathedral, the City and beyond.

Following Chapter's decision in 2018 to take forward a social justice theme that could deliver a meaningful impact to London and beyond, the Canon Pastor led a programme of engagement and consultation to identify a key social justice theme, in which the Cathedral had legitimate interest and which, working in partnership with others and using resources from across the Cathedral, could make a real practical and policy difference to those in London and beyond. From a shortlist of recommendations, and focussing particularly on those with significant Cathedral Community support, in November 2019 Chapter agreed a ten-year plan to concentrate on young people and mental health.

Inter-Faith and Chaplaincy

Having been appointed in September 2018, Canon Mark Poulson, the Canon for Interfaith Relations, began to develop interfaith relationships through the Faiths Forum for London. Hosting meetings of the Forum at the Cathedral with the Bishop of London led to some exciting work with the newly established Cities Faith and Communities Forum, which has a Europe-wide focus. In May, during Ramadan, in conjunction with the Naz Legacy Foundation, the Cathedral was able to host an interfaith gathering and discussion on the future of London with young professionals from the City of London and outer boroughs with the Bishop of London and Sadiq Khan, the Mayor of London. The large group of about 150 people then processed to the Guildhall where the Remembrancer, Paul Double, hosted an iftar meal.

In September 2019, Helen O'Sullivan, Chaplain of St Paul's, took up a new post as Priest in Charge of a group of parishes in the Diocese of Newcastle. During 2019 her role included caring for staff and volunteers, being available to individuals with particular life-issues as well as giving more general support and she played an important role in the Cathedral School for children and families. She took on pastoral ministry for baptisms and weddings, preparing people for baptism and confirmation and encouraging people in their journey of faith.

In November we were pleased to announce Helen's replacement, the Revd Preb Paula Hollingsworth, who served as Vicar in the Diocese of Bath and Wells where she was also Dean of Women's ministry and Sub Dean of Wells Cathedral.

Visitor Engagement

Paying visitors to the Cathedral in 2019 exceeded 929,000, a 5% increase on 2018 figures. The overall visitor numbers were enhanced by a number of additional attractions such as the opening of the Linda Kitson exhibition in the Oculus space, and the family activities and workshops based around the Fantastic Feats project. In November, St Paul's collaborated with Tate for the William Blake *Ancient of Days* projection.

Guided tours continued, very ably hosted by our Cathedral Floor Guides, and we continued to expand our commercial visitor offer. Our commercial activities – the shop, catering and events – together generated a surplus of over £1 million in 2019.

Keeping our visitors safe is a priority for us. Over the past year, we have continued to invest in the development of our in-house security team; we anticipate the majority of that team becoming professional Cathedral Constables in 2020. The close liaison with our security partners continues and we have developed a Memorandum of Understanding between St Paul's Cathedral and our very supportive City of London Police. In addition, physical security measures have been put into place around the Cathedral environs, including automatic bollards, to create an 'island environs'.

Corporate Services

Towards the end of 2019 the new Directorate was established bringing together the Finance, HR, IT and Works Departments. Finance, HR and IT were starting to embed new staff, reviewing processes and ways of working and these are continuing to be established in 2020. Throughout 2019, the Works team continued to support on both the maintenance of the building as well as major restoration and new projects.

The Equal Access project, the building of a permanent accessible entrance at the North Transept, commenced construction in 2019 and this is planned to be opened by the end of 2020. This project sits at the heart of the Cathedral's mission of offering a welcome to all and is one of a number of ongoing schemes to improve accessibility at the Cathedral.

In addition the Library project continued. Having started with a full decant of the Library which saw 12,500 books and manuscripts cleaned, recorded, packed and moved off-site, the building works continued over the year without risk to the collection. The conservation work is expected to be completed in 2021 which we hope will further enhance elements of the visitor experience.

Our most recent Quinquennial Inspection Review is providing the basis for the Cathedral's fabric repair and maintenance programme, and the development work that needs to take place to support this.

Development

In 2019 the Development Team worked closely with other Departments on fundraising projects, such as the Library restoration, which included a successful funding application to the Wolfson Foundation. Fundraising for the completion of our Equal Access capital project was also a key Departmental focus. Thanks to £3m secured during previous years, we began construction of our first permanent step-free access.

Fundraising objectives have included enabling St Paul's mission by increasing our donor base to better reflect a diverse and global range of supporters. This includes securing funds to sustain our liturgy and music, education and outreach work, for example increasing Lloyds Banking Group's sponsorship of "A Celebration of Christmas". We have also worked to develop our corporate membership scheme and sought funding to enhance the Cathedral's audio visual and digital capacity.

This year we were also able to develop US fundraising opportunities. Working closely with the Board of St Paul's Cathedral Trust in America (SPCTA), investment was made in securing a professional fundraising company to support the project to raise the final element of capital funding required to complete the new Chorister boarding house.

Events for donors, existing, new and prospects were streamlined to be more cost effective and special in 2019. On 16th September the Dean held a reception in the Crypt, sponsored by Pol Roger, to thank all major donors. To end the year our Canon Treasurer held a Christmas reception for major donors.

Public Benefit

Chapter are aware of the guidance issued by the Charity Commission under the Charities Act 2011 and are confident that the Cathedral's activities, as described in this annual report, are delivering public benefit. In 2019 there were a total of around 1.7 million paying and non-paying visitors to the Cathedral (2018 – 1.6 million) of whom around 466,122 attended congregational services and other events (2018 – 468,093), 28,473 visited from schools (2018 – 22,974), with a further 292,819 non-paying visitors (2018 – 284,890) and 929,003 paying visitors (2018 – 881,489).

Performance

Over the course of the year, Chapter engaged through Directors with Cathedral staff in the development of the Cathedral's five-year Strategic Plan and Mission Directed Business Plan. Key changes in the new strategy included the creation of Directorates, the focus on one social justice issue and the introduction of a third strategic theme, 'reducing our environmental impact'. For each strategic objective, a series of targets and deliverables has been agreed and their delivery is regularly monitored. This includes reviewing participation in services as well as the outreach activities, the financial and fundraising performance and a number of internal indicators such as sickness absence.

Chapter continues its commitment to regularly review progress in delivering the Cathedral's agreed priorities. This includes reporting delivery of the key programmes and projects set out in the strategy in respect of cost, quality and timeliness. There is a continued focus on project management in particular for the key fabric development projects, with this being overseen by Chapter.

Financial Review

During 2019 St Paul's Cathedral continued to be a leading tourist attraction and also continued to be highly dependent upon visitors to support the mission. The number of paying visitors for the year increased from 881,489 to 929,003.

Across the whole range of the Cathedral's activities, net assets had increased by £7.48 million from £35.69 million to £43.17 million at the end of 2019. This increase mainly arose from an operating surplus of £4.24 million (2018 – £2.45 million) in addition to investment and actuarial gains of £3.24 million (2018 – a loss of £106k).

Gross income for the year was £22.41 million, compared to £19.00 million in 2018. The major source of income came from commercial activities which include admission charges, the Crypt shop and event income. This income increased by 9% from a level of £12.42 million in 2018 to £13.59 million. The gross income from the School increased from £3.75m to £3.86m. The balance of income, mainly driven by grants and donations to the Learning in Harmony and Equal Access projects increased from £2.83m to £4.96m. Total expenditure in the year was £18.17 million (2018 - £16.54 million).

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 Limited ("CBF")
- investments in which trustees may invest under the general powers of investment in the Trustee Act 2000
- the improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself nor its auxiliary buildings.

The consolidated balance sheet shows £31.54 million (2018 - £28.15 million) of investment assets of which £19.16 million (2018 - £16.05 million) is held in investment units in the CBF investment and cash deposit funds

and £3.43 million in investment units in the Ruffer Investment fund (2018 - £3.19 million). The balance is held in either the Tillingham property or the School. Chapter seeks to produce the best financial return within an acceptable level of risk whilst complying with the guidance of the Church of England Ethical Investment Advisory Group. It also seeks to reduce investment manager risk by engaging more than one investment manager.

CCLA and Ruffer operate effective ethical investment policies and also ensure that cash deposits retain their AAA rating.

The property investments are located in Tillingham, Essex and consist of properties and agricultural land, part of which have been in the ownership of the Bishopric of London and the Cathedral for around 1400 years.

Cash flow was carefully managed and the cash balance was £7.36m (2018 - £7.09m). The cash balances are held for specific potential projects and also as part of Chapter's reserves policy where the need for setting aside reserves is backed in part by the security of immediate AAA cash deposits.

The Investment Advisory Committee advises Chapter on the implementation of its investment strategy and meets investment managers at least once a year. The CCLA investment fund returns for 2019 were 19.4% (2018 – 0.7%). The Ruffer investment fund losses for 2019 were 3.6% compared with a 5.6% return in 2018.

Reserves

The Cathedral's total net assets were £43.17 million at the end of 2019 (2018 - £35.69 million).

The reserves policy agreed by Chapter reflects its responsibility for the financial security of the Cathedral and aims to accumulate an adequate level of funds to finance short term reductions in income caused by unexpected events, for example terrorism or an economic downturn. It has been agreed that the reserves target is to be equivalent to eight months' operating expenditure. Operating expenditure is defined as projected recurrent expenditure, excluding one-off items. The current target for available 'free' reserves is £8.0 million.

The available 'free' reserves are the unrestricted reserves of the Cathedral less:

- the property assets of the Cathedral, specifically Tillingham, valued at £7.9 million, and
- the fixed assets of the Cathedral, with a net book value of £0.07 million at year end

as they are not considered to be available for distribution or for use as working capital except in extreme circumstances.

By this definition, at the end of 2019, the target of £8.0 million for available 'free' reserves for the Cathedral had been exceeded by £5.7 million. This amount was to be dedicated to urgent fabric and longer term projects in support of mission however the majority has now been ring fenced in order to support the Cathedral through the Covid-19 pandemic. A total of £12m has been set aside in order to ensure that the Cathedral can continue to operate whilst in the midst of the crisis. This planned use of reserves will mean that Chapter will

not meet its stated reserves policy by the end of 2020 or 2021, however plans are in place to begin rebuilding reserves from 2022 onwards.

Accessibility

St Paul's continues its journey to be more inclusive and welcoming for all people, regardless of disability or other characteristics. In 2019 we started work on the long awaited Equal Access project, which will see the delivery of equal access for all through both ramped and improved stepped access to the Cathedral.

The Cathedral held its own 'Disabled Access Day', the national event having a break this year. Increased marketing meant that more disabled people visited than the year before and was very well received by disabled people and Cathedral representatives alike.

Sustainability

The Cathedral adopted a third strategic theme in its strategy this year; 'reducing our environmental impact'. The impact of this work is seen at three levels; the development of high level strategy and policy, reviewing all our projects and other work in light of this theme, and small scale changes that make an everyday difference. A staff group, drawn from interested volunteers across all parts of the Cathedral, met monthly to recommend changes. These included providing all staff with re-usable water containers, significantly reducing packaging in the Shop and increasing recycling. On a more strategic level, we started considering the potential for a solar farm in Cathedral owned land in Tillingham and will be looking into that further in 2020, incentivised by the new Church of England 2030 net zero target.

Key Risks

Of the key risks that were being managed through 2019 the first has materialised in 2020 as a result of the Covid-19 crisis. During 2020, the Cathedral faced its longest period of closure in the 300 years since opening and visitor numbers continue to be severely impacted. The mitigations have secured the short to medium term future of the Cathedral and plans will be continually reviewed and updated in order to secure the long term. This will become increasingly challenging if tourist levels do not return, at least in part, to pre-COVID levels as the Cathedral is almost entirely reliant on visitor income to fund the operation. As the Cathedral does not receive any significant funding from the Government or the Church of England, a decrease in visitor numbers makes it even more dependent upon fundraising and the generosity of its donors.

The Cathedral maintains strategic and Departmental risk registers, and a risk review is carried out by Chapter and the Finance, Audit & Risk Committee twice a year. These are individually assessed and rated to enable Chapter to focus on the key risks facing the Cathedral along with actions to mitigate or reduce those risks. Throughout the year there were specific reviews as well as continuous action to manage the major risks to which the Cathedral is exposed. Loss of income was identified as a key risk, but with hindsight, the scale of the impact of four months of closure and the collapse of the global travel market, from which 80% of our visitor income was generated, was not fully mitigated for the long term. The risk review process will continue to be examined and tested to ensure it remains appropriate and effective.

In 2019, the key risks and example mitigations in place were:

1. Reduction in income generation, mitigated by
 - a. investment in income generating activities as well as fundraising
 - b. protected emergency reserves policy
2. Loss of staff or key knowledge, mitigated by
 - a. development of a people and a wellbeing strategy
3. Failure in health and safety policies and procedures mitigated by
 - a. detailed health and safety risk register
 - b. independent, expert advice and review, including a proposed health and safety audit
4. Safeguarding, mitigated by
 - a. recruitment of qualified safeguarding officer
 - b. independent, expert advice including a Safeguarding Advisory Group
 - c. comprehensive training plan
5. Cathedral is seen as elitist and irrelevant, preventing delivery of its mission, mitigated by
 - a. increased communication and digital reach
 - b. delivery of Institute agenda and events
6. Cathedral is unable to deliver social justice agenda, mitigated by
 - a. development of the theme to ensure relevance and buy in
 - b. recruitment of a lead resource
 - c. review of pilot projects
7. New structure does not deliver the Cathedral's Working Group recommendations or benefits, mitigated by
 - a. completion of governance review
 - b. evaluation of impact of changes after 6 months.

Going Concern

At the end of the first quarter of 2020, Chapter had to take emergency measures in order to ensure the financial sustainability of the Cathedral. Covid-19, the subsequent lock down, closure of the Cathedral and lack of visitors forced a complete review of the three-year plan. This review was completed and implemented between April and July 2020 with a significant forecast reduction in income mitigated with a reduction in operating and project costs and the utilisation of reserves in order to ensure adequate cash until visitors are forecast to return.

This has had severe consequences for the Cathedral. Sadly there have been significant redundancies, albeit mainly delivered on a voluntary basis, and key building maintenance and development projects have had to be cancelled. However, these actions have meant that Chapter can be confident that there are no material

uncertainties which would prevent the Cathedral continuing as a going concern for at least twelve months from the date when the financial statements are authorised for issue.

Plans for the Future

The impact of Covid-19 means that the Cathedral now faces significant financial challenges. The three- year financial plan has been updated and actions taken to ensure that the Cathedral remains financially sustainable. A review of progress against this plan is planned for early 2021. The two key fabric projects, the Equal Access Ramp and the refurbishment of the Library will be completed but all other projects remain on hold, pending further funding. Fundraising is therefore critical in order to maintain the building and ensure that the pattern of worship and first-class music in the Cathedral can continue.

Signed on behalf of Chapter as Trustees of St Paul's Cathedral.

A handwritten signature in black ink, appearing to read 'D. Ison', with a large circular flourish on the left and a long horizontal stroke extending to the right.

**The Very Revd Dr David Ison
Dean**

23rd September 2020

Independent Auditor's Report to the Chapter of St Paul's

Opinion

We have audited the financial statements of St Paul's Cathedral for the year ended 31st 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 31st 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 Chapter for the Financial Statements

As explained more fully in the responsibilities statement set out on page 12, the members of 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 Chapter's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the members of 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.

A handwritten signature in blue ink, appearing to read 'Haysmacintyre LLP'.

*Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG*

Date: 17th November 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019	Total Funds 2018
	Note	£000s	£000s	£000s	£000s	£000s
Income and Endowments from:						
Donations and legacies	2					
Donations		781	1,023	-	1,804	618
Legacies		-	-	-	-	10
Grants		220	2,020	-	2,240	1,229
Charitable Activities	3	659	3,856	-	4,515	4,520
Other Trading Activities	4	13,591	-	-	13,591	12,420
Investments		160	95	-	255	201
Other Income		3	-	-	3	-
Total Income		15,414	6,994	-	22,408	18,998
Expenditure on:						
Raising Funds	5	5,959	-	-	5,959	5,493
Charitable Activities	6					
Ministry		2,497	55	-	2,552	2,667
Cathedral and precincts upkeep		3,512	1,357	-	4,869	4,105
Education and outreach, community and congregation		915	3,874	-	4,789	4,279
Total expenditure		12,883	5,286	-	18,169	16,544
Net income before investment gains		2,531	1,708	-	4,239	2,454
Net gains/(loss) arising on investment assets	12	1,699	448	1,090	3,237	(106)
Net income after investment gains		4,231	2,156	1,090	7,476	2,348
Net gain arising on investment properties		-	-	-	-	90
Actuarial gain on defined benefit pension scheme		-	-	-	-	240
Net increase in funds		4,231	2,156	1,090	7,476	2,678
Funds brought forward	16	24,305	6,524	4,861	35,690	33,012
Funds carried forward		28,535	8,680	5,951	43,166	35,690

Notes 1 to 22 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	Note	£000s	£000s	£000s	2018 £000s
Income and Endowments from:					
Donations and legacies	2				
Donations		574	44	-	618
Legacies		10	-	-	10
Grants		380	849	-	1,229
Charitable Activities	3	770	3,750	-	4,520
Other Trading Activities	4	12,420	-	-	12,420
Investments		112	89	-	201
Other Income		-	-	-	-
Total Income		14,266	4,732	-	18,998
Expenditure on:					
Raising Funds	5	5,493	-	-	5,493
Charitable Activities	6				
Ministry		2,620	47	-	2,667
Cathedral and precincts upkeep		3,511	594	-	4,105
Education and outreach, community and congregation		764	3,515	-	4,279
Total expenditure		12,388	4,156	-	16,544
Net income before investment gains		1,878	576	-	2,454
Net gains/(loss) arising on listed investment assets	12	(155)	(38)	87	(106)
Net income after investment gains		1,723	538	87	2,348
Net gain arising on investment properties	12	90	-	-	90
Actuarial gain on defined benefit pension scheme		240	-	-	240
Net increase in funds		2,053	538	87	2,678
Funds brought forward	16	22,252	5,986	4,774	33,012
Funds carried forward		24,305	6,524	4,861	35,690

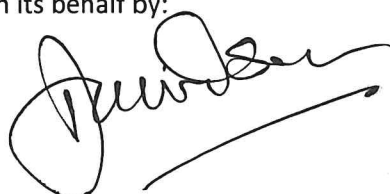
Notes 1 to 22 form part of these financial statements

BALANCE SHEETS AS AT 31 DECEMBER 2019

	Note	Consolidated		Cathedral only	
		Total 2019 £000s	Total 2018 £000s	Total 2019 £000s	Total 2018 £000s
Fixed assets					
Tangible fixed assets	10	3,511	1,266	70	49
Investments		23,645	20,249	28,768	23,875
Property		7,900	7,900	7,900	7,900
Investment assets	12	31,545	28,149	36,668	31,775
Total fixed assets		35,056	29,415	36,738	31,824
Current assets					
Stocks		197	185	-	-
Debtors	13	2,888	1,442	5,980	2,058
Cash at bank and in hand		7,358	7,087	2,113	3,679
		10,443	8,714	8,093	5,737
Liabilities due within one year					
Creditors	14	(2,308)	(2,355)	(1,640)	(1,787)
Net current assets		8,135	6,359	6,453	3,950
Total assets less current liabilities		43,191	35,774	43,191	35,774
Liabilities due after one year					
Provisions for liabilities and charges	15	(25)	(84)	(25)	(84)
Total net assets		43,166	35,690	43,166	35,690
Funds of the Cathedral					
Endowment Funds		5,951	4,861	5,951	4,861
Restricted Funds		8,680	6,524	8,680	6,524
Designated Funds		6,870	6,870	6,870	6,870
Unrestricted Funds		21,665	17,435	21,665	17,435
	16	43,166	35,690	43,166	35,690

Notes 1 to 22 form part of these financial statements.

The financial statements on pages 26 to 55 were approved by Chapter on 23rd September 2020 and signed on its behalf by:



The Very Revd Dr David Ison
Dean

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2019	2018	2018
	£000s	£000s	£000s	£000s
Cashflow from operating activities				
Net cash provided by operating activities		2,061		2,621
Cash flows from investing activities				
Income from investments				
Rents received net of costs	140		104	
Investment income received net of costs	255		201	
Tangible assets - sale proceeds			-	
Tangible Assets - additions	(2,341)		(269)	
Investment - Disposal	4,770		-	
Investment - Additions	(4,614)		(145)	
		<u>(1,790)</u>		<u>(109)</u>
Net cash provided by investing activities		271		2,512
Change in cash and cash equivalents		271		2,512
Cash and cash equivalents at the start of the reporting period		7,087		4,575
Cash and cash equivalents at the end of the reporting period		7,358		7,087

Reconciliation of net income to net cash inflow from operating activities

	2019	2018
	£000s	£000s
Net Income	7,476	2,678
Adjustments for:		
Depreciation charges in the year	96	46
Investment management costs	71	125
Income from property and investments	(466)	(430)
Net income from property and investments	(395)	(305)
(Increase) / Decrease of cash in investment	(315)	43
(Gains) / Losses on investments	(3,237)	16
Net (Gains) / Losses on investments	(3,552)	59
(Increase) / Decrease in stocks	(12)	21
(Increase) / Decrease in debtors	13	301
(Decrease) in creditors	14	(179)
Net cash provided by operating activities	2,061	2,621

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

	At 1	Cash	other non	At 31
	January	Flow	cash	Dec
	£'000's	£'000's	£'000's	£'000's
			changes	
Cash at Bank and in hand	7,087	271	-	7,358

1. Accounting Policies

a. Basis of Preparation

Basis of Preparation

The financial statements have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2018, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Cathedral meets the definition of a public benefit entity under FRS 102.

The financial statement are presented in sterling, which is the functional currency of the Cathedral.

Going Concern

A considerable amount of work has been done to mitigate the immediate impact of Covid-19. The financial statements have been drawn up using the going concern basis as the Chapter has taken into consideration the risks and uncertainties that might have an impact on the income of the Cathedral over the next 12 months, particularly with regards to reduced visitor income as a result of the pandemic.

Visitor income has been significantly reduced in 2020 as a result of the pandemic. The Chapter expect that this will continue into 2021 and that even in 2022 visitor income will not have returned to pre-pandemic levels. The Chapter have therefore taken significant steps in order to ensure that the operation can continue and remains financially viable. This has, sadly, involved a redundancy process and a significant reduction in our full time equivalent headcount as well as a reduction in discretionary spend. Reserves have been ring fenced and are being held in cash in order to ensure that cash flow can be adequately managed through both 2020 and 2021. The revised three year plan will be reviewed in Q1 of 2021 to ensure that we remain on track and further mitigating actions may be planned at that time.

On the basis of the work that has been completed, Chapter considers that there are no material uncertainties to be disclosed and that it therefore has reasonable expectation that the Cathedral will continue in operational existence for the foreseeable future.

Consolidation

The financial statements are prepared on a consolidated basis and incorporate the activities of St Paul's Cathedral (including its restricted funds held in Special Trusts), St Paul's Cathedral School and the Cathedral's wholly owned subsidiary, St Paul's Cathedral Enterprises Limited. Activities described as Other Related Entities (see note 17) are excluded.

In the application of the Group's accounting policies, the Chapter is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. The Chapter does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

b. Accounting Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, investments and the defined benefit pension fund. Income and expenditure are accounted for on the accruals basis.

c. Income and Expenditure

Where amounts are payable on behalf of the Cathedral by third parties, for example the Church Commissioners, these are included under both income and expenditure in the Consolidated Statement of Financial Activities.

Income

All legacies and donations receivable are credited to the Consolidated Statement of Financial Activities and allocated to the relevant fund according to any restrictions placed upon their use.

Legacies are recognised when the Cathedral is certain of its entitlement and any pre-conditions have been complied with and it is probable that the legacy will be received within a reasonable time span, and the amount to which the Cathedral is entitled can be reliably measured.

Trading income is recognised when cash has been received or when there is reasonable expectation to receive consideration based on exchange of goods or performance of services.

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 Cathedral and their associated support costs.

Expenditure incurred on repairs, restoration and maintenance is charged to the Consolidated Statement of Financial Activities in the period in which it is incurred.

Irrecoverable VAT was charged as a cost against the activity for which the expenditure was incurred. This is being reviewed and irrecoverable VAT for the last quarter is shown as a central charge.

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 8 for details of these costs and the basis of allocation.

d. Interest Payable

Interest charges are charged to the Consolidated Statement of Financial Activities as incurred.

e. Taxation

Tax payable, including irrecoverable value added tax, less amounts recoverable, is deducted from the source of income or added to the item of expenditure which gives rise to it.

f. Cathedral Building, Freehold Properties and Cathedral Inventory

No value is attributed to non-investment freehold properties listed in Note 11 because these assets are fully depreciated. No value is attributed to items included in the Cathedral Statutory Inventory as being of architectural, archaeological, artistic or historic interest because they are for Cathedral use and also cannot be measured at a monetary value with sufficient reliability.

Any unrealised change in value since the later of acquisition or the last balance sheet date is credited or charged to the Consolidated Statement of Financial Activities. Any realised gain or loss (calculated as net sales proceeds less value at the last balance sheet date, or cost if acquired during the year) is also credited or charged to the Consolidated Statement of Financial Activities.

g. Investment Property and Investments

Investment freehold properties listed in Note 12 are externally re-valued at open market value, except in the year of purchase. Advice is sought annually as to the possibility of material movement between individual valuations. All other investments are re-valued annually at open market value. Such revaluations are incorporated into the financial statements.

Any unrealised change in value since the later of acquisition or the last balance sheet date is credited or charged to the Consolidated Statement of Financial Activities. Any realised gain or loss (calculated as net sales proceeds less value at the last balance sheet date, or cost if acquired during the year) is also credited or charged to the Consolidated Statement of Financial Activities.

h. Plant and Other Fixed Assets

Plant and other fixed assets above a cost of £1,000 are capitalised and depreciation is provided to write off the original cost by equal annual instalments as follows:

Plant, machinery, fixtures and fittings, school minibus and pianos	4 - 8 years
Computers and office equipment	3 years

i. Stocks

Stocks comprise shop goods for resale and are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price.

j. 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.

k. Cash at bank and in hand

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

l. 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.

m. Funds

Funds are classified between endowment, restricted and unrestricted in accordance with the legal constraints on their use, and the consequent degree of flexibility which Chapter have on using the incoming resources that gave rise to the funds.

Endowment Funds

These are funds where there is no power to convert capital into income. They are held permanently and cannot be utilised for other purposes, although the constituent assets may change over time.

Restricted Funds

These are funds subject to specific conditions or trusts, imposed by the donor or the terms of a specific appeal, which are binding on Chapter. The restriction may be on income or capital or both.

Unrestricted Funds

These are all funds other than endowment, restricted funds and funds designated for a specific purpose by Chapter.

Designated Funds

These are unrestricted funds that have been designated for a specific purpose by Chapter. A number of these funds have had to be un-designated in 2020 in order to ensure adequate unrestricted reserves to fund the Cathedral's operating costs through the pandemic.

n. Operating Leases

Payments and receipts are recognised in the Consolidated Statement of Financial Activities as an expense on a straight line basis over the lease term.

o. Grants Receivable

Grants receivable are recognised when income is measurable, probable and the Cathedral is entitled to recognise it. Grants receivable which are subject to conditions or restrictions are credited to the restricted fund in the Consolidated Statement of Financial Activities, depending on the category of expenditure incurred to which they relate, as soon as they are received or become receivable.

If a grant has been received or is receivable and either the related expenditure has not been incurred or the conditions of the grant have not been satisfied, then the grant is carried forward in restricted funds in the balance sheet. If expenditure has been incurred prior to the receipt of the related grant, but with other conditions satisfied, then the grant receivable is credited to the Consolidated Statement of Financial Activities and carried forward as a debtor in the balance sheet.

p. Pension Scheme Arrangements (also see Note 18)

Defined Benefit

The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined with the advice of the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates. The amounts charged within staff costs in the Consolidated Statement of Financial Activities (SOFA) are the current service costs in relation to clergy and past service costs in relation to the Cathedral's employees. The interest cost and expected return on assets is shown in the SOFA under other expenditure. The actuarial gain or loss is shown in the consolidated SOFA as 'actuarial gains or losses on defined benefit pension scheme'. The assets of the scheme are held separately from those of the Cathedral. They are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at AA corporate bonds index rate. The resulting defined benefit asset was not recognised on the balance sheet as the Trust Deed contains restrictions that state it is not refundable to the employer and the scheme specific valuation currently shows a deficit.

Defined Contribution

These pension charges represent the costs of the contributions payable in the year by the Cathedral.

Church of England Funded Pension Scheme

Prior to 1 January 1998, the costs of paying pensions and related benefits for Chapter and Minor Canons were met by the Church Commissioners from their current income. The cost of benefits relating to pensionable service up to that date will continue to be financed by the Commissioners. With effect from 1 January 1998 the Pensions Measure 1997 came into force, and a new funded scheme was established called the Church of England Funded Pensions Scheme. This scheme operates as an occupational pension scheme and contributions, at a rate determined having regard to actuarial advice, are paid into a separate fund in the trusteeship of the Church of England Pensions Board. Benefits arising from pensionable service after 31 December 1997 are provided from that fund. Agreed contributions to past deficits are provided for at the net

present value of the expected future contributions and movement in the provision is charged or credited to unrestricted expenditure. Contributions arising from current service are charged to expenditure as they fall due (see Note 18). Contributions in respect of the Dean and two Commissioners' Canons are paid by the Church Commissioners.

q. Financial Instruments

The Cathedral only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and may subsequently be measured at their settlement value if this differs, with the exception of financial investments which are shown at market value.

2. Income from donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds	<i>Total Funds</i>
	£000s	£000s	£000s	<i>£000s</i>
			2019	<i>2018</i>
Donations and legacies				
Congregational collections and giving	398	-	398	<i>386</i>
Donation from Friends	-	65	65	<i>70</i>
Other Donations	383	958	1,341	<i>162</i>
Total Donations	781	1,023	1,804	<i>618</i>
Legacies	-	-	-	<i>10</i>
Church Commissioners Grant	-	7	7	<i>-</i>
Other Grants	220	2,013	2,233	<i>1,229</i>
Total Grants	220	2,020	2,240	<i>1,229</i>
Total	1,001	3,043	4,044	<i>1,857</i>

Total Gift aid receivable included above £15,000 (2018: None)

3. Income from charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds	<i>Total Funds</i>
	£000s	£000s	£000s	<i>£000s</i>
Facilities and other Fees	659	-	659	770
Gross Income of School	-	3,856	3,856	3,750
Total	659	3,856	4,515	<u>4,520</u>

4. Income from other trading activities

	Total Funds	<i>Total Funds</i>
	2019	<i>2018</i>
	£000s	<i>£000s</i>
Charges to Visitors	10,437	<i>9,301</i>
Gross income of shop, refectory and other activities	2,942	<i>2,890</i>
Letting of other buildings	212	<i>229</i>
Total	13,591	<u><i>12,420</i></u>

All Trading Activities relates to the Unrestricted Funds

5. Costs of raising funds

	Total Funds	<i>Total Funds</i>
	2019	<i>2018</i>
	£000s	<i>£000s</i>
Raising funds		
Charges to Visitors	2,720	<i>2,438</i>
Gross costs of shop, refectory and other activities	1,683	<i>1,663</i>
Cost of fundraising and lettings	473	<i>470</i>
Investment management costs	71	<i>125</i>
Support costs (see Note 8)	1,012	<i>797</i>
	5,959	<u><i>5,493</i></u>

6. Expenditure on charitable activities

	Direct Costs (Note 7) £000s	Support Costs (Note 8) £000s	Total Funds 2019 £000s	<i>Direct Costs</i> (Note 7) £000s	<i>Support Costs</i> (Note 8) £000s	<i>Total Funds 2018</i> £000s
Ministry	2,202	350	2,552	2,287	380	2,667
Cathedral and precincts upkeep	4,199	670	4,869	3,484	621	4,105
Education and outreach, community and congregation	4,663	126	4,789	4,194	85	4,279
	11,064	1,146	12,210	9,965	1,086	11,051

7. Direct costs of charitable activities

	2019 £000s	2018 £000s
Ministry		
Clergy Stipends and working expenses	390	539
Clergy Housing Costs	257	252
Clergy Support Costs	497	471
Services and Music	1,058	1,025
Total Ministry Direct Costs	2,202	2,287
Cathedral and precincts upkeep		
Majors Repairs and restoration	1,381	1,076
Maintenance and interior upkeep	909	1,427
Cathedral Insurance	205	224
Precincts, security and gardens upkeep	1,704	757
Total Cathedral and precincts upkeep	4,199	3,484
Education and outreach, community and congregation		
School Costs	3,871	3,503
Educational Activities	587	520
Archives and Library	205	171
Total Education and outreach, community and congregation	4,663	4,194
	11,064	9,965

8. Support costs

	Cost of Charitable Raising Funds 2019			Cost of Charitable Raising Funds 2018		
	£000s	£000s	£000s	£000s	£000s	£000s
Finance, HR and IT costs	689	780	1,469	614	836	1,450
Other premises costs	323	365	688	183	250	433
Governance costs	-	1	1	-	-	-
	1,012	1,146	2,158	797	1,086	1,883

Support costs are stated after charging audit fees of £36,620 (2018: £29,717). Costs are allocated on the basis of the proportion activity cost against total cost.

9. Employees and office holders

	Clergy Lay Staff 2019			Clergy Lay Staff 2018		
	£000s	£000s	£000s	£000s	£000s	£000s
Wages and Salaries (including Stipends)	248	8,535	8,783	319	8,201	8,520
Social Security Costs	27	793	820	31	751	782
Pension costs	17	665	682	95	570	665
	292	9,993	10,285	445	9,522	9,967

The average staff numbers are as follows:

	Headcount		Full time Equivalent	
	2019	2018	2019	2018
Fundraising	10	7	7	6
Charitable Activities				
Clergy	8	8	8	8
Lay staff	264	248	192	189
Support and Administration	39	19	27	25
	321	282	234	228

Higher Paid Staff	2019	2018
(excluding employer's pension contributions)		
£60,000-69,999	5	9
£70,000-79,999	1	4
£80,000-89,999	-	-
£90,000-99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	1	1

Remuneration of Chapter members				2019	2018
	£000s	£000s	£000s	£000s	£000s
	Stipend	NI/Levy	Pension	Total	Total
The Very Revd Dr David Ison	37	4	12	53	48
The Revd Canon Jonathan Brewster	29	3	10	42	38
The Revd Canon Tricia Hillas	29	2	10	41	38
The Revd Canon James Milne	22	2	6	30	-
The Revd Canon Michael Hampel	-	-	-	-	34
The Revd Canon Mark Oakley	-	-	-	-	29
	117	11	38	166	187

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council, and the Church of England Pensions Board. No supplement to these scales are paid. These payments are set out below.

	2019	2018
Number receiving expenses	4	5
	£000s	£000s
Taxable expenses:		
Services (telephone, electricity, etc)	39	25
Reimbursed expenses:		
Travel	-	7
Hospitality	2	3
Other	16	10
	18	20
Total expenses:	57	45

10. Tangible assets

Consolidated

	Buildings Improvements	Fixtures & Fittings	IT Equipment	2019
	£000s	£000s	£000s	£000s
Cost at 1 January	2,377	342	288	3,007
Additions in the year	2,258	13	70	2,341
	4,635	355	358	5,348
Depreciation at 1 January	1,216	310	215	1,741
Depreciation for year	46	12	38	96
	1,262	322	253	1,837
Net book value at 31 December c/fwd	3,373	33	105	3,511
Net book value at 31 December b/fwd	1,161	32	73	1,266

Cathedral

	Buildings Improvements	Fixtures & Fittings	IT Equipment	2019
	£000s	£000s	£000s	£000s
Cost at 1 January	42	26	12	80
Additions in the year	-	-	58	58
	42	26	70	138
Depreciation at 1 January	18	8	6	32
Depreciation for year	14	7	15	36
	32	15	21	68
Net book value at 31 December c/fwd	10	11	50	70
Net book value at 31 December b/fwd	24	18	6	49

11. Heritage assets (consolidated and Cathedral)

As stated in the accounting policies, no value has been placed on the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. The Cathedral buildings are the Cathedral, chapter house and libraries. The Care of Cathedrals Measure 2011 requires Cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the Cathedral church. Primarily this consists of the Cathedral's unique collection of 18th century silver plate and the organ. No additions to the inventory in the last four years have met the definition of a heritage asset and there have been no transactions involving heritage assets in the same time period.

St Paul's is the first post-reformation Cathedral and is the only original Cathedral built in the classical style in Britain and completed under the auspices of a single visionary architect, Sir Christopher Wren, during his lifetime. The Cathedral exhibits many ingenious construction techniques and solutions including the brick cone that supports the outer Dome and the Great Chain construction of the Peristyle entablature. St Paul's contains the work of some of the best craftsmen of the late 17th and early 18th century – in stone by Caius Gabriel Cibber, Christopher Kempster and Francis Bird, in wood principally by Grinling Gibbons, ironwork both inside the Cathedral and the churchyard railings by Jean Tijou, and painting by Sir James Thornhill. St Paul's is the final resting place and memorial home to many significant national figures including Lord Nelson and the Duke of Wellington. The Cathedral stands in a site of considerable archaeological potential with known sequences of Roman stratigraphy to the present day with extensive burial remains. Arguably the most significant remains are of Old St Paul's Cathedral which can be traced inside and outside the standing fabric of the present Cathedral.

The neighbouring Chapter House, also designed by Wren, continues to serve as the administrative heart of the Cathedral. The entire group of buildings at Amen Court remains in residential use for the clergy and some lay staff of St Paul's Cathedral and also provides office accommodation for the Cathedral. It consists of three houses built in the 1670s and six Queen Anne Revival houses designed by Ewan Christian dating 1878-80.

The building that is home to St Paul's Cathedral School is on a site adjacent to the Cathedral. Incorporating the tower of St Augustine, Watling Street, it was completed in 1967 and was awarded Grade II* listed status in 2007. Like the Cathedral, the building is clad in Portland stone and lead is used to face the cantilevered attics at the top of the three four storey blocks. The design is effectively an abstracted version of the pilasters on the Wren façade.

The freeholds of the buildings described above are owned by Chapter. Objects considered to be of architectural, archaeological, artistic or historic interest are recorded in the Inventory in accordance with the Care of Cathedrals Measure 2011. These objects are held primarily for use by the Cathedral in its mission or have been vested in Chapter over time and are held as part of the historic record of the Cathedral. Public access to them is available but stored items are accessible by appointment.

Chapter has a statutory duty under the Cathedrals Measure 1999 to manage and maintain the Cathedral, its contents and other buildings and monuments. The full quinquennial review by the Surveyor to the Fabric informs the programme of major restoration works to the Cathedral. Works are overseen by the Clerk of Works and the Surveyor to the Fabric.

The insurance for the building of the Cathedral and Chapter House is arranged on the basis of the probable largest loss from fire taking into account the fire engineering measures taken to limit the spread of fire. The figure is arrived at in conjunction with the Cathedral's insurers who have specialised expertise in this area. The contents are insured on the basis of modern replacements with no allowance for their possible heritage value.

The Cathedral collections, library and archives are insured on a first loss basis to provide funds for their repair and restoration in the event of loss with no attempt to replace items other than perhaps a 'working theological library'. The other buildings including the school and those contents the property of the Dean and Chapter are insured on a reinstatement basis.

The Cathedral object collection is made up of approximately 3,500 items which were identified in 2004 as being of architectural, archaeological, artistic or historic interest and were added to the Cathedral inventory. This includes: altars and fonts, architectural components, bells, casts, church plate, clocks and dials, coins, medals and seals, furniture, monuments, mosaics, musical instruments, prints drawings and paintings, sculpture, textiles and embroideries, vessels and ornaments and vestments. 52 of these items were highlighted as being of outstanding significance. Some items, such as the Tyndale New Testament, have individual significance while others, such as the archaeological remains of the Pre-Fire Cathedral also derive meaning as a group.

The Library Collection includes approximately 13,500 volumes, including printed books, tracts and manuscripts. These works which have accrued through purchases, bequests and donations largely from 1690 onwards, form a collection still used today by academics, students and researchers of all kinds. The Cathedral Archives comprise approximately 7,000 items on site and a deposit at London Metropolitan Archives of approximately 6,000 items. The archive includes plans, drawings and reports associated with the construction, maintenance and decoration of the building, key administrative documents including Pre-Fire charters and cartularies and Chapter Minutes. The Archive as a whole is designated as being of outstanding significance.

In July 2017 the Chapter acquired by gift, a seventeenth-century oil painting by Thomas Wyck, depicting the Great Fire of London.

A stained-glass window, designed and made by Caroline Benyon and costing a total of £47,135 since it was first commissioned in 2014, was added to the Chapel of St Faith in the Cathedral crypt during 2017. The window was made to commemorate the centenary of the Order of the British Empire 1917-2017 and features appropriate iconography, emblems and a motto.

There were no disposals of heritage assets during the year.

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

12. Investments

Consolidated

	Listed Investment			Listed Investment		
	Investments	Property	2019	Investments	Property	2018
	£000s	£000s	£000s	£000s	£000s	£000s
At 1st January	17,984	7,900	25,884	17,935	9,960	27,895
Additions	4,614	-	4,614	155	-	155
Disposal Proceeds	(4,770)	-	(4,770)	-	(2,150)	(2,150)
Net Movement in Market Value	3,237	-	3,237	(106)	90	(16)
	21,065	7,900	28,965	17,984	7,900	25,884
Cash Held for reinvestment	2,580	-	2,580	2,265	-	2,265
Total Investments at 31st December	23,645	7,900	31,545	20,249	7,900	28,149

The Covid-19 pandemic and the subsequent lack of visitors to the Cathedral has meant that £8.5m has had to be divested from the CCLA and Ruffer portfolios. This is to fund operating costs during 2020 and 2021.

Cathedral

	Listed Investment		Unlisted		Listed Investment		Unlisted	
	Investments	Property	Investments	2019	Investments	Property	Investments	2018
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
At 1st January	17,090	7,900	4,520	29,510	17,041	9,960	3,972	30,973
Additions	4,614	-	1,497	6,111	155	-	548	703
Disposal Proceeds	(4,770)	-	-	(4,770)	-	(2,150)	-	(2,150)
Net Movement in Market Value	3,067	-	170	3,237	(106)	90	-	(16)
	20,001	7,900	6,187	34,088	17,090	7,900	4,520	29,510
Cash Held for reinvestment	2,580	-	-	2,580	2,265	-	-	2,265
Total Investments at 31st December	22,581	7,900	6,187	36,668	19,355	7,900	4,520	31,775

The value of freehold investment properties at Tillingham Estate, Essex, is incorporated in the financial statements under unrestricted funds. The Tillingham properties were valued on a red book basis for the purposes of the financial statements by Strutt and Parker, Chartered Surveyors, at 31st December 2018 with an increase in valuation of £90,000 being incorporated in these financial statements. There was no revaluation in 2019.

13. Debtors

	2019		2018	
	£000s	£000s	£000s	£000s
	Group	Group	Cathedral	Cathedral
Trade debtors	598	430	397	343
Gift Aid recoverable	15	-	15	-
Grants receivable	1,983	472	1,983	472
Prepayments	115	227	69	120
Other debtors	177	152	124	85
Subsidiary Undertakings	-	162	3,392	162
Amounts due from subsidiary undertakings	-	-	-	876
	2,888	1,442	5,980	2,058

14. Creditors: Amounts falling due within one year

	2019	<i>2018</i>	2019	<i>2018</i>
	£000s	<i>£000s</i>	£000s	<i>£000s</i>
	Group	<i>Group</i>	Cathedral	<i>Cathedral</i>
Trade creditors	677	<i>592</i>	620	<i>340</i>
Other tax and social security	610	<i>653</i>	608	<i>654</i>
Accruals and deferred income	665	<i>658</i>	269	<i>376</i>
Other creditors	356	<i>452</i>	143	<i>417</i>
	<u>2,308</u>	<i><u>2,355</u></i>	<u>1,640</u>	<i><u>1,787</u></i>

15. Creditors: Amounts falling due after one year

	2019	<i>2018</i>	2019	<i>2018</i>
	£000s	<i>£000s</i>	£000s	<i>£000s</i>
	Group	<i>Group</i>	Cathedral	<i>Cathedral</i>
Church of England Funded Pension Scheme	25	<i>84</i>	25	<i>84</i>
Total Creditors falling due after one year	<u>25</u>	<i><u>84</u></i>	<u>25</u>	<i><u>84</u></i>

The Church of England Funded Pension Scheme (CEFPS) liability relates to the Cathedral's involvement in the CEFPS for the benefit of its clergy. The scheme is considered to be a multiemployer scheme, and it is not possible to attribute the schemes' assets and liabilities to specific employers. Therefore, contributions are accounted for as if the scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable plus any impact of deficit contributions.

16. Funds

Consolidated

	Unrestricted	Restricted	Endowment	Total	<i>Unrestricted</i>	<i>Restricted</i>	<i>Endowment</i>	<i>Total</i>
	Funds	Funds	Funds	Funds	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>
	£000s	£000s	£000s	£000s	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>
				2019				<i>2018</i>
				£000s				<i>£000s</i>
Tangible Assets	71	3,440	-	3,511	49	1,217	-	<i>1,266</i>
Investments	22,768	2,826	5,951	31,545	20,910	2,378	4,861	<i>28,149</i>
Current Assets	6,499	3,944	-	10,443	5,424	3,290	-	<i>8,714</i>
Current Liabilities	(778)	(1,530)	-	(2,308)	(1,994)	(361)	-	<i>(2,355)</i>
Non Current Liabilities	(25)	-	-	(25)	(84)	-	-	<i>(84)</i>
	<u>28,535</u>	<u>8,680</u>	<u>5,951</u>	<u>43,166</u>	<i><u>24,305</u></i>	<i><u>6,524</u></i>	<i><u>4,861</u></i>	<i><u>35,690</u></i>

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Cathedral

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	2019	2019	2019	2019	2018	2018	2018	2018
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Tangible Assets	70	-	-	70	49	-	-	49
Investments	22,918	7,799	5,951	36,668	21,061	5,853	4,861	31,775
Current Assets	6,223	1,870	-	8,093	5,066	671	-	5,737
Current Liabilities	(651)	(989)	-	(1,640)	(1,787)	-	-	(1,787)
Non Current Liabilities	(25)	-	-	(25)	(84)	-	-	(84)
	28,535	8,680	5,951	43,166	24,305	6,524	4,861	35,690

Restricted and endowment funds are made up of various smaller fund balances as set out below.

	01 Jan 19	Income	Expenditure	Gains and transfer	31 Dec 19	Purpose
	£000s	£000s	£000s	£000s	£000s	
Endowment	4,861	-	-	1,090	5,951	
Restricted Income funds						
School	4,053	3,857	(3,871)	170	4,209	see note below
Tillingham Fund	393	17	-	51	461	Capital proceeds of sales
Spink Legacies	372	16	-	48	436	Middlesex Chapel
Music Fund	312	69	(55)	40	366	Music, Commissions, Tours, Special Events
Library Fund	254	11	-	33	298	Cathedral Library
Chorister Tuition Fees Fund	169	7	-	22	198	The Andrews Legacy
American Memorial Fund	106	5	-	14	125	Upkeep of the Chapel
Crewe Dean Fund	148	7	-	19	174	Exhibitions
Randolph Endowment & Ratcliffe Trust	100	4	-	13	117	Preachers' fees
Alexander Fund	78	3	-	10	91	Staff Emergency Welfare
Bill Viola Installation	77	3	-	10	90	Maintenance & Refurbishment costs to 2026
Fishwick Grant - Organ Scholar	63	3	-	8	74	Organ Scholar
Right of Light - Chapter House	50	2	-	6	58	Chapter House Repairs
Middlesex Chapel Fund	24	1	-	3	28	Mother & Child Statue
Choristers Memorial Fund	12	1	-	1	14	Choristers Memorial
Lead Flashings Fund	-	-	-	-	-	Lead Flashings Work
Friends Grant	-	65	(65)	-	-	Staff Costs and Chorister Music
Cathedral - Repairs Grants	313	2,923	(1,295)	-	1,941	Equal Access
	6,524	6,994	(5,286)	448	8,680	
Designated Mission Projects						
Designated Invest to Save Fund	2,000	-	-	-	2,000	
Designated LT Fabric Fund	3,090	-	-	-	3,090	
Designated - School Learning in Harmony Fund	1,780	-	-	-	1,780	
	6,870	-	-	-	6,870	
Unrestricted funds						
Tillingham Property	7,900	-	-	-	7,900	Value of Tillingham
General reserves	8,000	-	-	-	8,000	General reserves - 8 months of operating costs
Balance	1,535	15,414	(12,883)	1,699	5,765	
	17,435	15,414	(12,883)	1,699	21,665	
Total	35,690	22,408	(18,169)	3,237	43,166	

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Restricted and endowment funds 2018

	01 Jan 18	Income	Expenditure	Gains and transfer	31 Dec 18	Purpose
	£000s	£000s	£000s	£000s	£000s	
Endowment	4,774	-	-	87	4,861	
Restricted Income funds						
School	3,822	3,750	(3,503)	(16)	4,053	see note below
Tillingham Fund	389	9	(5)	-	393	Capital proceeds of sales
Spink Legacies	368	9	(5)	-	372	Middlesex Chapel
Music Fund	334	8	(30)	-	312	Music, Commissions, Tours, Special Events
Library Fund	254	6	(6)	-	254	Cathedral Library
Chorister Tuition Fees Fund	165	4	-	-	169	The Andrews Legacy
American Memorial Fund	154	4	(52)	-	106	Upkeep of the Chapel
Crewe Dean Fund	147	3	(2)	-	148	Exhibitions
Randolph Endowment & Ratcliffe Trust	96	6	(1)	(1)	100	Preachers' fees
Alexander Fund	77	2	(1)	-	78	Staff Emergency Welfare
Bill Viola Installation	75	2	-	-	77	Maintenance & Refurbishment costs to 2026
Fishwick Grant - Organ Scholar	-	63	-	-	63	Organ Scholar
Right of Light - Chapter House	65	2	(15)	(2)	50	Chapter House Repairs
Middlesex Chapel Fund	23	1	-	-	24	Mother & Child Statue
Choristers Memorial Fund	12	-	-	-	12	Choristers Memorial
Lead Flashings Fund	5	-	(5)	-	-	Lead Flashings Work
Friends Grant	-	55	(55)	-	-	Staff Costs and Chorister Music
Cathedral - Repairs Grants	-	811	(476)	(22)	313	Equal Access
	5,986	4,735	(4,156)	(41)	6,524	
Designated Mission Projects						
Designated Invest to Save Fund	2,000	-	-	-	2,000	
Designated LT Fabric Fund	-	-	-	3,090	3,090	
Designated - School Learning in Harmony Fund	-	-	-	1,780	1,780	
	2,000	-	-	4,870	6,870	
Unrestricted funds						
Tillingham Property	7,810	-	-	90	7,900	Value of Tillingham
General reserves	8,000	-	-	-	8,000	General reserves - 8 months of operating costs
Balance	4,442	14,266	(12,388)	(4,785)	1,535	
	20,252	14,266	(12,388)	(4,695)	17,435	
Total	33,012	19,001	(16,544)	221	35,690	

A designated fund, called Invest to Save Fund, was created by Chapter in 2016 to fund projects where a business case can be made showing that commensurate income or savings will be generated over a defined period of time, which can then be used to replenish the designated fund.

A designated fund, the Fabric Fund, was created by Chapter in 2018 with a view to building a long term investment fund which could be used in the future to fund essential renewal and upgrade works required to the fabric of the Cathedral.

A third designated fund, the School Learning in Harmony Fund, was also created in 2018 to reflect the Cathedral's commitment to provide both a loan of £1m and a grant of £500,000 towards the redevelopment of the School under its Learning in Harmony project. The balance of £280,000 reflects an increase in the contingency to the project budget, which Chapter has agreed to underwrite.

The designated funds have had to be reviewed, and reduced, by Chapter in 2020 in order to ensure sufficient unrestricted funds are available to the Cathedral in place of visitor income as a result of the pandemic.

Restricted School funds relate to the accumulated assets under the management of the School governors.

The endowment fund has been invested to ensure the future financial sustainability of the Cathedral and is not available for distribution or use as working capital.

17. Consolidated and connected entities

The financial statements of St Paul's Cathedral Enterprises Limited (Enterprises) and the St Paul's Cathedral School have been consolidated in these audited financial statements.

St Paul's Cathedral Enterprises Limited (Company Number 03313320)

The principal activities of the company comprise operating a retail shop in the Cathedral crypt and the supply of catering and conference facilities to visitors of the Cathedral, conference delegates, guests and Cathedral staff. Catering activities are carried out through an independent contractor. Turnover in the year was £2.94 million (2018 - £2.92 million), operating surplus was £1.22 million (2018 - £1.22 million) and net assets were £0.15 million (2018- £0.15 million). The company is 100% owned by the Cathedral and operating surpluses are paid up to the Cathedral annually through distributions.

St Paul's Cathedral School (Charity Number 312718)

St Paul's Cathedral School was founded for the education, nurture and care of the choristers of the Cathedral. In 2019 there were on average 30 boy choristers aged between 7 and 13, all of whom are accommodated on the School site. In addition, the School admits children of the same ages, of whom there were on average 172 in the year; there were also and 60 pre-prep children aged between 4 and 7 on the school roll. At the end of 2019 there were 114 girls in the School (2018 113).

During 2019, the school embarked on a significant project to further enhance the school premises. The aim of the "Learning in Harmony" project is to construct a new boarding house, refurbish the staff flats and create a new dining room along with three new classrooms. This will allow the school to increase capacity. There have been delays as a result of the lockdown, however the project is now planned for completion in Q4 2020. The project is being funded through a mixture of school funds, Cathedral loan, fundraising gifts and through the Cathedral taking out a £2.5m loan from Lloyds Bank secured by a negative pledge over the school land. The school will be repaying this loan to the Cathedral through its increased tuition income.

The School is managed via an 'Instrument of Delegation' granted to the governing body in 2005. This body is represented by independent lay governors and governors from Chapter. The agreement is cancellable by written notice and will be reviewed every 5 years.

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The summary audited financial performance and position of the charity for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	5,416	<i>4,238</i>
Expenditure	(3,918)	<i>(3,676)</i>
Net Gains (Losses) on investments	170	<i>(16)</i>
	1,668	<i>546</i>
Assets	7,304	<i>3,010</i>
Liabilities	(1,268)	<i>(752)</i>
	6,036	<i>2,258</i>

Other Related Entities

The entities disclosed below, are not controlled by Chapter but are wholly for the financial benefit of the Cathedral and Cathedral School. In accordance with the Guidelines on Cathedral Accounting, only income and expenditure transactions between the related entity and the Cathedral are included in the financial statements.

St Paul's Cathedral Foundation (Charity Number 1082711)

St Paul's Cathedral Foundation, established in the year 2000, is a charitable company limited by guarantee. The Foundation's principal objects are to make grants to the Cathedral from donations received in respect of:

- the maintenance, restoration, repair and conservation of, and the undertaking of works to the fabric of, the Cathedral;
- furthering the theological and adult educational work of the Cathedral; and
- promoting the maintenance and development of the music of the Cathedral.

The summary audited financial performance and position of the Foundation for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	596	<i>1,620</i>
Expenditure	(1,376)	<i>(780)</i>
	(780)	<i>840</i>
Assets	2,756	<i>2,414</i>
Liabilities	(1,387)	<i>(265)</i>
	1,369	<i>2,149</i>

Expenditure in 2019 includes grants of £1.36 million (2018: £0.766m) to the Cathedral with £15k (2018: £14k) for other expenditure.

The City of London Endowment Trust for St Paul's Cathedral (Charity Number 285023)

The City of London Endowment Trust for St Paul's Cathedral (COLET) is a registered charity established in 1982 in order to endow the Cathedral by raising a Trust Fund from the City of London. The income from this Trust Fund and, exceptionally at the discretion of the Trustees, some or all of its capital is available to assist the Cathedral to continue its essential work and meet the running expenses of its day to day activities.

The summary audited financial performance and position of the Trust for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	260	<i>263</i>
Expenditure	(323)	<i>(324)</i>
Net Gains (Losses) on investments	798	<i>(580)</i>
	735	<i>(641)</i>
Assets	11,231	<i>10,621</i>
Liabilities	(530)	<i>(655)</i>
	10,701	<i>9,966</i>

The Cathedral's financial statements for 2019 also show grants of £732,000 from COLET, £500,000 of which were committed in 2017 and are shown in the liabilities amount above.

The Garfield Weston Trust for St Paul's Cathedral (Charity Number 265091)

The Garfield Weston Trust for St Paul's Cathedral is a registered charity established in 1972 whose objects are the preservation, maintenance and improvement of the fabric of the Cathedral, the interior decoration and ornaments, furnishings, carvings, fixtures and fittings.

The summary audited financial performance and position of the Trust for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	136	<i>110</i>
Expenditure	(34)	<i>(25)</i>
Net Gains / (Losses) on investments	608	<i>(344)</i>
	710	<i>(259)</i>
Assets	4,869	<i>4,558</i>
Liabilities	(12)	<i>(411)</i>
	4,857	<i>4,147</i>

No grants were committed to the Cathedral in 2019 or 2018.

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Friends of St Paul's Cathedral (Charity Number 261905)

The Friends of St Paul's Cathedral is a registered charity established in 1952 whose objects are the preservation of the fabric and buildings of the Cathedral, the ornaments, furnishings, services, music, and similar.

The summary audited financial performance and position of the Trust for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	81	<i>97</i>
Expenditure	(92)	<i>(116)</i>
	(11)	<i>(19)</i>
Assets	474	<i>472</i>
Liabilities	(97)	<i>(85)</i>
	377	<i>387</i>

The Cathedral's financial statements for 2019 show grants of £65,000 from the Friends.

St Paul's Cathedral Chorister Trust (Charity Number 290205)

St Paul's Cathedral Chorister Trust is a registered charity established in 1984 to raise and apply funds for the advancement of musical education and musical studies and the preservation of the tradition of the choristers in the Cathedral choir by providing financial assistance in respect of the education of the choristers.

The summary audited financial performance and position of the Trust for the year is as below:

	2019	<i>2018</i>
	£000s	<i>£000s</i>
Income	223	<i>202</i>
Expenditure	(104)	<i>(88)</i>
Gain on Investments	122	<i>115</i>
	241	<i>229</i>
Assets	2,530	<i>3,026</i>
Liabilities	(97)	<i>(833)</i>
	2,433	<i>2,193</i>

St Paul's Cathedral Trust in America

St Paul's Cathedral Trust in America is a US based charity (a registered 501(c)(3) non-profit organisation). The Trust raises funds vital for the conservation of the Cathedral and also contributes to the educational needs of the St Paul's Choristers. It was revamped in 2019 and procured professional fundraising support to deliver support to the Learning in Harmony Project.

The summary audited financial performance and position of the Trust for the year is as below:

	2019	<i>2018</i>
	\$000s	<i>\$000s</i>
Income	96	<i>187</i>
Expenditure	(78)	<i>(148)</i>
	18	<i>39</i>
Assets	131	<i>114</i>
Liabilities	(34)	<i>(35)</i>
	97	<i>79</i>

18 Staff Pensions

Defined Contribution Scheme

The Cathedral maintains a defined contribution scheme with Aviva for its staff, excluding Chapter, the Chaplain and the Minor Canons. A defined benefit pension scheme was closed to new employees from 1 October 2002, and was closed to service accrual for all existing members from 1 May 2007.

A defined contribution pension scheme with Aviva is available to all employees. The assets of the scheme are held separately in independently administered funds. The pension charge represents contributions payable to the fund amounting to £417,000 (2018 - £430,000).

Defined Benefit Scheme

The management of the Scheme funds, held in a separate trustee administered fund, is carried out by the trustees of the fund. The last set of audited financial statements for the Defined Benefit Scheme to September 2019 show that of its pooled investment funds, 10% were managed by Legal and General Investment Management, 40% by BMO Global Asset Management, 18% by Newton Investment Management, 18% by Payden & Rygel Investment Management and 14% by Ruffer LLP, under a mandate from the trustees.

Although closed to service accrual, the retirement benefits for members of this Scheme are based on employees' final remuneration and the length of service to 1 May 2007. The pension cost is assessed in accordance with the advice of an independent actuary using the projected unit method on the basis of an annual valuation and charged to the Statement of Financial Activities as described below.

The three yearly actuarial valuation of the Scheme as at 30 September 2019 was completed during 2020 and the outcome agreed by the Trustee at the meeting of 17th June. The funding plan is for the Scheme to hold assets to the value of the benefits using the methodology as set out in the Scheme's Statement of Funding Principles. After taking account of its actual assets and liabilities and modifying mortality, retirement age and pay increase assumptions, the Scheme had a small surplus of 0.9m million. As a result of the surplus in the Scheme, the Trustee determined that no further contributions would be needed from the Cathedral before 30 September 2022 when the next three year actuarial valuation is due. An earlier designated fund of £2.00 million (held under an agreement dated 13th March 2013) between the Cathedral and the Scheme was released into General Reserves during 2017 by agreement with the Trustee subject to a charge being made against over the Cathedral's property at Tillingham. The charge remains in place. The Trustee does not expect

to call on this security, but this has been put in place in the unlikely event that the Cathedral is unable to support the Scheme in the future.

The results of the actuarial valuation as at 30 September 2019 were updated to the accounting date by an independent qualified actuary in accordance with FRS102 allowing for contributions, benefit payments made, and changes in market conditions. The results, based on assumptions used for FRS102 are set out below. The funding assumptions differ from the assumptions used to calculate the figures for these financial statements and therefore produce different results.

Significant actuarial assumptions at 31 December:

	2019	2018	2017
Retail price inflation	2.7% pa	3.2% pa	3.2% pa
Consumer price index	1.9% pa	2.1% pa	2.1% pa
Discount rate	2.1% pa	2.9% pa	2.4% pa
Pension increases in deferment (non-GMP)	1.9% pa	2.1% pa	2.1% pa
General salary increases	1.9% pa	2.1% pa	2.1% pa
Life expectancy of male/female aged 65	23.2/25.2	23.6/25.6	23.7/25.7
Life expectancy of male/female aged 65 in 20 years' time	24.6/26.7	25.3/27.3	25.4/27.4

	Value	Allocation	Value	Allocation
	£000s	%	£000s	%
Equities	3,094	10%	2,524	9%
Absolute return bonds	10,466	34%	7,966	28%
Diversified growth funds	4141	13%	3,818	14%
Dynamic Liability Driven Investment ('LDI')	11,591	38%	11,997	43%
Cash at bank	53	0%	160	0%
Insured pensioners	1,497	5%	1,566	6%
Fair value of plan assets	30,842	100%	28,031	100%
Present value of defined benefit obligation	(26,826)		(24,302)	
Unrecognised surplus	4,016		3,729	
Impact of asset ceiling	(4,016)		(3,729)	
Net pension deficit	-		-	

Movement in the net balance sheet position	2019	2018
Opening net liabilities	-	-
Expense charged to expenditure	46	278
Actuarial (gains)/ losses	-	(240)
Employer contributions	(46)	(38)
Closing liabilities	-	-

Cathedral Clergy Pensions Cathedral Clergy Pensions

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2019: £31,000, 2018: £47,000).

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

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

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

% of pensionable stipends	January 2021 to December 2022	January 2018 to December 2020
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	88,000	137,000
Deficit contribution paid	-15,000	-17,000
Interest cost (recognised in SoFA)	2,000	2,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-50,000	-34,000
Balance sheet liability at 31 December	25,000	88,000

* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

	December 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

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

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

20 Auditor's Remuneration

	2019	2018
	£000s	£000s
Auditor's services		
St Paul's Cathedral	22	16
St Paul's Cathedral School	10	10
St Paul's Cathedral Enterprises Ltd	4	4
	36	30

21. Related party transactions

During the year Mr Oliver Caroe, Surveyor to the Fabric and an Officer of the Cathedral, received a retainer for his services of £70,356 (2018 - £70,356). In this role he advised Chapter on the fabric of and repairs to the

Cathedral. He was also a partner in Caroe Architecture Limited to whom fees amounting to £156,294 (2018 - £159,166) were paid in respect of architectural services on a number of projects.

The Cathedral takes out insurance cover to indemnify the legal liabilities of individual trustees as members of Chapter, or any employee, for loss or environmental defence costs resulting from any wrongful act as trustee when carrying out any duty as trustee, or as an employee acting on behalf of a trustee.

The Very Revd Dr David Ison was a member of Chapter and also trustee and director of the St Paul's Cathedral Foundation during the year. The Very Revd Dr David Ison was also a trustee of the Friends of St Paul's Cathedral. The Cathedral was the recipient of grants from these trusts during the year amounting to £1,425,000 (2018 - £874,378). These don't tie up with the detail against the trusts.

22. Post balance sheet events

As has been referenced throughout the annual report, the coronavirus pandemic has had a significant impact on the Cathedral. Firstly the Cathedral had to close for over three months for both worship and visitors, the longest period in over 300 years. This had a devastating impact on both the Cathedral community as well as the finances and Chapter took decisive action in order to ensure the medium term financial sustainability of the Cathedral.

A financial review was undertaken in April. Decisions were taken to cancel or postpone projects that were planned to be funded from unrestricted reserves. This has meant that projects such as the changes to the Whispering Gallery have had to be postponed until the funding can be secured. Annual operating costs were also reviewed in detail which sadly meant that the Cathedral was forced to make a significant number of redundancies in order to reduce costs. Despite reducing annual operating costs by c. £2m per annum the Cathedral will be forced to utilise the majority of its unrestricted reserves over the 2020 and 2021 financial years. The Cathedral, on behalf of the School, have also had to take out a £2.5m loan in order to finish the building work on the site which will provide further classrooms as well as new accommodation for the choristers.

The revised three year plan is dependent upon visitors returning to the Cathedral in 2021 albeit at significantly lower numbers than in 2019. Chapter are planning to review progress in the first quarter of 2021 and will take further action as required. However, the Cathedral's reliance on fundraising will continue to rise if visitors do not return relatively quickly and in larger numbers than at present.