

# ST PAUL'S CATHEDRAL

REPORT AND CONSOLIDATED ACCOUNTS OF THE

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

FOR THE YEAR ENDED  
31 DECEMBER 2014

# ST PAUL'S CATHEDRAL

## Report and Consolidated Accounts

For the year ended 31 December 2014

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# ST PAUL'S CATHEDRAL

## **The Vision of the Corporation of the Cathedral Church of St Paul in London:**

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

As a community of worshippers, staff and volunteers we work with care and imagination to be a centre for welcome, worship and learning which inspires successive generations to engage with the richness of the Christian faith and its heritage.

We aim to do this with confidence, compassion and creativity, promoting dignity and justice for everyone.

We work with the Bishop and Diocese of London and the wider church, as a spiritual focus for London, the nation and the world.

## **Our Values:**

- Love, joy, peace, patience, kindness, generosity, faithfulness, gentleness and self-control;
- To uphold integrity, honesty and openness in what we do;
- To aim for the highest possible standards in everything we do, acknowledging that we cannot do everything;
- To make our operations as just and as sustainable as we can;
- To foster and encourage diversity, being inclusive and challenging to ourselves as well as others.

## **The Chapter**

The Very Revd Dr David Ison, Dean

The Revd Canon Mark Oakley, Chancellor

Mr Gavin Ralston, Lay Canon

The Revd Canon Michael Hampel, Precentor

The Revd Canon Philippa Boardman, Treasurer.

Mrs Pim Baxter, Lay Canon (from March 2014)

The Revd Canon Tricia Hillas, Canon Pastor (from March 2014)

# ST PAUL'S CATHEDRAL

## WELCOME, WORSHIP AND EVENTS

### Liturgy

St Paul's Cathedral is a place of encounter with God. We seek to encourage all of our visitors, regardless of their motivation for passing through our doors, to encounter the transforming presence of God in great acts of public worship or in the quiet space which a side chapel might afford to the individual. The whole cathedral community plays its part in providing the sacred space in which such encounter takes place. Although everyone contributes to the provision of worship at St Paul's, there is a particular team of clergy, administrators, musicians, and virgers which devises and executes the liturgical programme across each year.

In 2014, there were over 1,500 statutory services, approximately 100 weddings or baptisms, and around 100 special services. Attendance at public worship (c.860,000) generally maintained the high levels we saw in 2013, and still ahead of the paying visitor numbers which dropped to 751,000 for the end of the year.

One of the Cathedral's principal roles is to serve the Diocese, both as a focus for pilgrimage and as a place of celebration, as well as being the focus for the Bishop's ministry. During 2014 parish groups continued to make pilgrimage tours of the Cathedral and stay for Evensong, and small groups occasionally attended the liturgy on the day their parish is the focus of our prayers through the Anglican Cycle of Prayer. We continued to pray weekly for the success of the Capital Vision mission initiative and we provided space again this year for a prayer room between Pentecost and Trinity Sunday. For the third year running, the Saturday night Advent Procession was well attended by around 800 parishioners from the Diocese (the invitation to the parishes to attend this service will be an annual feature of our Advent Programme for the foreseeable future).

At Christmas, assisted by some sponsorship we provided a large video screen in Paternoster Square for 1,000 people per night for the Cathedral's two carol services. In addition we provided the screen for the Midnight Eucharist and were pleasantly surprised to see approximately 300 people remaining in the Square for the duration. We were able, with additional help, to take Communion out to the people gathered there.

Perhaps the most significant special service of the year was the one celebrating the 20th anniversary of the ordination of women to the priesthood in the Church of England. Some 600 women ordained priest in 1994 processed from Westminster Abbey to St Paul's on a beautiful May afternoon. An historic photograph of this priestly throng was taken on the West Steps with the Archbishop of Canterbury and the women processed in through the Great West Doors to spontaneous applause from the congregation. A substantial proportion of the cost of this event, including an external video screen, was borne by the Cathedral.

Other special services in 2014 included the 650th anniversary of the Worshipful Company of Saddlers; the Installation of the Bishop of New York as an Honorary Canon; the 500th anniversary of the Worshipful Company of Watermen and Lightermen; the Installation of The Reverend Tricia Hillas as Canon Pastor and Pim Baxter as Lay Canon; a service to inspire and encourage a group of academy schools in Margate; the 450th anniversary of Felsted School; the 350th anniversary of the Worshipful Company of Glass Sellers and Needlemakers; a service of commemoration to mark the 100th anniversary of the outbreak of the First World War; the 500th anniversary of Pocklington School; and three carol concerts for Barnardos, Maggies Centres and Age UK.

We reinvigorated our relationship with the American Church in London and the US Embassy to develop a more tripartite approach to the staging of the annual US Thanksgiving Service in November, such that the American Church co-led the service with the Cathedral, the US Ambassador commissioned an anthem and the Cathedral Choir sang in addition to the combined choirs of the American Church.

A principal focus of our commemorations around the World War I anniversary was a project to display an altar frontal which was made for St Paul's by servicemen recovering from their wounds in military hospitals around the UK in 1918 and 1919. We traced the relatives of many of the men who contributed to this work and they were present with us at the special service in August. The altar frontal will remain on display until November 2018. The success of these events and projects, not to mention the daily round of worship, was ably served by the administrative expertise of the Events Coordinator, the Canons' PA and the Assistant Events Coordinator.

The Liturgical Office and the Virgers' Department are key to the success of the liturgical programme and we are fortunate to have expert teams in both departments. The way in which the liturgical programme at St Paul's is managed and implemented changed shape towards the end of 2014. Hitherto, the three Minor Canons devised and executed the liturgy under the aegis of the Precentor: from late 2014 the Precentor, the Succentor, and the Sacrist were managing the liturgy as a collective team with full-time administrative support from the two Liturgical

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Administrators. This will release the Minor Canon role of Chaplain to a revised brief in 2015 under the aegis of the Canon Pastor. We continued to monitor carefully the management of the Cathedral diary and, in order to reduce pressure and release resources for other activities, we decided to reduce the overall number of weddings and baptisms for members of the three chivalric orders whose chapels are located at St Paul's.

In July, we said farewell to our Succentor, the Reverend Jonathan Coore, who crossed the river to become Vicar of Christ Church, Southwark. He was replaced by the Reverend Rosemary Morton who came to us from the Diocese of Chelmsford. In the autumn the Sacrist, the Reverend Nigel Dawkins, left us to work in the charitable sector, returning to his original profession as an IT specialist, with a self-supporting ministry in the Diocese of Southwark. We also welcomed Simon Brears as a new virger, coming to us from a similar role at St James' Piccadilly, and were greatly assisted in a smooth transition between the various arrivals and departures of clergy by appointing a temporary Associate Priest: the Reverend Christine McSpadden, an American Episcopalian who now lives in London with her family.

## Music

We continued to act as principal host to the City of London Festival with the Precentor representing the Chapter on the Festival board. The Cathedral Choir made a short tour to the Swiss city of Fribourg and performed live on Swiss radio at the concert it gave as part of the annual Fribourg Festival of Early Music. The Choristers were also heard on the Southbank at a concert performance of Mahler's Third Symphony at the Royal Festival Hall. Two new musical initiatives arising from the Cathedral's Strategic Development Plan saw the Choristers singing Evensong out in the Diocese at St John's Friern Barnet in the Deanery of Central Barnet in the autumn. This will happen three times a year until we have visited all 24 deaneries. At the same time, with funding from the Order of the British Empire, we inaugurated an OBE Organ Fellowship to initiate and animate a musical outreach programme to churches and church schools in the Diocese: the new Fellow is Tom Daggett.

The Music Department remains at the heart of both statutory and special services as well as undergirding a significant programme of concerts, recitals, media opportunities, outreach and fundraising. Our musicians, including the whole Cathedral Choir, have an enviable national and international reputation. We had planned to enhance the main Cathedral Organ, but put that project on hold due to some problems which emerged with its control system, which we aim to rectify in 2015.

The Chorister Trust continued its vital work during 2014, raising funds to ensure that there are bursaries for Choristers to offset the cost of boarding. The Cathedral School itself remained a vital and successful part of the cathedral community and fared very well in a statutory inspection of the boarding house. The School's and the Cathedral's safeguarding policies are given a high priority at all times and, in 2014, we worked hard to ensure complete consistency and complementarity between the two policies.

In the summer, we took our leave of our Organ Scholar, Richard Moore, who is now working at St Martin-in-the-Fields. He was replaced by the Cathedral's first female organist, Rachel Mahon, a Canadian whose previous role was at Truro Cathedral.

## Visits and Admissions

Following a bumper year in 2013, which saw a considerable increase in overall visitor numbers (from 1,789,974 in 2012 to 2,138,130), 2014 saw total visitor numbers settle at 1,782,741. This is very similar to 2012 but slightly lower than 2011. Worship numbers held up well even with fewer special services. The 20% decrease in paying visitors was noticeable; this was partly a result of ending some of our discount entry schemes which were no longer viable. The number of worshippers continued to outstrip paying visitor numbers.

With our current audio guide contract due for renewal in 2015, we investigated upgrade options offered by new technology and possible suppliers, in order to make a final decision on the way ahead in early 2015..

*We are trying to open the doors of this house of God ever wider and wider to the many people of all sorts and conditions who come for worship and reflection, spectacle and peace, sacred space and community – in all of which they may indeed encounter the transforming presence of God.*

**Michael Hampel, Canon Precentor**

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## THEOLOGY, EDUCATION AND OUTREACH

### Schools & Families

2014 saw more than 29,000 children visit St Paul's Cathedral through the Schools and Families Department, two thirds from Primary Schools and a third from Secondary Schools. □ Some of those young people came for family events such as the Patronal Festival in January, or curriculum based history special events on the Great Fire of London; of the large majority who visited us for our regular programme of themed visits, about 70% came to our guided workshops and the remaining 30% were self-guided.

Janet Marshall left in the summer after four very productive years as Head of Department. Her successor, Donna McDowell, initiated a review of the regular programme of events, partly with the aim of encouraging greater sixth-form level participation. Due to their being some guided visits that are extremely popular and some that are rarely or never booked, the decision was made to streamline the programme offered. The most popular ones are: London's Burning (History), World of Worship (RE), Cathedral at War (History), Majestic Mosaics (Art), Let's Build a Cathedral (Science and Maths) and Big Issues (RS – Ethics); these guided visits were adapted in accordance with the new curriculum and some have been renamed. Others were taken off the programme, and an introductory guided visit called Discover St Paul's was added.

The Schools and Families Department started to work more closely and collaboratively with other departments in the Cathedral, namely St Paul's Institute (with whom it co-hosted a Comenius Student Day on Sustainable Capitalism and Faith Motivations for Global Economic Justice, with visiting speakers from Christian Aid and MADE in Europe), and the Collections Department (it helped with two Sixth Form poetry days in conjunction with Poet in the City, and Imtiaz Dharker). The Department looks forward to future collaborations with St Paul's Forum and various outside agencies, particularly those that target secondary schools.

The Department is indebted to the committed volunteers who led many of the themed guided visits, and helped out at the special events. We continued to select and train new volunteers as needed, and volunteer training and development is one of our priorities for 2015.

### Forum

St Paul's Forum, the Cathedral's adult learning programme, focuses on Christian spirituality, doctrine and justice. The programme in 2014 included high-profile theologians and other speakers in evening events at the cathedral; a monthly Sunday lunchtime theological slot; workshops, reflective days and retreats working on prayer, the Bible, spirituality and doctrine.

The major theological events were evenings with Sara Miles and Nadia Bolz-Weber, two American pastor-theologians talking about *Cranky Beautiful Faith and the City of God*; Rowan Williams and Wendy Cope talking about *The Poetry of Mystery*; and Richard Coles talking about *Fathomless Riches*. Audience numbers for each of these events were between 500 – 600, each with strong sales of the author's books afterwards and very positive feedback on social media and in person.

There was also a major event on the occasion of the 50<sup>th</sup> anniversary of Martin Luther King Jr preaching here in December 1964. The Dean chaired the speakers Baroness Doreen Lawrence, Dr Heidi Mirza and Hugh Muir speaking on the subject *Martin Luther King's Dream Today: How Can We End Racism?* The event was in partnership with The Runnymede Trust. 600 people attended, and the event was well received both in person and on social media.

Ten Sunday Forum events took place on Sunday lunchtimes in the Wren Suite, the fourth year of this programme which is now well established. Speakers included Dr Esther de Waal speaking about Celtic Christianity, Professor Richard Burridge talking about 'Four Gospels, One Jesus?' and Bishop Stephen Cottrell speaking about Advent. The events were consistently full, with 60 – 90 people coming, and book sales varied from about 10–25% sales per head of those attending.

The cathedral floor events and the Sunday Forum were free events. They were also filmed, with numbers of viewings of the films varying greatly but in general between 500 and 2,000 times, though occasionally many more: the film of Karen Armstrong talking about 'The Case for God' from a previous series has been watched 27,000 times.

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The Saturday afternoon series, *Teach us to Pray*, continued with another four workshops with sessions on the Jesus Prayer, Praying with the Trinity, Walking the Labyrinth, and the Examen. These continue to sell out at a capacity of 40 and be warmly received. A new series, *How to Read the Bible*, looked at one book of the Bible in an afternoon workshop with a leading Biblical scholar. The first of three workshops on Isaiah was held in November and was sold out at 70 people, with excellent feedback. The workshops are priced at £15 each and bursaries are available, as for all the charged events.

A reflective day on *Julian of Norwich* was held at St Katharine's Foundation, taught by the Revd Robert Freuhwirth, Priest Director of the Julian Shrine in Norwich, with Andrew Carwood, St Paul's Director of Music organising and singing in the liturgies. It was priced at £40 and 33 people came: it was very much valued but the numbers could have been higher. The price for future reflective days on Bach the theologian and the Rule of St Benedict has been reduced to £35 and they are selling much more strongly.

A four-day residential retreat was held at the Community of the Resurrection in Yorkshire about St Benedict and Benedictine spirituality, led by the Revd Richard Carter and Fr Nicolas Stebbing CR, and was fully subscribed with 20 participants paying £250 per head to the monastery. This was also very well received and there was a strong desire from the participants for the retreat element of the programme to continue. Some of the value of the retreats can be opened to more people by putting resources into the reflective days, which are in effect day retreats, and we are also in the process of considering how to proceed with the retreat element of the programme.

An Advent course about poetry, music and faith called *Love Bade me Welcome* was taught by Canon Mark Oakley and Andrew Carwood. The course took place over the four Saturday mornings preceding Christmas and was charged at £50 for the course and was fully subscribed at 51 people. Feedback was excellent, with many requests for further events with the same speakers.

The programme performed strongly during the year and we are exploring how to increase its capacity specifically to increase the social justice element of the brief.

## **St Paul's Institute**

St Paul's Institute made a step-change in capacity this year with the appointment of a full-time Director, funded by external giving. We initiated a strategic review intended to enable demonstrable progress in each of our core work areas (equality, stewardship and the common good) by shifting to programmatic work on these themes reaching audiences at the public, private, clergy and individual level. The strategic review also recommended the creation of an Advisory Council and Institute Associates to help us reach broader and more diverse constituencies and produce more content. Both of these should be formalised in 2015.

Money and its role in society was a key issue in the 2014 programme. The first half of the year saw Felix Martin speaking on 'What is money, and how does it work?', while in October we had a three-way discussion with Bishop Peter Selby, Dominic Johnson and Ben Dyson on 'Money: Servant or Master?' In November we did a Clergy Learning Day on 'God and the Moneylenders.' Together with JustShare, in September we hosted a debate with the Bank of England Chief Economist Andy Haldane speaking against GDP as a primary objective of economic policy and Andrew Lilico of Europe Economics in favour. We also held a joint event with CIMA on 'Risk vs Performance: Looking Beyond the Checkbox.'

In May Christiana Figueras challenged the audience under the Dome to act during her talk 'Climate Change: Building the Will for Action.' The week the vote in favour of women bishops passed in July we held the first in our programme of 'Women in Leadership' events under the Dome, attended by over a thousand young women (and some men). Both of these events resulted in Institute publications and both will form the centrepiece of further thematic work on these subjects next year. We also successfully tested a programme on a faith perspective on sustainable capitalism to a group of European senior school students together with the Schools and Families group this autumn: we hope to do more of these in 2015.

In addition to events, we posted regular commentary pieces on our website and began a series of roundtables for other organisations with objectives similar to those of St Paul's Institute. These information-sharing and collaborative sessions will be enlarged next year. Our website holds videos of all our reports and downloadable copies of all our reports. Already the programme for 2015 is taking shape and promises to be an active year: we are testing new formats and venues as evidenced in our January 2015 collaboration with Trinity Wall Street and the London School of Economics Faith Centre to simulcast 'Creating Common Good.' We welcome ideas for speakers and programmes and look forward to welcoming all those interested to our events.

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## **Collections**

2014 saw a drive to make the Collections more accessible to the public and to integrate them with the wider life of the Cathedral. A series of free lunchtime talks filled the Wren Suite to capacity and pop-up archive displays in the crypt and special tours in the Triforium proved popular. A collaboration with Poet in the City led to a successful event and associated A-level study days; a study day at London Metropolitan Archives explored less well known aspects of the Cathedral's life and provided an opportunity for people to view the Collections. Collections staff spoke at a number of external forums promoting the Cathedral and Collections. The volunteer programme continued to thrive, helping graduates to gain experience and find employment. Major projects included the digitisation of the World War One memorial books retained by the Cathedral, the display of an altar frontal created by recuperating WWI servicemen and reconfiguring the Collections Web pages.

Significant improvements were made to the storage of some of the most vulnerable items in the Collection. Historic furniture and paintings underwent remedial conservation work in preparation for the re-opening of the Chapter House in 2015. A year of environmental monitoring enabled planning for improvements to the building envelope to ensure the long term preservation of the Collections. A condition survey of the Cathedral's off-site archive completed the data gathering required for the completion of the Collections Conservation Plan. A reredos designed by Ninian Comper, temporarily packed and stored by the Cathedral for safe keeping, was successfully removed and installed in St Mark's Regent's Park.

*The hunger for imaginative, plausible and honest education about the Christian faith and its resources for personal and public life has never been deeper. St Paul's continues to work hard to meet the need.*

**Mark Oakley, Canon Chancellor**



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## FABRIC, IT, FINANCE AND INTERPRETATION

### Fabric

The major item of fabric work and expenditure in 2014 was the continued refurbishment of the Chapter House, which began in June 2013 and is due to be completed by the end of March 2015, with staff moving back in during April: the total cost of the project is about £5.6 million, with nearly 75% being funded by the Cathedral and its associated Trusts, including about £1 million of enabling works completed in 2012. A newly created top floor will house a board room and offices and the cleaned and renovated brickwork and stonework; the second floor will house open plan offices with fully updated IT capacity; on the first floor, the Chapter rooms have been returned to their former glory together with an upgraded kitchen for catering; on the ground floor, the reception and offices have all been refurbished, together with the Works Department and IT in the basement which now also houses a break-out space for staff. All four floors are linked by a new lift and two staircases and there is new lift access from street level, together with up to date office accommodation. The professional team has been led by Purcell with Bakers of Danbury and our own Works Department among the sub-contractors. Thanks are due to the Registrar who has overseen this project on behalf of Chapter with energy and determination and also to our Clerk of the Works, Martin Fletcher, who has worked tirelessly to ensure that the project is delivered to the highest standards, maintaining momentum and seeking cost efficiencies where possible.

While the Chapter House was the main focus of fabric work, the Surveyor to the Fabric worked energetically to develop the next tranche of projects in line with the Strategic Plan, with preliminary expenditure preparing to schedule the refurbishment of the Virgers' and Supervisors' offices on the Cathedral floor, the Crypt shop, the Crypt WCs and the Staff facilities (Concorde room, locker room and wash rooms) in 2015-16. The Surveyor and his team were also engaged in the design, development and fundraising work for the Library Project producing a Business Plan and hosting numerous potential funders. Major reports were produced to inform the Library project and our wider knowledge base, including the Environmental Monitoring report by Tobit Curteis, the Upper Levels Conservation Management Plan report by Jeremy Musson and the Library Exhibition Concept Design report by Stanton Williams. On the Cathedral floor the Surveyor and Clerk of the Works oversaw the installation of Bill Viola's 'Martyrs' Video installation, the display of the World War One altar frontal and the Garner Madonna and Child placed in the Middlesex Chapel, sponsored by the Middlesex Regiment. Investigative work was also undertaken for the refurbishment of the Choristers' war memorial and for the Bell Chamber, which now awaits funding. The Surveyor's Quinquennial Inspection report was being prepared for issue in early 2015 and this will provide focused Fabric priorities for the coming years.

Alongside their work on the Chapter House, the Works Department continued ongoing programmes of minor repairs, decorations, scene shifting, safety measures and tests and responding to emergencies. There was major and unexpected maintenance work needed to the drains on the north side of the Cathedral in the heat of July. Other works included stonework repairs to the Whispering Gallery, repairing the 'temporary' accessibility ramp at the North Transept and emergency works to the Stone Gallery, Library roof and windows after water ingress. Maintenance contracts for the Cathedral lift, for Oculus and for the West End revolving doors are under review after difficulties in operation. The Works Department also continued ongoing work to maintain the properties in Amen Court, including heating installation, boiler and water tank replacement, maintenance of gutters and gullies, redecoration works, refurbishing kitchens and maintaining the temporary office accommodation.

The Cathedral's Fabric Advisory Committee met four times during the year. The input of the Committee was invaluable and it gave early advice on: the Library project and exhibition; the use of the West Steps vaults for storage; emergency repairs to church floor marble; new artwork for the Knights Bachelor Chapel; a brief for a new Chapter House table; church floor office accommodation; the OBE Chapel centenary window; the Cathedral organ project; works to the bell frame; Cathedral School feasibility study; the Richmond Quire mosaics. Formal approval was given to: a rolling programme of conservation for the Cathedral Library books; conservation of a cope; the cleaning and repair of the choristers' war memorial; the conservation cleaning of two late nineteenth-century, oriental carpets; the necessary preparations for a trial to re-introduce the sculpture of the Madonna and Child into the Middlesex Chapel; renovating the Crypt shop facade (now to form part of a larger Crypt refurbishment project); repairing the Stone Gallery; repairing a Lutyens ewer and the Shea chalice.

John Schofield, Cathedral Archaeologist, continued to advise on our Fabric work including the Chapter House and work by the National Grid to the existing gas main supply in St Paul's Churchyard.

Accessibility continued to be high on the agenda and in 2014 the Cathedral appointed Martin McConaghy of IDACS (UK) Ltd as its new Accessibility Advisor. Martin's first task was to produce the report, "Accessibility in the New Millennium", which will guide and inform our actions not only in regard to fabric but across the many activities of the Cathedral.

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## IT

Throughout the year, the IT Department focused strongly on IT developments and changes that provided benefits and added value to Cathedral users. The most significant change was the implementation of the Artifax Event Management system, which introduced a single centralised data source of all Cathedral events and significantly improved event based reporting. The introduction of a wireless network into the staff Concorde lounge was particularly popular. A number of security-based changes were introduced: a network password policy was implemented and a programme of work well advanced to move documents stored on PCs to network servers where they are backed up on a daily basis. The previous ineffective network backup utility was replaced to ensure information security is maintained. A programme of work was also completed to replace Windows XP PCs following withdrawal of support by Microsoft. This has prompted plans for an IT users' training package in 2015, to improve IT usage across departments. The Head of IT left the Cathedral in early 2014 and thanks are due to John Story the Project Manager for providing careful oversight, planning and continuity during the year. A basic, pilot support contract with CIS was introduced in spring 2014 with a view to expanding the level of external support for IT: this would include a help desk function and out of hours fault-finding.

## Finance

London is an important international tourist destination and St Paul's plays a significant role as a leading London attraction. Following last year's exceptional record of 940,000 paying visitors to the Cathedral, 2014 returned, not unexpectedly, to more normal numbers of 751,000.

It was welcome that, from across our activities, the net assets showed a small increase in the year of £1.15 million from £23.87 million to £25.02 million.

This increase arose from net incoming resources for the year being £1.51 million (2013 £2.22 million), the investment portfolio providing a revaluation surplus of £1.01 million and property a further revaluation surplus of £0.38 million. There were however actuarial losses on the pension scheme of £1.77 million, principally due to lower gilt yields.

Gross incoming resources for the year were £18.44 million, compared to £16.63 million in 2013.

The major source of gross income comes from commercial activities which includes the admission charges, the crypt shop and event income. This income slipped from a level of £10.49 million in 2013 to £9.78 million.

The gross income from mission fees and charges, relating principally to the School, was £3.88 million (2013 £3.97 million).

Grants receivable were £2.61 million of which £2.48 million related to the Chapter house refurbishment.

A legal case from the 1990's resulted in the receipt of £0.90 million in an out of Court compensation settlement.

The revenue from voluntary income was £0.88 million (2013 - £0.76 million), whilst income from the investment and property portfolios was at £0.39 million for the year (2013 £0.35 million).

Total expenditure in the year was £16.93 million (2013 £14.41 million).

The Cathedral holds £13.75 million in investment units and £3.57 million in cash deposits managed by CCLA Investment Management and invested in CBF Church of England Funds. Throughout the volatility and changes in financial markets, the long term performance of the investment fund continues to be above average. CCLA operates an effective ethical investment policy and also ensures that cash deposits retain their Triple A rating. Cash flow was carefully managed, with £0.73 million of cash being transferred into investment units. The overall net cash balances, including the cash deposits above, were £3.94 million at the end of the year.

The defined benefit pension scheme, closed to new members and service accrual, was replaced by a defined contribution scheme in 2007. The updated actuarial valuation as at 1st October 2014 disclosed a net deficit of £3.10 million and by agreement with trustees annual deficit payments of £0.66 million continue to be paid into the scheme. Under the FRS17 valuation the net deficit on the scheme at 31st December 2014 was £1.13 million.

The Cathedral remains committed to the discipline that projects should not commence until funding is in place. We therefore continued to work for funding for key Strategic Plan projects including the North Transept accessibility ramp, the Stone Gallery and the Library project. The Cathedral also continues to be highly dependent on income from visitors to support its mission.

The reserves policy established by Chapter, set to build adequate reserves and funds to finance short term reductions in income caused by unexpected events, economic downturns or similar, remains in place. To

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complement this, throughout the year there were specific reviews, as well as a continuous review programme, of the major risks to which the Cathedral is exposed, which include vulnerability to changes in visitor and other income. This review also applied to the systems established to mitigate those risks, including developing more effective governance processes. This structure and process will continue to be examined and tested to ensure it remains appropriate and effective.

## **Sustainability**

Guided by the Diocese of London's Shrinking the Footprint campaign and its Route 2050 strategic long-term plan to reduce the energy use and carbon footprint of all its buildings and property, in Spring 2014 the Surveyor commissioned Pilio Ltd, an energy analytics and management company to gather and organise gas and electricity usage data for the whole of the Cathedral estate back to 2011. This work is now nearing completion and both the historic data and ongoing regular meter readings are being entered into sMeasure. This is a web based system that allows not only storage of energy usage data but also its analysis with regard to e.g. local weather conditions, to determine how effectively energy is being used. The system will also give the Cathedral the ability to see the effects of any energy saving measures it adopts.

In May 2014, St Paul's Institute organised a large public event with keynote speaker Christiana Figueres, Executive Secretary for the United Nations Framework Convention on Climate Change, at which over 1,000 people heard discussion on the importance of collective action on climate change and the key challenges faced. A summary report of this event was published, and the theme of Stewardship and the Environment continues to be an ongoing focus of the Institute's work.

In August 2014 the Cathedral formed a Sustainability Project Group made up of staff members from departments across the Cathedral and School including Finance, Education, Human Resources, Works Department, the Surveyor's office, Corporate Events and the Shop. The remit of the group is to propose initiatives to improve the Cathedral's sustainability in environmental, social, and economic terms, much of which is about equipping and informing individuals and departments and influencing behaviour. The group has written a Sustainability Policy which refreshes, broadens and replaces the Cathedral's 2007 Environmental policy and aims to put into practice one of the Values expressed in the 2013-18 Strategic Plan: "To make our operations as just and as sustainable as we can." The group's work has also meant that for the first time, the Cathedral has allocated a distinct budget for Sustainability initiatives in 2015. These include training on behavioural and organisational change, plans for enhanced re-cycling in the newly refurbished Chapter House and the use of print management software to reduce waste and costs. Investigations into the feasibility of rainwater harvesting for new visitor WC facilities planned for the Crypt in 2016, and of secondary glazing to reduce heat loss from the clerestory windows are also planned.

*Chapter is grateful to all our staff and volunteers for the care, pride and dedication they brought to their work throughout the year. We are also grateful for the time so generously given by the external advisers who served on our various committees.*

**Philippa Boardman, Canon Treasurer**

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## TRAINING, COMMUNICATIONS AND FUNDRAISING

### Visitor Services

Sales in the shop were affected slightly by the downturn in visitors but saw an increase in the average spend per visitor to £11, closer to commercial norms. Catering was also slightly affected by visitor numbers, but with a new general manager joining in the late summer sales in the café and restaurant recovered significantly in the lead up to Christmas, ending the year 9% down. Exploration of the possibility of a coffee cart in the churchyard gardens was begun in 2014: City bye-laws currently restrict outside catering, but legal advice was taken which encouraged the Cathedral and its caterer to aspire to provide catering in the Cathedral Gardens in future.

Corporate Events had a good year and saw an increase of 2% in income to £382k. This represents about 40 events, overseen by our capable two-person Corporate Events team. The rentable spaces still remain primarily the Crypt and the Wren Suite, last renovated around 1999. Some corporate events included an element of external charitable fundraising.

### Human Resources

The former Head of Human Resources, Ruth Moore, retired in March 2014 (though she continued with some work on pensions and policies, reporting to the Registrar). The Cathedral welcomed Elizabeth J Smith as Ruth's successor at the end of June and were very grateful to Linda Nash who did an excellent job of covering the vacancy and who was promoted to Human Resources Manager in April.

There was a relatively high level of activity in relation to recruitment and staffing during the year. Extensive work was undertaken regarding consultation over flexible working / annualised hours for Visits, Admissions and Shop staff, and also in reviewing the staffing of the liturgical life of the Cathedral.

Towards the end of 2014 we began reviewing our approach to internal communications and considered the possibility of a staff and volunteer Intranet. This work was expanded to become a fuller review, which is on-going into 2015. 200 staff and volunteers took part by way of attendance at one of seven workshops or through a questionnaire. Some immediate concrete plans, such as the re-introduction of a programme of induction and of IT user training, came out of this process and other programmes are likely to follow. The process also highlighted important issues as we continue to explore possibilities for an Intranet.

A further exciting prospect which began to be worked on in 2014 and which we hope will be completed in early 2015, is the appointment of a Training Officer for the Cathedral. The need for this post was originally identified in the Strategic Plan and the post holder, once appointed, will play an important part in enabling us to deliver the objectives of the Plan by co-ordinating the training and development for staff and volunteers in line with the Plan and supporting its Vision and Values.

### Communications

2014 saw the development and implementation of a new St Paul's website and a continued increase in people engaging with the Cathedral through new media. The number of unique users visiting the website grew by 16.5% to just over 1.3 million. The website offers a range of new functionality across departments and will enable the Cathedral to continue to grow this method of external communication for a number of years to come.

Social media continued its exponential growth and by the end of the year the Cathedral's Twitter and Facebook pages had a combined following of 112,000, an increase of 204% on the previous year.

### Development Department

2014 saw the development of the Library Project, with a particular highlight being the contribution of a pledge for £750k from a longstanding supporter, for which we are extremely grateful and further fundraising ongoing: once the bulk of the funding required has been secured, hopefully by the summer of 2015, fund-raising will begin in earnest for the other capital projects in the strategic plan.

The Development Department as a whole generated about £1,548,000 in 2014 including donations and pledges to the Foundation, Friends, the Cathedral directly (c.£65,000), and the Chorister Trust (c.£148,000). This includes the pledges and donations for the Library Project, which came to c.£904,000. The bulk of our income came from individuals, with the Livery Companies and Trusts and Foundations being the other large sources of income and we are very grateful to all our supporters, no matter how large or small their donation. The funding of the Department was fully in-house for 2014, and amounted to some £268,000 paid from the Cathedral budget rather than as a percentage of donations received.

# ST PAUL'S CATHEDRAL

The Friends continued under Roger Walkinton's careful stewardship and numbers of members remained broadly steady. The Friends now consistently run at a surplus (£26,000 in 2014) and the generosity of the members, particularly through bequests (£25,000) and donations (£23,000), added to the sums available to the Cathedral, both for new projects and the support of existing commitments. We looked at various ways to increase membership numbers and to deepen support from the Friends. The volunteers proved to be the most fruitful source of new members and we are grateful to them for their efforts in recruiting people to join the Friends.

The new governance structure introduced in the summer of 2013, with responsibility for overseeing donor income and disbursement of grants sitting with the Foundation Trustees and responsibility for raising income resting with the Development Board, worked well during 2014; members of the Board raised £100,000 and worked hard in a difficult fundraising environment to develop further prospects. We are very grateful to all our volunteers for the time and support they give us.

We invested over £36,000 into the new text giving service, with some 260 supporters giving by text in the six months from June. We have been actively engaging with those supporters, and some have joined our other programmes; the return so far has not covered the cost, but we are keeping the progress and viability of this scheme under close review.

Existing corporate supporters all continued their support, either through the Corporate Partners programme, or in the form of sponsorship for events such as the Messiah or the Christmas concerts. While corporate support was not a growth area, the Department still worked closely with the Cathedral's Corporate Events team to ensure the maximisation of our income in this vital area. Further work was also undertaken on our ethical giving policy, with the aim of applying it to corporate bookings as well as other aspects of income generation and donation.

## PEOPLE

### Pastoral Care

The number of visitors coming through our doors each day and the considerable community, made up of staff, volunteers and some regular worshippers, means that pastoral care is a central aspect of our ministry and purpose. Working alongside the Cathedral clergy (especially the Chaplain and the Canon Pastor) in responding to this need, the Cathedral has a 'Pastoral Duty Team' composed of clergy and religious who volunteer to give half a day a month to the Cathedral as the dedicated pastoral point of contact and to be a Christian presence on the Cathedral floor. We currently have around 50 such volunteer Pastoral Duty Team members giving time to be available to listen, talk and pray with people. When more complex needs are presented they may work with the Virgers to enable the person to seek further appropriate external assistance. We were delighted to be joined by 3 new Pastoral Duty Team members during the year and remain keen to welcome additional members.

The Chaplain and Canon Pastor were engaged in supporting staff and volunteers, both in relation to individually challenging times and through changes in the shared work setting. We were particularly grateful for the care, support and encouragement to staff given by the Chaplain, Revd. Sarah Eynstone, who assisted in drawing together services of Thanksgiving for Staff and Volunteers who have died and for the Blessing of Staff. She also tended to the spiritual life of staff through co-ordinating a Lenten staff reading group. In addition the Chaplain worked with both school pupils and worshippers and inquirers at the Cathedral to prepare them for Confirmation at Diocesan services on Holy Saturday and in November.

Further work which began during 2014 included the revision of a Pastoral Care Policy for Staff, which is to be incorporated into a developing People and Organisation approach during 2015. Work also began on a Pastoral Handbook and a People in Need / Callers at the Door set of guidelines. In addition we started to reflect on how best to engage with those who consider themselves to be regular worshippers in this unique context.

### Charity and Diocesan / Community engagement

During 2014 it was a privilege to welcome leaders and people from local parishes and organisations such as Diverse Church and to continue to work with the network of Prebendaries who help to root us into the Diocese. Using the Diocesan Prayer Cycle we prayed each day for the various parishes and chaplaincies of London and especially enjoyed welcoming some of them for Evensong on the day on which we prayed for them.

Hospitality and welcome was offered to various groups, particularly those visiting from religious, educational and social projects, including international ordinands in training, youth groups and people living with mental health issues. We also continued to support charitable groups who approach us for assistance with their own fundraising.

## ST PAUL'S CATHEDRAL

Through 2014 special collections were encouraged for specific areas of need including support for the Diocesan Lent Appeal (ALMA), Christian Aid Week and, via Christian Aid and Hand in Hand, projects working with those caught up in difficult circumstances in the Middle East. We also maintained our particular link with the Stepney Area through the funding of a mission post used to develop work with interns placed in local projects and churches. This work, along with the existence of a regular scheme by which St Paul's has made direct charitable grants, gave rise to the review of our charitable engagement, a piece of work which started during 2014 and which we hope to launch in the first half of 2015. Our direct charitable giving was about £35,000 during the year but indirectly the Cathedral supported the diocese in its mission and charities in their fundraising with the equivalent of an estimated £750,000, in line with recent years.

*We are very grateful for continued support from the livery companies, commercial organisations and members of the public, all of whom contribute to the continued strength of St Paul's.*

**Tricia Hillas, Canon Pastor**

# ST PAUL'S CATHEDRAL

## Legal and Administrative Information

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

The legal entity of the Cathedral is the Corporation, which consists of the members for the time being of the Chapter, the Council, and the College of Canons.

### **Constitution**

St Paul's Cathedral 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 applying to, St Paul's Cathedral were made under the Cathedrals Measure 1999 by Order in Council dated 13 April 2000.

### **Investment Powers**

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

- land;
- funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Limited;
- investments in which trustees may invest under the general powers of investment in the Trustee Act 2000 and;
- the improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself nor its auxiliary buildings.

### **Public Benefit**

Chapter are aware of the guidance issued by the Charity Commission under the Charity Act 2011 and are confident their activities are delivering Public Benefit.

### **Going Concern**

Having considered the current financial position, the budgets for 2015/16 and associated risks and assumptions, no material uncertainties that may cast doubt about the ability of the Cathedral to continue as a going concern have been identified by Chapter.

## **THE CORPORATION**

### **Chapter**

The governing body of the Corporation is the Chapter, the members of which are:

The Very Revd Dr David Ison, Dean  
The Revd Canon Mark Oakley, Chancellor  
Mr Gavin Ralston, Lay Canon  
The Revd Canon Michael Hampel, Precentor  
The Revd Canon Philippa Boardman, Treasurer.  
Mrs Pim Baxter, Lay Canon (from March 2014)  
The Revd Canon Tricia Hillas, Canon Pastor (from March 2014)

The Chapter moved to a new rhythm of ten monthly meetings in 2014. In accordance with the strategic plan published in 2013 the four newly structured Chapter sub-committees also met monthly to deliver elements of the plan to Chapter.

### **Cathedral Council**

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 the Chapter. The members are:

Lord Wilson of Tillyorn, Chair	The Chancellor
The Dean	The Treasurer
The Canon Pastor	Lay Canon, Mr Gavin Ralston
The Precentor	Mrs Anita Butt
Mr Christopher Allen	The Revd Dr Lord Leslie Griffiths (to November 2014)
Mr Andy Brookes	Miss Vivien Kermath (to July 2014)
Mr Bernard Donoghue	Mrs Catherine McGuinness
The Rt Hon Bernard Jenkin MP	The Ven Preb Tunde Roberts (to November 2014)
Ms Kathryn McDowell CBE	Dr Simon Thurley CBE
The Revd Prebendary Guy Pope	Mr James de Sausmarez
Mr Ian Woodall	

The Bishop of London is not a member but has the right to attend and speak.

The Cathedral Council met three times in 2014. It received the annual report and accounts for 2013 and reviewed the budget for 2015.

### **College of Canons**

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 accounts, as well as discussing other matters raised by the members who are:

The Dean, Chair	Lay Canons (4)
Area Bishops (4)	Bishop Suffragan (1)
Archdeacons (5)	Prebendaries (30)
Canons Residentiary (4)	

The College of Canons met twice, first for St Paul's tide and then for its annual general meeting and to receive the annual report and accounts for 2013.

# ST PAUL'S CATHEDRAL

## Legal and Administrative Information (continued)

### College of Minor Canons

The Minor Canons are assistant stipendiary clergy at the Cathedral, normally three in number. They have no governance role, and assist the Chapter with the liturgical and pastoral work of St Paul's.

The Revd Sarah Eynstone, Chaplain  
The Revd Jonathan Coore, Succentor (to July 2014)  
The Revd Nigel Dawkins, Sacrist (to November 2014)  
The Revd Rosemary Morton (from November 2014)

### Administrative

Registrar	Nicholas Cottam CB OBE
Chapter Finance Committee	The Revd Canon Philippa Boardman, MBE Treasurer (Chair) Nicholas Cottam CB OBE The Very Revd Dr David Ison, Dean Mr Martin Pennington FCCA, Head of Finance Mr Gavin Ralston Mr Graham Ward CBE MA FCA, Financial Adviser Mr Robert Ward, Financial Adviser
Fabric Advisory Committee	Appointed by Chapter:- Mr William Corbett Mr Martin Drury Mr John Neale Professor Andrew Saint Mr Rory Young  Appointed by the Cathedrals Fabric Commission for England:- Mr Ashley Barker Mr Chris Cowper Dr Derek Keene Mr Sandy Nairne (Chair) Mr Paul Williams

In 2014 the Chapter Sub Committee governance has been reorganised into four main sub committees to reflect the Cathedral's new strategic plan and are:

Fabric, Finance, IT and Interpretation  
Theology, Education and Outreach  
Training, Communications and Fundraising  
Welcome, Worship and Events

### Trustee Bodies

St Paul's Cathedral Foundation  
St Paul's Cathedral Chorister Trust  
City of London Endowment Trust for St Paul's Cathedral  
Garfield Weston Trust for St Paul's Cathedral  
St Paul's Cathedral (1972) Pension and Life Assurance Scheme  
St Paul's Cathedral Trust in America

### Cathedral School

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 the Chapter, who are its Trustees, but who have delegated its running to a Board of Governors with a majority of external lay governors. Pupil numbers remained healthy with a full school roll and waiting lists for applicants; this resulted in an appropriate surplus, which is reinvested in the work of the School. Capital costs included rearrangement of internal space and work on the heating, and ongoing planning work on the School's medium term development project.



# ST PAUL'S CATHEDRAL

## Legal and Administrative Information (continued)

### Other Bodies

In addition Chapter has established the following bodies to advise on management detail and bring recommendations to Chapter (Committees and bodies marked \* include a majority of independent members/experts):-

#### Finance

Investment Advisory Committee\*  
Remuneration Committee\*

#### Liturgy and Music

Liturgy & Music Planning and Review  
Festivals Planning and Review (Christmas and Easter)

#### Fabric

Visual Arts Policy & Planning Committee\*  
Chapter Fabric Planning Committee  
Collections Management Committee  
Fabric and Works Committee  
Health and Safety Committee

#### Information Technology

IT Group\*

#### Discussion Forums

Staff Committee  
Volunteers Team Leaders' Meeting

#### Access

Access Advisory Group\*

#### Marketing

St Paul's Enterprises Board\*

#### Education

Institute Advisory Board\*

#### Cathedral School Governing Body\*

### EXTERNAL ADVISERS

#### Bankers

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

#### Pension Actuary

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

#### Chartered Accountants and Statutory Auditor

Deloitte LLP  
2, New Street Square  
London EC4A 3B2

#### Property Consultant

Strutt & Parker  
Coval Hall  
Chelmsford  
Essex CMI 2QF

#### Insurers

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

#### Solicitor

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

#### Investment Manager

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

#### Surveyor to the Fabric

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

# ST PAUL'S CATHEDRAL

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

The 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:

- (a) Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- (b) Stating that they have complied in all material respects with the guidelines issued in December 2006 on the subject prepared by the Association of English Cathedrals or describing which recommendations have not been complied with and giving reasons for the non-compliance;
- (c) Following applicable accounting standards and selecting suitable accounting policies and then applying them consistently;
- (d) Making judgements and estimates that are reasonable and prudent;
- (e) Keeping proper accounting records from which the financial position of the Cathedral can be ascertained at any time; and
- (f) Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ST PAUL'S CATHEDRAL

## INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF ST PAUL'S CATHEDRAL

We have audited the financial statements of St Paul's Cathedral ("The Cathedral") for the year ended 31 December 2014 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, the Cash Flow Statement, the Accounting policies and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to Chapter in accordance with section 27 of Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to 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 Chapter, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Chapter and auditor

As explained more fully in the Statement of Responsibilities of Chapter, Chapter are responsible for the preparation of the financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Groups and to the Cathedral's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Chapter; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Cathedral's affairs as at 31 December 2014, and of the groups incoming resources and application of resources, 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 guidelines specified by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999.

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

We have nothing to report in respect of the following matters where the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

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

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
London

*5 June 2015*

Deloitte LLP is eligible to act as an auditor in terms of section 146 of the Charities Act 2011 and consequently to act as the auditor of the Cathedral.

# ST PAUL'S CATHEDRAL

## Accounting Policies

for the year ended 31 December 2014

(a) Basis of Preparation

The financial statements are prepared under the Guidelines on English Anglican Cathedral Accounts as revised in 2006, which include recognition of the Charity SORP, prepared by the Association of English Cathedrals and prescribed by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

There are no changes to the accounting policies previously disclosed and therefore the accounting policies set out below have been consistently applied in the current and prior year.

The financial statements have been drawn up using the going concern basis as the Chapter have a reasonable expectation that the organisation will continue in operational existence for the foreseeable future.(see page 13)

The accounts 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 2) are excluded.

(b) Accounting Convention

The accounts 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) Third Party Receipts and Payments

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.

(d) Legacies and Donations

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 reasonably certain that the legacy will be received within a reasonable time span, and the amount to which the Cathedral is entitled can be reliably measured.

(e) Repairs, Restoration and Maintenance

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

(f) Interest Payable

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

(g) 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.

(h) Cathedral Building, Freehold Properties and Cathedral Inventory

No value is attributed to non-investment freehold properties listed in Note 10 because they are solely for Cathedral use and are considered to be historic and inalienable.

No value is attributed to items included in the Cathedral 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.

The requirements under FRS 30 regarding accounting for heritage assets have been considered. The Cathedral maintains a full inventory, but does not consider a valuation of those items is practical.

(i) Investment Property and Investments

Investment freehold properties listed in Note 8 are externally re-valued every six years 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 in the accounts.

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.

# ST PAUL'S CATHEDRAL

## Accounting Policies

for the year ended 31 December 2014

(j) Plant and Other Fixed Assets

Plant and other fixed assets generally above a cost value 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

(k) 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.

(l) 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 and restricted funds and include funds designated for a specific purpose by Chapter.

(m) Operating Leases

Payments and receipts are debited or credited to the Consolidated Statement of Financial Activities in the relevant period.

(n) Grants Receivable

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. The related expenditure incurred is charged to the restricted fund in the Consolidated Statement of Financial Activities as appropriate.

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.

(o) Pension Scheme Arrangements (also see Note 19)

Defined Benefit

The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates. The amounts charged within staff costs in the Statement of Financial Activities (SOFA) are the current service costs and past service costs. 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 SOFA as 'gains or losses on revaluation'. 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 or liability is presented separately after 'Net assets excluding pension liability' on the face of the balance sheet.

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 the Dean and 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 (see Note 20). 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. The contributions to the fund by the Cathedral are charged to the Consolidated Statement of Financial Activities, under unrestricted funds, as incurred (see Note 19). Contributions in respect of the Dean and two Commissioners' Canons are paid by the Church Commissioners.

# ST PAUL'S CATHEDRAL

## Consolidated statement of financial activities for the year ended 31 December 2014

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2014	Total Funds 2013
	Notes	£000's	£000's	£000's	£000's	£000's
<b>Incoming resources</b>						
Income from commercial activities generating funds		9,781			9,781	10,488
Charges and fees arising in the course of mission		624	3,259		3,883	3,965
Grants receivable		139	2,477		2,616	1,058
Voluntary income		806	77		883	765
Income from property and investments		308	78		386	351
Other income		1,006	(106)		900	7
<b>Total incoming resources</b>	3	12,664	5,785	0	18,449	16,634
Direct costs of generating commercial income	4	3,154			3,154	3,152
<b>Net incoming resources available for mission</b>		9,510	5,785	0	15,295	13,482
<b>Expenditure on mission</b>						
Cathedral and precincts upkeep		3,131	2,481		5,612	3,379
Education and outreach		453	3,005		3,458	3,361
Ministry		2,456			2,456	2,501
Governance costs		2,223			2,223	1,994
Other expenditure		27			27	28
<b>Total expenditure on mission</b>	5	8,290	5,486		13,776	11,263
<b>Total expenditure on generating funds and on mission</b>		11,444	5,486		16,930	14,415
<b>Net incoming resources</b>		1,220	299	0	1,519	2,219
<b>Gains (Losses) on revaluation and realisation of assets</b>						
Investments	7	612	99	303	1,014	1,359
Property	8	380			380	320
Actuarial gains(losses) on defined benefit pension scheme	19	(1,763)			0	157
		(771)	99	303	(1,763)	157
		(771)	99	303	(369)	1,836
<b>Net increases in funds</b>	15	449	398	303	1,150	4,055
Funds brought forward	15	16,955	3,734	3,178	23,867	19,812
<b>Funds carried forward</b>	15	17,404	4,132	3,481	25,017	23,867

Note: All of the above results were derived from continuing operations.

# ST PAUL'S CATHEDRAL

Consolidated balance sheet  
at 31 December 2014

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2014 £000's	Total Funds 2013 £000's
<b>Fixed assets</b>						
<b>Investment assets</b>						
Investments	7	10,537	3,300	3,481	17,318	15,517
Investment property	8	7,800			7,800	7,420
		<u>18,337</u>	<u>3,300</u>	<u>3,481</u>	<u>25,118</u>	<u>22,937</u>
<b>Tangible assets</b>						
Equipment and plant	11	107	445		552	599
<b>Total fixed assets</b>		<u>18,444</u>	<u>3,745</u>	<u>3,481</u>	<u>25,670</u>	<u>23,536</u>
<b>Current assets</b>						
Stocks		120			120	149
Debtors	12	2,234	164		2,398	1,444
Cash at bank and in hand		265	317		582	1,039
		<u>2,619</u>	<u>481</u>		<u>3,100</u>	<u>2,632</u>
<b>Current liabilities</b>						
Bank overdraft		(210)			(210)	
Creditors - amounts falling due within one year	13	(2,207)	(94)		(2,301)	(2,162)
		<u>(2,417)</u>	<u>(94)</u>		<u>(2,511)</u>	<u>(2,162)</u>
<b>Net current assets</b>		<u>202</u>	<u>387</u>		<u>589</u>	<u>470</u>
<b>Total assets less current liabilities</b>		<u>18,646</u>	<u>4,132</u>	<u>3,481</u>	<u>26,259</u>	<u>24,006</u>
<b>Provisions for liabilities and charges</b>	14	(111)			(111)	(112)
<b>Net assets excluding pension liability</b>		<u>18,535</u>	<u>4,132</u>	<u>3,481</u>	<u>26,148</u>	<u>23,894</u>
<b>Defined benefit pension scheme liability</b>	19	(1,131)			(1,131)	(27)
<b>Net assets including pension liability</b>		<u>17,404</u>	<u>4,132</u>	<u>3,481</u>	<u>25,017</u>	<u>23,867</u>
<b>Funds</b>						
Unrestricted - general		18,535			18,535	16,982
Pension reserve		(1,131)			(1,131)	(27)
Endowment				3,481	3,481	3,178
Restricted			4,132		4,132	3,734
	15	<u>17,404</u>	<u>4,132</u>	<u>3,481</u>	<u>25,017</u>	<u>23,867</u>

The accounts on pages 20 to 35 were approved by  
Chapter on 18 May 2015 and signed on  
its behalf by:

# ST PAUL'S CATHEDRAL

Cathedral balance sheet  
at 31 December 2014

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total Funds 2014 £000's	Total Funds 2013 £000's
<b>Fixed assets</b>						
<b>Investment assets</b>						
Investments	7	10,536	1,227	3,481	15,244	14,162
Investments in subsidiary undertakings:	7					
St Pauls Cathedral School			2,733		2,733	2,437
St Pauls Cathedral Enterprises Limited		150			150	150
Investment property	8	7,800			7,800	7,420
		<u>18,486</u>	<u>3,960</u>	<u>3,481</u>	<u>25,927</u>	<u>24,169</u>
<b>Non investment assets</b>						
Equipment and plant	11	107			107	127
<b>Total fixed assets</b>		<u>18,593</u>	<u>3,960</u>	<u>3,481</u>	<u>26,034</u>	<u>24,296</u>
<b>Current assets</b>						
Debtors	12	2,027			2,027	1,184
Amounts due from subsidiary undertakings					0	69
Cash at bank and in hand		341	172		513	466
		<u>2,368</u>	<u>172</u>		<u>2,540</u>	<u>1,719</u>
<b>Current liabilities</b>						
Bank borrowings		(210)			(210)	
Amounts due to subsidiary undertakings		(277)			(277)	(270)
Creditors - amounts falling due within one year	13	(1,828)			(1,828)	(1,739)
<b>Net current (liabilities)/assets</b>		53	172		225	(290)
		<u>18,646</u>	<u>4,132</u>	<u>3,481</u>	<u>26,259</u>	<u>24,006</u>
<b>Total assets less current liabilities</b>						
Provisions for liabilities and charges	14	(111)			(111)	(112)
<b>Net assets excluding pension liability</b>		<u>18,535</u>	<u>4,132</u>	<u>3,481</u>	<u>26,148</u>	<u>23,894</u>
<b>Defined benefit pension scheme liability</b>						
<b>Net assets including pension liability</b>	19	<u>(1,131)</u>			<u>(1,131)</u>	<u>(27)</u>
		<u>17,404</u>	<u>4,132</u>	<u>3,481</u>	<u>25,017</u>	<u>23,867</u>
<b>Funds</b>						
Unrestricted - general		18,535			18,535	16,982
Pension reserve		(1,131)			(1,131)	(27)
Endowment				3,481	3,481	3,178
Restricted			1,399		1,399	1,297
Restricted subsidiary undertaking			2,733		2,733	2,437
	15	<u>17,404</u>	<u>4,132</u>	<u>3,481</u>	<u>25,017</u>	<u>23,867</u>

The accounts on pages 20 to 36 were approved by  
Chapter on 18 May 2015 and signed on  
its behalf by:



# ST PAUL'S CATHEDRAL

## Consolidated cash flow statement for the year ended 31 December 2014

	Notes	£000's	2014 £000's	£000's	2013 £000's
<b>Net cash outflow from operating activities</b>	16		16		(1,218)
<b>Returns on investments</b>					
Rents received net of costs		124		121	
Interest and dividends received net of costs		156	280	144	265
			<u>296</u>		<u>(953)</u>
<b>Capital expenditure and financial investment</b>					
Additions to equipment and plant		(176)		(287)	
Additions to investments		(730)	(906)		(287)
			<u>(610)</u>		<u>(3,263)</u>
<b>Cash (outflow) before management of liquid resources and financing</b>					
			(610)		(3,263)
<b>Management of liquid resources</b>					
Net (increase) decrease in investment deposits	17		(57)		3,487
<b>(Decrease) / increase in cash at bank</b>	18		<u>(667)</u>		<u>224</u>

# ST PAUL'S CATHEDRAL

## Notes to the accounts For the Year Ended 31 December 2014

### 1 Consolidated or Combined Entities

The accounts of St Paul's Cathedral Enterprises Limited (Enterprises), St Paul's Cathedral School and the Special Trusts have been consolidated in these audited accounts of the Cathedral.

#### St Paul's Cathedral Enterprises Limited

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 St Paul's Cathedral, conference delegates, guests and Cathedral staff. The catering activities are carried out through an independent contractor.

#### St Paul's Cathedral School

St Paul's Cathedral School was founded for the education, nurture and care of the choristers of the Cathedral. There were on average 35 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 156 in the year and the Pre-Prep Department had 61 children enrolled at the end of 2014. The main school includes 73 girls.

The School is managed via an 'Instrument of Delegation' granted to the governing body in 2006. 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.

#### Special Trusts (Restricted Funds)

The Special Trusts held within Cathedral funds consist of a number of restricted funds established over many years amounting to net assets of £1.39 million (2013 £1.30 million). Their individual objects are to support a variety of special activities.

### 2 Other Related Entities

The entities, for which financial information is 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 transactions with these entities are included in the consolidated accounts.

#### St Paul's Cathedral Foundation

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

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

	2014	2013
	£000s (audited)	£000s (audited)
(a) Gross income	1,754	746
(b) Net income before (c)	1,737	536
(c) Amount payable to Cathedral included in Cathedral's accounts	2,368	1,020
(d) Gross assets	1,097	2,107
(e) Net assets	906	1,537

Grants of £2,384,000 (2013 £1,020,000) (see Note 3) were made by the Foundation to the Cathedral in respect of costs incurred on various projects. The Foundation made no grant (2013 £187,438) towards the costs incurred by the fundraising activities of the Cathedral.

#### The City of London Endowment Trust for St Paul's Cathedral

The City of London Endowment Trust for St Paul's Cathedral 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 Trust is not audited by Deloitte LLP.

	2014	2013
	(audited) £000s	(audited) £000s
(a) Gross income	363	295
(b) Net income before (c)	170	197
(c) Amount payable to Cathedral included in Cathedral's accounts For General Purposes	635	230
(d) Gross assets	10,049	10,142
(e) Net assets	9,958	10,044

# ST PAUL'S CATHEDRAL

For the Year Ended 31 December 2014

Notes to the accounts

## 2 Other Related Entities (continued)

### *The Garfield Weston Trust for St Paul's Cathedral*

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 Trust is not audited by Deloitte LLP.

	2014 (audited) £000s	2013 (audited) £000s
(a) Gross income	131	128
(b) Net income before (c)	92	89
(c) Amount payable to Cathedral included in Cathedral's accounts	-	-
(d) Gross assets	4,084	4,144
(e) Net assets	3,920	3,879

### *Friends of St Paul's Cathedral*

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 charity is not audited by Deloitte LLP.

	2014 (audited) £000s	2013 (audited) £000s
(a) Gross income	97	115
(b) Net income before (c)	35	32
(c) Amount granted to Cathedral included in Cathedral accounts	518	35
(d) Gross assets	471	970
(e) Net assets	451	933

### *St Paul's Cathedral Chorister Trust*

St Paul's Cathedral Chorister Trust is a registered charity established in 1984 to raise and apply its funds for the provision of resources for the education of boys at the School, and for the furtherance of music at the School. The Trust is not audited by Deloitte LLP.

	2014 (audited) £000s	2013 (audited) £000s
(a) Gross income	226	386
(b) Net income before (c)	218	317
(c) Amount payable to School included in Cathedral's accounts	117	138
(d) Gross assets	1,877	1,709
(e) Net assets	1,751	1,563

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 3 Incoming resources

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
<b>Income from commercial activities generating funds</b>					
Charges to visitors	7,493			7,493	8,052
Gross income of shop, refectory and other activities	2,288			2,288	2,436
	<u>9,781</u>			<u>9,781</u>	<u>10,488</u>
<b>Grants receivable</b>					
St Paul's Cathedral Foundation (Note 2)	36	2,348		2,384	905
Other grants	103	129		232	153
	<u>139</u>	<u>2,477</u>		<u>2,616</u>	<u>1,058</u>
<b>Charges and fees arising in the course of mission</b>					
Gross income of the St Paul's Cathedral School		3,259		3,259	3,163
Facility and other fees	624			624	802
	<u>624</u>	<u>3,259</u>		<u>3,883</u>	<u>3,965</u>
<b>Voluntary income</b>					
Income from local trusts and Friends	295			295	231
Congregational collections and giving	293			293	302
Donations	66	77		143	113
Tax recoverable under Gift Aid	100			100	103
Legacies	52			52	16
	<u>806</u>	<u>77</u>		<u>883</u>	<u>765</u>
<b>Income from property and investments</b>					
Property (Note 9.1)	202			202	207
Investments: (Note 9.2) Dividends	93	78		171	118
Interest	13			13	26
	<u>308</u>	<u>78</u>	<u>0</u>	<u>386</u>	<u>351</u>
<b>Other income</b>					
Sundry income	1,006	(106)		900	7
	<u>12,664</u>	<u>5,785</u>	<u>0</u>	<u>18,449</u>	<u>16,634</u>
<b>4 Direct costs of generating commercial income</b>					
Gross costs of shop, refectory and other activities	1,273			1,273	1,320
Costs of facilities for visitors	1,421			1,421	1,466
General marketing costs	378			378	300
Investment property costs	82			82	66
	<u>3,154</u>			<u>3,154</u>	<u>3,152</u>

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 5 Expenditure on mission

	Unrestricted Funds £000s	Restricted Funds £000s	Total Funds 2014 £000s	Total Funds 2013 £000s
<b>Cathedral and precincts upkeep</b>				
Major repairs and restoration (Note below)	677	2,481	3,158	1,268
Support costs	1,461		1,461	1,310
General maintenance, utilities and upkeep	810		810	631
Cathedral insurance	183		183	170
	<u>3,131</u>	<u>2,481</u>	<u>5,612</u>	<u>3,379</u>
<b>Ministry</b>				
Music costs and congregational costs	1,260		1,260	1,184
Services	838		838	950
Housing, clergy stipends and expenses	229		229	245
Clergy support costs	129		129	122
	<u>2,456</u>	<u>0</u>	<u>2,456</u>	<u>2,501</u>
<b>Education and outreach</b>				
St Paul's Cathedral School		3,005	3,005	2,960
St Paul's Institute	177		177	138
Education department	109		109	134
Diocese	59		59	44
Charitable giving	34		34	39
Archives and library	74		74	46
	<u>453</u>	<u>3,005</u>	<u>3,458</u>	<u>3,361</u>
<b>Administration services</b>				
	<u>2,223</u>		<u>2,223</u>	<u>1,994</u>
<b>Other expenditure</b>				
Interest and similar charges payable	27		27	28
	<u>27</u>	<u>0</u>	<u>27</u>	<u>28</u>
	<u>8,290</u>	<u>5,486</u>	<u>13,776</u>	<u>11,263</u>

#### Note

The expenditure totalling £3,158,000 (2013 £748,000) incurred on major repairs and restoration was funded mainly by St Paul's Cathedral Foundation and primarily related to:

	2014 £000s	2013 £000s
Chapter House project	2,628	572
	<u>2,628</u>	<u>572</u>

St Paul's Cathedral Foundation made a grant of nil (2013 £187,000) towards fundraising costs.

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

	2014 £000s	2013 £000s
<b>6 Staff Remuneration - Employees and Cathedral Clergy</b>		
<b>a Average number of employees during the year</b>		
Full-time Cathedral	117	114
Full-time School	41	41
Full-time Enterprises	11	11
Part-time Cathedral	37	40
Part-time School	16	16
Part-time Enterprises	2	2
	<u>224</u>	<u>224</u>
<b>b Cathedral employee costs for the year</b>		
Salaries and stipends	4,916	4,807
National insurance costs	465	452
Pension contributions	370	319
	<u>5,751</u>	<u>5,578</u>
<b>c School employee costs for the year</b>		
Salaries	1,946	1,869
National insurance costs	170	160
Pension contributions	204	160
	<u>2,320</u>	<u>2,189</u>
<b>d Emoluments of higher paid staff</b> (excluding employer's pension contributions)		
£50,000-59,999	7	8
£60,000-69,999	5	3
£70,000-79,999	2	2
£80,000-89,999	1	1
	<u>1</u>	<u>1</u>
<b>e Remuneration of Chapter members (Excluding Pension and NI cost)</b>		
D. Ison	34	34
P. Boardman	26	18
M. Colclough	0	26
M. Hampel	26	26
T.Hillas	22	0
M. Oakley	26	26
Lay canons	2	3
	<u>136</u>	<u>133</u>
The remuneration above and pension provision for clerical members of Chapter are both paid at a level agreed with the Church Commissioners.		
<b>f Expenses of Chapter members</b>		
Number receiving expenses	6	5
	<u>£000's</u>	<u>£000's</u>
Services (telephone, electricity, etc)	7	7
Travel	4	7
Entertainment	8	10
Other	14	22
	<u>33</u>	<u>46</u>

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

	Cathedral Unrestricted Funds	Cathedral Restricted Funds	Other Restricted Funds	Cathedral Endowment Funds	Total Funds	Total Funds
	£000s	£000s	£000s	£000s	£000s	£000s
<b>7 Investments</b>						
Investments at market value 1 January	7,016	1,107	703	3,178	12,004	8,622
Net increase on additions	673	57			730	2,023
Net increase on revaluation	612	62	37	303	1,014	1,359
Investments at market value 31 December	8,301	1,226	740	3,481	13,748	12,004
Cash deposits at 1 January	2,803	58	652		3,513	7,000
Additions/(outflows)	(567)	(58)	682		57	(3,487)
Cash deposits at 31 December	2,236	0	1,334		3,570	3,513
	10,537	1,226	2,074	3,481	17,318	15,517

1. The Endowment Funds represent an investment in the Central Board of Finance of the Church of England (CBF) Investment fund consisting mainly of quoted equities. This investment is realisable only under Section 24 of the Cathedrals Measure 1999 which permits, with the Church Commissioners' approval, subsequent investment in property owned by Chapter or investment in the CBF Church of England funds. Income from these investments can be utilised at the discretion of Chapter, be credited to the Consolidated Statement of Financial Activities under endowment funds and then transferred to unrestricted funds.

2. Under a Covenant to the Trustees of the defined benefits pension scheme there is an agreement to hold up to £2,000,000 for the benefit of the fund within the unrestricted funds above.

## 8 Investment property (Cathedral only)

	Unrestricted Funds	Total Funds	Total Funds
	2014	2014	2013
	£000s	£000s	£000s
At valuation 1 January	7,420	7,420	7,100
Increase in revaluation in the year	380	380	320
At valuation 31 December	7,800	7,800	7,420

1. The value of freehold investment properties at Tillingham Estate, Essex is incorporated in the accounts under unrestricted funds.

2. The Tillingham properties were valued on a market value basis for the purposes of the accounts by Strutt and Parker, Chartered Surveyors, at 31st December 2014 with an uplift in valuation in the year of £380,000 being incorporated in these accounts.

## 9 Return on investments

### 9.1 Total return on investment property

	2014	2013
Gross rents (Note 3)	202	207
Expenses (Note 4)	(82)	(86)
	120	121
Increase in revaluation	380	320
Total return on investment property	500	441

### 9.2 Total return on investments

	Equities £000s	Variable Interest £000s	2014 £000s	2013 £000s
CBF Investment Funds - dividend income (Note 3)	171		171	118
CBF Deposit Funds - interest income (Note 3)		26	26	26
Gains on revaluation and disposals (Note 7)	1,014		1,014	1,359
Total return on investments	1,185	26	1,211	1,503

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 10 Heritage Assets - FRS30

#### Non investment properties.

The undernoted freeholds owned by Chapter are not reflected in the Cathedral's balance sheet on the grounds that they are historic and inalienable, are being held for the continuing use and mission of the Cathedral and it is not practicable to value them.

The Cathedral Church of St Paul, The Chapter House St Paul's Churchyard (see note 25), Nos 1-9 Amen Court London,  
The St Paul's Cathedral School and St Augustine's House, New Change, London

#### Cathedral Inventories

Items in the Cathedral inventory are not reflected in the balance sheet as they are not of significance and it is not practicable to value them. They are held and inventoried in accordance with the statutory requirements of the Care of Cathedrals Measure. Public access to them is available but stored items are accessible by appointment.

### 11 Equipment and plant (unrestricted funds)

	2014 £000s	2014 £000s	2013 £000s
	Cathedral	Total	Total
Cost at 1 January	766	2,506	2,219
Additions in the year	67	176	287
	<u>833</u>	<u>2,682</u>	<u>2,506</u>
Depreciation at 1 January	638	1,907	1536
Depreciation for year	88	223	371
	<u>726</u>	<u>2,130</u>	<u>1907</u>
Net book value at 31 December	<u>107</u>	<u>552</u>	<u>599</u>

Fixed assets include £445,000 of assets held within the restricted funds of the School (2013 £471,000)

### 12 Debtors - amounts falling due within one year

	2014 £000s	2014 £000s	2013 £000s
	Cathedral	Total	Total
Trade debtors	219	563	547
VAT and Gift Aid tax recoverable	6	6	13
Grants receivable	586	586	554
Prepayments	223	227	243
Other debtors	993	1,016	87
	<u>2,027</u>	<u>2,398</u>	<u>1,444</u>

Total debtors include £586,000 (2013 £554,000) in respect of grants receivable from St Paul's Foundation for completed and certified project work. These are classified as unrestricted funds in the balance sheet.

### 13 Creditors - amounts falling due within one year

	2014 £000s	2014 £000s	2013 £000s
	Cathedral	Total	Total
Trade creditors	537	577	455
PAYE and national insurance	193	193	182
VAT	161	161	283
Accruals and deferred income	891	1,264	1,114
Other creditors	46	106	128
	<u>1,828</u>	<u>2,301</u>	<u>2,162</u>

### 14 Provisions for liabilities and charges (unrestricted funds)

	2014 £000s	2014 £000s	2013 £000s
	Cathedral	Total	Total
At 1 January	112	112	114
Amounts charged in the year	26	26	25
Amounts paid in the year	(27)	(27)	(27)
At 31 December	<u>111</u>	<u>111</u>	<u>112</u>

This provision includes £110,000 (2013 £110,000) in respect of an estimated liability for unfunded lifetime pensions payments to pensioners for an average period of a further four years.



# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 15 Funds

Group	Movements							December
	01-Jan-14 £000s	Actuarial (loss) £000s	Investment revaluation £000s	Property revaluation £000s	Transfers £000s	Other £000s	Total £000s	2014 2010 £000s
Unrestricted:								
General	16,982		612	380		561	1,553	18,535
Pension deficit	(27)	(1,103)					(1,103)	(1,130)
	16,955	(1,103)	612	380	0	561	450	17,405
Restricted - Special trusts	1,297		62			38	100	1,397
Restricted - School	2,437		37			260	297	2,734
Endowment	3,178		303				303	3,481
<b>Total</b>	<b>23,867</b>	<b>(1,103)</b>	<b>1,014</b>	<b>380</b>	<b>0</b>	<b>859</b>	<b>1,150</b>	<b>25,017</b>

(a) The Restricted Special Trusts comprise 10 main funds which have various restrictions placed on their use.

(b) Restricted School funds relate to the accumulated assets under the management of the School governors under an Instrument of Delegation effective since 1 January 2006.

### 16 Reconciliation of net incoming resources before asset revaluations to net cash inflow from operating activities

	2013 £000s	2013 £000s
Net incoming resources before gains on revaluations and disposals of property and investments and pension fund actuarial valuation.	1,519	2,219
Less: Income from property and investments	(280)	(265)
	1,239	1,954
Pension fund FRS17 adjustment	(659)	(4,103)
Depreciation charged in the year	223	371
Decrease/(Increase) in stocks	29	(6)
(Increase) /decrease in debtors	(954)	67
Increase in creditors	141	499
<b>Net cash inflow(outflow) from operating activities</b>	<b>16</b>	<b>(1,218)</b>

### 17 Reconciliation of net cash flow to movement in net funds

	2014 £000s	2013 £000s
(Decrease)/Increase in cash at bank in the year	(667)	224
Cash flow from increase/ (decrease) in short term deposits held as investment assets (see below)	57	(3,487)
(Decrease) in net funds in the year	(610)	(3,263)
Net funds at 1 January	4,552	7,815
<b>Net funds at 31 December</b>	<b>3,942</b>	<b>4,552</b>

### 18 Analysis of changes in net funds

	At 31 December 2014	Cash Flow	At 31 December 2013
Cash at bank and in hand held as current assets	372	(667)	1,039
Cash held as investment assets	3,570	57	3,513
	3,942	(610)	4,552
Restricted	1,651	403	1,248
Unrestricted	2,291	(1,013)	3,304
	3,942	(610)	4,552

# ST PAUL'S CATHEDRAL

## Notes to the accounts For the Year Ended 31 December 2014

### 19 Staff Pensions

The Cathedral maintains a defined contribution scheme with Aviva for its staff, excluding Chapter and 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 1st May 2007.

#### Defined Contribution Scheme

The Cathedral operates a defined contribution pension scheme with Aviva for 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 £362,000.(2013 £291,000)

#### Defined Benefit Scheme

The management of the scheme funds, held in a separate trustee administered fund, was carried out by the trustees of the fund.. Legal and General Assurance (Pensions Management) Ltd managed 76% of the funds under a mandate from the trustees, c 12% were managed by BNY Mellon Fund Managers Limited and c 12% by Blackrock.

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.

There was a Scheme Funding valuation of the scheme by the Actuary as at 30<sup>th</sup> September 2013 using the methodology, as set out in the Scheme's Statement of Funding Principles. This showed a scheme deficit of £2.4 million and an update at 30<sup>th</sup> September 2014 showed the deficit at a net £3.1 million. The Trustees and Chapter agreed in 2011 to continue deficit contribution payments of £660,000 pa until September 2017. In addition the Employer paid lump sums totalling £1.5 million in 2011 and £3.4 million in 2013. The Employer has also undertaken to identify assets valued up to £2 million held for the benefit of the scheme.

In previous years it was noted that other matters had arisen on which legal and actuarial advice had been taken. That review had now been completed, settled and reflected in the liability assessments included in this report.

The principal assumptions used by the Actuary to calculate the scheme liabilities under FRS17 were as follows:

	2014	2013
	%	%
Rate of increase in salaries	2.1	2.4
Discount rate	3.6	4.6
Inflation (RPI)	3.1	3.4
Inflation (CPI)	2.1	2.4
Revaluation of non GMP	2.1	2.4
Post retirement mortality assumption	PNA00 tables based on individual year of birth with a long cohort projection and a minimum improvement of 1.2%	PNA00 tables based on individual year of birth with a long cohort projection and a minimum improvement of 1.2%
Life expectancy of male aged 65 in 2014(years)	24.2	
In 2033 (years)	24.5	
The long term expected rate of return on the Scheme's assets for the following year	n/a	6.10%

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 19 Staff Pensions (continued)

#### Assets

	2014		2013	
	Value £000s	Allocation %	Value £000s	Allocation %
Equities	6,048	25	9,128	42
Real return and diversified growth funds	5,464	23	5,253	24
Bonds	3,451	14	2,614	12
Gilts	7,067	30	2,628	12
Insured pensioners	1,884	8	1,926	9
Other	77	0	137	1
Total market value	23,991	100	21,686	100
Present value of scheme liabilities	(25,122)		(21,714)	
Net pension deficit	(1,131)		(28)	

The actual return on the Scheme's assets over the period to the Accounting Date was £2,248,000

The expected return on assets is a weighted average of the assumed long term returns for the various asset classes. Equity returns are derived based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds.

Bond returns are selected by reference to the yields on government and corporate debt appropriate to the Scheme's holdings of these instruments.

Cash returns are assumed to be in line with the Bank of England's base rate.

The Employer expects to contribute £660,000 to the scheme during the year to 31st December 2015 (2014 £660,000)

#### Amounts recognised in the Balance Sheet at 31st December

	2014	2013
Fair value of assets	23,991	21,686
Present value of funded obligations	(25,122)	(21,714)
(Deficit)	(1,131)	(28)

#### Actuarial losses recognised in the SOFA

Actuarial gains(losses)	2,103	(157)
Total actuarial gains(losses) recognised in the SOFA	2,103	(157)

#### Amounts recognised in the SOFA

Current service cost	57	44
Interest cost	985	914
Expected return on assets	(1,325)	(955)
	(283)	3

#### Reconciliation of assets and defined benefit obligation

Fair value of assets at the beginning of the period	21,686	16,300
Expected return on assets	1325	955
Employer contributions	717	4104
Benefits paid	(660)	(608)
Actuarial gains on assets only	923	935
Fair value of assets at the end of the period	23,991	21,686

#### Defined benefit obligation at the beginning of the period

Current service cost	57	44
Interest cost	985	914
Benefits paid	(660)	(608)
Actuarial losses	3,026	778
Defined benefit obligation at the end of the period	25,122	21,714

# ST PAUL'S CATHEDRAL

## Notes to the accounts

For the Year Ended 31 December 2014

### 20 The Chapter and College of Minor Canons Pensions

The Cathedral participates in the Church of England Funded Pensions Scheme and employs 5 members of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the Cathedral is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS17 requires the Cathedral to account for pension costs on the basis of contributions actually payable to the scheme in the year. The contributions to the fund by the Cathedral were £43,185 (2013 £42,412).

The last valuation, carried out at 31 December 2012, revealed a shortfall of £293 million with assets of £909.8 million using the following assumptions:

Investment returns of 4.4% on gilts and 6.4% on equities;

RPI inflation of 3.8% pa.

Increases in pensionable stipends 3.8% pa; and

Post retirement mortality in accordance with 80% of the SINA tables, with allowance for future improvements according to the "medium cohort" projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1.0% for females.

The contribution rate continued to be 38.2% and with effect from 1<sup>st</sup> January 2015 will be 39.9%.

### 21 Auditors' Remuneration

	2014 £000s	2013 £000s
Auditors services	45	44
	<u>45</u>	<u>44</u>

### 22 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 £66,967. He was also a partner in Caroe Architecture Limited to whom fees amounting to £132,803 were paid in respect of architectural services on a number of projects. In addition there were amounts owing to Caroe Architecture Limited at 31 December 2014 amounting to £4,889. These amounts exclude VAT.

The Very Revd Dr David Ison and Lay Canon Gavin Ralston were members of Chapter and also trustees and directors of the St Paul's Cathedral Foundation during the year. The Very Rev'd Dr David Ison was also a trustee of Friends. The Cathedral was the recipient of grants from these trusts during the year amounting to £2,886,000 (2013 £1,055,000) and the amount receivable at 31 December 2014 was £603,012 (2013 £424,845).

### 23 Contingencies and Guarantees

There are no contingent liabilities of a material amount for which provision has not been made in the accounts. There are no guarantees nor have any charges been given on any of the assets in the Cathedral's balance sheet with the exception of the disclosure in note 7.2.

### 24 Commitments and Operating Leases

The annual amount payable under operating leases at the balance sheet date:-

	Computing & Office Equipment		Land & Buildings	
	2014	2013	2014	2013
Expiring between 1-5 years	12,200	12,706	80,000	80,000

The land and buildings above refer to the Paternoster site. This is sub-let in full.

There are no other commitments for future expenditure, neither are there any forward commitments or other outstanding contracts which are expected to result in losses which have not been provided for in the accounts.

### 25 Chapter House

During the period 2013 to 2015 costs of approximately c£5.6 million were incurred on this non investment property to ensure its functional availability. This was funded principally by grant making bodies and is shown as a nil net book value.

# ST PAUL'S CATHEDRAL

## Five Year Summary

	2010 £000's	2011 £000's	2012 £000's	2013 £000's	2014 £000's
<b>SOFA</b>					
Gross incoming resources	15,079	15,268	14,246	16,634	18,449
Net incoming resources	1,270	1,027	305	2,219	1,519
Gains/ (losses) on revaluation of assets	2356	(3,221)	2,723	1,836	(369)
Net funds increase / (decrease)	3,626	(2,194)	3,028	4,055	1,150

## FUNDS

Unrestricted funds	16,525	16,772	18,052	16,982	18,536
FRS17 pension scheme liability	(3,312)	(5,208)	(4,286)	(27)	(1,131)
Other restricted funds	5,765	5,220	6,046	6,912	7,612
Total	18,978	16,784	19,812	23,867	25,017

## FRS17 Pension Fund

Present value of Defined Benefit Obligation	(14,342)	(17,451)	(18,584)	(21,714)	(25,122)
Scheme assets	11,030	12,243	14,298	21,687	23,991
(Deficit)	(3,312)	(5,208)	(4,286)	(27)	(1,131)
Experience gains / (losses)	575	(594)	(320)	(306)	(325)
Experience gains/(losses) adjustments on scheme assets	695	(533)	843	935	923