

Annual Report and Financial Statements
For the year ended 31 December 2020



St Paul's Cathedral Annual Report and Financial Statements 2020

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*The reality of the Covid-19 pandemic.
A service in the Cathedral in 2019 (above) and with the impact of social distancing in 2020
(below).*



THE DEAN'S REPORT

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

The Cathedral has witnessed many historical events since 1712 but 2020 was a year like no other. In 2019, 1.7 million visitors were welcomed into the Cathedral, with over 900,000 of these paying to visit. This visitor income in previous years has provided the vital funds required to run the operation and in good years has also built balance sheet reserves. The first two months of 2020 went well, with similar levels of visitor numbers: but the clouds of the COVID-19 pandemic were gathering. In late March 2020 the Cathedral closed to the public through the Easter season and up to the beginning of June 2020. It opened as Government guidance allowed for the rest of the year but was unable to maintain its full programme of worship and music and with seating capacity reduced by 90% as a result of social distancing; daily prayer however was continuous, albeit at times on-line.

The first lockdown from March 2020 meant that all visitor income ceased, and given that normally over 80% of our paying visitors are from overseas, the limited paid visiting which was allowed later in 2020 did little to increase the income level. Whilst visitor income was only around 15% of the prior year, the majority of the cost base remained; there were few savings to be delivered from closing the doors. This meant that operating costs had to be funded from emergency reserves.

Chapter and Cathedral staff responded quickly to the crisis, reviewing the cost base in order to make recommendations for savings. With staff being the largest single cost item, proposals were formulated and agreed by Chapter for consultation with staff in the second quarter of the year. The Staff Consultative Committee played an important role in the process of consultation, supporting a voluntary redundancy programme that delivered the majority of the savings required. The Cathedral remains very grateful to all its staff, past and present, for their support through this very difficult process which, along with savings in discretionary costs will result in a 25% reduction in the ongoing cost base.

Chapter's Strategy from April 2020 was to plan towards being ready for a 'new normal' of about 700,000 paying visitors a year by 2023, and to use its available reserves bolstered by furlough income, grants and fundraising to bridge the financial gap. It became apparent by the autumn that the initial estimates in April for future visitor numbers, based on a shorter and sharper pandemic, were unrealistic, and Chapter revised downwards its forecast income for 2021-23 and worked on further measures in order to maintain both its ability to function, and its cash flow, going forward.

A grant of £2.1 million in October 2020 from the National Lottery Heritage Fund (NLHF) provided major financial support over the winter and in addition Historic England gave a further £320k for urgent roof repairs. The Works Department did a heroic job during very cold weather to deliver the repairs within a tight funding timeframe. The Cathedral also benefited from the use of the Coronavirus Job Retention Scheme (CJRS) which covered £1.3m of staff costs and total grants

of £424k from the Church Commissioners. Despite this, in 2020, the Cathedral utilised over £5 million of its general reserves in order to fund the 2020 deficit. A further fund of £10m has been designated on the balance sheet and this, along with a second NLHF grant of £875k awarded in 2021, is forecast to fund operating costs in 2021 and 2022. This is on the basis that the Cathedral welcomes 400,000 visitors over this period and returns to a more normal level of 600,000 visitors in 2023. Financial sustainability is based upon the Cathedral being able to deliver a surplus from 2024 onwards. Having had to commit a substantial amount of general reserves to see the Cathedral through this period, the focus will be to replenish reserves as soon as possible.

The timing of the crisis was also difficult for the Cathedral given that three long-planned major fabric projects had started to be delivered in 2019: the Equal Access Ramp (mostly funded, from grants and donations), the School Boarding House (funding from designated reserves, a major gift, and a bank loan which was finalised during the year), and the Library Refurbishment (funded from grants). Although the pandemic delayed work on these to a greater or lesser extent, we were delighted that the two were finished in early 2021.

A major new piece of work began in 2020 with the Remember Me on-line memorial book for those who had died due to the pandemic in the UK. From the initial concept in mid-April 2020 to start-up on 22nd May 2020 and the subsequent publicity campaigns, external pro-bono and funding support enabled the Cathedral to staff and deliver this as a way to support those in bereavement during lockdown. A proposal to link the on-line book with a physical memorial in St Paul's focused around a new internal porch (replacing a Victorian porch destroyed in 1941 and matching the new external ramp entrance which itself is the first major addition to Wren's Cathedral in 300 years) and developed into a fund-raising campaign to enable this to become a reality, continuing to perpetuate the memory of those who have suffered and died as a result of the COVID pandemic and provide a focus for grieving family and friends.

Although handling the consequences of lockdown and control measures took up much of the Cathedral's energy, its work of mission continued in other forms as resources allowed. This included developing on-line worship; moving to virtual lectures, meetings and communications; and the creation of a number of pastoral and learning resources. The limitations of the Cathedral's existing website led to a new resource hub website being set up to make these more accessible, which gave access not only to new resources for adult learning but also to support for families in lockdown. A Choir for the Nation enhanced on-line worship, and singing assemblies and practices replaced in-person music-making with digital outreach. The Cathedral managed to secure a grant in early 2021 to renew its website in order to continue its development of accessible on-line resources.

The loss of staff through the restructure, and the need to make as much use as possible of furlough in order to sustain financial viability, meant that personnel resources were very stretched. Members of staff not on furlough were put under additional strain, and some staff on long-term furlough found this in itself difficult; the Cathedral is having to adjust to being able to achieve less than it could prior to the pandemic, and to support staff through this difficult period.

The Cathedral School had to adapt very quickly to on-line learning, and managed that successfully; the mixture of on-line and in-person teaching that the changing conditions required

was not easy to manage, but parents remained supportive and pupil numbers at the School did not drop as initially feared.

Work on governance has continued from last year, with the new Cathedrals Measure 2021 coming into law and requiring a new Constitution and Statutes as well as registration with the Charity Commission, giving cathedrals clear accountability and regulation for the first time in their history. Chapter is aiming to complete the process of constitutional review and registration in 2022 after a safeguarding review later in 2021.

Following Canon Tricia Hillas' departure in early 2020, the appointment process for a new Residentiary Canon was abruptly terminated in March as Chapter decided that it had to freeze recruitment, leaving the Cathedral with two ordained residentiaries and one Lay stipendiary Canon. Towards the end of the year the Chapter was delighted to recruit Clement Hutton-Mills as a further additional (non-exec) member of Chapter, with a background in finance and management and also a Reader in the Diocese of London.

In conclusion, it is important to reflect on two areas. Firstly, to once again thank our staff, volunteers, donors, suppliers and the wider St Paul's community for their support during this difficult period. They have all played an important part over this very difficult year and for that, we are very grateful indeed. Secondly to recognise that due to the Cathedral's heavy reliance on visitor income, it will be using most of its investments, alongside loans, grants, fundraising and generous donations, in order to continue its Mission and pursue its charitable purposes, as it works towards a recovery in visitor footfall. This approach is sustainable in the near future but the return of visitors is vital in order to ensure that ongoing operating costs, as well as vital repairs on this iconic building can be funded.

The Very Revd Dr David Ison
Dean

14th July 2021

GOVERNANCE AND STRUCTURE

St Paul's Cathedral is an ecclesiastical corporation and has been governed according to several constitutions during its long history, all drawn up according to law and subject to the Sovereigns of this Realm. The constitution and statutes established for, and currently applying to, St Paul's Cathedral were made under the Cathedrals Measure 1999 by Order in Council dated 13th April 2000 and last amended on 8th May 2019.

Chapter

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

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

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

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

Chapter are responsible under requirements laid down by the Church Commissioners the powers given to them by Section 27 of the Cathedrals Measure 1999. These responsibilities are outlined on page 43.

St Paul's as a Cathedral has a particular role in supporting the Bishop's ministry both directly and across the Diocese. The pandemic meant that nearly all Diocesan services had to be cancelled, although some on-line services were produced and the Bishop was involved in on-line learning and reflective resources which were hosted on the Resource Hub so that they were easier to access.

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The Dean is ex officio on Bishop's Staff and the major Diocesan Governance Bodies, and has been part of the development process for the Diocese of London's Capital Vision 2030 programme, which is primarily concerned with parish ministry but does have some reference to St Paul's as a resource.

During 2020 the Diocesan Synod agreed a scheme for the Cathedral to be represented on the City Deanery Synod, in accordance with a change requiring this in Canon Law, and the Chaplain has taken a particular role in liaising with the City Deanery and its work.

Canon Mark Poulson has continued his interfaith work across the Diocese as well as supporting the Bishop and some of the Cathedral's work: his three-year appointment is due to end in summer 2021.

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

The Cathedral Council

Furthers and supports the work of the Cathedral – spiritual, pastoral, evangelistic, missionary, social and ecumenical - and reviews and advises upon the direction and oversight of that work by Chapter. The Bishop of London, Chapter and College of Canons have responsibilities for appointing a specific number of members. Although the Bishop of London is not a member, she has the right to attend and speak at Council meetings. The Council met three times in 2020, in person and virtually, and received and considered the Annual Report and audited Financial Statements for 2019 and the Annual Budget for 2021.

College of Canons

Deals with the election of the Bishop and advises the Bishop when requested. It also receives and considers the Annual Report and audited Financial Statements, as well as discussing other matters raised by the members. The College of Canons met in January 2021 to receive and consider the Annual Report and audited Financial Statements for 2019.

Fabric Advisory Committee

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

Chapter Finance Committee

Advises Chapter on the Cathedral's financial management. It meets at least four times each year to review the Cathedral's Financial Strategy and Financial Performance.

Investment Advisory Committee

Comprises up to five independent members, all of which are appointed by Chapter. The Committee meets twice a year in order to oversee the Cathedral's Investment Portfolio.

Finance, Audit & Risk Committee

Comprises not less than five members of whom the majority are independent lay people. At least one member of the Committee is a member of the Cathedral's Clergy. It meets at least four times a year to monitor the effectiveness of the Cathedral's finance function; to review the Cathedral's annual budget and long term financial plans; to review the Annual Report and audited Financial Statements; to monitor the processes relating to the management of the Cathedral's overall risks and internal controls; to oversee the appointment of the external auditors; and consider issues of probity and conduct.

Liturgy and Music

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

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 Chapter, who are its Trustees and who have delegated its running to a Board of Governors with a majority of external lay governors. The Board of Governors' management agreement is described as an 'Instrument of Delegation' effective since 2005 and is cancellable.

Registrar

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

Senior Leadership Team

Consists of a mix of Ministerial and Lay Directors, accountable to Chapter via the Registrar for the delivery of the Strategic Plan. The team have defined delegations from Chapter and meet at least once a week in order to manage the operations of the Cathedral.

PURPOSE, PRIORITIES AND PROGRESS

The Strategic Plan was refreshed during 2020 and in the early part of 2021. This sets out our Mission Statement and our Purpose.

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

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

This informs the PURPOSE of St Paul's Cathedral:

The Cathedral is a community of worship and mission with a particular role in supporting the Bishop of London in her work across the Diocese and beyond

We are above all a living Christian church, inspired by the love of God in Jesus Christ to offer welcome, prayer and learning

Together, we are entrusted with the outstanding building and iconic dome, the fruit of human skills offered to the glory of God. We will curate and fashion the building on behalf of current and future generations as a sign of hope for all

We will bring together all our resources to make a tangible difference to people's lives, shaping policy and attitudes to tackle social injustice, specifically in the area of young people's mental health

We will deliver this by being:

Welcoming – we all offer a warm inclusive welcome to everyone: our colleagues, volunteers and each one of our visitors

Responsible – we are people of integrity, each responsible for part of the whole of the Cathedral's work, looking after the Cathedral for the next generation

Engaging – we seek to engage everyone in our mission, at the Cathedral, within London and across the world

Nourishing – as a community we work together in a learning environment, aiming for the highest possible standards in everything we do whilst acknowledging we cannot do everything

To achieve our strategy, our work is now grouped into Directorates, as follows:

- Liturgy and Worship – led by the Precentor
- Learning – led by the Chancellor
- Visitor Engagement – led by the Director Visitor Engagement
- Corporate Services – led by the Director Corporate Services and Chief Financial Officer
- Development – led by the Director Development.

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

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

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

Our achievements during 2020 under each of the Cathedral's Directorates are summarised below.

LITURGY AND WORSHIP

In 2020, the daily rhythm of prayer and worship remained at the heart of our common life, and we retained our musical tradition, despite the effects of the Covid 19 pandemic. As restrictions allowed, the Cathedral was open for private prayer and socially distanced services were offered. In times of closure, services were available on-line, evensong podcasts were developed and ministers continued to offer daily prayer either in the Cathedral or from home. Whilst singing has not been allowed for a significant portion of the year meaning that the Vicars Choral have spent long periods on furlough, the Choristers have continued to study also moving to on-line tuition where appropriate. The Music Outreach programme also continued and maximised the opportunities afforded by moving to an on-line platform, this also included keeping staff spirits high with a number of Friday afternoon singalongs.

Despite the pandemic, the Cathedral successfully hosted a number of events including:

- A service of *Thanksgiving, Hope, and Remembrance*, broadcast for the whole of the Church of England on All Saints' Day.
- Eight live-streamed Services of Ordination at Michaelmas (in which 40 people were ordained Deacon).
- Two recorded episodes of "Songs of Praise".
- Choral Evensong attended by The Good Grief Trust to mark National Grief Awareness Week with a Dome Projection.
- An online "Celebration of Christmas" with 49,300 impressions across the world.

- A recording by the Cathedral Choristers for the "Remember Me" website of "Lift thine eyes" by Felix Mendelssohn, recorded in their own homes.

Maintaining a daily rhythm of prayer and worship was certainly a challenge as much of this was (as it was for many others) unknown territory and we lacked much of the equipment and resources to do all that we might have wished. However, this was a year of great learning which we will be able to utilise long after Covid 19 restrictions have passed. More than this, though much of what we have offered felt very different to what we have typically offered, it did not feel a pale shadow of it. Rather there was a reflective and meditative quality to our worship which was very sustaining as we journeyed through a very difficult year.

LEARNING

The Learning Department consists of three strands of work which are Adult Learning; Schools and Family Learning and Social Justice. The three teams work together to provide learning events and engagements for people of all ages.

Adult Learning

The Adult Learning programme's aim is to enable people to engage with, deepen and grow in Christian faith through learning. A full programme of events had been planned for 2020 and published for the first six months. Three thousand people had booked for the public events from January – June 2020. Four events were held early in 2020 before the Cathedral closed, including two labyrinth days with strong engagement from Cathedral staff and local workers, but all the other events had to be cancelled.

Moving at the beginning of the first lockdown from a programme consisting entirely of live events at the Cathedral we:

- Commissioned leading Christian writers to reflect theologically and spiritually on the pandemic and faith. They wrote series of short, topical reflections which were sent to our mailing list of 4,500 from Palm Sunday to Pentecost, a different writer each week, and since Pentecost they have continued weekly with one writer per month. A total of 90 new articles have been published and the mailing list grew by 10% during lockdown through word of mouth recommendation. The positive response has led us to continue this new strand in the programme for the foreseeable future.
- Commissioned series of short films, Hard Questions for Hard Times, by leading Christian thinkers and leaders about the theological and spiritual questions which the pandemic was raising. Questions included 'Where is God in this?' 'How can we make wise decisions in this time?' and 'What does dying well mean?' We produced 63 films in all, and they were watched by 70,000 people on the Cathedral's YouTube channel and twitter account. The response was extremely positive and people were thankful to have thoughtful Christian responses to pressing, immediate questions.
- Commissioned weekly short films for Black History Month from leading black Christians about figures that have inspired them. The four films were watched by 6,000 people.

- Set up and ran an online winter book club reflecting on novels with Christian themes and insight. This ran from November 2020 to February 2021. Books were chosen by Cathedral staff and introduced in short films. The films have been watched by 3,500 people and 260 people registered for the online meetings.
- Set up a series of monthly filmed online events in the form of substantial, theological conversations between the Chancellor Dr Paula Gooder, and other leading theologians. These were premiered on the first Tuesday of each month and conversation partners have included The Bishop of London The Rt Revd and Rt Hon Dame Sarah Mullally and Dr Rowan Williams. The first film was premiered in December 2020, and four films have so far been made public, with a total of over 13,000 having watched them. This is a continuing new strand in the programme.
- All of these events have had national and international audiences, with people joining from all over the UK, North America and other countries.
- Over £10,000 has been received in audience donations in directly to the department from these events.

Social Justice Engagement

Following the Cathedral-wide restructure, and as part of the Cathedral's ongoing commitment to Christian faith formation, a social justice engagement programme was established in September 2020 which aims to provide thought leadership events which contribute to the public conversation, policy change and decision making at the highest levels; to empower and inspire our learning audiences, through talks, discussions and workshop to act with others for the common good; to create opportunities to reflect on the experiences of putting faith into action, leading to a growth in, and deepening of discipleship. Its current areas of focus are around young people and mental health and Mental Health and Racial Justice. In addition, during lockdown, resources were deployed to support staff wellbeing and mental health.

This area of work reflects a little less activity than the other two since it was only established in September, but since then the following have been the main focus of activity:

- Commissioning a research study into young people's mental health and well-being in the City of London and surrounding boroughs in order to inform future plans;
- Regular staff wellbeing e-newsletters with live sessions and written content to reduce social isolation, provide tools and resources for self-care and resilience, and opportunities to connect socially;
- A programme of online learning events are planned including issues of race and gender, disability theology, and reconciliation;
- Pilot a retreat day for social justice activists to encourage reflection and provide spiritual refreshment in light of the global pandemic.

Schools and Family Learning

The Schools & Family Learning programme aims to make sure that every young person, regardless of religious, social, or economic background should have the opportunity to visit the Cathedral and, when they do, to feel warmly welcomed.

We seek to help children, families, community groups and young people engage with the Cathedral in ways that are creative, accessible, engaging, and inspiring. Over the course of the last year, we have produced digital opportunities for learning, while at the same time continuing to offer on-site programming when safe to do so. We have delivered free downloadable distance learning resources; launched a virtual visits offer (with a view to providing an on-going blended learning programme) and kept connected with the volunteers.

- Before lockdown there were on-site visits for 5,662 students and since lockdown, visits for 144 students; in addition to this there were 171 virtual visits facilitated online.
- With the Young City Poets Programme with four London schools, we developed and delivered on-site workshops on John Donne and Metaphysical Poetry, including a Deconstructing Empire: The Great British Fantasy? event (part of collaborative programme with Poet in the City and Westminster Abbey) in January 2020 which attracted 75 attendees.

In addition to this:

- There were 141 participants at family workshops and drop-ins onsite, and 70 off site; 76 participants in family tours during the summer and 343 over the October half-term.
- Of the online resources produced there were 5000 views of the Advent and Christmas pre-recorded videos; 3000 views of the Reflections on Art videos and 2000 views of the 'Faith the Cat Audiobook' which is on the you tube channel.
- 60 new resources were created, 53 of them downloadable for free, the remaining created as part of the Virtual Visits and Resource Packs. 10 are videos, one specifically for SEND/EYFS. We also created a bank of resources in collaboration with the Guildhall as part of a Transitions Project with Culture Mile Learning.
- We created a new booking portal for the department.

We piloted 2 workshops for Ordinands on 'Using Cathedral Spaces to Engage with Children & Young People'.

VISITOR ENGAGEMENT

As a result of the pandemic the Cathedral was closed for 20 weeks of 2020, with the remaining 32 weeks delivering a mixture of led worship, private prayer and tourism. The first quarter delivered the majority of paying visitors and a total of 131,288 over the course of the year. An 86% decrease on 2019.

Ensuring that our visitors remained safe was our highest priority and COVID-secure ways of operating were developed, including implementing a one-way route for staff and visitors, the implementation of 'track and trace', and new timed ticketing, to ensure social distancing could be maintained.

Our volunteers embraced technology and engaged with meetings and training online, continuing their activities at home where possible. Singular ringers continued to ensure the bells still rang, despite social distancing, and an additional 20 new volunteers joined the Pastoral team. Our Cathedral floor volunteers developed outdoor tours and on line talks helping us to raise our digital profile.

Digital engagement has been an important part of our strategy this year, as we reached out to audiences and worshippers unable to visit us in person.

We have been able to stream services and develop our mission based engagements such as *Blue Christmas* (via YouTube St Paul's Cathedral and our website www.stpauls.co.uk), an opportunity to reflect on the challenges of the past year.

We have used our digital platforms to raise awareness of our collections, posts including *Mystery Objects* which have proved popular, and our *Ask a Conservator* social media takeover day in November 2020. The @StPaulsLondon Twitter account, saw 92,898 impressions and 1,655 engagements with the content. The Cathedral's total Twitter reach on the day was almost 612,000, with posts on Facebook (@stpaulscathedral) and Instagram (@stpaulscathedrallondon) also bolstering awareness.

Our *Stories from St Paul's* podcast series has also been successful, with 3,977 total plays (7 episodes) to date for the series via the SoundCloud platform (St Paul's Cathedral).

In Security, the team used the lull in usual daily activities to update and implement new processes and procedures, including a new training matrix that enables the team to be trained and continually refreshed on 70 procedures. A new COVID compliant search and screening accreditation system was introduced and improved our customer focus.

Our Collections team have taken the opportunity to progress a number of projects over lock down. This included cataloguing Chapter Minutes between 1832 and 2018, a first step to digitalization, as well as establishing retention periods for all Cathedral documentation.

Work has continued in the Triforium to provide better storage for the collections. A standard approach to assessing condition and making treatment proposals was developed and implemented, with appropriate documentation. The first project using this approach was the conservation of the

Florence Nightingale monument, which was cleaned and had a structural crack filled to improve its appearance for the two hundredth anniversary of her birth in May 2020. Work has also begun on a survey of the Cathedral's objects which have been designated as being of outstanding historical significance. Considerable preparatory research and tests were carried out for a proposal to clean, survey and tone-in the Cathedral Quire.

Work on the Library project began in the first quarter of the year, although the work had to be stopped as we went into lockdown. Our Monuments project has been able to move forward. Academics from York University were able to photograph over two hundred monuments dating from between 1795-1916, which has provided up-to-date images for the Cathedral to use in interpretation - including an online catalogue and a new guide book.

Collections successfully coordinated Open House London in a window between lock-downs. The socially distanced and sanitised event proved to be as popular as ever, with tours to see the Triforium and Great Model fully booked. For London Craft Week the Collections Team provided object pop ups on the Cathedral floor, these focused on the wood carvings of Grinling Gibbons and ecclesiastical embroidery. During the pandemic lock-downs the Archivist, Conservator and students from Goldsmith's college worked with the Cathedral's Digital Marketing Manager to provide digital content for social media and internal communications. The team also facilitated two television productions which were concerned with aspects of the Cathedral's history: River Thames with Tony Robinson which visited the library during its renovation and Britain's Most Historic Towns which utilized the Great Model in the story of Restoration London.

The Programming Board has been reinstated to review and revitalise our public engagement offer, including using our collection to engage our visitors in new ways. This will form the basis of our engagement strategy, underpinned by our 2021 Audience Research and resulting plans, as we move out of lockdowns and towards reopening.

CORPORATE SERVICES

As the reality of the pandemic unfolded the Corporate Services team played a vital role in ensuring that the Cathedral remained financially sustainable, whilst also ensuring that colleagues across the Cathedral were supported in whichever ways were necessary.

The IT team mobilised and managed a move to remote working almost overnight, dealing with the large number of support calls as staff adapted to the new ways of working. This included the delivery of an upgraded phone system to link with laptops and ensure that staff could be contacted despite not being at their desks. The NLHF grant provided essential upgrades to IT kit in the form of new servers and laptops. This delivered additional server capacity and moved staff away from their personal laptops ensuring more consistent ways of working as well as maintaining the security of the system.

As the reality of the pandemic started to be realised and the lack of income become a harsh reality, the finance team worked tirelessly in order to update business plans and prepare scenarios for Chapter to consider. The need to cut costs was urgent and the plans resulted in significant cuts to operating costs, a restructuring proposal to reduce headcount by 20% as well as delaying or cancelling almost all of our projects. From these plans the Finance, Audit and Risk Committee and

the Investment Advisory Committee both took lead roles in reviewing the proposals and the investment portfolio in order to advise on next steps.

The HR team led the process to furlough staff, from providing detailed explanations and answering staff questions, to gathering all of the required paperwork through to presenting the monthly claims. This provided a lifeline to the Cathedral and funded £1.3m of staff salaries through the year. At the same time the plans to restructure the organisation were being formulated in order to respond to the urgent need to reduce costs and the Cathedral entered into a 90-day consultation process during the second quarter. HR worked closely with the Staff Consultative Committee in order to review and discuss plans. Although it did result in a reduction in roles, the majority were achieved through a voluntary process and innovative, open discussions saved some further jobs.

Historic England generously agreed a cultural recovery grant for urgent roof repairs which meant that the majority of the Works team spent the period from October to March on the roof of the Cathedral. This is obviously not the best time to be working in such an exposed area but the team worked through extreme weather in order to complete extensive and much needed repairs. The team also supported the completion of the Equal Access Ramp, a £3.5m project representing the first external addition to Wren's building. As the project involved sourcing stone from China and ironwork from Italy, it was inevitably delayed by the pandemic and the project completed in May 2021.

The other major projects were all put on hold until finances are more certain, this included the restoration of the Library and the health and safety adaptations required to the Whispering Gallery. Smaller projects such as the addition of CCTV to the organ, so that the organist is more aligned with their surroundings, and the restoration of the bell, Great Paul were also put on hold. As we progress through 2021, we begin to resurrect these projects, subject to funding and to maximising the use of the furlough scheme. Until we see visitors return, the financial processes will be focused on ensuring ongoing sustainability, the out turn over the next 12 months will therefore be critical.

DEVELOPMENT

The dramatic and sudden loss of visitor income, from the onset of the pandemic in March 2020, meant that it was crucial to achieve a substantial upscaling of voluntary income to fill the visitor income shortfall. With considerable cross-departmental support and external input, the Development Team worked with focus, passion and determination to secure over £6m of funding income and pledges (recognised in these financial statements). Of this, over £4.7m was banked in 2020.

In line with St Paul's mission, our donor base comprises a diverse and global range of supporters and our projects reflect the digital age in which we all operate. Our core initiative – *Remember Me*, an online Book of Memorial, for all those, of all faiths and none, in the UK who have died as a result of COVID-19, was launched in April 2020, with input from a key philanthropist and other specialist pro bona supporters. Remember Me has now evolved into a special £2.3m project to build a physical memorial in the Cathedral. Other key digital projects include the building of a new 'fit for purpose' website, which is also now fully externally funded.

Given the overall impact of the pandemic, the need for funding for operating costs has been immediate and has increased with each lock down. With this in mind, we were delighted to receive

our first National Lottery Heritage Fund (in partnership with DCMS) Culture Recovery grant of £2.125m to fund, mainly, staff costs and a Historic England grant of £320k (plus internal match funding) for urgent roof repair work (see note 3 for further details). A further grant from the NLHF was received in April 2021, taking the funding to £3m in total. Raising funds for music became increasingly important so that we can maintain our world-class Choir. Thanks to the continued support of many City Livery Companies and generous individuals we have been able to ensure our reputation in excellence for music is continuing, albeit future funding is still required. The last phase of our Library restoration plans were funded in full with a £250k award from the Wolfson Foundation which will be drawn down in 2021.

Corporate sponsorship and membership have both continued through this period. Due to the generous sponsorship and additional funding from Lloyds Bank, we were able to deliver a landmark livestream of "A Celebration of Christmas"; this uplifting Christmas offer reached an international audience of over 50,000. The global support of St Paul's continues to grow and thanks to our colleagues at St Paul's Cathedral Trust in America (SPCTA) a donation of £1m over 3 years was received for our new Chorister Boarding House, part of our Learning-in-Harmony project.

Fundraising has been, and will continue to be, a core element of the ongoing strategy and is critical to ensure that the Cathedral remains financially sustainable. Despite many differing priorities our donors have continued to support the Cathedral and for that we are very grateful.

PUBLIC BENEFIT

Chapter are aware of the guidance issued by the Charity Commission under the Charities Act 2011 and are confident that the Cathedral's activities, as described in this Annual Report, are delivering public benefit.

St Paul's plays an important role in the local community and runs several impactful community engagement programmes to educate and inspire Londoners particularly those from disadvantage backgrounds. This work includes:

- Four services a day, five on Sundays.
- An intensive music outreach initiative.
- Educational offering delivering curriculum based learning and events.
- Partnerships with local charities including free entry to the Cathedral.
- A focus on supporting people with mental health illness particularly those resulting from the pandemic.
- An online Covid memorial developed with bereavement partners.
- An active programme involving over 350 volunteers who benefit from enhanced skills and wellbeing.

In 2020 there were a total of 260,622 paying and non-paying visitors to the Cathedral compared to a total of 1,716,417 in 2019.

	2020	2019
<u>Total paying and non-paying visitors (analysed as below)</u>	<u>260,622</u>	<u>1,716,417</u>
Those who attended congregational services and other events:	83,251	466,122
Those who came as school / education visitors:	5,662	28,473
Other non-paying visitors:	40,421	292,819
Other paying visitors:	131,288	929,003

SAFEGUARDING

Safeguarding children and vulnerable adults remains a top priority and work on this has continued throughout the year. A fully qualified Safeguarding Officer was appointed permanently at the beginning of the year and the Independent Chair of the Safeguarding Board, which itself has continued to meet remotely through lockdown, reported significant progress since the post filled. Staff and volunteer training has significantly improved, and there is a renewed partnership with Westminster Abbey, leading to the better support of vulnerable people who may present at either church.

FINANCIAL REVIEW

As the Dean states at the start of this Annual Report, 2020 was a year like no other. It will have a major impact on the finances of the Cathedral for several years to come.

While the Cathedral is first and foremost a place of worship, it is also a major London tourist attraction, welcoming paying visitors from around the globe; approximately 80% are from overseas. Following our cost reduction exercise, base operating costs are in the region of £700k a month without taking into account the major ongoing repairs such as the roof. Welcoming paying visitors has covered these costs and successfully generated operating surpluses in previous years.

The Covid 19 pandemic has temporarily changed the funding model, in both the short and medium term. The consequences of the closure of the Cathedral for several months in 2020 and again in 2021 and the impact on life at the Cathedral are covered elsewhere in the Annual Report. This Financial Review covers the significant impact on the finances of the Group and of the Cathedral itself, which incurred a substantial deficit (loss), as detailed below.

The Financial Review primarily focusses on the Cathedral as a stand-alone entity, the results of which have been separately identified for the first time this year in its own Statement of Financial Activities (SOFA) on page 48, as well as the usual Cathedral-only Balance Sheet on page 50. The Group's SOFA includes the results of the Cathedral, consolidated with the results of St Paul's Cathedral Enterprises Limited, St Paul's Cathedral School and St Paul's Cathedral Foundation.

Overall Financial Situation

The Cathedral delivered an unrestricted deficit of £4,910k in 2020. A significant movement from the 2019 surplus of £4,230k.

The Five Year Summary on page 23 shows the dramatic impact of the Covid 19 pandemic on the finances of the Cathedral. Some highlights are shown below:

	2020	2019
Paying visitor numbers: down c.86%	131,288	929,003
Income from visitor admissions: down c.85%	£1,610k	£10,437k
Donations and legacies down c.15% †	£1,494	£1,767k
Total grant income: more than doubled	£4,560k	£2,240k

† (after the £2,004k Foundation non-cash adjustment in 2020)

Donations, legacies and grants have been a lifeline for the Cathedral during 2020 and the Cathedral is very grateful for the generosity of individuals and organisations for their donations.

The Cathedral was also fortunate to receive grant support from the Church Commissioners, and the National Lottery Heritage Fund (NLHF) along with a number of other organisations.

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The Cathedral received grants totaling £424k from the Church Commissioners with some grants paid up-front to assist cash flow in the early stages of the first lockdown.

The NLHF awarded the Cathedral £2.125m in the latter half of 2020 for support for the period October 2020 to March 2021 and a further £875k in 2021.

The Cathedral benefitted from utilising the Government's Coronavirus Job Retention Scheme from which £1.3m was received in support across the Cathedral in 2020. A large portion of the St Paul's staff were furloughed during the lockdowns in order to save costs and part-time furlough enabled us to flex staff working hours for shorter working days during times of uncertainty.

Running and maintaining a Grade 1 listed building which is also a major Cathedral requires a significant cost base, a substantial amount of which relates to staff costs.

In 2020, Chapter introduced a plan to deliver annual savings of £2.5m which included reducing staff headcount by approximately 20%.

The Cathedral's overall cost-base was reduced by £172k to £13,042k, but this included costs of £326k from the (mainly voluntary) redundancies that were made in October 2020. The full effect of all savings, including the staff cost savings, will materialise in 2021.

The organisational structure of the Cathedral was reviewed in 2020, driven by the need to reduce costs, and the revisions were built around achieving 700,000 visitors by 2024. Prior to this, in 2023, we aim to reach a breakeven position in order to ensure core operating costs are met. Further details on costs are outlined later in this review.

In 2020 the Cathedral utilised £5m of its unrestricted, general reserves and a £10m Covid fund was further ring-fenced and designated in order to support the Cathedral's budgeted losses in 2021 and 2022. The designated fund is key in order to fund the planned deficits.

Stripping out the two designated funds (Covid and short-term building works) as well as the Tillingham Property Fund (which relates to land in Essex) leaves the Cathedral's general reserves of £3,898k at the end of 2020. This broadly equates to between 5 and 6 months of operating costs. This is in line with our policy, revised during our planning process, but is significantly below previous years and requires us to reach our number of paying visitor numbers without further major risk.

The Cathedral's trading subsidiary, St Paul's Cathedral Enterprises Limited which operates the shop, café and corporate lettings, struggled during 2020 making a net loss of £192k against a profit in 2019 of £1.22m. The Cathedral Café had to close. Alternative options are currently being reviewed.

No donation was made to the Cathedral in 2020 (2019: £1.22m) and Chapter agreed to continue to support the trading entity until it returns to a planned profit late in 2021.

St Paul's Cathedral Foundation become a charitable subsidiary of the Cathedral on 28 July 2020 and income and expenditure of the Foundation from the date of acquisition to 31 December 2020

has been included in the Group Financial Statements. Total income increased from £596k to £1,553k of which the majority relating to funding restricted projects. A small grant of £50,500 (2019: £1,360,730) was made to the Cathedral in 2020, with larger grants planned to follow in 2021.

St Paul's Cathedral Choir School is a charitable subsidiary of the Cathedral and was founded for the education, nurture and care of the choristers of the Cathedral. During 2020 the Cathedral continued to support the choral tradition by covering the cost of tuition fees and music fees for the Chorister £531k (2019: £516k). Total income decreased marginally from £5,429k to £5,416k providing a surplus in the year of £1,595k (2019: £1,668k).

Five Year Summary – Key Trends

Financial year	2020	2019	2018	2017	2016
Total number of visitors into the Cathedral	260,622	1,716,417	1,657,446	1,571,197	1,519,018
Total paying visitors	131,288	929,003	881,489	817,173	702,038
Year on year change in paying visitors	-86%	5%	8%	16%	N/A
Admissions income (£000's)*	1,610	10,437	9,301	8,608	7,752
Year on year change	-85%	12%	8%	11%	N/A
<i>(*including related gift aid)</i>					
Shop and commercial income (£000's)	629	2,942	2,890	2,562	1,657
Year on year change	-79%	2%	13%	55%	N/A
Charitable donation to St Paul's Cathedral (£000's)	-	1,224	1,225	1,027	513
Year on year change	-100%	0%	19%	100%	N/A
Grants and legacies (£000's)					
Grants from related entities	232	1,750	1,037	975	1,176
Grants from other sources	4,328	490	192	528	726
Legacies and donations	3,498	1,767	628	697	482
Total grants and legacies	8,058	4,007	1,857	2,200	2,384
Year on year change	101%	116%	-16%	-8%	N/A
Unrestricted funds (£000's)	13,311	21,665	17,435	20,252	16,143
Year on year change	-39%	24%	-14%	25%	N/A

Financial Operating Model and Target Visitor Numbers

The Cathedral's financial operating model is heavily dependent on paying visitors. In previous years, with over 80% of those visitors from overseas and about 20% from the UK, it successfully generated significant returns with visitor numbers increasing year on year (see the five year summary). This model ensured that all core costs were covered by commercial activities and fundraising focused on fabric or incremental projects.

This all went into reverse in 2020 when nearly all income stopped after the Cathedral's doors closed. This meant that the Cathedral had to rely on using the reserves that had been built up over many years, to help fund Cathedral operations during 2020. The same will continue into 2022.

During 2020, the financial model had to be reviewed and work is currently underway to investigate ways to diversify income streams. However, given the amounts required to fund core costs, the Cathedral will need to continue to rely on attracting a large number of paying and other visitors.

The target numbers for paying visitors over the next four years are as follows:

- 400,000 over the combined two years 2021 and 2022
- 600,000 in 2023
- 700,000 from 2024 onwards

600,000 visitors is the breakeven position of the Cathedral which is projected to generate sufficient income to cover the core costs for running the Cathedral and its five Directorates.

With foreign travel restrictions in place, the Cathedral is more dependent on attracting people from in and around London and the UK which traditionally have only accounted for approximately 20% of paying visitors. As with many other visitor attractions there continues to be significant uncertainty in the sector and if the Cathedral does not achieve 400,000 visitors over the combined years of 2021 and 2022, the shortfall will need to be covered by other means.

The action plan to shore up finances in 2021 and beyond is under constant review to ensure that Chapter is able to react quickly to changing circumstances.

The financial operating model for the commercial subsidiary, St Paul's Cathedral Enterprises Limited is also largely dependent on visitor footfall. Its main source of income is from the shop and it also generates income, mainly from corporate events and filming.

St Paul's Cathedral Foundation's sole purpose is as a fundraising vehicle to support the work of the Cathedral. Each year it receives grants, donations and legacies. The majority of its income is restricted in nature to fund specific projects including the upkeep of the building.

St Paul's Cathedral Choir School operates a different financial model with its main source of income being pupil fees. Each year, the Cathedral covers the costs of Chorister tuition and music lessons.

Income

Group total income decreased by £7.4m to £15.1m, a fall of nearly 33%, with the Cathedral's total income reducing from £15.95m to £9.28m; a decrease of 42% even after grants received increased by £1.85m.

Donations and legacies totaled £3,498k (2019: £1,767k) however, much of this increase was due to an accounting adjustment to recognise the acquisition of St Paul's Cathedral Foundation in July as a donation of £2,004k. This is a non-cash movement and, excluding this, donations and legacies decreased in real terms by £273k.

Grants, at the group level, more than doubled in the year from £2,240k to £4,560k.

The Cathedral was in receipt of:

- £1.3m from the Coronavirus Job Retention Scheme to support staff costs
- £424k was received from the Church Commissioners made up of several amounts including £101k to fund stipends for the Dean and two Canons
- £121k to fund Vicars Choral
- £85k to fund staff working on heritage projects in response to the Covid-19 emergency

The Cathedral was awarded a Covid-19 grant from the National Lottery Heritage Fund of £2.125m to fund salary costs and operating costs for six months from 1 October 2020 to 31 March 2021. Over £1m of the NLHF grant was used in 2020 with the remainder fully utilised in early 2021.

Income from charitable activities predominately relates to income of the Cathedral School after eliminating inter-group transactions. School income marginally increased by £172k to £4,028k.

Other charitable activities include income earned from weddings, baptisms and services, which fell by 73% to £176k.

Income from other trading activities relates to visitor entrance fees, gross income of the shop and other commercial activities.

Income decreased by £11.1m to £2.3m due to an 83% decrease in footfall into the Cathedral.

Expenditure

Group total expenditure for the year fell by £1.5m to £16.7m.

Staff costs make up around 60% of all costs for the group. Staff costs decreased marginally by £196k to £10.1m. 20% of staff were made redundant in late 2020. Included in staff costs were redundancy costs of £326k; the full effect of these savings will not be felt until 2021.

Cost of raising funds decreased in the year by £1,975k to £3,991k which is much in line with the significant fall in income from visitors. The costs of operating the shop (which mainly comprised of purchasing stock), contributed to £853k of the decrease. Direct cost of admissions (consisting mainly of staff costs, security costs and marketing), decreased by £726k as a result of the Cathedral being closed to paying visitors for most of 2020.

The Group total direct costs of charitable activities decreased marginally by £73k to £10,991k.

Support costs were similar to the previous year at £2,194k, an increase of £36k from 2019.

Ministry direct costs reduced by 19% in 2020 as fewer services and music events were held during the year.

Cathedral and precincts upkeep direct costs increased in the year by 15%. General maintenance and interior costs were down from 2019 as general maintenance was put on hold during the pandemic. Major repairs and restoration costs increased from £1,381k to £2,201k; much of this increase relates to the construction of the North Transept Ramp, the creation of a permanent Equal Access Ramp into the Cathedral (which commenced in 2019 and completed in Summer 2021).

Other significant refurbishment in the year included the renovation of the Cathedral Library. This work was put on hold during the pandemic and work to complete the project is expected to resume in late 2021 or early 2022.

The consolidated costs of operating the Cathedral School are included in Education, Outreach, Community and Congregation, and at £3.8m they are in line with the previous year.

Fixed Assets

Group tangible fixed assets increased in the year by £4,383k to £7,894k as construction work on the new boarding house, additional classrooms and facilities at the Cathedral School progressed to near completion by the year end.

A desktop valuation was carried out on the Tillingham Estate by our property advisors, Strutt and Parker, in early 2021. The review provided Chapter with assurance that there is no material

uncertainty over the value of the property and continues to be held at its fair value of £7.9m in these financial statements.

Group investments at the year-end were valued at £18,625k, representing a fall on the previous year of £5,020k. These are held as a mixture of cash deposits and listed investments with two Investment Managers namely CCLA and Ruffer. The reduction being a result of having to use reserves in order to fund ongoing costs, rather than investment losses. The School has a small number of listed investments held with CCLA.

A total of £8.6m of listed investments were realised into cash in 2020. £2.5m of the proceeds were invested in cash deposits that were held with CCLA and the remainder taken out of the investment pool to assist working capital requirements in 2020. This increased cash deposits held with CCLA from £2.6m to £5.2m during the year. The unrestricted and restricted investments saw small gains during 2020 of £79k and £194k respectively while the long term fabric endowment held with CCLA performed strongly and increased with unrealised gains recognised of £594k.

Cash

In the group balance sheet, cash at bank and in-hand including short term deposits, totaled £9,291k, an increase of £1,933k (largely due to the realisation of investments), while Cathedral-only cash totaled £3,756k.

Cash held within the School is restricted to fund the activities of the School and, as it is a separate charity, cannot be used for general use by the Cathedral. Cash held in the Foundation will ultimately be granted to the Cathedral as its sole beneficiary. However, of this amount only £569k can be used at the discretion of Chapter with the remainder restricted towards projects and not the general activities of the Cathedral.

Therefore, of the group cash balance of £9,291k, a significant portion of this will be used to fund projects including Music, Education and upkeep to the Fabric of the Grade I listed building.

During the year, a loan was taken out with Lloyds Bank in order to fund the expansion of the school building. The outstanding balance at the end of 2020 was £1,964k and details of its purpose follows and in note 18.

Stock, Debtors and Creditors

Stock at year end represents the cost of goods held in the Cathedral's trading subsidiary, St Paul's Cathedral Enterprises Limited, and are sold in the shop and online.

Group debtors reduced in the year from £2,888k to £2,194k owing to reduced trade debtors as a result of virtually no activity in the latter half of 2020.

Grants receivable remain high at £1,478k versus £1,959k in the previous year. The vast majority of the 2020 balance relates to the second instalment of the NLHF grant of £1,062k and a number smaller grants including just over £200K due from the Church Commissioners. These amounts were received in early 2021.

Group short-term creditors totaled £1,715k at the end of the year (2019: £2,308k). The decrease primarily relates to a reduction in trade creditors owing to less operating expenditure around the year end.

Long term creditors total £1,978k at the end of the year (2019: £25k). The majority of this balance (£1,964k) relates to a bank loan which was subsequently fully drawn down in early 2021 to £2.5m. The proceeds of the loan have been loaned to the School on the same terms with Lloyds Bank. This loan is to part finance the School Boarding House project to construct the new boarding house, additional classrooms and other facilities. See note 18 in the financial statements for further details on the loan.

Funds

Cathedral funds comprise:

- £23.1m unrestricted and designated funds
- £10.5m restricted funds
- £6.5m endowment fund

The permanent endowment fund helps to assist with the financial sustainability of the Cathedral in the longer term and is not available for distribution or use as working capital. All assets of the endowment are invested in listed investments with CCLA Investment Management.

The restricted funds at year ended totaled £10.5m and comprise £6m held in the school fund, £2.6m in special trusts and £1.9m in restricted projects.

The £6m School fund represents the investment in the School and is not realisable.

The special trusts funds comprise of 14 different funds, each with specific conditions attached as to how the monies can be used. Of these funds £1,883k are invested with CCLA Investment Management, with the related investment income and gains or losses equally distributed across the funds each year.

The restricted project funds relate to donations, grants and legacies received from donors to fund specific projects. Included in the restricted project funds includes £1,078k of funds that were awarded as part of the £2.125m from NLHF and were utilised in early 2021. Other significant restricted reserves include £182k towards the construction of the Inner Portico, a memorial to remember those who died as a result of the coronavirus pandemic. Work on this project started

in June 2021 and is due to finish in March 2022. Note 21 provides further details on the Restricted Funds.

There were two major designated funds at the end of 2020. The first for £10m is the Coronavirus fund and relates to a designation approved by Chapter to ring-fence the budgeted forecast losses during 2021 and 2022. As explained in the Financial Operating Model section earlier in the Review, under the revised financial model a footfall of 600,000 paying visitors is required to cover core operating costs. Chapter have agreed a budget for the combined years of 2021 and 2022 which relies on a total of 400,000 visitors over the two-year period and is therefore 800,000 visitors short of achieving a break-even position. This shortfall in visitors of 800,000 equates to a funding gap of £10m over the two-year period. The second designated fund relates to the short term fabric funds; these are funds earmarked by Chapter to fund critical work on the building.

Included in unrestricted funds is the Tillingham Property Fund valued at £7.9m at the year end. These funds are tied up in the investment property and a £5m charge exists over the property in favour of the trustees of the pension scheme as outlined in note 22. These funds are not readily available and do not form part of the Cathedral's free reserves.

The Cathedral's general free unrestricted reserves balance at year end of £3.9m relate to those unrestricted funds that are not designated and do not form part of the Tillingham estate. These funds are readily available and can be used at the discretion by Chapter. As noted in the reserves policy section below, at the end of December 2020 these free reserves represent approximately five and a half months' core operating costs.

As outlined throughout the Annual Report there is significant uncertainty as to whether the Cathedral can achieve its target of 400,000 paying visitors over the 2021 / 2022 two year period. Any shortfall in visitors over this period resulting in additional losses that exceed the £10m Coronavirus Designated Fund will need to be funded from either (1) free reserves, forecast to be £3.9m at the end of 2022 and is already at a low level; or (2) would need to be funded externally. If the target of 600,000 visitors per year is unattainable for 2023 then further restructuring of the Cathedral would be needed to ensure its financial sustainability in the longer term. This would likely involve further redundancies and selling of assets to ensure the survival of the Cathedral.

Reserves Policy

The policy of the Cathedral is to maintain a sufficient level of free reserves to enable operating activities to be maintained, taking account of potential risks and contingencies that may arise from time to time. The Chapter have set a reserves policy that requires:

- Reserves to be maintained at an adequate level to finance short term reductions in income caused by unexpected events, for example terrorism or an economic downturn
- A proportion of reserves to be maintained in a readily realisable form
- The policy to be reviewed annually.

Free reserves comprise that part of the total unrestricted funds that are freely available and excludes designated funds and debtors or creditors for the long term. Arising from the most recent review, Chapter have agreed that the free reserves target is to be equivalent to six months operating expenditure and further agreed that during the Coronavirus crises, the flexibility under very exceptional circumstances to go as low as holding three months in free reserves.

This reflects an absolute reduction from the 2019 figure which was based upon eight months of operating costs and reflected the cost base prior to the 2020 Coronavirus driven cost-reduction programme. Operating expenditure is defined as projected recurrent expenditure excluding one off items.

The current target for free reserves has been set at £4.2m calculated as being the monthly cash outflow for six months' expenditure. These reserves are not considered to be available for distribution or for use as working capital except in extreme circumstances.

As at 31 December 2020, the Cathedral's total unrestricted and non-designated funds stood at £11.8m, including £7.9m relating to the Tillingham Estate. Free reserves at 31 December 2020 are thus £3.9m and fell within the desired range of £2.1m (very exceptional) to £4.2m (revised normal) being the three to six months.

As noted elsewhere in this report, a total of £10m general reserves has been set aside and designated to the 'Coronavirus fund' to ensure the Cathedral can continue to operate whilst in the midst of the Covid-19 pandemic. The fund will support the Cathedral through 2021 and 2022 against a backdrop of significantly reduced visitor numbers.

Going Concern

Chapter undertook a thorough and comprehensive review process when making its assessment of going concern. It reviewed projected budgets for the period to, and beyond, the end of 2022 and projected cash flows up to 31 December 2022. This is the date it regards as the 'foreseeable future' for the purposes of this note. Note 24 to the financial statements provides further information.

Based on the projected budgets and cash flows, the level of reserves, Chapter have concluded, for the 'foreseeable future' period noted above, that:

- (a) there is a reasonable expectation that the Cathedral has adequate resources to continue in operational existence
- (b) there is no material uncertainty regarding the Cathedral's ability to continue as a going concern.

Chapter therefore continues to adopt the going concern basis in preparing these financial statements.

Principal Risks and Uncertainties

The Chapter of any Cathedral, especially one the size and complexity of St Paul's, has to deal with a number of principal risks, be they strategic, financial, property, operational, project or safeguarding risks. Responsibility for a Grade 1 listed historic building which has a major place in the nation's history presents a considerable challenge.

Chapter has ultimate responsibility for the Cathedral's risk management and internal control systems. It recognises that such systems can only provide reasonable but not absolute assurance against significant loss or the failure to achieve Chapter's objectives.

The Cathedral maintains Strategic and Departmental Risk Registers. Throughout the year there were reviews of, as well as ongoing action to manage, the major risks to which the Cathedral is exposed. The reviews were carried about by Chapter with input from relevant committees, and by the Senior Leadership Team (SLT) who were also had responsibility for day to day management of the risks.

Risks are individually assessed and rated for (a) probability of occurrence and (b) potential impact (both using a scale of high, medium and low). This assists Chapter to focus on the key risks facing the Cathedral along with the actions to mitigate those risks. The risk review process continues to be examined (and tested) to ensure it remains appropriate (and effective).

Finance Matters

The significant challenges posed by the Covid-19 pandemic to the finances of the Cathedral and its subsidiary entities have substantially increased the emphasis placed on financial risk management and related mitigations/controls as well as the pressures on the Finance team.

For reasons stated elsewhere in the Annual Report, of necessity there has been increased emphasis placed on financial planning and cash management; as well as the operation of financial controls in a different working environment during the lockdowns. In particular, there is an on-going review process of overall liquidity for working capital requirements to ensure there is cash available for the operation of the Cathedral and its entities.

The procedures in place to ensure active financial management and reporting include:

- Greater scrutiny of ongoing current year forecasts
- Medium and long-term forecasts and cash flow projections
- Management of the various categories of funds
- Account reconciliations, authority levels and segregation of duties
- On-going assessments of going concern

These matters are reviewed by the Chapter Finance Committee and the Finance, Audit and Risk Committee, with relevant input from the external auditors. Investments and related risks are also reviewed by the Investment Advisory Committee.

Strategic Risk Register

The Strategic Risk Register is regularly updated and each risk has a lead member from either the Chapter or the SLT, with relevant members of the SLT responsible for the mitigation processes.

The following table sets out the key strategic risks facing the Cathedral and, for each section, the main mitigations in place.

Strategic Risk	Mitigations
1 Various factors reduce the income generated meaning that the Cathedral cannot deliver the Mission Directed Business Plan. More specifically, the ongoing pandemic means that visitors do not return to the Cathedral at the levels required to sustain the operation (breakeven equates to 600,000 visitors p.a.)	<ul style="list-style-type: none">• Continual review of forecasts to enable the cost base to be revised• Investment in income generating activities as well as fundraising
2 There is a failure in our Health & Safety Policies and Procedures which results in death or life changing injury.	<ul style="list-style-type: none">• Detailed health and safety risk register• Independent, expert advice and review, including a health and safety audit
3 There is a failure in our Safeguarding policies and practices which results in serious harm to a child or vulnerable adult.	<ul style="list-style-type: none">• Recruitment of qualified Safeguarding Officer• Independent, expert advice including a Safeguarding Advisory Group• Comprehensive training plan
4 A failure in our governance processes, (including financial), occurs, resulting in not achieving the expected benefits, lack of clarity, confused roles, lack of accountability or legislative or regulatory failure.	<ul style="list-style-type: none">• Governance reviewed in line with new Cathedral Measure• Appropriate independent members on advisory and decision making bodies• Checking TOR for all bodies are up to date
5 Lack of proper maintenance and development of the buildings and the Collection lead to an English Heritage classification of 'Building at Risk',	<ul style="list-style-type: none">• Annual programme of maintenance and projects developed to deliver QIR priorities and agreed by Chapter in

Strategic Risk	Mitigations
uninhabitable premises or the destruction / irreversible damage to critical heritage.	annual business planning and budgeting process <ul style="list-style-type: none"> • Programme and project governance • Fire risk assessment updated annually by the Clerk of Works. Full fire system monitored 24/7 • Insurance cover in case of fire damage • Public Liability Insurance • Fundraising campaign being developed for the longer term to support QIR recommendations
6 A security incident leads to serious injury, death or significant damage to the building.	<ul style="list-style-type: none"> • Close working with the security services • Vehicle and person access control, security screening and security patrols • Emergency and evacuation procedures • Staff training and briefing • Business continuity planning
7 Insufficient staff in post / insufficient morale to deliver the Corporate Plan now, or with the corporate knowledge to do so in the future.	<ul style="list-style-type: none"> • Clear strategies being updated and developed in order to support attraction, retention and wellbeing • Continual review of the financial model to ensure the organisation has sufficient funding or remaining funding is correctly focused
8 St Paul's Cathedral is not able to recruit or retain volunteers, leading to a failure to deliver the Plan.	<ul style="list-style-type: none"> • Clear strategies being updated and developed in order to support attraction, retention and wellbeing
9 The Cathedral is seen as lacking the capacity or capability to deliver on the social justice agenda, resulting in failure to meet our objectives.	<ul style="list-style-type: none"> • Clear strategies being developed in order to engage with a wider community

Sustainability

The Cathedral takes great care to ensure its long term sustainability for future years and is working towards the Church of England 2030 net zero target.

The development of this work is seen at three levels:

- The development of high level strategy and policy.
- A theme of reducing our environmental impact through all our projects and other work.
- Making small scale changes that make an everyday difference.

A staff group, drawn from interested volunteers across all parts of the Cathedral, met monthly to recommend changes, this was in place before the disruption caused by the pandemic and will be resurrected in the near future.

Investment Policy

The Chapter's overall investment objective is to maintain a balanced portfolio of investments to deliver long term capital growth and ensure the sustainability of the Cathedral for future years. The Cathedral has three key investments being investments held with Ruffer and CCLA, the Tillingham estate and the School building, which houses St Paul's Cathedral Choir School.

All investments are invested in accordance with the Trustee Act 2000 and the investment policy and investments returns are reviewed by the largely independent Investment Advisory Committee. The Cathedral's investment policy is set out below:

- To manage the funds within the restrictions set out by the Church of England Ethical Advisory Group (EIAG)
- The Cathedral's investment funds to be managed by two Investment Managers, CCLA and Ruffer to broaden the asset base
- The Cathedral's endowment fund (£6,545k at year end) is invested with CCLA with a long term strategy in accumulation equity funds
- The historic 'Special Trust' restricted funds are invested with CCLA in long term equities. Dividends, interest, gains and losses are allocated to the funds in proportion of the value of the Special Trust funds at the beginning of the year.

Future Plans

The immediate future of the Cathedral is dependent upon either visitors returning or higher levels of unrestricted fundraising. The Coronavirus Fund of £10m has been designated in order to ensure that the Cathedral has sufficient funds to pay its operating expenses between now and the end of 2022. This level of funding is in itself dependent upon welcoming 400,000 paying visitors over this period and returning to breakeven in 2023. These are the key assumptions upon which the Cathedral is able to substantiate going concern in the medium term and 2022 will help us to understand if they are realistic.

There is minimal further cover in reserves and if visitor income doesn't return to more normal levels the Cathedral will be forced to take further action to reduce its cost base.

On a more positive note, the Cathedral is hugely grateful to all of its supporters and donors who continue to provide vital income. This includes over £2.3m that has been raised to fund the Remember Me Inner Portico Memorial which will ensure that those that died as a result of the pandemic are not forgotten.

LEGAL AND ADMINISTRATIVE INFORMATION

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

Address: The Chapter House, St Paul's Churchyard, London EC4M 8AD
Charity Taxation Number: X7067

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

Further information can be found at:

<https://www.englishcathedrals.co.uk/cathedrals/about-cathedrals/how-is-it-administered/>

Chapter

Mrs Pim Baxter OBE, Lay Canon
The Revd Canon Jonathan Brewster, Treasurer
The Revd Canon Tricia Hillas, Pastor (*to 16 February 2020*)
Mr Clement Hutton-Mills, Lay Canon (*from 15 March 2021*)
The Very Revd Dr David Ison, Dean
The Revd Canon James Milne, Precentor
Ms Sheila Nicoll OBE, Lay Canon
The Ven Sheila Watson, Canon Non-Residentiary

In attendance:

Dr Paula Gooder, Chancellor

Cathedral Council

Mr Christopher Allen
Sir David Brewer KG, CMG, CVO, JP, KStJ Chair (*to 24 September 2020*)
Mr Robert Bowles
The Revd Canon Jonathan Brewster, Treasurer
Revd Prebendary Marjorie Brown
Mr James de Sausmarez
Mr Bernard Donoghue
Sir Roger Gifford KStJ Chair (*from 24 September 2020 to 25 May 2021*)
Mr Richard Gough

Mr Paul Gray

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

Mr Simon Holden

The Very Revd Dr David Ison, Dean

Ms Kathryn McDowell CBE

Ms Catherine McGuinness

The Revd Canon James Milne, Precentor

Ms Sheila Nicoll OBE, Lay Canon

Revd Prebendary Jonathan Osborne

The Rt Hon Stephen Timms MP

College of Canons

Chapter

Mrs Pim Baxter OBE, Lay Canon

The Revd Canon Jonathan Brewster, Treasurer

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

Mr Clement Hutton-Mills Lay Canon (*from 15 March 2021*)

The Very Revd Dr David Ison, Dean

The Revd Canon James Milne, Precentor

Ms Sheila Nicoll OBE, Lay Canon

The Venerable Sheila Watson, Canon Non-Residentiary

Area Bishops and Archdeacons

Bishop of Fulham (Suffragan)

The Rt Revd Jonathan Baker

Bishop of Stepney

The Rt Revd Joanne Grenfell

Bishop of Kensington

The Rt Revd Dr Graham Tomlin

Bishop of Edmonton

The Rt Revd Robert Wickham

Bishop of Willesden

The Rt Revd Peter Broadbent

Bishop of Islington (Suffragan)

The Rt Revd Ric Thorpe

Archdeacon of London

The Ven Luke Miller

Archdeacon of Hackney

The Ven Elizabeth Adekunle

Archdeacon of Middlesex

The Ven Richard Frank (*from 20 March 2020*)

Archdeacon of Hampstead

The Ven John Hawkins

Archdeacon of Northolt

The Ven Catherine Pickford (*from 19 December 2020*)

Archdeacon of Charing Cross

The Ven Adam Atkinson (*from 19 December 2020*)

Prebendaries

The Revd Prebendary Francis Adu-Boachie
The Revd Prebendary John Beauchamp (*from 2 July 2021*)
The Revd Prebendary Marjorie Brown
The Revd Prebendary Rosemia Brown
The Revd Prebendary Philip Chester (*from 2 July 2021*)
The Revd Prebendary Dr Amatu Christian-Iwuago (*from 19 December 2020*)
The Revd Prebendary Stephen Coles (*to 16 April 2020*)
The Revd Prebendary Jeremy Crossley
The Revd Prebendary Irena Edgcumbe
The Revd Prebendary Dr Neil Evans
The Revd Prebendary Olubunmi Fagbemi (*from 19 December 2020*)
The Revd Prebendary Olwen Field (*to 30 September 2020*)
The Revd Prebendary Wilson Gill (*from 19 December 2020*)
The Revd Prebendary Alan Green
The Revd Prebendary Dr Isabelle Hamley
The Revd Prebendary Jane Hodges (*from 19 December 2020*)
The Revd Prebendary David Houlding
The Revd Prebendary Dr Brian Leathard
The Revd Prebendary Nicholas Lee
The Revd Prebendary Sandra McCalla (*from 16 June 2021*)
The Revd Prebendary Mark Melliush
The Revd Prebendary Hugh Moore
The Revd Prebendary Michael Moorhead
The Revd Prebendary Graham Noyce
The Revd Prebendary Jonathan Osborne
The Revd Prebendary Roy Pearson
The Revd Prebendary Julia Porter-Pryce (*to 31 January 2021*)
The Revd Prebendary Jason Roach (*from 2 July 2021*)
The Revd Prebendary Tunde Roberts
The Revd Prebendary Graeme Rowlands
The Revd Prebendary Richard Springer
The Revd Prebendary Fiona Stewart-Darling (*from 2 July 2021*)
The Rt Revd Ric Thorpe

Minor Canons and Chaplain

The Revd Robert Coupland, Sacrist
The Revd Rosemary Morton, Succentor
The Revd Paula Hollingsworth, Chaplain

Trust Bodies

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

City of London Endowment Trust for St Paul's Cathedral ("COLET")
The Friends of St Paul's Cathedral
Garfield Weston Trust for St Paul's Cathedral
St Paul's Cathedral Chorister Trust
St Paul's Cathedral Trust in America

Administration

Ms Emma Davies, Registrar

Chapter Finance Committee

The Revd Canon Jonathan Brewster, Treasurer (Chair)
Ms Emma Davies, Registrar
Mrs Joanne Day ACMA, Director Corporate Services and Chief Finance Officer
The Very Revd Dr David Ison, Dean
Ms Sheila Nicoll OBE, Lay Canon (Finance)

Senior Leadership Team

The Revd Canon Jonathan Brewster, Treasurer
Ms Emma Davies, Registrar (Chair)
Mrs Joanne Day, Director Corporate Services and Chief Finance Officer
Dr Paula Gooder, Chancellor
The Very Revd Dr David Ison, Dean
Ms Sandra Lynes Timbrell, Director Visitor Engagement (*from 1st March 2020*)
The Revd Canon James Milne, Precentor
Ms Nicky Wynne, Director Development

Other Senior Appointments

Mr Andrew Carwood, Director of Music
Mr Martin Fletcher, Clerk of Works
Mr Simon Johnson, Organist
Mr John Schofield, Archaeologist
Mr Charles Williams, Dean's Virger

Fabric Advisory Committee

Appointed by Chapter:

Mr Ashleigh Brown (*from 1 April 2021*)
Mr Martin Drury CBE (*to 31 March 2021*)
Mr Sandy Nairne CBE (Chair)
Professor Christine Stevenson
Dr Virginia Tandy OBE
Mr Rory Young

Appointed by the Cathedrals Fabric Commission for England:

Mr Chris Cowper
Dr Jennifer Freeman OBE
Professor Derek Keene (*to 6 January 2021*)
Dr Mark Kirby (*from 1 April 2021*)
Mr John Neale
Mr Paul Williams

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

Finance, Audit and Risk Committee

The Revd Canon Jonathan Brewster, Treasurer
Mr Stephen Cockell, Independent Member
Mr Paul Gray, Independent Member
Mr Jonathan Hunt, Independent Member
The Very Revd Dr David Ison, Dean
Mrs Sheila Nicoll, Lay Canon (Finance)
Mr Gavin Ralston, Independent Member (Chair)
Mr James de Sausmarez, Independent Member
Mr Tim Wise, Independent Member

Investment Advisory Committee

The Revd Canon Jonathan Brewster, Treasurer
Mr Frank Canosa, Independent Member
Mrs Joanne Day, Director Corporate Services and Chief Finance Officer
Mr Daniel Graham, Financial Controller
The Very Revd Dr David Ison, Dean
Mr Richard Maitland, Independent Member (Chair)
Mrs Sheila Nicoll, Lay Canon (Finance)
Mr Bruce Weatherill, Independent Member

Other Bodies

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

Finance

Remuneration Committee**

Commercial

St Paul's Enterprises Board

Fabric

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

HR and Employee Engagement

Nominations Committee
Staff Consultative Committee

Liturgy and Music

Events Committee

Cathedral School

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

Security, Access and Health & Safety

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

Public Engagement

Programming Committee

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

External Advisors

Bankers

Lloyds Bank plc
70 – 71 Cheapside
London EC2V 6EN

Statutory Auditor

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Insurers

Ecclesiastical Insurance Office plc
Benefact House
2000 Pioneer Avenue
Gloucester Business Park
Brockworth
Gloucester GL3 4AW

Investment Managers

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

Ruffer LLP
80 Victoria Street
London SW1E 5JL

Pension Actuary

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

Property Consultant

Strutt & Parker
Coval Hall
Chelmsford
Essex CM1 2QF

Solicitor

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

Surveyor to the Fabric

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

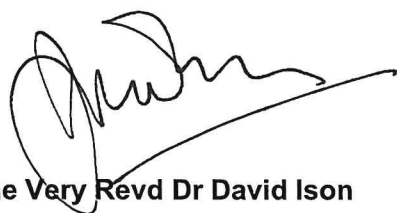
STATEMENT OF RESPONSIBILITIES OF CHAPTER

In relation to the Annual Report and Financial Statements, Chapter are responsible under requirements laid down by the Church Commissioners, under the powers given to them by Section 27 of the Cathedrals Measure 1999, for:

- Preparing and publishing an annual report and audited financial statements which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities
- Stating that they have complied in all material respects with the Accounting and Reporting Regulations issued in February 2018 by the Cathedrals' Administration and Finance Association in conjunction with the Association of English Cathedrals, or describing which recommendations have not been complied with and giving reasons for the non-compliance
- Following applicable accounting standards and selecting suitable accounting policies and then applying them consistently
- Making judgements and estimates that are reasonable and prudent
- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained at any time
- Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chapter confirms that the financial statements have been prepared in accordance with the accounting policies set out in the notes to these financial statements and also that they comply with the Accounting and Reporting Regulations for English Anglican Cathedrals 2018.

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



The Very Revd Dr David Ison
Dean

14 July 2021

St Paul's Cathedral

Independent Auditors' Report to Chapter

OPINION

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

In our opinion, the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

St Paul's Cathedral

Independent Auditors' Report to Chapter

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MATTERS ON WHICH ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF THE MEMBERS OF CHAPTER

As explained more fully in the Chapter Responsibilities statement set out on page 43, the Chapter is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

**St Paul's Cathedral
Independent Auditors' Report to Chapter**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

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

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

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

USE OF OUR REPORT

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



Haysmacintyre LLP
Statutory Auditor
Date: 10 August 2021

10 Queen Street place
London
EC4R 1AG

St Paul's Cathedral
Consolidated Statement of Financial Activities
For the year ended 31 December 2020

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Fund £000s	Total 2020 £000s	* Total 2019 £000s
Income						
Donations, legacies and grants						
Donations and legacies	2	566	2,932	-	3,498	1,767
Grants	3	1,423	3,137	-	4,560	2,240
Income from charitable activities	4	176	4,028	-	4,204	4,515
Income from other trading activities	5	2,270	-	-	2,270	13,416
Income from property and investments		436	89	-	525	467
Other income		-	-	-	-	3
Total		4,871	10,186	-	15,057	22,408
Expenditure						
Raising Funds	6	3,479	512	-	3,991	5,966
Charitable Activities	7			-		
Ministry		1,615	442	-	2,057	2,429
Cathedral and precincts upkeep		2,790	2,748	-	5,538	4,631
Education and outreach, community and congregation		1,072	3,992	-	5,064	5,143
Total		8,956	7,694	-	16,650	18,169
Net (outgoing) / incoming resources		(4,085)	2,492	-	(1,593)	4,239
Gains on revaluations and disposals of investments	14	79	194	594	867	3,237
Transfers between funds	21	95	(95)	-	-	-
Net (decrease) / increase		(3,911)	2,591	594	(726)	7,476
Funds brought forward	21	28,535	8,680	5,951	43,166	35,690
Funds carried forward	21	24,624	11,271	6,545	42,440	43,166

* The 2019 comparatives are restated. See accounting policy note 1b and note 29 for further details.

The comparative 2019 Statement of Financial Activities is analysed in note 32.

The notes on pages 52 to 99 form part of these financial statements.

St Paul's Cathedral
Cathedral Statement of Financial Activities
For the year ended 31 December 2020

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Fund £000s	Total 2020 £000s	* Total 2019 £000s
Income					
Donations, legacies and grants					
Donations and legacies	254	2,517	-	2,771	2,034
Grants	1,423	2,667	-	4,090	2,240
Income from charitable activities	176	-	-	176	659
Income from other trading activities	1,632	-	-	1,632	10,474
Income from property and investments	561	53	-	614	543
Other income	-	-	-	-	3
Total	4,046	5,237	-	9,283	15,953
Expenditure					
Raising Funds	2,624	512	-	3,136	4,241
Charitable Activities			-		
Ministry	1,615	442	-	2,057	2,552
Cathedral and precincts upkeep	2,790	2,748	-	5,538	4,869
Education and outreach, community and congregation	2,101	210	-	2,311	1,552
Total	9,130	3,912	-	13,042	13,214
Net (outgoing) / incoming resources	(5,084)	1,325	-	(3,759)	2,739
Gains on revaluations and disposals of investments	79	121	594	794	4,737
Transfers between funds	95	(95)	-	-	-
Net (decrease) / increase in funds	(4,910)	1,351	594	(2,965)	7,476
Funds brought forward	28,021	9,194	5,951	43,166	35,690
Funds carried forward	23,111	10,545	6,545	40,201	43,166

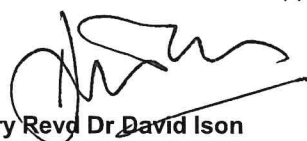
* The 2019 comparatives are restated. See accounting policy note 1b and note 29 for further details.

The notes on pages 52 to 99 form part of these financial statements.

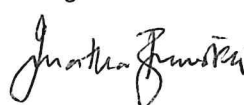
St Paul's Cathedral
Consolidated Balance Sheet
As at 31 December 2020

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Fund £000s	Total 2020 £000s	Total 2019 £000s
Fixed assets						
Tangible fixed assets	11	30	7,864	-	7,894	3,511
Investment property	13	7,900	-	-	7,900	7,900
Investments	14	9,061	3,019	6,545	18,625	23,645
Total		16,991	10,883	6,545	34,419	35,056
Current assets						
Stock		229	-	-	229	197
Debtors	16	607	1,587	-	2,194	2,888
Short term deposits		500	-	-	500	-
Cash at bank and in hand		9,146	(355)	-	8,791	7,358
Total		10,482	1,232	-	11,714	10,443
Creditors: amounts falling due within one year	17	(871)	(844)	-	(1,715)	(2,308)
Net current assets		9,611	388	-	9,999	8,135
Total assets less current liabilities		26,602	11,271	6,545	44,418	43,191
Creditors - amounts falling due after more than one year	18	(1,978)	-	-	(1,978)	(25)
Net assets		24,624	11,271	6,545	42,440	43,166
Funds						
Endowment funds	21	-	-	6,545	6,545	5,951
Restricted funds	21					
School Fund		-	6,161	-	6,161	5,522
Special Trusts		-	2,622	-	2,622	2,450
Restricted Projects		-	2,488	-	2,488	708
Designated funds	21					
Coronavirus Fund		10,000	-	-	10,000	-
Invest to Save Fund		-	-	-	-	2,000
Long Term Fabric Fund		-	-	-	-	3,090
Short Term Fabric Fund		1,313	-	-	1,313	-
Learning in Harmony		-	-	-	-	1,780
General funds	21					
Tillingham Property Fund		7,900	-	-	7,900	7,900
General Reserves		5,411	-	-	5,411	13,765
Total		24,624	11,271	6,545	42,440	43,166

These financial statements were approved by the Chapter on 14 July 2021 and signed on their behalf by:



The Very Revd Dr David Ison
Dean



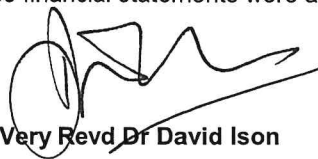
The Revd Canon Jonathan Brewster
Treasurer

The notes on pages 52 to 99 form part of these financial statements.

**St Paul's Cathedral
Cathedral Balance Sheet
As at 31 December 2020**

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Fund £000s	Total 2020 £000s	Total 2019 £000s
Fixed assets						
Tangible fixed assets	11	30	-	-	30	70
Investment property	13	7,900	-	-	7,900	7,900
Investments	14	9,231	9,903	6,545	25,679	28,768
Total		17,161	9,903	6,545	33,609	36,738
Debtors: Amounts falling due after more than one year	15	1,939	-	-	1,939	-
Current assets						
Debtors	16	1,053	2,848	-	3,901	5,980
Cash at bank and in hand		5,724	(1,968)	-	3,756	2,113
Total		6,777	880	-	7,657	8,093
Creditors: amounts falling due within one year	17	(788)	(238)	-	(1,026)	(1,640)
Net current assets		5,989	642	-	6,631	6,453
Total assets less current liabilities		25,089	10,545	6,545	42,179	43,191
Creditors - amounts falling due after more than one year	18	(1,978)	-	-	(1,978)	(25)
Net assets		23,111	10,545	6,545	40,201	43,166
Funds						
Endowment funds	21	-	-	6,545	6,545	5,951
Restricted funds	21					
School Fund		-	6,036	-	6,036	6,036
Special Trusts		-	2,622	-	2,622	2,450
Restricted Projects		-	1,887	-	1,887	708
Designated funds	21					
Coronavirus Fund		10,000	-	-	10,000	-
Invest to Save Fund		-	-	-	-	2,000
Long Term Fabric Fund		-	-	-	-	3,090
Short Term Fabric Fund		1,313	-	-	1,313	-
Learning in Harmony		-	-	-	-	1,780
General funds	21					
Tillingham Property Fund		7,900	-	-	7,900	7,900
General Reserves		3,898	-	-	3,898	13,251
Total		23,111	10,545	6,545	40,201	43,166

These financial statements were approved by the Chapter on 14 July 2021 and signed on their behalf by:


The Very Revd Dr David Ison
Dean


The Revd Canon Jonathan Brewster
Treasurer

The notes on pages 52 to 99 form part of these financial statements.

St Paul's Cathedral
Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 £000s	2019 £000s	
Net cash (used in) / provided by operating activities	31	<u>(4,552)</u>	<u>2,061</u>	
Cash flows provided from / (used in) investing activities				
Income from property and investments		525	466	
Investment management costs		(77)	(71)	
Payments to acquire tangible fixed assets	11	(4,484)	(2,341)	
Proceeds from sale of investments	14	8,600	4,770	
Payments to acquire listed investments	14	(43)	(4,614)	
Net cash provided from / (used in) investing activities		<u>4,521</u>	<u>(1,790)</u>	
Cash flows from financing activities				
Proceeds from bank loan	18	1,964	-	
Net cash from financing activities		<u>1,964</u>	<u>-</u>	
Net change in cash and cash equivalents		1,933	271	
Cash and cash equivalents at the beginning of the year		7,358	7,087	
Cash and cash equivalents at the end of the year		<u>9,291</u>	<u>7,358</u>	
Analysis of changes in net debt:				
		Opening £000s	Cash flows £000s	Closing £000s
Cash at bank and in hand and short term deposits		7,358	1,933	9,291
Bank loan (see note 18)		-	(1,964)	(1,964)
Total		<u>7,358</u>	<u>(31)</u>	<u>7,327</u>

The notes on pages 52 to 99 form part of these financial statements.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

1 PRINCIPLE ACCOUNTING POLICIES

a. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Cathedral and its subsidiaries are a public benefit group for the purposes of FRS 102. The Cathedral also prepares its financial statements in accordance with the Accounting and Reporting by English Anglican Cathedrals as specified by the Church Commissioners.

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, investments and the defined benefit pension fund. Income and expenditure are accounted for on the accruals basis. The financial statements are presented in sterling, which is the functional currency of the Cathedral and subsidiaries.

b. GROUP FINANCIAL STATEMENTS

The financial statements are consolidated to include the results of the Cathedral's subsidiary undertakings, St Paul's Cathedral Enterprises Limited ("Enterprises"), St Paul's Cathedral Choir School ("School") and St Paul's Cathedral Foundation ("Foundation"). The total income and expenditure of these entities are disclosed in note 19 to the notes of the financial statements. The statements are consolidated on a line by line basis. On 28 July 2020 the Cathedral acquired the net assets of the Foundation. These financial statements consolidate the income and expenditure of the Foundation from 28 July 2020 to 31 December 2020 and consolidated the income and expenditure of Enterprises and the School for the year. As a result the comparative results are not directly comparable. Figures in these financial statements are rounded to the nearest one thousand.

The principle accounting policies applied in the preparation of these financial statements are set out in the notes below. These policies have been consistently applied to all years presented, with the exception of the prior year restatements as presented in note 29.

c. GOING CONCERN

The Chapter carefully assesses whether use of the going concern basis of accounting is appropriate for the preparation of its annual financial statements. It considers possible scenarios that might cast significant doubt on the ability of the Cathedral to continue as a going concern. It makes its assessment for a period of at least one year from the date of approval of the financial statements.

The Chapter assesses a range of information relating to current and projected future conditions including projected budgets and cash flows, and any potential additional funding requirements.

The economic uncertainty caused by the Covid 19 pandemic and the resultant financial consequences has made the Chapter's assessment even more comprehensive this year. Note 24 provides further information on the situation, the Chapter's assessment process and its conclusions. The Chapter considers that it is appropriate to continue to adopt the going concern basis in preparing its financial statements.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

d. INCOME

Income, which is stated net of VAT (where applicable) and intra-group transactions, consists of visitor fees, commercial income including shop income, school fees, donations and grants. Donations and grants are credited to the Consolidated Statement of Financial Activities and allocated to the relevant fund according to any restrictions placed upon their use.

i. Visitor fees and commercial income

Visitor fees are accounted for in the period in which the visit takes place. Shop income is recognised at the point of sale and corporate memberships are recognised for over the term of the membership.

ii. School fees

Fees received for the provision of education and related income are accounted for in the period when the activity takes place and are included under charitable activities.

iii. Donations and grants

Donations and grants are accounted for when the Cathedral is entitled to the income, receipt is probable and the income can be reliably measured. All donations and grants are allocated to the relevant fund according to any restrictions placed upon their use. For performance related grants, income entitlement is considered to be conditional upon the meeting of conditions imposed by the grant. Income is therefore recognised in the financial statements to the extent that the Cathedral has demonstrably met any grant conditions imposed.

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.

iv. Legacies

Legacies are accounted for as income where there is clear entitlement, the amounts can be measured reliably; and receipt is probable. Receipt is probable when:

- Confirmation has been received from the representatives of the estate (s) that probate has been granted;
- The executors have established there are sufficient assets in the estate to pay the legacy; and
- All conditions attached to the legacy have been fulfilled or are within the Cathedral's control.

Measurement is based on the value listed in the will for pecuniary gifts, provided the estate has sufficient funds, and on the estate accounts for residuary grants.

e. EXPENDITURE

Expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered. Expenditure is recognised when there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable a transfer of economic benefit will be required in settlement and the amounts can be measured reliably.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

e. EXPENDITURE (continued)

Expenditure on raising funds consist of costs of the trading subsidiary, St Paul's Cathedral Enterprises Limited, charges to visitors, cost of fundraising and lettings, investment management costs including a share of the support costs of the Cathedral.

Charitable activities include all costs related to the main purpose of the Cathedral and include: ministry costs, upkeep of the Cathedral including major restorations, educational related activities include: the running of the School.

Support costs are those functions that assist the work of the Cathedral but do not directly undertake either charitable or fundraising activities: Finance, HR, IT and other premises costs. Support costs are allocated between cost of raising funds and charitable activities as a proportion of direct costs. Interest charges are charged to the Consolidated Statement of Financial Activities as incurred.

f. TAXATION

Income is shown net of value added tax. Input value added tax is reclaimable on a percentage basis subject to the partial exemption rules. All irrecoverable value added tax is included under the appropriate classification of expenditure. All recoverable income tax is include under the appropriate classification of income.

g. CATHEDRAL BUILDING, FREEHOLD PROPERTIES AND CATHEDRAL INVENTORY

No value is attributed to functional freehold properties listed in note 12 because these assets are fully depreciated. No value is attributed to items included in the Cathedral Statutory Inventory as being of architectural, archaeological, artistic or historic interest because they are for Cathedral use and also cannot be measured at a monetary value with sufficient reliability.

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

h. INVESTMENT PROPERTY AND INVESTMENTS

Investment freehold properties listed in note 13 are externally re-valued at open market value, except in the year of purchase. Advice is sought annually as to the possibility of material movement between individual valuations. All other investments are re-valued annually at open market value. Such revaluations are incorporated into the financial statements.

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

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

h. INVESTMENT PROPERTY AND INVESTMENTS (continued)

Unlisted investments include St Paul's Cathedral Foundation, St Paul's Cathedral Enterprises Limited and St Paul's Cathedral Choir School. There has been no change in the value in the investment of the School or trading subsidiary, Enterprises, during 2020. Unlisted investments are measured at cost less any impairment. On 28 July 2020, due to a change in the Board of the trustees of the Foundation the Cathedral acquired control over the Foundation at this point. Following FRS 102 accounting standards the acquisition method of accounting was adopted to recognise the Foundation as an unlisted investment in the Cathedral's financial statements. The acquisition of the Foundation was at fair value and will subsequently be measured at cost less impairment in future periods.

i. TANGIBLE FIXED ASSETS

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

Building improvements and extensions	10 - 20 years
Fixtures and fittings	3 - 10 years
IT equipment	3 years

j. STOCK

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 and net realisable value is based on estimated selling price.

k. 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.

i. 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.

ii. 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.

iii. Unrestricted Funds

Those funds which are neither endowment nor restricted funds, are unrestricted income funds. Unrestricted funds can be used at the Chapter's discretion in furtherance of Cathedral activities.

iv. Designated Funds

Designated Funds are a subcategory of Unrestricted Funds (see note above) and represent funds earmarked by Chapter for specific activities.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

I. FINANCIAL ASSETS AND LIABILITIES

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of financial activities, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

I. FINANCIAL ASSETS AND LIABILITIES (continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of financial activities in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

m. OPERATING LEASES

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

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

n. PENSION SCHEME ARRANGEMENTS

Defined Benefit

The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined with the advice of the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates. The amounts charged within staff costs in the Consolidated Statement of Financial Activities (SOFA) are the current service costs in relation to clergy and past service costs in relation to the Cathedral's employees. The interest cost and expected return on assets is shown in the SOFA under other expenditure. The actuarial gain or loss is shown in the consolidated SOFA as 'actuarial gains or losses on defined benefit pension scheme'.

The assets of the scheme are held separately from those of the Cathedral. They are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at AA corporate bonds index rate. The resulting defined benefit asset was not recognised on the balance sheet as the Trust Deed contains restrictions that state it is not refundable to the employer and the scheme specific valuation currently shows a deficit.

Defined Contribution

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

Church of England Funded Pension Scheme

Prior to 1 January 1998, the costs of paying pensions and related benefits for Chapter and Minor Canons were met by the Church Commissioners from their current income. The cost of benefits relating to pensionable service up to that date will continue to be financed by the Commissioners. With effect from 1 January 1998 the Pensions Measure 1997 came into force, and a new funded scheme was established called the Church of England Funded Pensions Scheme.

This scheme operates as an occupational pension scheme and contributions, at a rate determined having regard to actuarial advice, are paid into a separate fund in the trusteeship of the Church of England Pensions Board. Benefits arising from pensionable service after 31 December 1997 are provided from that fund. Agreed contributions to past deficits are provided for at the net present value of the expected future contributions and movement in the provision is charged or credited to unrestricted expenditure. Contributions arising from current service are charged to expenditure as they fall due (see note 23). Contributions in respect of the Dean and two Commissioners' Canons are paid by the Church Commissioners.

o. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

o. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

i. Useful economic lives of fixed tangible assets

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. These are amended where necessary to reflect estimates based on the economic utilisation and physical condition of the assets.

ii. Impairment of debtors

The Cathedral makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

iii. Defined benefit pension scheme asset

The determination of the assumptions used in calculating the defined benefit pension scheme asset is the responsibility of Chapter. The assumptions are set with regard to advice given by the scheme actuary.

iv. Valuation of investment property

The carrying value of the investment property at 31 December 2020 is based on the advice on an independent valuer who has the necessary skills and proficiency to undertake a valuation in a competent manner. Following a desktop review, carried out by the Cathedral's property advisors Strutt and Parker, Chapter concluded the value of the investment property in the financial statements was reasonable. See note 13 for further details.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

2 DONATIONS AND LEGACIES

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	* Total 2019 £000s
Other donations	172	445	617	1,304
Legacies	300	98	398	-
Congregational collections and giving	74	-	74	398
Learning in Harmony	-	57	57	-
Donation from Friends of St Paul's Cathedral	-	65	65	65
Lord Dorfman Foundation	-	283	283	-
Acquisition of St Paul's Cathedral Foundation	20	1,984	2,004	-
Total	566	2,932	3,498	1,767

Included in restricted donations are donations received by the Cathedral School of £284,000 (2019: 957,000). The acquisition of St Paul's Cathedral Foundation is in relation to the acquisition of the net assets of the Foundation at their fair value as at 28 July 2020. See the investment accounting policy, Investment Property and Investments, for further information.

* Corporate partnership income of £37,000 previously allocated under donations has been reclassified to income from other trading activities (see note 5).

3 GRANTS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Church Commissioners	-	424	424	7
Coronavirus Job Retention Scheme	1,197	-	1,197	-
National Lottery Heritage Fund	-	2,125	2,125	-
COLET	226	6	232	732
Historic England - Roof Repairs	-	71	71	-
St Paul's Cathedral Foundation	-	-	-	1,018
Equal Access Ramp	-	337	337	411
Music Outreach	-	149	149	-
Other grants	-	25	25	72
Total	1,423	3,137	4,560	2,240

The Cathedral has taken advantage of the Government's Coronavirus Job Retention Scheme ("CJRS") since it was introduced in March 2020. The Cathedral group claimed furlough of £1,329,000 of which £129,000 is included in gross income of the shop (Enterprises) in cost of raising funds (note 6) with £3,000 recognised in gross income of the School in note 4. The grants from The City of London Endowment Trust for St Paul's Cathedral ("COLET"), Foundation and the Equal Access Ramp have been separated from other grants in the comparative figures.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

4 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Facilities and other fees	176	-	176	659
Gross Income of School	-	4,028	4,028	3,856
Total	176	4,028	4,204	4,515

5 INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	* Total 2019 £000s
Costs related to visitors	1,610	-	1,610	10,437
Gross income of shop, refectory and other activities *	638	-	638	2,942
Corporate partnerships	22	-	22	37
Total	2,270	-	2,270	13,416

* Corporate partnership income of £37,000 previously allocated under donations has been reclassified to income from other trading activities.

6 COST OF RAISING FUNDS

	Total 2020 £000s	Total 2019 £000s
Costs of visitors	1,994	2,720
Gross costs of shop, refectory and other activities	830	1,683
Cost of Fundraising and Lettings	564	473
Investment and management costs	77	71
Support costs (see note 9)	526	1,019
Total	3,991	5,966

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

7 EXPENDITURE ON CHARITABLE ACTIVITIES

Summary	Direct Costs (note 8) £000s	Support Costs (note 9) £000s	Total 2020 £000s
Ministry	1,786	271	2,057
Cathedral and precincts upkeep	4,808	730	5,538
Education, outreach, community and congregation	4,397	667	5,064
Total	10,991	1,668	12,659

Summary	Direct Costs (note 8) £000s	Support Costs (note 9) £000s	Total 2019 £000s
Ministry	2,202	227	2,429
Cathedral and precincts upkeep	4,199	432	4,631
Education, outreach, community and congregation	4,663	480	5,143
Total	11,064	1,139	12,203

Total irrecoverable VAT included above is £109k (2019: £146k).

8 DIRECT COSTS OF CHARITABLE ACTIVITIES

	Total 2020 £000s	Total 2019 £000s
Ministry		
Clergy Stipends and working expenses	366	390
Clergy housing costs	180	257
Clergy support costs	414	497
Services and music	826	1,058
Total	1,786	2,202
Cathedral and precincts upkeep		
Majors Repairs and Restoration (see note (i) below)	2,201	1,381
Maintenance and Interior Upkeep	2,397	2,613
Cathedral Insurance	210	205
Total	4,808	4,199

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

8 DIRECT COSTS OF CHARITABLE ACTIVITIES (continued)

Education and outreach, community and congregation

School related activities	3,790	3,871
Education Activities	438	587
Archives and Library	169	205
Total	4,397	4,663
Total direct costs of charitable activities	10,991	11,064

(i) Analysis of Majors Repairs and Restoration

	2020	2019
	£000s	£000s
Equal Access Project	1,883	987
Remember Me - Inner Portico	12	-
Library	220	77
Roof repairs	71	247
Other repairs	15	70
Total	2,201	1,381

9 SUPPORT COSTS

	Cost of Raising Funds	Charitable activities	2020
	£000s	£000s	£000s
Finance, HR and IT costs	285	903	1,188
Other premises costs	233	741	974
Governance costs	8	24	32
Total	526	1,668	2,194

	Cost of Raising Funds	Charitable activities	2019
	£000s	£000s	£000s
Finance, HR and IT costs	689	758	1,447
Other premises costs	323	365	688
Governance costs	7	16	23
Total	1,019	1,139	2,158

	2020	2019
	£000s	£000s
General Administration	974	688
Pension Scheme Administration	149	97
Finance	432	474
Human Resources	341	489
Information Technology	298	410
Total	2,194	2,158

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

9 SUPPORT COSTS (continued)

Audit fees of £49,570 (2019: £43,250) and other non-audit fees of £2,960 (2019: £Nil) were incurred during the year for the Group. Support costs are allocated between cost of raising funds and charitable as a proportion of direct costs. Governance costs includes Cathedral audit and non-audit fees.

10 SALARIES AND WAGES

	Clergy £000s	Lay Staff £000s	2020 £000s
Wages and Salaries (including Stipends)	299	8,251	8,550
Social Security Costs	26	742	768
Pension costs	62	709	771
Total	387	9,702	10,089

	Clergy £000s	Lay Staff £000s	2019 £000s
Wages and Salaries (including Stipends)	248	8,535	8,783
Social Security Costs	27	793	820
Pension costs	17	665	682
Total	292	9,993	10,285

Staff costs include contractor costs, payroll for temporary as well as permanent staff. As disclosed in note 3, grant income of £1,329,000 was claimed across the group in respect of the Coronavirus Job Retention Scheme from its introduction in March 2020. During 2020 the Cathedral implemented a voluntary redundancy scheme in response to the Coronavirus pandemic. As a result 34 employees opted for voluntary redundancy during 2020. Included in salaries and wages are redundancy costs of £326,000.

Average staff numbers

	Headcount		Full time equivalent	
	2020	2019	2020	2019
Fundraising	8	10	7	7
Visitor engagement (including support staff)	82	102	64	75
Ministry & Music †	46	60	43	44
Cathedral and precincts upkeep	31	39	30	28
Education, outreach, community and congregation ††	84	110	74	80
	251	321	218	234

† including members of the clergy

†† including Cathedral Choir School staff

	9	8	8	8
	77	78	52	55

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

10 SALARIES AND WAGES (continued)

Higher paid employees	2020	2019
£60,001 - £70,000	5	5
£70,001 - £80,000	3	1
£90,001 - £100,000	3	1
£110,001 - £120,000	1	1

The key management personnel of the Cathedral, and Group, comprise the Senior Leadership Team, Chapter, Directors of the St Paul's Cathedral Enterprises Limited and the Headmaster of the School. Key management personnel consists of 10 (2019: 9) individuals and total remuneration during the year was £768,400 (2019: £590,228). Total remuneration consists of gross salary, benefits, employers pension, employers national insurance contributions and stipends.

Remuneration of Chapter members

	Salary / Stipend	NI / Levy	Pension	2020	2019
	£000s	£000s	£000s	£000s	£000s
The Very Revd Dr David Ison	37	4	12	53	53
The Revd Canon Jonathan Brewster	29	3	10	42	42
The Revd Canon Tricia Hillas	4	-	1	5	41
The Revd Canon James Milne	29	3	-	32	30
	99	10	23	132	166

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council, and the Church of England Pensions Board. No supplement to these scales are paid. These payments are set out in the above table. Tricia Hillas resigned as a Chapter member on 16 February 2020. With exception of the above Chapter members, no other members of Chapter are remunerated.

Chapter expenses	2020	2019
Number of Chapter members receiving expenses	4	4
Taxable expenses:	£000s	£000s
Services including telephone, electricity etc.	15	39
Reimbursed expenses:		
Hospitality	-	2
Other	-	16
	-	18
Total	15	57

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

11 TANGIBLE FIXED ASSETS

GROUP	Buildings Improvements £000s	Fixtures & Fittings £000s	IT Equipment £000s	2020 £000s
Cost				
Cost at 1 January 2020	4,635	355	358	5,348
Additions	4,445	29	10	4,484
	9,080	384	368	9,832
Depreciation				
Depreciation at 1 January 2020	1,262	322	253	1,837
Depreciation for year	40	15	46	101
	1,302	337	299	1,938
Net Book Value				
At 31 December 2020	7,778	47	69	7,894
At 31 December 2019	3,373	33	105	3,511

CATHEDRAL	Buildings Improvements £000s	Fixtures & Fittings £000s	IT Equipment £000s	2020 £000s
Cost				
Cost at 1 January 2020 and 31 December 2020	42	26	70	138
Depreciation				
Depreciation at 1 January 2020	32	15	21	68
Depreciation for year	10	7	23	40
	42	22	44	108
Net Book Value				
At 31 December 2020	-	4	26	30
At 31 December 2019	10	11	49	70

St Paul's Cathedral
Notes to the Financial Statements
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12 HERITAGE ASSETS (GROUP AND CATHEDRAL)

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

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

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

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

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

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

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

12 HERITAGE ASSETS (continued)

The insurance for the building of the Cathedral and Chapter House is arranged on the basis of the probable largest loss from fire taking into account the fire engineering measures taken to limit the spread of fire. The figure is arrived at in conjunction with the Cathedral's insurers who have specialised expertise in this area. The contents are insured on the basis of modern replacements with no allowance for their possible heritage value. The Cathedral collections, library and archives are insured on a first loss basis to provide funds for their repair and restoration in the event of loss with no attempt to replace items other than perhaps a 'working theological library'. The other buildings including the school and those contents the property of the Dean and Chapter are insured on a reinstatement basis.

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

In July 2017 the Chapter acquired by gift, a seventeenth-century oil painting by Thomas Wyck, depicting the Great Fire of London. A stained-glass window, designed and made by Caroline Benyon and costing a total of £47,135 since it was first commissioned in 2014, was added to the Chapel of St Faith in the Cathedral crypt during 2017. The window was made to commemorate the centenary of the Order of the British Empire 1917-2017 and features appropriate iconography, emblems and a motto. There were no disposals of heritage assets during 2020 (2019: none). No value is attributed to the Heritage Assets as explained in the accounting policy note.

13 INVESTMENT PROPERTY

	2020	2019
GROUP AND CATHEDRAL	£000s	£000s
Market value at 1 January	7,900	7,900
Revaluation gain / (loss)	-	-
Market value at 31 December	<u>7,900</u>	<u>7,900</u>

The value of the freehold investment property of Tillingham Estate, Essex, is incorporated in the financial statements under unrestricted funds. The last full property valuation was undertaken by the Cathedral's property advisors Strutt & Parker in March 2019. The valuation was prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards 2017, the Estate was valued at £7,900,000 in March 2019. A desktop review was carried out by Strutt and Parker in early April 2021 to review the valuation of the property. While Chapter understand there is some uncertainty surrounding the valuation of the Tillingham Estate due to market conditions caused by the pandemic, Chapter have concluded this does not impact the true and fair value of the property in these financial statements. Chapter continue to keep the market value of the property under regular review.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

14 INVESTMENTS

GROUP

The investments of the group consist of listed investments.

	2020		2019
	£000s		£000s
Market Value at 1 January	21,065		17,984
Additions	43		4,614
Disposal proceeds	(8,600)		(4,770)
Net gains	867		3,237
	13,375		21,065
Cash held for investment	5,250		2,580
Total market value of investments	18,625		23,645

	Listed investments	Unlisted investments	2020	2019
	£000s	£000s	£000s	£000s
CATHEDRAL				
Market Value at 1 January	20,001	6,187	26,188	21,610
Additions	43	-	43	6,111
Acquisition of the Foundation at fair value	-	2,004	2,004	-
Disposal proceeds	(8,600)	-	(8,600)	(4,770)
Net gains	794	-	794	3,237
	12,238	8,191	20,429	26,188
Cash deposits held for investment	5,250	-	5,250	2,580
Total market value of investments	17,488	8,191	25,679	28,768

Cathedral listed investment funds under management are:	2020		2019
	£000s		£000s
Ruffer	2,659		3,424
CCLA	14,829		19,157
Total	17,488		22,581

All listed investments are carried at their fair value. Unlisted investments are carried at cost less impairment.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

14 INVESTMENTS (continued)

All listed investments are carried at their fair value. Unlisted investments are carried at cost less impairment.

Significant holdings as a % of the total listed investment portfolio based on market value at 31 December were:

	2020	2019
CCLA - CBF Church of England Deposit Fund	30%	11%
CCLA - CBF Church of England Investment Fund Accumulation Shares	55%	74%
Ruffer - Charity Assets Trust Account	15%	15%

Reconciliation of Group and Cathedral net gains as per Statement of Financial Activities

	2020	2019
	£000s	£000s
Realised (losses) / gains	(232)	328
Unrealised gains	1,099	2,909
Net gains per Statement of Financial Activities	867	3,237

Analysis of unlisted investments of the Cathedral

Unlisted investments represents investment in subsidiaries.

	2020	2019
	£000s	£000s
St Paul's Cathedral Enterprises Limited	150	150
St Paul's Cathedral School	6,037	6,037
St Paul's Cathedral Foundation	2,004	-
Total	8,191	6,187

The Cathedral beneficially owns all of the called up share capital of St Paul's Cathedral Enterprises Limited with Company Number 03313320.

The Cathedral is the legal owner of St Paul's Cathedral Choir School with Charity Number 312718. In previous years the unlisted investment of the School in the Cathedral has been revalued to reflect the net movement in funds held by the School. The investment in the School has not been revalued for 2020 and will continue to be held at the net assets figure of the School at 31 December 2019 less any impairment.

Due to a change in the Trustees of the Foundation (with Charity Number 1082711 and Company Number 04040667) on 28 July 2020 St Paul's Cathedral become the sole member of the Foundation by virtue of a majority of the Trustees of the Foundation also being Chapter members of the Cathedral. In line with FRS 102 acquisition accounting was adopted and the Foundation was valued at fair value on 28th July 2020 and recognised for as an unlisted investment.

St Paul's Cathedral
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15 DEBTORS: AMOUNTS FALLING DUE OVER ONE YEAR

	GROUP		CATHEDRAL	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Loan to St Paul's Cathedral School	-	-	1,939	-
	-	-	1,939	-

During 2020 a loan was provided to St Paul's Cathedral School to fund capital work at the School in relation to the Learning in Harmony Project.

16 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CATHEDRAL	
	2020	2019*	2020	2019*
	£000s	£000s	£000s	£000s
Trade debtors	37	598	27	397
Gift Aid Recoverable	20	15	-	15
Vat Recoverable	241	-	288	-
Grants Receivable	1,478	1,959	2,848	1,959
Prepayments	99	115	89	69
Other debtors	275	177	175	124
Subsidiary Undertakings	-	-	430	3,392
Associated entities	44	24	44	24
Total	2,194	2,888	3,901	5,980

Trade debtors for the Cathedral are stated less of provisions of £12,000 (2019: £23,000). Trade debtors for the Group are stated less of provisions of £74,000 (2019: £33,000).

* A reclassification of £24,000 was raised in the comparatives of the Group and Cathedral to separate the associated entity debtors from grants receivable.

St Paul's Cathedral
Notes to the Financial Statements
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17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		CATHEDRAL	
	2020	2019*	2020	2019*
	£000s	£000s	£000s	£000s
Trade creditors	366	677	359	620
Other tax and social security	187	610	187	608
Accruals	880	665	361	269
Deferred income (i)	177	203	47	62
Associated entities	11	-	-	-
Other creditors	94	153	72	81
Total	<u>1,715</u>	<u>2,308</u>	<u>1,026</u>	<u>1,640</u>

* A reclassification of £62,000 has been raised to separate accruals and deferred income in the comparatives for the Group and Cathedral. A further adjustment was raised to separate deferred income of the School from other creditors to deferred income of £141,000.

- (i) Deferred income held in the Cathedral includes wedding, baptism and corporate membership income in the next financial year. Deferred income in the Group includes refundable deposits from the School.

GROUP	Brought forward	Amount added	Amount released	Carried forward
	£000s	£000s	£000s	£000s
Deferred income 2020	203	177	(203)	177
Deferred income 2019	209	203	(209)	203
CATHEDRAL				
Deferred income 2020	62	47	(62)	47
Deferred income 2019	73	62	(73)	62

St Paul's Cathedral
Notes to the Financial Statements
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18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		CATHEDRAL	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Pension provision (see note 23)	14	25	14	25
Bank loan	1,964	-	1,964	-
Other creditors	-	-	-	-
Total	1,978	25	1,978	25

Creditors include amounts not wholly repayable within 5 years as follows:

Bank loan	1,096	-	1,096	-
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In September 2020, the Cathedral entered into a £2.5m loan facility agreement with Lloyds Bank and subsequently loaned the School an equivalent loan on the same repayment terms to part finance the Learning in Harmony project. The loan was drawn down in tranches the first of which was in late September 2020 and the loan was fully drawn down in March 2021. The loan becomes repayable in late 2021 and will be repaid over twelve years at an interest rate of 3.23% above the bank of England base rate. The Cathedral remains compliant with its loan covenants. No interest was paid on the loan to 31 December 2020. The loan is secured by a negative pledge over the land on which the Cathedral School is situated.

19 GROUP ENTITIES

The financial statements of St Paul's Cathedral Enterprises Limited ("Enterprises"), St Paul's Cathedral Choir School ("School") and St Paul's Cathedral Foundation ("Foundation") have been consolidated in these financial statements on a line-by-line basis. All three entities have coterminous year ends to St Paul's Cathedral.

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

The principal activities of the company comprise operating a retail shop in the Cathedral crypt and the supply of catering and conference facilities to visitors of the Cathedral, conference delegates, guests and Cathedral staff. The Cathedral beneficially owns all of the called up share capital of St Paul's Cathedral Enterprises Limited. Profits of Enterprises are distributed to the Cathedral by a Deed of Covenant (2020: none, 2019: £1,225,000).

St Paul's Cathedral
Notes to the Financial Statements
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19 GROUP ENTITIES (continued)

The summary audited Profit and Loss and Balance Sheet for St Paul's Cathedral Enterprises Limited is shown below:

PROFIT AND LOSS	2020	2019
	£000s	£000s
Turnover	500	2,942
Cost of sales	(311)	(1,153)
Gross Profit	189	1,789
Other income	138	-
Operating expenses	(513)	(529)
Operating (loss) / profit	(186)	1,260
Bank charges	(6)	(35)
Net (loss) / profit	(192)	1,225
Distribution to Cathedral	-	1,225
 BALANCE SHEET		
	2020	2019
	£000s	£000s
Current assets		
Stock	229	197
Cash at bank and in hand	65	2,566
Debtors	27	178
Total	321	2,941
Creditors: amounts falling due within one year	(363)	(2,791)
Net (liabilities) / assets	(42)	150
 CAPITAL AND RESERVES		
	2020	2019
	£000s	£000s
Called up share capital	150	150
Reserves	(192)	-
Equity shareholders' funds	(42)	150

The Chapter agreed to continue to support Enterprises until it returns to a planned profit late in 2021.

St Paul's Cathedral
Notes to the Financial Statements
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19 GROUP ENTITIES (continued)

b. St Paul's Cathedral School (Charity Number 312718)

St Paul's Cathedral School was founded for the education, nurture and care of the choristers of the Cathedral. In 2020 there were on average 28 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 169 in the year; there were also and 60 pre-prep children aged between 4 and 7 on the school roll. At the end of 2020 there were 99 girls in the School (2019: 114).

The School embarked on a significant project in 2019 to further enhance the school premises. The aim of the "Learning in Harmony" project is to construct a new boarding house, refurbish the staff flats and create a new dining room along with three new classrooms. This will allow the school to increase classroom capacity. The project progressed well in 2020 despite delays due to the pandemic with the final construction completed in early March 2021. The final project costs are expected to be just over £8m with the commitment from the School being in excess of £4m. £2.5m was funded by a Cathedral loan (see note 18) with the remaining £1.5m fundraised. The school will be repaying this loan to the Cathedral through its increased tuition income.

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

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

	2020	2019
STATEMENT OF FINANCIAL ACTIVITIES	£000s	£000s
Income	5,429	5,416
Expenditure	(3,907)	(3,918)
Net gain on investments	73	170
Net incoming resources	<u>1,595</u>	<u>1,668</u>
BALANCE SHEET	2020	2019
	£000s	£000s
Assets	8,237	7,304
Liabilities	(606)	(1,268)
Net Funds	<u>7,631</u>	<u>6,036</u>

St Paul's Cathedral
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19 GROUP ENTITIES (continued)

c. St Paul's Cathedral Foundation (Charity Number 1082711)

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

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

The summary audited financial performance and position of the Foundation for the year is as below. As explained in accounting policy (1h) the Cathedral became the sole member of the Foundation as at 28 July 2020. The results of the Foundation from 28 July 2020 to 31 December 2020 are consolidated into these financial statements.

STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Income				
Donations and legacies	333	1,216	1,549	587
Investment income	4	-	4	9
Total	337	1,216	1,553	596
Expenditure				
Cost of raising funds	30	-	30	15
Charitable activities	-	51	51	1,361
Total	30	51	81	1,376
Net incoming / (outgoing) resources	307	1,165	1,472	(780)
Funds brought forward	-	1,369	1,369	2,149
Funds carried forward	307	2,534	2,841	1,369

BALANCE SHEET

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2020 £000s	Total 2019 £000s
Current assets				
Debtors	4	20	24	21
Short term deposits	500	-	500	500
Cash at bank and in hand	69	3,711	3,780	2,235
Total	573	3,731	4,304	2,756
Creditors: amounts falling due within one year	(266)	(1,197)	(1,463)	(1,387)
Net funds	307	2,534	2,841	1,369

St Paul's Cathedral
Notes to the Financial Statements
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20 ASSOCIATED ENTITIES

The entities disclosed below, are not controlled by Chapter but are wholly for the financial benefit of the Cathedral and Cathedral School. In accordance with the Guidelines on Cathedral Accounting, only income and expenditure transactions between the related entity and the Cathedral are included in the financial statements. All associated entities have coterminous year ends to St Paul's Cathedral with exception of St Paul's Cathedral Chorister Trust which has a 31 August year end.

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

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

The summary audited financial performance and position of The City of London Endowment Trust for St Paul's Cathedral for the year is as below:

STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total 2020 £000s	Total 2019 £000s
Income					
Donations and legacies	2	-	-	2	2
Investment income	206	4	-	210	258
Total	208	4	-	212	260
Expenditure					
Cost of raising funds	-	-	19	19	84
Charitable activities	232	6	-	238	239
Total	232	6	19	257	323
Net gains on investments	-	14	726	740	798
Transfers between funds	2	-	(2)	-	-
Net incoming / (outgoing) resources	(22)	12	705	695	735
Funds brought forward	22	203	10,476	10,701	9,966
Funds carried forward	-	215	11,181	11,396	10,701

St Paul's Cathedral
Notes to the Financial Statements
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20 ASSOCIATED ENTITIES (continued)

BALANCE SHEET	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total 2020 £000s	Total 2019 £000s
Fixed asset investments					
Investments	-	215	10,932	11,147	10,664
Current assets					
Debtors	-	-	-	-	4
Cash at bank and in hand	8	-	251	259	563
Total	8	-	251	259	567
Creditors: amounts falling due within one year	8	-	2	10	530
Net funds	-	215	11,181	11,396	10,701

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

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

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

STATEMENT OF FINANCIAL ACTIVITIES

	2020 £000s	2019 £000s
Income		
Investment income	110	136
Total	110	136
Expenditure		
Cost of raising funds	33	34
Total	33	34
Net gains on investments	70	608
Net incoming resources	147	710
Funds brought forward	4,857	4,147
Funds carried forward	5,004	4,857

St Paul's Cathedral
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20 ASSOCIATED ENTITIES (continued)

BALANCE SHEET	2020	2019
	£000s	£000s
Fixed assets		
Investments	4,972	4,803
Current assets		
Cash at bank and in hand	48	65
Creditors: amounts falling due within one year	(16)	(11)
Net funds of The Garfield Weston Trust for St Paul's Cathedral	<u>5,004</u>	<u>4,857</u>

All funds of The Garfield Weston Trust for St Paul's Cathedral are held for restricted purposes.

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

The Friends of St Paul's Cathedral is a registered charity established in 1952 whose objects are the preservation of the fabric and buildings of the Cathedral, the ornaments, furnishings, services, music, and similar. The summary audited financial performance and position of the Trust for the year is as below:

STATEMENT OF FINANCIAL ACTIVITIES

	2020	2019
	£000s	£000s
Income		
Donations, legacies and subscriptions	72	69
Charitable activities	-	9
Investment income	2	3
Total	<u>74</u>	<u>81</u>
Expenditure		
Charitable activities	34	53
Cost of raising funds	43	41
Total expenditure	<u>77</u>	<u>94</u>
Net (outgoing) resources	(3)	(13)
Funds brought forward	374	387
Funds carried forward	<u>371</u>	<u>374</u>

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20 ASSOCIATED ENTITIES (continued)

BALANCE SHEET

	2020	2019
	£000s	£000s
Current assets		
Other debtors	11	9
Cash at bank and in hand	534	465
Total	545	474
Creditors: amounts falling due within one year	(174)	(100)
Net funds of Friends of St Paul's Cathedral	371	374

All income and expenditure received in 2020 was for unrestricted purposes.

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

St Paul's Cathedral Chorister Trust is a registered charity established in 1984 to raise and apply funds for the advancement of musical education and musical studies and the preservation of the tradition of the choristers in the Cathedral choir by proving financial assistance in respect of the education of the choristers. The summary audited financial performance and position of the St Paul's Cathedral Chorister Trust for the year is as below:

STATEMENT OF FINANCIAL ACTIVITIES

	2020	2019
	£000s	£000s
Income	226	223
Expenditure	(285)	(104)
Net gains on investments	48	122
Net (outgoing) / incoming resources	(11)	241
Funds brought forward	2,434	2,193
Funds carried forward	2,423	2,434
Assets	2,674	2,531
Creditors: amounts falling due within one year	(251)	(97)
Net funds of St Paul's Cathedral Chorister Trust	2,423	2,434

St Paul's Cathedral
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20 ASSOCIATED ENTITIES (continued)

e. St Paul's Cathedral Trust in America

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

The summary financial performance and position of St Paul's Cathedral Trust in America is stated in US dollars as below:

PROFIT AND LOSS	2020	2019
	\$000s	\$000s
Income	710	96
Expenditure	(701)	(78)
Net incoming resources	9	18
Funds brought forward	97	79
Funds carried forward	106	97
 BALANCE SHEET		
Assets	133	131
Creditors: amounts falling due within one year	(27)	(34)
Net funds of St Paul's Cathedral Trust in America	106	97

St Paul's Cathedral
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21 ANALYSIS OF NET MOVEMENT IN FUNDS

GROUP	As at 1 Jan 2020 £000s (*as restated)	Income £000s	Expenditure £000s	Gains / (losses) £000s	Transfers £000s	As at 31 Dec 2020 £000s
Endowment Fund	5,951	-	-	594	-	6,545
Restricted Funds						
School Fund	5,522	4,348	(3,782)	73	-	6,161
<i>Special Trusts</i>						
Tillingham Fund	453	9	-	23	-	485
Spink Legacies	429	8	-	21	-	458
Music Fund	322	7	-	16	-	345
Library Fund	293	6	-	14	-	313
Chorister Tuition Fees Fund	195	4	-	10	-	209
American Memorial Fund	123	3	-	6	-	132
Crewe Dean Fund	171	4	-	8	-	183
Randolph Endowment & Ratcliffe Trust	115	2	-	6	-	123
Alexander Fund	90	4	-	4	-	98
Bill Viola Installation	89	2	-	4	-	95
Fishwick Grant - Organ Scholar	72	2	-	4	-	78
Right of Light - Chapter House	57	1	(2)	3	-	59
Middlesex Chapel Fund	28	1	-	1	-	30
Choristers Memorial Fund	13	-	-	1	-	14
<i>Restricted Projects</i>						
Fabric and Restoration	(88)	202	-	-	105	219
Ministry	35	17	(17)	-	(35)	-
Music Fund	1	134	(21)	-	-	114
Music Outreach	106	181	(93)	-	(103)	91
Remember Me - Inner Portico	(67)	280	(12)	-	-	201
Remember Me - Digital Memorial	-	83	(35)	-	-	48
Education	49	215	(29)	-	(49)	186
Other Restricted Funds	(48)	228	(35)	-	52	197
Equal Access Ramp	647	1,177	(1,883)	-	-	(59)
Historic England Roof Grant	-	71	(71)	-	-	-
Church Commissioners	-	424	(424)	-	-	-
National Lottery Heritage Fund	-	2,125	(1,047)	-	-	1,078
Learning in Harmony	-	211	-	-	-	211
Friends of St Paul's	65	-	-	-	(65)	-
Organ CCTV Fund	-	160	(23)	-	-	137
Library Project	8	277	(220)	-	-	65
Total	8,680	10,186	(7,694)	194	(95)	11,271
Designated Funds						
Coronavirus Fund	-	-	-	-	10,000	10,000
Invest to Save Fund	2,000	-	-	-	(2,000)	-
Long Term Fabric Fund	3,090	-	-	-	(3,090)	-
Short Term Fabric Fund	-	-	-	-	1,313	1,313
Learning in Harmony	1,780	-	-	-	(1,780)	-
Total	6,870	-	-	-	4,443	11,313
Unrestricted Funds						
Tillingham Property Fund	7,900	-	-	-	-	7,900
General Reserves	13,765	4,871	(8,956)	79	(4,348)	5,411
Total	21,665	4,871	(8,956)	79	(4,348)	13,311
Total Funds	43,166	15,057	(16,650)	867	-	42,440

*See note 29 for further details of the prior year restatement.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

GROUP	As at 1 Jan 2019 £000s (*as restated)	Income £000s	Expenditure £000s	Gains / (losses) £000s	Transfers £000s	As at 31 Dec 2019 £000s
Endowment Fund	4,861	-	-	1,090	-	5,951
Restricted Funds						
School Fund	4,366	4,857	(3,871)	170	-	5,522
<u>Special Trusts</u>						
Tillingham Fund	393	9	-	51	-	453
Spink Legacies	372	9	-	48	-	429
Music Fund	312	8	(38)	40	-	322
Library Fund	254	6	-	33	-	293
Chorister Tuition Fees Fund	169	4	-	22	-	195
American Memorial Fund	106	3	-	14	-	123
Crewe Dean Fund	148	4	-	19	-	171
Randolph Endowment & Ratcliffe Trust	100	2	-	13	-	115
Alexander Fund	78	2	-	10	-	90
Bill Viola Installation	77	2	-	10	-	89
Fishwick Grant - Organ Scholar	63	1	-	8	-	72
Right of Light - Chapter House	50	1	-	6	-	57
Middlesex Chapel Fund	24	1	-	3	-	28
Choristers Memorial Fund	12	-	-	1	-	13
<u>Restricted Projects</u>						
Friends of St Paul's	-	65	-	-	-	65
Fabric and Restoration Fund	-	156	(244)	-	-	(88)
Education	-	49	-	-	-	49
Music Fund	-	18	(17)	-	-	1
Music Outreach	-	106	-	-	-	106
Remember Me - Inner Portico	-	-	(67)	-	-	(67)
Equal Access Ramp	-	1,567	(920)	-	-	647
Library Project	-	85	(77)	-	-	8
Other Restricted Funds	-	4	(52)	-	-	(48)
Ministry	-	35	-	-	-	35
Total	6,524	6,994	(5,286)	448	-	8,680
Designated Funds						
Invest to Save Fund	2,000	-	-	-	-	2,000
Long Term Fabric Fund	3,090	-	-	-	-	3,090
Learning in Harmony	1,780	-	-	-	-	1,780
Total	6,870	-	-	-	-	6,870
Unrestricted Funds						
Tillingham Property	7,900	-	-	-	-	7,900
General Reserves	9,535	15,414	(12,883)	1,699	-	13,765
Total	17,435	15,414	(12,883)	1,699	-	21,665
Total Funds	35,690	22,408	(18,169)	3,237	-	43,166

*See note 29 for further details of the prior year restatement.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

CATHEDRAL	As at 1 Jan 2020 £000s (*as restated)	Income £000s	Expenditure £000s	Gains / (losses) £000s	Transfers £000s	As at 31 Dec 2020 £000s
Endowment Fund	5,951	-	-	594	-	6,545
Restricted Funds						
School Fund	6,036	-	-	-	-	6,036
<i>Special Trusts</i>						
Tillingham Fund	453	9	-	23	-	485
Spink Legacies	429	8	-	21	-	458
Music Fund	322	7	-	16	-	345
Library Fund	293	6	-	14	-	313
Chorister Tuition Fees Fund	195	4	-	10	-	209
American Memorial Fund	123	3	-	6	-	132
Crewe Dean Fund	171	4	-	8	-	183
Randolph Endowment & Ratcliffe Trust	115	2	-	6	-	123
Alexander Fund	90	4	-	4	-	98
Bill Viola Installation	89	2	-	4	-	95
Fishwick Grant - Organ Scholar	72	2	-	4	-	78
Right of Light - Chapter House	57	1	(2)	3	-	59
Middlesex Chapel Fund	28	1	-	1	-	30
Choristers Memorial Fund	13	-	-	1	-	14
<i>Restricted Projects</i>						
Fabric and Restoration	(88)	201	-	-	105	218
Ministry	35	17	(17)	-	(35)	-
Music Fund	1	108	(21)	-	-	88
Music Outreach	106	48	(93)	-	(103)	(42)
Remember Me - Inner Portico	(67)	261	(12)	-	-	182
Remember Me - Digital Memorial	-	83	(35)	-	-	48
Education	49	182	(29)	-	(49)	153
Other Restricted Funds	(48)	228	(35)	-	52	197
Equal Access Ramp	647	840	(1,883)	-	-	(396)
Historic England Roof Grant	-	71	(71)	-	-	-
Church Commissioners	-	424	(424)	-	-	-
National Lottery Heritage Fund	-	2,125	(1,047)	-	-	1,078
Learning in Harmony	-	159	-	-	-	159
Friends of St Paul's	65	-	-	-	(65)	-
Organ CCTV Fund	-	160	(23)	-	-	137
Library Project	8	277	(220)	-	-	65
Total	9,194	5,237	(3,912)	121	(95)	10,545
Designated Funds						
Coronavirus Fund	-	-	-	-	10,000	10,000
Invest to Save Fund	2,000	-	-	-	(2,000)	-
Long Term Fabric Fund	3,090	-	-	-	(3,090)	-
Short Term Fabric Fund	-	-	-	-	1,313	1,313
Learning in Harmony	1,780	-	(500)	-	(1,280)	-
Total	6,870	-	(500)	-	4,943	11,313
Unrestricted Funds						
Tillingham Property Fund	7,900	-	-	-	-	7,900
General Reserves	13,251	4,046	(8,630)	79	(4,848)	3,898
Total	21,151	4,046	(8,630)	79	(4,848)	11,798
Total Funds	43,166	9,283	(13,042)	794	-	40,201

*See note 29 for further details of the prior year restatement.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

CATHEDRAL	At 1 Jan 2019 £000s (*as restated)	Income £000s	Expenditure £000s	Gains / (losses) £000s	Transfers £000s	At 31 Dec 2019 £000s
Endowment Fund	4,861	-	-	1,090	-	5,951
Restricted Funds						
School Fund	4,366	-	-	1,670	-	6,036
<u>Special Trusts</u>						
Tillingham Fund	393	9	-	51	-	453
Spink Legacies	372	9	-	48	-	429
Music Fund	312	8	(38)	40	-	322
Library Fund	254	6	-	33	-	293
Chorister Tuition Fees Fund	169	4	-	22	-	195
American Memorial Fund	106	3	-	14	-	123
Crewe Dean Fund	148	4	-	19	-	171
Randolph Endowment & Ratcliffe Trust	100	2	-	13	-	115
Alexander Fund	78	2	-	10	-	90
Bill Viola Installation	77	2	-	10	-	89
Fishwick Grant - Organ Scholar	63	1	-	8	-	72
Right of Light - Chapter House	50	1	-	6	-	57
Middlesex Chapel Fund	24	1	-	3	-	28
Choristers Memorial Fund	12	-	-	1	-	13
<u>Restricted Projects</u>						
Friends of St Paul's	-	65	-	-	-	65
Fabric and Restoration	-	156	(244)	-	-	(88)
Education	-	49	-	-	-	49
Music Fund	-	18	(17)	-	-	1
Music Outreach	-	106	-	-	-	106
Remember Me - Inner Portico	-	-	(67)	-	-	(67)
Equal Access Ramp	-	1,567	(920)	-	-	647
Library Project	-	85	(77)	-	-	8
Other Restricted Funds	-	4	(52)	-	-	(48)
Ministry	-	35	-	-	-	35
Total	6,524	2,137	(1,415)	1,948	-	9,194
Designated Funds						
Invest to Save Fund	2,000	-	-	-	-	2,000
Long Term Fabric Fund	3,090	-	-	-	-	3,090
Learning in Harmony	1,780	-	-	-	-	1,780
Total	6,870	-	-	-	-	6,870
Unrestricted funds						
Tillingham Property Fund	7,900	-	-	-	-	7,900
General Reserves	9,535	15,533	(13,516)	1,699	-	13,251
Total	17,435	15,533	(13,516)	1,699	-	21,151
Total Funds	35,690	17,670	(14,931)	4,737	-	43,166

*See note 29 for further details of the prior year restatement.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

ENDOWMENT FUND

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

RESTRICTED FUNDS

School Fund

Restricted School funds relate to the accumulated assets of St Paul's Cathedral Choir School under the management of the School governors.

SPECIAL TRUST RESTRICTED FUNDS

Tillingham Fund

These funds arose from the capital sale of three Tile cottages in 2007.

Spink Legacies

These funds are restricted towards the Middlesex Chapel.

Music Fund

These funds are to support music commissions for special occasions and the cost of music tours.

Library Fund

These funds are restricted towards the Cathedral Library.

Chorister Tuition Fees Fund

These funds were bequeathed to the Cathedral to support the chorister tuition fees.

American Memorial Fund

These funds are for repairs and general maintenance of the Chapel.

Crewe Dean Fund

These funds are restricted towards the costs of exhibitions.

Randolph Endowment & Ratcliffe Trust

These funds are to support the costs of the Preachers visiting the Cathedral.

Alexander Fund

These funds are to support Cathedral staff emergency welfare.

Bill Viola Installation

These funds are to support general maintenance and refurbishment costs to 2026.

Fishwick Grant - Organ Scholar

These funds are to support the role of the Organ Scholar.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

Right of Light - Chapter House

These funds are to support repairs within Chapter House.

Middlesex Chapel Fund

These funds were originally restricted to fund the Mother and Child statue.

Choristers Memorial Fund

These funds are restricted to support the Choristers Memorial.

RESTRICTED PROJECTS FUNDS

Fabric and Restoration

These funds relate to income received to support smaller fabric and restoration projects across the Cathedral.

Ministry

These are funds to support ministerial staff positions and related expenses.

Music Fund

These funds relate to income received to support music projects at the Cathedral.

Music Outreach

These funds are to support St Paul's music outreach programme which is an innovative community engagement initiative to educate and inspire children across London through the arts – particularly those from disadvantaged backgrounds.

Remember Me - Inner Portico

These funds are to support the permanent installation of the Remember Me memorial. Work is expected to commence in 2021 with the project due to finish in early 2022.

Remember Me - Digital Memorial

These funds are to support the online book of remembrance for all those who have died as a result of the pandemic.

Education

These funds are used to support the Schools and Families team for educational projects.

Other Restricted Funds

These funds were received for various smaller projects towards the Cathedral's charitable objectives.

Equal Access Ramp

These funds are restricted towards the installation of the permanent access ramp at the North entrance of the Cathedral. This project is due to complete early Summer of 2021.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

Historic England Roof Grant

These funds were received from Historic England towards roof repair work.

Church Commissioners

These funds relate to restricted income received from the Church Commissioners. Church Commissioners fund the stipends of the Dean and two Canons. The Cathedral was in receipt of funds to support the cost of the Vicars Choral in 2020 and received further income to support the salaries of staff working on Heritage projects. Furthermore, the Cathedral received funding towards the salary costs of the digital manager and digital learning manager from August 2020 for three years. All funding received in 2020 was fully utilised by 31 December. All grants received from Church Commissioners relate to s21 and s23 under the Cathedral's Measure 1999.

National Lottery Heritage Fund

The Cathedral was in receipt of £2.125m from the National Lottery Heritage Fund in respect of the first round of the Culture Recovery Grant. These funds are to support salary costs and other agreed operational costs from 1 October 2020 to 31 March 2021. Of the £2.125m awarded to the Cathedral, £1.078m of funds were not used as at the year end date. These funds were fully utilised in the period 1 January 2021 to 31 March 2021.

Learning in Harmony

These funds relate to the Learning in Harmony project at St Paul's Cathedral Choir School. This is a capital project for the construction of a new boarding house, refurbishment of staff flats, the school dining room and the creation of 3 new classrooms. The project was completed in spring of March 2021.

Friends of St Paul's

These funds relate to income received from Friends of St Paul's Cathedral ("Friends"). This year Friends donated £65,000 as a contribution towards the salary costs of the development team, activities of the School and Families and the choristers.

Organ CCTV Fund

These funds are restricted towards the costs and installation of CCTV for use by the Organists during service. £23,000 of CCTV equipment was purchased in 2020; the project is ongoing.

Library Project

These funds are to support the fabric of the Cathedral Library which involved decanting the Library for repair and restoration work. This project has spanned several years and is due to complete in 2021 / 2022.

DESIGNATED FUNDS

Coronavirus Fund

A designated fund, called the Coronavirus Fund was set up in 2020 to ring-fence funds to support the Cathedral during 2021 and 2022. Chapter expect the Cathedral will continue to make deficits during this time as a result of reduced visitor numbers. The £10m is designated support the Cathedral during this time.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

21 ANALYSIS OF NET MOVEMENT IN FUNDS (continued)

Invest to Save Fund

A designated fund, called Invest to Save Fund, was created by Chapter in 2016 to fund projects where a business case can be made showing that commensurate income or savings will be generated over a defined period of time, which can then be used to replenish the designated fund. These funds were released during 2020; due to the impact the pandemic has had on Cathedral activities these funds have been redesignated to the Coronavirus Fund.

Long term fabric fund

A designated fund called the Fabric Fund was created by Chapter in 2018 with a view to building a long term investment fund which could be used to fund essential renewal and upgrade works required to the Fabric of the Cathedral. Due to the impact the pandemic has had on Cathedral activities these funds have been redesignated for use in unrestricted operations.

Short Term Fabric Fund

The Short Term Fabric Fund relates to funds earmarked by Chapter for projects in the near future. Included in the year end balance of £1,313,000 includes funds towards the Equal Access project, the Library project, the Roof Restoration fund and a number of other smaller activities.

Learning in Harmony

The Learning in Harmony fund was established by Chapter in 2018 to reflect the Cathedral's commitment of funding towards the redevelopment of the School under its Learning in Harmony project. During 2020 the Cathedral granted £500,000 towards the project and loaned the School £1,939,000 by 31 December 2020 to part finance the project. The Cathedral has funded this loan by a bank loan of up to £2.5m, see note 18 for further details. The remaining funds were transferred to the designated Coronavirus Fund.

UNRESTRICTED FUNDS

Tillingham Fund

The Tillingham Property fund represents the net book value of the Tillingham Estate investment property held in the Balance Sheet as at 31 December.

General reserves

The General reserves are those unrestricted funds that are not designated and do not include funds held in the investment property at Tillingham Estate. These funds make up the Cathedral's free reserves. For further information see the Reserves Policy in the Annual Report.

FUNDS IN DEFICIT

There were a small number of restricted funds in deficit at the year end. Restricted income for these funds are due in early 2021 and as such no transfer is required from unrestricted funds to fund the deficits.

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

22 PENSIONS

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

Defined Contribution Scheme

A defined contribution pension scheme with Aviva is available to all employees. The assets of the scheme are held separately in independently administered funds. The pension charge represents contributions payable to the fund amounting to £396,000 (2019: £417,000).

Defined Benefit Scheme

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

The three yearly actuarial valuation of the Scheme as at 30 September 2019 was completed during 2020 and the outcome agreed by the Trustees at the meeting of 17 June 2020. The funding plan is for the Scheme to hold assets to the value of the benefits using the methodology as set out in the Scheme's Statement of Funding Principles. After taking account of its actual assets and liabilities and modifying mortality, retirement age and pay increase assumptions, the Scheme had a small surplus of £0.9m million. As a result of the surplus in the Scheme, the Trustee's determined that no further contributions would be needed from the Cathedral before 30 September 2022 when the next three year actuarial valuation is due.

An earlier designated fund of £2m (held under an agreement dated 13 March 2013) between the Cathedral and the Scheme was released into General Reserves during 2017 by agreement with the Trustee subject to a charge being made against over the Cathedral's property at Tillingham. The charge remains in place. The Trustee does not expect to call on this security, but this has been put in place in the unlikely event that the Cathedral is unable to support the Scheme in the future.

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

The plan assets and defined obligation are as follows:

	2020	2019
	£000s	£000s
Present value of defined benefit obligation	30,205	26,826
Fair value of plan assets	(34,505)	(30,842)
Surplus	(4,300)	(4,016)
Impact of asset ceiling	4,300	4,016
Net liability / (asset) in Balance Sheet	-	-

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

22 PENSIONS (continued)

Expenditure recognised in the Statement of Financial Activities:	2020	2019
	£000s	£000s
Cathedral's part of the current service cost	74	46
Total expense recognised in Statement of Financial Activities	74	46

Analysis of Scheme assets:

	2020		2019	
	Allocation	£000s	Allocation	£000s
Equities	10%	3,385	10%	3,094
Absolute return bonds	31%	10,757	34%	10,466
Diversified growth funds	13%	4,535	13%	4,141
Dynamic Liability Driven Investment ("LDI")	41%	14,399	37%	11,591
Cash at bank	1%	44	1%	53
Insured pensioners	4%	1,385	5%	1,497
Total	100%	34,505	100%	30,842

Movement in the net balance sheet position:

	2020	2019
	£000s	£000s
Net liability / (asset) position at 1 January	-	-
Expense charged to Statement of Financial Activities	74	46
Employer contributions	(74)	(46)
Net liability / (asset) position at 31 December	-	-

Movement in present value of defined benefit obligation:

	2020	2019
	£000s	£000s
Defined benefit obligation at 1 January	26,826	24,302
Employer's cost of the current service cost	74	46
Interest on plan liabilities	555	693
Actuarial gains / (losses) due to		
Experience on benefit obligation	(240)	117
Changes in financial assumptions	4,821	3,191
Changes in demographic assumptions	(1,023)	(673)
Benefit payments	(808)	(850)
Defined benefit obligation at 31 December	30,205	26,826

St Paul's Cathedral
Notes to the Financial Statements
For the year ended 31 December 2020

22 PENSIONS (continued)

Movement in fair value of plan assets:	2020	2019
	£000s	£000s
Fair value of assets at 1 January	30,842	28,031
Interest on plan assets	640	801
Actual return on plan assets less interest on plan assets	3,757	2,814
Contributions by Cathedral	74	46
Benefit payments	(808)	(850)
Defined benefit obligation at 31 December	<u>34,505</u>	<u>30,842</u>

Movement in the impact of the asset ceiling:	2020	2019
	£000s	£000s
Effect of asset ceiling at 1 January	4,016	3,729
Interest on asset limit	85	108
Change in asset limit other than interest	199	179
Effect of asset ceiling at 31 December	<u>4,300</u>	<u>4,016</u>

Significant actuarial assumptions at 31 December:

	2020	2019	2018
Retail Price Inflation (% p.a.)	3.00%	2.70%	3.20%
Consumer Price Inflation (% p.a.)	2.30%	1.90%	2.10%
Discount rate (% p.a.)	1.20%	2.10%	2.90%
Revaluation of non-GMP in deferment (% p.a.)	2.30%	1.90%	2.10%
General salary increases (% p.a.)	2.30%	1.90%	2.10%
Life expectancy of male / female aged 65	22.8 / 25.1	23.2 / 25.2	23.6 / 25.6
Life expectancy of male / female aged 65 in 20 years' time	24.1 / 26.5	24.6 / 26.7	25.3 / 27.3

23 CATHEDRAL CLERGY PENSIONS

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year (2020: £23,000, 2019: £31,000).

St Paul's Cathedral
Notes to the Financial Statements
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23 CATHEDRAL CLERGY PENSIONS (continued)

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

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

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

- 11.9% of pensionable stipends from January 2018 to December 2020: and
- 7.1% of pensionable stipends from January 2021 to December 2022.

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

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out as in the above.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

Movement in pension provision	2020	2019
	£000s	£000s
Liability at 1 January	25	88
Deficit contribution paid	(13)	(15)
Interest (recognised in SOFA)	-	2
Actuarial change in liability*	2	(50)
Liability at 31 December	14	25

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

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

St Paul's Cathedral
Notes to the Financial Statements
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23 CATHEDRAL CLERGY PENSIONS (continued)

Significant actuarial assumptions at 31 December (per annum):

	2020	2019	2018
Discount rate	0.20%	1.10%	2.10%
Price inflation	3.10%	2.80%	3.10%
Pensionable payroll increases	1.60%	1.30%	1.60%

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

24 GOING CONCERN

As noted in the Annual Report, the Covid 19 pandemic has had a significant impact on the Cathedral, its staff, volunteers, congregation, as well as on its finances.

In 2020, as shown on page 48 (SOFA for the Cathedral), the Cathedral entity had a total operating deficit (net outgoing resources) of £3,759k compared to a surplus of £2,739k in 2019; an adverse change of over £6.5m. The equivalent total figure for the Group is slightly smaller, with an adverse change of £5.8 million. The Cathedral entity's net deficit, based solely on Unrestricted Funds, was almost £5m in 2020.

As shown on page 24 of the Annual Report, in recent years, the Cathedral's financial operating model has successfully allowed Chapter to build up funds in reserves and this has helped it to weather some of the initial financial consequences of the pandemic.

St Paul's is not only a major cathedral but also a popular tourist attraction, especially for visitors from overseas who account for approximately 80% of all paying visitors to the building. Income from visitors, the shop and other commercial income is a major part of the financial operating model. Lockdown and travel restrictions in 2020 in the UK and around the world, as well as social distancing and other requirements, have had a major impact on the Cathedral's income. The number of paying visitors in 2020 was 131,288 compared to 929,003 in 2019, a reduction of over 85%. Income from visitors reduced by over £11.1m to £2.2m.

To address the situation, Chapter took significant mitigating actions to ensure the Cathedral remains operationally and financially viable, and to protect the core aspects of the Cathedral. These actions

- Embarking on a major restructuring programme to reduce headcount and discretionary costs;
- Ring-fencing reserves (note 21) to fund projected deficits of a total of £10m over the next two years (2021 and 2022);
- Ensuring sufficient short-term cash flow resources would be available, it realised £8.6m of listed investments;

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24 GOING CONCERN (continued)

- Applying for, and receiving, grants from: (a) the Government to furlough staff, and (b) the National Lottery Heritage Fund;
- Exploring potential new sources of income and increasing the activity of the Development department; and
- Chapter are in the process of applying for a Coronavirus Business Interruption Loan (CBILs) for £5 million (see post balance sheet events note 30).

Chapter undertook a thorough and comprehensive review process when making its assessment of going concern. It reviewed projected budgets for the period to, and beyond, the end of 2022 and projected cash flows up to 31 December 2022. This is the date it regards as the 'foreseeable future' for the purposes of this Note.

It considered sensitivities to the projections and adopted a prudent scenario that over the next two years there will, overall, be a slower upturn in economic activity than that forecast in the press.

On the number of visitors to the Cathedral, Chapter took the view that there will be a prolonged reduction in the number of overseas visitors traveling to the UK and this will continue over the next two to three years. From 2024 onwards, it has taken the view that there will be a return to the 2016 pre-pandemic level of around total (UK and overseas) visitors paying of around 700,000 per year.

As well as income from visitors, Chapter took account of the pressures on its other key sources of income including commercial income, grants and donations.

Conclusions

Based on the projected budgets and cash flows and the level of reserves, Chapter have concluded, for the of the 'foreseeable future' period noted above, that:

- (a) there is a reasonable expectation that the Cathedral has adequate resources to continue in operational existence; and
- (b) there is no material uncertainty regarding the Cathedral's ability to continue as a going concern.

The Chapter therefore continues to adopt the going concern basis in preparing these financial statements.

25 CAPITAL COMMITMENTS

The school has a building contract with Borrás Construction Ltd for the construction of a new boarding house, the refurbishment of staff flats, school dining room and the creation of three new classrooms. The contract value is £5,693,678 excluding VAT. The Gross Valuation at 24 December 2021 was £5,446,118 excluding VAT. On 27 May 2021 a final contract sum of £6,009,711 plus VAT was agreed. The final balance less agreed retentions of £99,532 plus VAT was settled in June 2021.

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25 CAPITAL COMMITMENTS (continued)

The Cathedral had a building contract with Stonewest Limited for the construction of a new access ramp at the North Transcept. The contract value was £2.6m excluding VAT. The Gross Valuation at 23 December 2021 was £2.1m excluding VAT. At the year end a commitment of £0.5m was outstanding and will be settled in 2021.

There were no other capital commitments across the group.

26 CONTINGENT LIABILITIES

The Cathedral and its subsidiaries had no contingent liabilities as at 31 December 2020 (2019: none).

27 OPERATING LEASE COMMITMENTS

At 31 December total commitments for the group under operating leases were as follows. These leases are in relation to the Cathedral's subsidiary St Paul's Cathedral Enterprises Limited for rental costs for Paternoster Lodge. The Cathedral has no material operating lease commitments.

Group	2020	2019
	£000s	£000s
Under one year	85	85
Two to five years	104	189
Total	189	274

The subsidiary has lease operating income commitments of £85,000 per year in relation to the same property above, Paternoster Lodge. The lease ends on 22 March 2023.

28 RELATED PARTY TRANSACTIONS

Income of £Nil (2019: £1,225,000) was received from St Paul's Cathedral Enterprises Limited, being a distribution of 100% of the net income for the year. In addition, St Paul's Cathedral Enterprises Limited was recharged salaries of £416,000 (2019: £446,000). As at the year end, £257,000 (2019: £2,675,000) was owed and included within the Cathedral's debtors.

Tuition fees of £471,000 (2019: £458,000) and music fees of £60,000 (2019: £58,000) were paid to St Paul's Cathedral Choir School ("School"). The Cathedral loaned the School £1,939,000 (2019: £Nil) and paid grants totalling £500,000 (2019: £Nil) to finance the Learning in Harmony project. The Cathedral received rental income from the School of £125,000 (2019: £122,000). As at the year end, £103,000 (2019: £727,000) was owed and included within the Cathedral's debtors.

During the year St Paul's Cathedral Foundation awarded the Cathedral grants totalling £50,500 (2020: £1,360,730). As at the year end grants totalling £1,370,000 (2019: £1,370,000) were owed and included within the Cathedral's debtors. As at the year end £89,863 (2019: £Nil) was owed and included within the Cathedral's debtors in relation to other reimbursed expenses.

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28 RELATED PARTY TRANSACTIONS (continued)

Friends of St Paul's Cathedral ("Friends") is an associated entity of the Cathedral (see note 20c) and is a related party to the Cathedral by virtue of common trustees of Friends also being members of Chapter of the Cathedral. During the year Friends awarded grants of £65,000 (2019: £65,000) to the Cathedral in respect of £35,000 being a salary contribution, £20,000 towards the Schools and families department with a further £10,000 towards the choristers. As at the year end grants totalling £130,000 (2019: £65,000) was owed and included within the Cathedral's debtors. As at the year end £38,000 (2019: £25,000) was owed and included within the Cathedral's debtors in relation to other reimbursed expenses.

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

29 PRIOR YEAR RESTATEMENT

The following prior year restatements have been made in the financial statements:

- a. A prior year restatement was raised to reclassify corporate partnership income of £37,000 from donation income (note 2) to income from other trading activities (note 5). This adjustment impacts both the Group and Cathedral Statement of Financial Activities. Total income in the comparatives is unchanged.
- b. A prior year restatement has been raised to reclassify £313,000 of restricted funds from "Cathedral - Repairs Grants" to the School restricted fund as at 1 January 2019. These funds were correctly classified as at 31 December 2018 and this adjustment ensures the opening balances are correct. This adjustment does not impact net funds nor the total of restricted funds at 1 January 2019 and 31 December 2019. This adjustment affects both the Cathedral and Group fund notes, see note 21.
- c. A prior year restatement has been raised to reclassify income and expenditure within 2019 the restricted funds. Total restricted funds at 31 December 2019 remain unchanged. This adjustment was raised to provide more detail in the comparatives fund note. This adjustment affects both the Cathedral and Group fund notes, see note 21.

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30 POST BALANCE SHEET EVENTS

Chapter applied for a Coronavirus Business Interruption Loan (CBILs) for £5 million in early 2021 the outcome of which is pending at the date of approval of these financial statements.

The Governors of the St Paul's Cathedral School and Chapter of the Cathedral have started discussions with the objective of restructuring the governance arrangements at the School. As part of this exercise the trade and assets will move from the School in its current structure as an unincorporated charity to a new incorporated charity. Discussions are ongoing and the new changes are expected to take place within the next year. The School's results will continue to be consolidated in the Cathedral's financial statements.

31 RECONCILIATION OF NET (OUTGOING) / INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

GROUP	Note	2020 £000s	2019 £000s
Net (outgoing) / incoming resources		(726)	7,476
Depreciation of tangible fixed assets	11	101	96
(Increase) in stock		(32)	(12)
(Decrease) / Increase in debtors	15 / 16	694	(1,446)
(Decrease) in creditors excluding bank loan	17 / 18	(604)	(106)
Investment management costs	6	77	71
Income from investment property and investments		(525)	(466)
Net movement in cash held in investments	14	(2,670)	(315)
Investment (gains)	14	(867)	(3,237)
Net cash (used in) / provided by operating activities		<u>(4,552)</u>	<u>2,061</u>

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32 ANALYSIS OF THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019 BY FUND

	Note	Unrestricted Funds £000s	Restricted Funds £000s	Endowment Funds £000s	Total 2019 £000s
Income					
Donations and legacies					
Donations and legacies	2	744	1,023	-	1,767
Grants	3	220	2,020	-	2,240
Income from charitable activities	4	659	3,856	-	4,515
Income from other trading activities	5	13,416	-	-	13,416
Income from property and investments		372	95	-	467
Other Income		3	-	-	3
Total		15,414	6,994	-	22,408
Expenditure					
Raising Funds	6	5,966	-	-	5,966
Charitable Activities	7			-	
Ministry		2,374	55	-	2,429
Cathedral and precincts upkeep		3,274	1,357	-	4,631
Education and outreach, community and congregation		1,269	3,874	-	5,143
Total		12,883	5,286	-	18,169
Net incoming resources		2,531	1,708	-	4,239
Gains on revaluations and disposals of investments	14	1,699	448	1,090	3,237
Net movement in funds		4,230	2,156	1,090	7,476
Funds brought forward	21	24,305	6,524	4,861	35,690
Funds carried forward	21	28,535	8,680	5,951	43,166