



GUILDFORD
CATHEDRAL



For the year ended
31 December 2019

ANNUAL REPORT AND FINANCIAL STATEMENTS



OPEN

a warm-hearted community,
open to **God**, open to **all**



TELL

the **Good News** of Jesus to the world
through our worship and outreach



DEVELOP

the use of our estate in a way that honours
God's concern for his **Creation**



ENABLE

the **Bishop's** ministry and nurturing
of young and old in their faith



SERVE

the schools, parishes and chaplaincies of our
Diocese and to serve our **County** and locality

INTRODUCTION BY THE DEAN

Who we are

Cathedrals in the Church of England hold a unique position in society, which enables them to connect people with the sacred, build links between individuals, organisations and communities, and sustain tradition and identity. Guildford Cathedral is a modern expression of this traditional sacred space: consecrated in 1961, it is one of the newest Church of England cathedrals. It is rooted in local identity and the living memories of many through the 'brickgivers' and the many other subsequent benefactors who have helped fund its completion and continuing mission.

At the heart of cathedral life is a pattern of regular worship offered to God. Daily prayer, a place of refuge and reflection and services open to all form the basis of everything we do. We seek to be a beacon for the Diocese of Guildford and people of Surrey. Our vibrant musical life draws many, especially young people, to participate in the life of the Cathedral and through that participation to encounter the good news of Jesus Christ. Our welcome seeks to draw all into a deeper awareness of shared humanity and provide rest and inspiration. Our engagement with the University of Surrey is a strong and mutually beneficial relationship of academic wonder, contemporary debate and service to the community. Our relationship with the churches, schools and chaplaincies of our Diocese is one of service as we offer hospitality, resources and encouragement. As the seat of the Bishop's Ministry and Mission we support him as he leads the whole church in the transformation of lives as promised through the life and ministry of Jesus Christ.

Although this report is for the 2019 calendar year it is written in the middle of the 2020 global pandemic. The cathedral building is physically closed and 19 of our 29 wonderful staff are furloughed, but the church remains active. Meetings are happening virtually, Sunday worship is being pre-recorded and the worshipping community will include many people who have never set foot in the building. Seasons, the café and restaurant at the Cathedral, has been cooking for the NHS, with 1,200 meals a week prepared at the height of the output and we are able to see the cathedral building lit with messages of support for the NHS, gratitude for the sacrifice made by so many during WW2 and messages of hope. We look forward to moving into the future and are excited by the possibilities which await us. Our financial constraints have grown rapidly during this period but our dedication to the mission of God is unconstrained. Guildford Cathedral is, and remains, Open to God and Open to All.

Strategic development

Our Strategic Development Plan identifies four key facets of our work and purpose. These are Deepening Discipleship, Family Engagement and Schools, Visitor Experience and Events and Worship and Music. We aspire to be a *Warm hearted Community, Open to God and Open to All*.

For the work to progress Chapter has invested necessary resources in improving our infrastructure. Operations, facilities, finance control and management, safeguarding, fundraising and support for volunteers are examples of where we have developed in order to enable the four areas of focus to move forward.

The detailed numbers and other information appear later in this report, but some highlights of 2019 include:

Deepening Discipleship

- Bronze Eco-Cathedral Award, and now well on the way to a Silver Award;
- God for Grown Ups, Buns on Saturday and Third Sunday Study continue to thrive and provide smaller settings for people to explore their own discipleship, understanding and vocation;
- Prayer with anointing and laying on of hands, monthly Healing Eucharist, termly Rosary are a few examples of provision for spiritual nurture and strengthening for cathedral community members and worshippers;
- A new monthly Sunday Eucharist with outreach in mind, particularly developed to engage and inspire parents of young children.

Family Engagement and Schools

- Our Cathedral now houses the Diocesan Resource Centre for schools and churches – a lending collection of hundreds of items to enable and strengthen growing in faith;
- Cathedral Tots is a monthly service with a committed core of nine or so adults who bring their children to pray, read the Bible, to learn, worship and enjoy fellowship together with up to 20 others;
- Summer Storytime and Song, a four-week series of music and story for under 7s and their parents and carers, were held in partnership with Seasons bringing more than 50 new

families to the Cathedral and to Seasons and this has contributed to the growth in numbers attending Cathedral Tots;

- School Workshops, either bespoke or based on the church year, have been offered to more than 800 children;
- July 2019 saw the Cathedral welcome almost 5,000 Year 6 children (aged 11) and their teachers as they 'graduated' from their primary schools and looked forward to secondary school;
- Sunday School was reviewed, and materials are being developed which will enable all generations to focus on the same theme each Sunday and to continue the discussions at home during the week;
- Special services developed with children and their parents in mind took place for Christingle, Good Friday, and Christmas Eve. The good attendance at Christmas Eve is beginning to be replicated at the other focussed services.

Visitor Experience and Events

- Family Fun Activity Days – the number of guests participating (sometimes more than 350) was so popular that it quickly grew too big for meaningful individual engagement, requiring us to develop new ideas. Our Visitor Experience Officer has taken forward this area of work, developed by our Head of Schools and Family Engagement, and devised and delivered enjoyable and engaging free activities four times a year;
- Monthly Coffee Concerts - the guests welcomed to these concerts are almost all residents of the Residential and Care Homes in our Diocese. Free refreshments and a warm welcome served by volunteers and staff is matched with fascinating and engaging music offered by those who request to play;
- Seasons Café and Cathedral Shop - opening hours for both are now aligned with busy periods of activity in the Cathedral and the Shop's new layout is proving very attractive. Seasons regularly offers foods of the week and themed days to raise awareness of current issues (World Dementia Awareness Day, for example);

- Commercial events and Community Events – *Star of Wonder*, the light and sound show devised by Lux Muralis was presented to thousands of people in early 2020. Our hospitality, working together with Seasons, was praised by many of those who enjoyed the show;
- Thousands graduated in the Cathedral including students from local schools, the University of Surrey, Apprentice Learning Partnership and School Centred Initial Teacher Training.

Worship and Music

- A monthly service of family friendly Holy Communion was introduced in September which has been developed to enable parents of young children to be nurtured in their own faith and discipleship and to worship alongside their children;
- An informal time of performance, either by the boy or girl choristers, during monthly coffee after the Cathedral Eucharist has been introduced;
- Cathedral Tots, Christingle, Good Friday, and Christmas Eve are services with children and their parents in mind, they continue to develop and numbers participating increase;
- Cathedral Choir out and about in the Diocese takes different forms. The boy or girl choristers, alternating between them, sing with the Lay Clerks once a term at a church in our diocese. *Be a Chorister for a Day* welcomes hundreds of children who might be interested in choral singing, and this continues to serve as recruitment for our boy and girl choristers. *Surrey Get Vocal* engaged with primary schools in our area and almost 200 children wrote the lyrics and learned to sing with our boy choristers;
- Summer Organ Festival showcased organists newly beginning their career as well as players of many years renown and was enjoyed by many people throughout the summer Thursdays;
- Service for the Agricultural community took place on the eve before the opening of the Surrey County Show and was devised in consultation with the Surrey County Agricultural Society and The Lord Lieutenant of Surrey;
- Remembrance Sunday in November included the Surrey County Remembrance Service in the morning and a Choral Requiem that evening;

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This list is not exhaustive but gives a lively flavour of the variety of activities which our staff and volunteers enable to happen.

I am indebted to Matt O'Grady, Chief Operating Officer, for the smooth running of a large institution and to the generosity and dedication of our small team of paid staff and to the hundreds of committed volunteers.

.....
The Very Reverend Dianna Gwilliams – Dean

Dated **2020**

CHAPTER REPORT

Annual Report

This Annual Report contains the financial statements of the Cathedral Church of the Holy Spirit, Guildford (known as Guildford Cathedral) for the year ended 31 December 2019 set out on pages 19 to 40 together with an Introduction by the Dean and the Chapter Report on pages 1 to 15 incorporating a review of our main activities and achievements and a financial review. In addition, the Chapter Report includes legal and administrative information and details of the Cathedral's structure, governance, and management, which are set out in Appendices I to II on pages 41 to 46.

Governance

The regulations underpinning the governance of Guildford Cathedral, together with the Terms of Reference and membership of key committees, are set out in the Appendices I to II.

Liturgy and Music

We continue to welcome people from all parts of the civic life of our diocese, our parishes and schools and for major diocesan occasions. We are delighted to work with them to shape appropriate and relevant liturgies.

The rhythm of Cathedral life is underpinned by the daily offering of said Morning Prayer and Holy Communion, concluding with sung Evensong at the end of the day, and it is this which sits as the beating heart of who we are.

2019 was a busy year in the worshipping life of the Cathedral. There have been several significant highlights and events. In January, aside from the Epiphany Procession, our Lay Clerks recorded a wonderful Christmas CD through the very generous donation of a benefactor. Another CD, yet to be released, was recorded in June. Our music outreach work, *Surrey Get Vocal!* with six primary schools saw them visiting the Cathedral and singing Evensong with the Cathedral choir whilst gathering material for their compositions which were performed to a packed Cathedral of family and friends in March.

Choral Evensongs continued throughout the year on weeknights, except Wednesday and Saturday. An addition in the past year is that once a term our 'back row' is made up of changed voice former boy choristers. This has proved a success.

Visiting choirs provided us with sung liturgies during our own choirs' holiday period as well as on some Wednesdays and Saturdays and we have been glad to receive an increasing number of enquiries from choirs during 2019 wanting to sing in such a wonderful acoustic and to experience the warmth of our welcome.

In the autumn term of 2019 the organists participated in a 24 hour Organathon, raising funds for the Music Department and spending a sleepless night, with some willing participants, in the Cathedral

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playing through the small hours on into the final concert 'Last night of the Proms' style. Our popular series of summer organ recitals continued, with an international flavour.

We said thank you and farewell to our 2018-2019 Organ Scholar, Martina Smyth at the end of August as she moved on to study for a master's degree at the Royal College of Music. A few weeks later we welcomed our 2019-2020 Organ Scholar, Will Campbell, into the team.

The Guildford Cathedral Singers, under the direction of John Bawden, continue to play their part in choral worship offered in the cathedral. They sing on a number of Sundays during school holidays as well as at a joint service with the cathedral choir once each term.

In the weeks leading up to Christmas, large numbers of people came through the doors to school, community, and Cathedral carol services alike.

'Cathedral Tots' has taken place once a month, with much positive enjoyment and feedback. Worship with families, children and their parents especially in mind, took place in January (Christingle) and on Good Friday and Christmas Eve. We introduced a 'more accessible' Eucharist on the first Sunday at 9.45 with increased opportunity for congregational participation. This is intended to welcome young adults who may have fallen out of the practice of attending church, those who may attend Cathedral Tots and would also like to attend church on a Sunday morning and those new to church or to worship. This has enabled us to also retain a traditional rite Choral Eucharist once a month.

We are grateful to and commend Katherine Dienes-Williams, Organist and Master of the Choristers; Richard Moore, Sub Organist; our Organ Scholars Martina Smyth and Will Campbell; John Bawden and the Cathedral Singers; our Virgers, Servers and Stewards who all work tirelessly to ensure that the worship we offer to God is as acceptable to him as possible.

Family Engagement and Schools

There follows a summary of the 2019 activity in the key area of Family Engagement and Schools, one of the four foci of the Strategic Development Plan.

Family Fun Days

- Held at February half-term, May half-term, early summer holidays and October half-term in conjunction with Guildford Borough Council as part of The Big Draw Festival.
- Across all these days, we welcomed 858 people to the Cathedral.
- All Family Fun Days are free to attend. The buying of resources to provide activities for the Family Fun Days was generously supported by The Hobson Trust.

Family Services

- A Christingle service was held in January with 94 people in attendance.
- The Good Friday family service welcomed 66 people of all ages, led by Canon Paul Smith on a journey through the story of Easter up to the events of Good Friday.

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- Journey to Bethlehem took place on Christmas Eve with Sub-Dean Stuart Beake leading the service, the Stag Hill Phil Orchestra providing the music, and the Sunday School team managing the children to tell the story of the Nativity.

Cathedral Tots

- Our toddler and baby-friendly services took place on the first Wednesday of each month (except in August), and have seen a growth in congregation.
- The average number of attendees is now at 22 people per service.
- The format involves a song, story and a prayer and is followed by an optional craft activity.
- Refreshments are available for all attendees and toys and games are out to keep the children occupied.

Summer Storytime and Song Sessions

- Each Wednesday in August, for half an hour, an informal, free storytime and song session took place in Seasons Café.
- Over the course of the 4 weeks, we met and welcomed 140 people – the majority of whom had no prior connection or contact with the Cathedral.

School visits

- School visits took place throughout the year with 9 schools requesting school visits, which are tailored to their classroom learning and specifically written for their school. This involved 435 pupils plus teachers and adult helpers. Learning topics covered included Colours of the Church Year, baptism, Symbols of the Christian Faith, Pentecost, a Cathedral Tour, and how the building is used in worship.

School Workshops

- Workshops happen to mark Christian festivals throughout the year and take place for schools to learn about Lent, Easter, Pentecost, and Advent. In 2019, 18 schools came to workshops which meant that 709 pupils visited the Cathedral.
- Throughout 2019 workshops were in the process of being re-written to link to the Diocesan RE Syllabus, and delivery notes of content are checked by the Dean prior to delivery to pupils.

Year 6 Leavers' Services

- The Cathedral again hosted the Diocesan Year 6 Leavers' Services, organised and managed by Jane Whittington (Schools' Office – Christian Distinctiveness) and a team from the Diocesan Board of Education.

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Growing Faith

- The Diocesan Growing Faith task group met 4 times in 2019 to discuss and implement the development of the Growing Faith initiative to improve links and faith-based discussion and sharing of ideas between schools, households and children and young people.

Enterprises

Events

Alongside our own Christmas Fair, we hosted 26 events and were delighted to welcome a wide range of organisations to the Cathedral:

- University of Surrey;
- Association of Learning Providers in Surrey;
- Surrey South Farnham School, Centred Initial Teacher Training,
- Guildford County School;
- Luna Cinema;
- Pre-loved Kilo Sale;
- Etsy Made Local.

For our Abseil season we welcomed the following:

- The Fountain Centre;
- Challengers;
- Friends of Guildford County School;
- Parkinson's UK;
- Chloe & Sophie's Special Ears Fund.

In summary – during 2019, the Cathedral has played host to:

15 graduation ceremonies over 3 days in April and five days in July;
4 concerts, 5 abseils;
4 corporate events;
3 awards ceremonies;
3 film screenings;
3 clothing sales;
1 theatrical production;
1 craft fair.

In addition, for our own Christmas Fair, we welcomed over 5,000 people to the hill. In January 2020, 5,000 people also came to see the extraordinary 'Star of Wonder' light and sound experience in the Nave.

In August 2019, Katrina Jenkins left to begin her training to become a priest. The Cathedral welcomed Louise Musgrove as the new Head of Visitor Experience and Events to work alongside

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both the newly appointed Events Officer (Karen Taylor) and Visitor Experience Officer (Tracey Pusey).

Seasons Café and Kitchen

The Topsy Pigs had another successful year operating our café restaurant Seasons as our franchisees and saw an increase in corporate and private bookings. They now regularly host monthly corporate events for the Institute of Directors, Connect Surrey & Climate Café. There has been a steady increase in groups linked to the University of Surrey making use of Season's Café as a venue for meetings. The Topsy Pigs team work closely with Cathedral marketing to host themed menus such as national pie week etc. Expanding the Cathedral's call to Christian Hospitality, Seasons is now open from 9.00am until 4.30pm, seven days a week and frequently offers special menus and seasonal events. In 2019 the restaurant generated a commission to Guildford Cathedral Enterprises Limited of £34,000 (2018: £26,000).

Shop

The Shop continues to support both the Cathedral and the parishes in the Diocese. This is managed by a dedicated team of volunteers, ably led by our Shop Manager, Sharon Collier. Sharon has worked hard to find new products and refresh displays to keep both our regular and new customers interested and coming back for more. In 2019 the Shop had a turnover of £107,000 (2018: £121,000) generating a gross profit of £19,000 (2018: £23,000).

Fundraising

The Cathedral gives thanks for all who financially support the mission and ministry of this place. All gifts, no matter their size, make an impact on the work we can achieve. Each donation allows us to make a difference to those who visit, worship at, and experience the Cathedral, whether on a regular or one-off basis. It was a very successful year for the Fundraising Team, with some income lines coming in over budget by a considerable margin. Income from Trusts was 34% above budget, with significant grants coming in for a range of our work including our choir programme, our families' and schools' work and outreach. Some Trusts have asked to remain anonymous, but others include (in alphabetical order):

- Atlas Fund.
- Borrows Charitable Trust.
- Brook Charitable Trust.
- Evelyn Charitable Settlement.
- Garfield Weston Foundation.
- Golsoncott Foundation.
- Friends of Cathedral Music.
- Loseley Christian Trust.
- Pamela Champion Foundation.
- Peter Harrison Foundation.
- Vibrated Corn Trust.
- Wates Foundation.
- Williams Church Music Trust.

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We give thanks for generous and loyal support from several parishes, including Mickleham Parochial Church Council, St James (Elstead), St Mary's (Ash Vale), St Nicholas (Thames Ditton) and St Martin's (East Horsley). Their prayerful and financial support means a great deal to us. We held a fundraising supper at the home of the Lord Lieutenant of Surrey for friends and supporters of the Cathedral. We are grateful for the conversations this has started and the partnerships that this will nurture going into 2020. Income from Cathedral visitors was over budget, despite a slight decrease in visitor numbers. The contactless donation box continues to provide additional income in the region of £2,800, and our handheld contactless devices were trialled during services over Christmas. QR codes for making donations were also tested, with mixed results. Events' fundraising was hugely successful in 2020, with significant income from fundraising concerts put on by Guildford, Godalming and Farnham Rock Choir, Cavatina Orchestra, and the Cathedral Lay Clerks. A summer garden party held by one of the Cathedral families was also very successful, as well as two members of the Cathedral community taking part in RideLondon and the Surrey Half Marathon. For all gifts, from all visitors, individuals, Trusts and organisations, we are thankful.

Fabric Report and Forecast of Maintenance Costs

The Cathedral Architect's Quinquennial Inspection report from September 2017 identified a list of maintenance and repair items still to be undertaken at a cost of approximately £3.27m after completion of major project work. Dealing with these items remains a medium to long-term aim to be addressed using the annual income from the Cathedral development endowment when it is available. In the meantime only urgent and health and safety related defects are being addressed and routine maintenance is being carried out on equipment in accordance with the appropriate specification.

Staff

The year started with Becki Hartley joining in the vacant post of Head of Family Engagement and Schools, we are grateful to Louise Kenyon for having covered this area in a temporary capacity in preceding months. This marked the end of an extended period where Louise was either employed by the Cathedral in a fixed term role or undertaking short term cover, and the Cathedral is very grateful to her for her unswerving loyalty and all that she achieved at a difficult time. May saw us bid farewell to the Reverend Canon Dr Julie Gittoes, who had served as a Residentiary Canon with responsibility for Education for seven years, to begin the next chapter of her ministry as a vicar in Hendon. In the summer, several appointments were made with Tracey Pusey joining in the vacant Events Officer position, and Karen Taylor taking over from Rachel Siu as the Visitor Experience Officer. Catherine Barker joined in a new role as Marketing and Communications Officer. Gill Thorpe left us this year after ten years selfless dedication and was replaced in July as the Volunteer Co-ordinator by Julie Mitchell. Louise Musgrove relieved Katrina Jenkins as the Head of Visitor Experience and Events in August, Katrina leaving us after seven years' loyal service at the Cathedral to begin training for ordination. She had taken over as Head of Visitor Experience and Events for her last eleven months and had very ably steered the department whilst also taking a key role in recruiting the new team. Finally, early in 2020 the University of Surrey appointed the Reverend Duncan Myers as its Anglican Chaplain, Duncan is also licensed as a Priest Vicar at the Cathedral.

Volunteers

We are extremely grateful to our large cohort of Volunteers for their dedication, hard work and pro-active approach in all aspects of their support to the Cathedral. The new Volunteer Co-ordinator has been recruiting into key areas as identified in the Strategic Development Plan, and into hard pressed cohorts where the existence of vacancies has made life difficult for our Volunteers.

Risk Management

At the time of signing this report Chapter is still dealing with all the effects of lockdown under the pandemic COVID-19. This has resulted in a whole new range of risks being identified and added to our Risk Register including from the different operations with a closed Cathedral, providing external catering from Seasons' kitchens for NHS and other Key Workers, dealing with the loss of trading and donation income during lockdown and other financial effects, and protecting against any spread in the virus itself.

The major risks in 2019 continued to be the underlying deficit and the progress on the sale of the land. Chapter had set challenging budget targets for 2020 and 2021, including plans for increasing income generation. Much of this will have to be reviewed and new targets set once we have greater clarity of our exit from lockdown. Progress towards the sale of the land has moved on apace and it is intended to submit an application for planning permission to Guildford Borough Council in Q3 of 2020.

Chapter maintains a detailed Risk Register and ensures it is kept up to date, given all the various activities of the Cathedral. The risk management process and the resulting Register identifies risks, assesses their impact and likelihood and, where necessary, implements controls to mitigate and monitor those risks that are assessed significant.

The key controls used by Chapter to manage risk include:

- Formal agendas and minutes for the Boards and Committees;
- Comprehensive strategic planning, budgeting, and management reporting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels, and
- Vetting procedures as required by law for the protection of the vulnerable.

Financial Review

Chapter's main financial focus has been on supporting the aims and operations of the Cathedral whilst seeking to manage and reduce the annual financial deficit. Work towards the sale of the land, to secure an endowment, has continued.

The Consolidated Statement of Financial Activities shows a net increase in total funds of £31,000 (2018: decrease of £124,000) and for unrestricted funds a net decrease of £72,000 (2018: increase of £56,000). The most significant contributors to that change were net gains on investments of

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£184,000 (2018: loss of £90,000), a surplus on the land sale development (because of an initial amount received from the developer, less directly related professional fees) of £45,000 (2018: deficit of £69,000) and reduced legacy income at £17,000 (2018: £183,000). Legacy income is significant to Chapter's operations: over the last ten years, it has received about £1m in unrestricted legacies. However, it is very variable from year to year. For the statutory financial statements, all legacies have to be reported when their receipt is reasonably certain. Chapter has decided, for internal management accounting purposes and budgetary control, to average significant legacies over three years. In addition, 2018 unrestricted funds benefitted from the transfer of the balance of funds from the old capital appeal now that that work has been finished.

Adjusting for the above factors gives the following adjusted management accounts results on unrestricted funds:

	2019	2018
	£'000s	£'000s
Net movement in funds	(72)	56
Net gain/loss on investments	(19)	32
Result before investment gains/losses	(91)	88
Deferred Legacy Income	50	(123)
	(41)	(35)
Land Sale	(45)	69
Transfer of appeal fund balance	-	(83)
2018 appeal income		(11)
Management Accounts Result	(86)	(60)

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This result was in line with Chapter's budget for 2019 of an £87,000 deficit. Although it was an increase in deficit against 2018, the Cathedral Music Development Foundation significantly reduced their grant funding in 2019 and 2018 staff costs were lower with several posts being vacant which were filled during 2019.

The overall financial position remains challenging and the intention remains to reduce the operating deficit. The budget for 2020 was an operating deficit of £47,000 and Chapter had set itself the task of producing a balanced budget in 2021. The reserves policy of £500,000 being held in unrestricted free reserves was not breached (see below under Reserves). However, Covid-19 has had a significant impact on Chapter's plans as set out below.

Chapter's aim is to continue to challenge costs whilst remaining mindful of the need to achieve the vision elucidated in its document of 2019 and the strategic development plan. It remains focused on plans to increase income through more legacies, regular giving, grants, increasing visitor numbers, commercial activity and the ongoing support of the Music Development Foundation and the Friends of Guildford Cathedral. Bringing the land sale to completion is also important to overall sustainability because it will establish an endowment fund that will support the cost of repairs and refurbishment on the Cathedral that currently needs to be supported from unrestricted funds and whilst achieving this it will also help our reserves by recovering costs already incurred on the development.

Impact of Covid-19

The full impact in the medium term of Covid-19 has still to be determined. In March the finance team started to prepare cashflow and management accounts forecasts under a number of different scenarios. Thus, we were able to take quick action once lockdown became clear. To ameliorate its effects on 31 March Chapter approved the loan in tranches of a total of £100,000 from the Newill Trusts, to be repaid by 22 March 2022 at 1.75%pa above the Bank of England base rate. This was felt to be preferable to the alternative of selling off some of our short-term investments which would have resulted in our realising investments at a loss. By 30 April 2020 19 out of 29 Staff had been furloughed to take advantage of the government's Job Retention Scheme. On 31 March Chapter agreed to top up the government's funding of 80% of furloughed salaries by a further 10% until the end of May. On 28 April Chapter agreed to extend the 10% salary top up until the end of June. To date no member of our staff has had to be made redundant. The latest forecast for 2020 shows a management accounts deficit of £167,000 against the original budget for the year of £47,000 deficit. This would produce in the published accounts a net deficit on general funds after transfers but before investment gains/losses of £217,000. However, there remain considerable uncertainties not least whether there will be a resurgence of the infection.

Whilst having a significant negative impact on the Cathedral's finances and operations, Chapter considers that the Cathedral remains a going concern. Although free reserves as at 31 December 2020 are currently forecast to be around £350,000, which is well below our minimum target of £500,000, this still gives us a significant financial safety net for the short-term future. The land development process is continuing to go forward and so far its timetable has not been affected.

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Investments

To ensure appropriate financial management Charles Stanley and & Co Ltd hold the main portfolio on behalf of the Cathedral and manage it on a discretionary basis within agreed parameters and in accordance with the Cathedrals Measure 1999. A discretionary mandate enables them to monitor the portfolio on an ongoing basis and they are authorised to take timely action to adjust the portfolio as considered appropriate in response to market developments. The Finance Committee regularly monitors their performance. Investments are also held with CCLA Investment Management Ltd. Whilst our investments with both investment managers suffered losses in the early part of 2020, in particular around late March when lockdown was imposed, they are slowly recovering their value.

Reserves

The policy of maintaining £500,000 in liquid unrestricted reserves (cash and on-call investments) has been maintained since 2017 to the end of 2019. This represents around 50% of the annual unrestricted running costs of the Cathedral, which Chapter considers reasonable based on the income that it is likely to receive during the time taken to devise and implement a revised set of financial priorities, should this be required. However, see the note above re the Impact of Covid-19 on our reserves in 2020.

Liquid Unrestricted Reserves	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
	565	665	592	746	699

Public Benefit

Chapter confirm that they have complied with Section 4 of the Charities Act 2006 to have regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral not only serves the community daily in its religious and charitable work but is an active resource of public importance in the promotion of religion, music, education, and architecture.

Approved by the Chapter of Guildford Cathedral and signed on its behalf by

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The Very Reverend Dianna Gwilliams – Dean

Dated 2020

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INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD For the year ended 31 December 2019

We have audited the financial statements of The Cathedral Church of The Holy Spirit – Guildford (“the Cathedral”) for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Cathedral Balance Sheet, The Consolidated Cash Flow Statement and 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 affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the regulations made under 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 Chapter 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

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

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

Other information

The Chapter members 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

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF THE HOLY SPIRIT, GUILDFORD For the year ended 31 December 2019

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Annual report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Chapter

As explained more fully in the Statement of the Chapter's Responsibilities statement set out on pages 37 and 38 the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Cathedral's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend 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.

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

The Cathedral Church of the Holy Spirit, Guildford

INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER OF THE CATHEDRAL CHURCH OF
THE HOLY SPIRIT, GUILDFORD
For the year ended 31 December 2019

Use of our report

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

Brewers Chartered Accountants

Statutory Auditor

Bourne House
Queen Street
Gomshall
Surrey
GU5 9LY

2020

Brewers Chartered Accountants is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

The Cathedral Church of the Holy Spirit, Guildford

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2019

	Note	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Income and endowments from						
Donations & legacies						
Donations	2	258	57	-	315	313
Legacies	2	12	5	-	17	183
Grants	2	81	314	-	395	426
		351	376	-	727	922
Charitable activities	3	25	10	-	35	44
Other trading activities	4	447	54	-	501	461
Investments	5	44	40	-	84	77
Other income	6	92	10	-	102	29
		959	490	-	1,449	1,533
Expenditure on						
Raising Funds	7	(351)	(73)	(3)	(427)	(401)
Charitable activities	8	(558)	(612)	(5)	(1,175)	(1,166)
		(909)	(685)	(8)	(1,602)	(1,567)
Net income/(expenditure) before investment gains/(losses)		50	(195)	(8)	(153)	(34)
Net gains/(losses) on investments		19	25	140	184	(90)
Net income/(expenditure)		69	(170)	132	31	(124)
Transfers between funds	10	(141)	141	-	-	-
Net movement in funds		(72)	(29)	132	31	(124)
Funds brought forward		4,572	922	1,177	6,671	6,795
Funds carried forward	17	4,500	893	1,309	6,702	6,671

The Cathedral Church of the Holy Spirit, Guildford

BALANCE SHEETS

For the year ended 31 December 2019

	Note	Group		Chapter	
		2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s
Fixed Assets					
Tangible Assets	12	3,711	3,683	3,711	3,683
Heritage assets	13	224	224	224	224
Investments	14	2,381	1,695	2,488	1,695
		<u>6,316</u>	<u>5,602</u>	<u>6,423</u>	<u>5,602</u>
Current Assets					
Stocks - goods for resale		21	19	-	-
Debtors	15	192	137	214	262
Cash at bank & in hand		351	1,208	226	1,088
		<u>564</u>	<u>1,364</u>	<u>440</u>	<u>1,350</u>
Creditors: Amounts falling due within one year	16	(178)	(295)	(161)	(281)
		<u>386</u>	<u>1,069</u>	<u>279</u>	<u>1,069</u>
Net current assets					
		<u>6,702</u>	<u>6,671</u>	<u>6,702</u>	<u>6,671</u>
Funds					
Unrestricted Funds	17	4,500	4,572	4,500	4,572
Restricted Funds	17	893	922	893	922
Endowment Funds	17	1,309	1,177	1,309	1,177
Total funds	17	<u>6,702</u>	<u>6,671</u>	<u>6,702</u>	<u>6,671</u>

The financial statements were approved by the Chapter of Guildford Cathedral on 2020 and signed on its behalf by:

The Very Reverend Dianna Gwilliams
Dean

Andrew Pianca
Treasurer

The Cathedral Church of the Holy Spirit, Guildford

CONSOLIDATED CASH FLOW

For the year ended 31 December 2019

	2019	2018
	£'000	£'000
Cash flows from operating activities		
Net cash from operating activities	(393)	29
Cash flows from investing activities		
Net Dividends, interest and rents from investments	75	68
Purchase of property and equipment	(47)	(2)
Sale of property and equipment	10	-
Purchase of investments	(999)	(84)
Sales of investments	497	96
Net cash provided by investing activities	<u>(464)</u>	<u>78</u>
Cash flows from financing activities:		
Repayments of borrowing	-	(300)
Net cash used in financing activities	<u>-</u>	<u>(300)</u>
Change in cash and cash equivalents	(857)	(193)
Cash and cash equivalents at 1 January	1,208	1,401
Cash and cash equivalents at 31 December	<u><u>351</u></u>	<u><u>1,208</u></u>
Reconciliation of net expenditure to net cash flow from operating activities		
Net expenditure	31	(124)
Adjustments for:		
Depreciation charges	19	19
(Gains) on tangible asset disposals	(10)	
(Gains)/Losses on investments	(184)	90
Dividends, interest and rents from investments	(84)	(77)
Property and investment management costs	9	9
(Increase)/decrease in stocks	(2)	11
(Increase)/decrease in debtors	(55)	332
(Decrease) in creditors	(117)	(231)
Net cash used in operating activities	<u>(393)</u>	<u>29</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	<u><u>351</u></u>	<u><u>1,208</u></u>

I. ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments to market value, as necessary.

The financial statements and report are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The Cathedral and its subsidiary are a public benefit group for the purposes of FRS 102 and therefore the financial statements are also prepared in accordance with Accounting and Reporting by English Anglican Cathedrals as specified by the Church Commissioners in preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The financial statements are prepared in £ sterling and monetary amounts are rounded to £ thousand.

Basis of consolidation

The consolidated financial statements comprise those of the Cathedral and its wholly owned subsidiary company Guildford Cathedral Enterprises Limited. The turnover and expenditure and the assets and liabilities of the subsidiary are included on a line by line base in the Consolidated Statement of Financial Activities and the Consolidated Balance sheet.

Going Concern

Chapter considers that while there are financial challenges there are no material uncertainties over the ability to continue as a going concern for the foreseeable future which is an assessment in respect of a period of one year from the date of approval of these financial statements. Further details on the financial pressures facing the Cathedral are given in Note 24.

Income

- Grants, donations, gift aid reclaimable, fees charged, hire charges, trading income and investment income are recorded when receivable.
- Grants and donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Grants and donations for purposes restricted by the wishes of the donor are taken to Restricted Funds. Where any amounts are required to be retained as capital in accordance with the donor's wishes these are accounted for as Endowments.
- Legacies are recorded when the amount receivable can be determined with reasonable certainty.
- Any income subject to VAT is recorded net of VAT chargeable.
- Gifts in kind are recorded at their estimated value. No value is attributed to voluntary help.

Charging policy

The Cathedral does not charge for entry to the Cathedral. To achieve its objectives, every effort is made to develop earnings from commercial sources, and to attract voluntary donations from supporters and visitors. It is felt that pursuance of this policy will help many thousands of people each year to enjoy the beauty of the Cathedral and come to know Christ better through that experience. The Cathedral is open to everyone, regardless of background or means, and it is our aim to ensure that each person receives a personal warm welcome.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

I. ACCOUNTING POLICIES (continued)

Donated assets

Offers of gifts in kind are considered by the Chapter, and where appropriate by the Cathedral's Fabric Advisory Committee (FAC). The disposal of donated assets which are deemed to have outlived their usefulness is carefully discussed in Chapter and by the Fabric Advisory Committee, and where necessary proposals are submitted to the Cathedral's Fabric Commission for England (CFCE). No items are disposed of without the agreement of the FAC, and decisions of the CFCE are always complied with. In the case of such items once donated by individuals or families, surviving relatives are always informed when a decision is made in favour of disposal.

Expenditure

- Expenditure is accounted for on an accruals basis as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. Support costs not directly attributable to a particular financial activity category are apportioned over the relevant categories on the basis of staff numbers working in each department.
- Costs of raising funds, includes both fundraising and marketing together with the gross costs of the shop.
- Charitable activities is comprised of three categories: Ministry covering clergy stipends and housing together with the costs incurred by our choir and music department, Cathedral and precincts upkeep covering building repairs, depreciation and utilities and Education and outreach which covers the cost of the Schools department and outward giving. Governance costs are included within support costs and consist of audit costs and an allocation of senior management time.
- Intra-group sales and associated costs with the Cathedral's subsidiary company, Guildford Cathedral Enterprises Limited, are excluded from the consolidated income and expenditure.

Taxation

HM Revenue and Customs treats Cathedrals as exempt charities and as such they are entitled to certain tax exemptions on income and profit from investments and on any surpluses from trading activities carried out in furtherance of the Cathedral's primary objectives, if these profits are applied solely for charitable purposes. Guildford Cathedral Enterprises Limited donates its surplus taxable profit to the Cathedral. The Chapter is eligible to partially recover VAT. Non-recoverable VAT is attributed to the relevant expense.

Pensions

Up until 2016 lay members of staff were eligible to join The Church of England Church Workers Pension Fund (CWPF). This scheme is now closed to new members. See note 16 for further information on the Church Workers Pension Fund. The Cathedral in addition operates a defined contribution pension scheme for lay members of staff. The scheme is administered by NEST and is a qualifying workplace scheme for auto enrolment.

The pension costs represent the amount of contributions payable to the pension schemes in respect of the accounting period.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

I. ACCOUNTING POLICIES (continued)

Operating leases

Rentals applicable to operating leases where substantially all the benefit and risks of ownership remain with the lessor are charged on a straight-line basis over the period of the lease.

Heritage Assets

Heritage assets have been capitalised at a valuation carried out by a professional valuer in 2013. No depreciation is charged on these assets as they are well maintained and are not believed to have a finite useful economic life.

Land, Buildings, Inventory and Equipment

The Cathedral land, Cathedral building and ancillary buildings form part of the Cathedral's Endowment and in accordance with the Cathedral Accounting and Reporting Regulations are not included in these accounts.

Fixed assets costing over £1,000 are capitalised in the year of purchase.

Freehold buildings are not amortised on the basis of immateriality due to long unexpired lives and high residual values. The Cathedral has a policy and practice of regular maintenance and properties are also unlikely to suffer obsolescence. The Cathedral undertakes annual impairment reviews of all properties stated in the accounts. A valuation of non-investment property was carried out by Clarke Gammon & Wellers, Chartered Surveyors, in 2011.

Depreciation of other assets is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

- Furniture and fittings 10% straight line basis
- Office and catering equipment over 3 – 4 years
- Ceremonial Garments over 25 years

Investments

Property investments are stated at fair value at the balance sheet date. Unrealised gains and losses are shown in the Statement of Financial Activities. No depreciation is charged on investment properties. Investments are valued at the balance sheet date at their market value. Any unrealised gain/loss in the year is shown in the Statement of Financial Activities. If a sale is expected within twelve months the amount is shown under current assets. The investment held in the Cathedral's wholly owned subsidiary, Guildford Cathedral Enterprises Limited is held in the Cathedral entity balance sheet at fair value being its net asset value. The carrying value of all investments is reviewed annually for impairment.

Stocks

Stocks are items purchased for re-sale by Guildford Cathedral Enterprises Limited and are valued at the lower of cost or net realisable value, after making allowance for obsolete and slow-moving items.

Cash

Cash and cash equivalents consist of cash at bank and in hand. It excludes cash held by the investment managers for re-investment.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

I. ACCOUNTING POLICIES (continued)

Financial Instruments

Apart from the investments within Fixed Assets investments and Current Asset investments the Cathedral holds only basic financial instruments.

Debtors are measured at amortised cost and are held at settlement amount net of discounts less any provision for non-recoverability.

Creditors are measured at amortised cost and are held at settlement amount net of discounts.

Funds

Unrestricted funds are donations and incoming resources receivable or generated for the objects of the Cathedral without further specified purpose and are available as general funds.

Restricted funds are to be used for a specific purpose as laid down by the donor. Expenditure which meets the criteria is charged to the fund.

Endowment Funds are those held on trust as a capital fund. The property endowment fund is an expendable endowment fund where capital may be used in the circumstances set out in note 17. The other endowment funds are permanent endowments where only the income may be spent.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Collections & Giving	130	-	-	130	142
Donations	94	53	-	147	131
Appeals	-	-	-	-	-
Gift Aid	34	4	-	38	40
Total donations	258	57	-	315	313
Legacies	12	5	-	17	183
Grants					
Church Commissioners	-	238	-	238	232
Friends and Music Development Trust	37	76	-	113	137
Other	44	-	-	44	57
Total grants	81	314	-	395	426
Total	351	376	-	727	922

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Special services	25	10	-	35	44

4. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Guided Tours	3	3	-	6	9
Cathedral lettings	291	-	-	291	294
Fundraising events	8	49	-	57	11
Other activities	145	2	-	147	147
	447	54	-	501	461

5. INVESTMENT INCOME

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Dividends receivable	26	40	-	66	59
Rents receivable	18	-	-	18	18
Interest receivable	1	-	-	1	1
	44	40	-	84	77

6. OTHER INCOME

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Sale of tangible fixed assets	-	10	-	10	29
Deposit re Land Sale	92	-	-	92	-
	92	10	-	102	29

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Visitor facilities	8	1	-	9	7
Services directly recoverable	2	-	-	2	5
Other trading activities	217	-	-	217	234
Fundraising	62	43	-	105	75
Investment property	2	-	-	2	2
Investment management	4	-	3	7	7
Support costs	56	29	-	85	71
	351	73	3	427	401

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s	Total 2018 £'000s
Ministry	291	442	-	733	722
Cathedral & precincts upkeep	247	135	5	387	383
Education and outreach	20	35	-	55	61
	558	612	5	1,175	1,166

	2019 £'000s	2018 £'000s
Ministry		
Clergy Stipends and expenses	119	150
Clergy and other Housing	47	41
Clergy support	53	46
Services & Music	238	254
Allocated Support Costs	276	231
	733	722
Cathedral & precincts upkeep		
Major repairs	15	19
Maintenance	246	249
Cathedral Insurance	37	39
Precinct security and upkeep	20	16
Allocated Support Costs	69	60
	387	383
Education & outreach		
Educational activities	30	25
Charitable & other giving	7	7
Allocated Support Costs	18	29
	55	61

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

9. SUPPORT COSTS

	2019 £'000s	2018 £'000s
Utilities	82	62
Depreciation	19	19
Administration	94	89
Governance	25	25
Sundry	47	50
Bank charges	4	5
Personnel & training	177	141
	<u>448</u>	<u>391</u>
Allocated:		
Fundraising	85	71
Charitable activities	363	320
	<u>448</u>	<u>391</u>
Included above:		
Operating leases	13	13
Payments to auditors:		
Audit Fees	10	9
Management accounts	-	4

The support costs have been allocated between activities according to the number of people employed in those activities.

10. TRANSFERS BETWEEN FUNDS

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2019 £'000s
To fund deficit on music funds	(114)	114	-	-
To fund deficit on Fabric fund	(53)	53	-	-
Transfer from Newill Trusts	28	(28)	-	-
Other transfers	(2)	2	-	-
	<u>(141)</u>	<u>141</u>	-	-

The transfer from the Newill Trusts was in respect of expenditure on repairs, maintenance and insurance costs within the terms of the Trusts.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

II. EMPLOYEES AND OFFICE HOLDERS

<u>Staff Costs</u>	2019	2018
	£'000s	£'000s
Salaries and stipends	658	647
National Insurance	49	53
Pensions	40	43
	<u>747</u>	<u>743</u>

<u>Average staff numbers</u>	Headcount		Full time equivalent	
	2019	2018	2019	2018
	No.	No.	No.	No.
Ministry & Music	13.8	13.1	8.8	7.9
Clergy Support	1.8	1.8	1.8	1.8
Education	1.0	1.9	0.8	0.9
Cathedrals & Precincts upkeep	3.9	3.9	3.0	3.0
Fundraising	1.5	1.3	1.5	1.1
Trading	3.3	3.3	2.2	2.2
Governance	0.4	0.4	0.3	0.3
Administrative Support	6.8	6.1	4.9	3.4
	<u>32.5</u>	<u>31.8</u>	<u>23.3</u>	<u>20.6</u>

No employee or office holder was paid more than £60,000 per annum (2018: None). Chapter considers its key management personnel to comprise the Cathedral clergy (the clergy members of Chapter and Revd. Canon Mavis Wilson, as well as the Priest Vicars the Revds Duncan Myers and Magdalen Smith) and the Chief Operating Officer. The total amount received by key management personnel during the year was £174,000 (2018: £192,000).

Included within staff costs are payments made by the Church Commissioners to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The stipend and pension of the Dean and the two residentiary Canons are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops Council, and the Church of England Pensions Board. No supplements to these scales are paid. Each of the individuals also benefits from housing provided by the Cathedral free of rent and council tax in furtherance of their duties. The Cathedral also pays a contribution to the telephone bills. The total stipend for the year was £79,000 (2018: £92,000) and pension provision was £26,000 (2018: £31,000) made up as follows:

	Stipend	Pension
Very Rev. Dianna Gwilliams	37,000	12,000
Rev. Canon Dr Julie Gittoes (to May 2019)	13,000	4,500
Rev. Canon Dr Paul Smith	29,000	9,500
Total	<u>79,000</u>	<u>26,000</u>

No remuneration was paid to other members of Chapter during the year (2018: nil). Expenses of £6,000 (2018: £7,000) were reimbursed to 5 (2018: 5) members of the Chapter in the year mainly for travel expenses. Two members of staff related to different Chapter members were employed during the year through open recruitment processes.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

12. TANGIBLE ASSETS

Tangible Assets

	Chapter			Subsidiary	Consolidated Total £'000s
	Functional property £'000s	Equipment and plant £'000s	Total £'000s	Equipment and plant £'000s	
<u>Cost/Valuation</u>					
At 1 January 2019	3,635	325	3,960	7	3,967
Additions	-	47	47	-	47
Disposals	-	-	-	-	-
Changes in valuation	-	-	-	-	-
At 31 December 2019	3,635	372	4,007	7	4,014
<u>Depreciation</u>					
At 1 January 2019	-	277	277	7	284
Charge in year	-	19	19	-	19
At 31 December 2019	-	296	296	7	303
<u>Net Book Values</u>					
At 31 December 2019	3,635	76	3,711	-	3,711
At 31 December 2018	3,635	48	3,683	-	3,683

The functional property is housing for Cathedral clergy and staff. The properties were valued on 14 March 2011 by Clarke Gammon Wellers, Chartered Surveyors, based on the current market values, at £4.0 million. The valuation was not reflected in the accounts as Chapter have elected to show the property at the historic cost as permitted on the adoption of FRS102.

13. HERITAGE ASSETS

	Group		Chapter	
	2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s
At 1 January & 31 December	224	224	224	224

The heritage assets were valued in February 2006 by Keith Baker, a 19th & 20th Century decorative Arts consultant. A subsequent valuation has been performed by Stephen Clarke of Christies & Roger Heath-Bullock in March 2013. The basis of the valuation was replacement cost. The assets have mostly been donated to the Cathedral over many years. These assets are predominantly liturgical vessels such as chalices, crosses and candlesticks but include the recent addition of jubilee copes. Prior to 2013 there were no changes in value. The Cathedral keeps a register of the assets which are held in the Treasury or the safe and these are used for special services. They are regularly polished and maintained and are not considered to have a finite useful economic life and therefore no depreciation has been charged.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

14. INVESTMENTS

	2019			2018		
	Listed	Investment	Total	Listed	Investment	Total
	investments	property		investments	property	
£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	
At 1 January	1,242	400	1,642	1,256	400	1,656
Additions	974	-	974	172	-	172
Disposals	(497)	-	(497)	(96)	-	(96)
Changes in market value	76	108	184	(90)	-	(90)
Market Value at 31 December	1,795	508	2,303	1,242	400	1,642
Cash held for re-investment	78	-	78	53	-	53
Total Consolidated Investments	1,873	508	2,381	1,295	400	1,695
Investment in group undertaking at net asset value			107			-
Total Chapter Investments			2,488			1,695

The revaluation of the investment property was based on recent sale values of similar properties in the same location.

The Cathedral has one wholly owned subsidiary, Guildford Cathedral Enterprises Limited, which has a share capital of £100. A summary of its financial results and funds which are consolidated in these financial statements are as follows:

	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	2019	2018
	£'000s	£'000s	£'000s	£'000s	£'000s
Turnover	330	-	-	330	338
Cost of sales and trading	(224)	-	-	(224)	(240)
Gift to Chapter	-	-	-	-	(98)
	106	-	-	106	-
Funds at 1 January	1	-	-	1	1
Funds at 31 December	107	-	-	107	1

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

15. DEBTORS

	Group		Chapter	
	2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s
Trade Debtors	36	39	18	27
Amounts owed by subsidiary undertakings	-	-	41	138
Prepayments and accrued income	151	96	151	96
Other debtors	5	2	4	1
	<u>192</u>	<u>137</u>	<u>214</u>	<u>262</u>

16. CREDITORS

	Group		Chapter	
	2019 £'000s	2018 £'000s	2019 £'000s	2018 £'000s
Trade creditors	80	83	78	81
Accruals and deferred income	68	184	64	179
Other creditors	30	28	19	21
	<u>178</u>	<u>295</u>	<u>161</u>	<u>281</u>

Commitments under non-cancellable leases (Group and Chapter)	2019	2018
	£'000s	£'000s
Under 1 year	12	12
2-5 years	12	24
	<u>24</u>	<u>36</u>

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

17. FUNDS

<u>Fund Movements 2019</u>	1 January 2019	Income	Expenditure	Gains and losses	Transfers	31 December 2019
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,572	959	(909)	19	(141)	4,500
Restricted Funds						
Choir and Music	2	184	(291)	-	114	9
General Stipends	-	238	(238)	-	-	-
Education & other purposes	13	34	(41)	-	1	7
Fabric Funds	224	30	(104)	13	53	216
Newill Trusts	683	4	(10)	12	(28)	661
Organ & World War I	-	-	(1)	-	1	-
	922	490	(685)	25	141	893
Endowment Funds						
Choir and Music	453	-	(2)	17	-	468
Fabric	250	-	(2)	15	-	263
Property	474	-	(4)	108	-	578
	1,177	-	(8)	140	-	1,309
Total	6,671	1,449	(1,602)	184	-	6,702

Details of transfers are set out in note 10.

<u>Funds movements 2018</u>	1 January 2018	Income	Expenditure	Gains and losses	Transfers	31 December 2018
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Unrestricted Funds						
General	4,516	1,040	(949)	(32)	(3)	4,572
Restricted Funds						
Choir and Music	10	165	(259)	-	86	2
General Stipends	-	240	(240)	-	-	-
Education & other purposes	-	17	(4)	-	-	13
Fabric Funds	286	61	(107)	(16)	-	224
Newill Trusts	683	-	-	-	-	683
Organ & World War I	-	10	(8)	-	(2)	-
Capital Appeal	81	-	-	-	(81)	-
	1,060	493	(618)	(16)	3	922
Endowment Funds						
Choir and Music	484	-	-	(31)	-	453
Fabric	261	-	-	(11)	-	250
Property	474	-	-	-	-	474
	1,219	-	-	(42)	-	1,177
Total	6,795	1,533	(1,567)	(90)	-	6,671

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

17. FUNDS (continued)

<u>Fund Assets at 31 December 2019</u>	Tangible Assets	Investments	Current Assets	Creditors	Net Assets
	£'000s	£'000s	£'000s	£'000s	£'000s
Consolidated					
Unrestricted Funds					
General	3,935	531	212	(178)	4,500
Restricted Funds					
Choir and Music	-	-	9	-	9
Education & other purposes			7		7
Fabric Funds	-	216	-	-	216
Newill Trusts	-	521	140	-	661
	-	737	156	-	893
Endowment Funds					
Choir and Music	-	380	88	-	468
Fabric	-	225	38	-	263
Property	-	508	70	-	578
	-	1,113	196	-	1,309
Total	3,935	2,381	564	(178)	6,702
Chapter					
General Funds	3,935	638	88	(161)	4,500
Restricted Funds	-	737	156	-	893
Endowment Funds	-	1,113	196	-	1,309
Total	3,935	2,488	440	(161)	6,702

<u>Fund assets at 31 December 2018</u>	Tangible Assets	Investments	Current Assets	Creditors	Net Assets
	£'000s	£'000s	£'000s	£'000s	£'000s
Consolidated					
Unrestricted Funds	3,907	515	325	(175)	4,572
Restricted Funds	-	203	839	(120)	922
Endowment Funds	-	977	200	-	1,177
Total Funds	3,907	1,695	1,364	(295)	6,671
Chapter					
Unrestricted Funds	3,907	515	311	(161)	4,572
Restricted Funds	-	203	839	(120)	922
Endowment Funds	-	977	200	-	1,177
Total Funds	3,907	1,695	1,350	(281)	6,671

17. FUNDS (continued)

Description of Funds

General Fund	The general fund is the Cathedral's unrestricted fund available for any of the Cathedral's purposes without restriction.
<u>Restricted Funds</u>	
Choir & Music	Restricted fund for supporting the music and choir of the Cathedral. Expenditure for the Cathedral choir and musical activities, including outreach, is charged here as is income from specific donations, grants, and earnings. The fund usually produces an annual deficit that is met by a transfer of funds from the general fund.
Education and other purposes	Restricted fund for donations supporting the Cathedral's educational activities. Certain other smaller restricted donations have also been included within this heading.
Fabric Funds	Restricted funds for the upkeep of the Cathedral and precincts. As well as more general fabric income and expenditure included within this are a restricted fund for the upkeep and development of the Cathedral's stained glass (£201,000) and a restricted fund for the maintenance and upkeep of the regimental chapel within the Cathedral (£16,000).
Newill Trusts	Restricted funds for the repair, maintenance and insurance of the Cathedral and certain other purposes.
Organ and World War I	Restricted fund for the Organ Refurbishment project and the World War I Centenary Cathedral Development project. These were substantially completed in 2018.
<u>Endowment Funds</u>	
Choir and music	Permanent endowment fund for the Cathedral's choir and music. Income is credited to the Choir and Music restricted fund.
Fabric Fund	Permanent endowment fund for the Cathedral's maintenance and upkeep. Income is credited to the General fabric restricted fund.
Property Fund	Expendable endowment fund where capital may be used for the improvement or development of any property in which Chapter has an interest (other than the Cathedral and its ancillary buildings) except for £20,000 which could be used for the choir and music. Income is credited to the general fund.

18. PENSIONS

Church of England Funded Pension Scheme (Clergy)

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are £26,000 (2018 £31,000).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. A valuation at 31 December 2018 is currently under way, but the results of this are yet to be determined. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030 (with the remainder in return-seeking assets); and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit recovery contributions (as a percentage of pensionable stipends) together with the contribution to benefits accrued in the year are as set out in the table below.

% of pensionable salary	January 2016 to December 2018	January 2019 to December 2025
Deficit recovery contributions	14.1%	11.9%
Current benefits contributions	25.8%	28.0%
Total contributions	39.9%	39.9%

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. However, as Guildford Cathedral's clergy pensions are funded by the Church Commissioners, the liability is accounted for within their accounts and not within Guildford Cathedral's.

18. PENSIONS (continued)

Church Workers Pension Fund and NEST (lay staff)

The Cathedral has two schemes in place for lay members of staff. It participates in the Pension Builder Scheme Section of the Church Workers Pension Fund and from 2016, in addition, a defined contribution scheme administered by NEST.

The Church Workers Pension Fund (Guildford Cathedral) is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. Therefore, 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 of £5,000 (2018: £7,000).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016.

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

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

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

Contributions by the Cathedral to NEST were £6,000 (2018: £4,000).

19. PRIOR YEAR COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018
	£'000s	£'000s	£'000s	£'000s
Income and endowments from				
Donations & legacies				
Donations	270	43	-	313
Legacies	173	10	-	183
Grants	42	384	-	426
	485	437	-	922
Charitable activities	27	17	-	44
Other trading activities	456	5	-	461
Investments	43	34	-	77
Other income	29	-	-	29
	1,040	493	-	1,533
Expenditure on				
Raising Funds	(373)	(28)	-	(401)
Charitable activities	(576)	(590)	-	(1,166)
	(949)	(618)	-	(1,567)
Net income/(expenditure) before investment (losses)/gains	91	(125)	-	(34)
Net (losses)/gains on investments	(32)	(16)	(42)	(90)
Net income/(expenditure)	59	(141)	(42)	(124)
Transfers between funds	(3)	3	-	-
Net movement in funds	56	(138)	(42)	(124)
Funds brought forward	4,516	1,060	1,219	6,795
Funds carried forward	4,572	922	1,177	6,671

20. POST-BALANCE SHEET EVENT

Covid-19 has had a significant impact on the operations of the Cathedral with the Cathedral having to physically close with effect from 23 March 2020 and the cancellation of many events. However, the Chapter consider that this does not currently affect the ability of the Cathedral to continue as a going concern. At 3 June 2020, listed investments had suffered a loss in value of some 5% - about £96,000 and whilst there is no readily available market value for the Investment property Chapter estimate a fall of around 5% in the current market value. Chapter believe these losses to be temporary and there is no intention to liquidate these assets in the near future.

The Cathedral Church of the Holy Spirit, Guildford

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

21. THE FRIENDS OF GUILDFORD CATHEDRAL (Charity No. 250402)

The Very Reverend Dianna Gwilliams is a Trustee of The Friends of Guildford Cathedral. Grants from The Friends of Guildford Cathedral amounting to £70,000 were received by the Cathedral in the year (2018: £43,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Income	62	2	-	64	142
Expenditure	(51)	(8)	-	(59)	(51)
Net income/(expenditure)	11	(6)	-	5	91
Gains on investments	(13)	-	(2)	(15)	3
Net movement inf unds	(2)	(6)	(2)	(10)	94
Funds brought forward	259	11	35	305	211
Funds carried forward	257	5	33	295	305

22. GUILDFORD CATHEDRAL MUSIC DEVELOPMENT FOUNDATION (Charity No 1093933)

The Very Reverend Dianna Gwilliams and the Reverend Canon Dr Paul Smith are Trustees of Guildford Cathedral Music Development Foundation.

Grants from The Guildford Cathedral Music Development Foundation amounting to £41,000 were received in the year by the Cathedral (2018: £92,000).

Summary financial information from the most recently available independently examined financial statements is as follows:

	Unrestricted Funds £'000s	Restricted Funds £'000s	Endowment Funds £'000s	Total 2018 £'000s	Total 2017 £'000s
Income	9	21	1	31	14
Expenditure	(30)	(36)	(2)	(68)	(130)
Net income/(expenditure)	(21)	(15)	(1)	(37)	(116)
Gains on investments	(18)	-	(22)	(40)	21
Net movement in funds	(39)	(15)	(23)	(77)	(95)
Fund transfers	332	(884)	552	-	-
Funds brought forward	144	993	-	1,137	1,232
Funds carried forward	437	94	529	1,060	1,137

23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

24. GOING CONCERN

The Cathedral's activities together with the factors likely to affect its future development and financial position are set out on pages 1 to 14 in the Annual Report. As described in the report the Cathedral operates an annual deficit on its operational activities. Whilst chapter has been working hard to reduce the deficit with the intention of eliminating this deficit over the next couple of years the recent COVID-19 Pandemic has impacted the ability of Chapter to meet this timetable. Whilst the full impact has still to be determined Chapter have taken steps as more fully detailed in the Chapter Report to ameliorate its effects. However, there remain considerable uncertainties not least whether there will be a resurgence of the infection. The latest forecast for 2020 shows a management accounts deficit of £167,000 against the original budget for the year of £47,000 deficit. This would produce in the published accounts a net deficit on general funds after transfers but before investment gains/losses of £217,000. This would result in free reserves forecast to be £350,000 at the end of 2020 which would provide a significant financial safety net for the foreseeable future. In addition, Chapter remains optimistic that the land sale will progress and this together with other measures to secure additional funding in the form of grants and donations has led them to have a reasonable expectation that the Cathedral will be able to continue operationally for the foreseeable future. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

25. RELATED PARTY TRANSACTIONS

Donations during the year made by Chapter members personally or through Trusts controlled by them totalled £9,000 (2018: £7,000).

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019

Appendix 1 - Governance

Guildford Cathedral is governed under the Cathedrals Measure 1999 and by a Constitution and Statutes which came into effect on 24 November 2002 and was last revised in June 2017. Under these regulations, it is the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and to order the worship and promote the mission of the Cathedral.

Under the Constitution and Statutes, the Corporate Body of the Cathedral Church of the Holy Spirit, Guildford comprises the members for the time being of the Cathedral Council, the Chapter, and the College of Canons. It is a body corporate with continual succession and a common seal which is known as the common seal of the Cathedral.

Appendix 2 - The Chapter

The Dean

The Dean is the 'principal dignitary of the Cathedral, next after the Bishop, and is Chairman of the Chapter and President of the College of Canons'. S/He is appointed by Her Majesty the Queen and instituted by the Bishop to the office of Dean of Guildford.

The Dean has the right to preach and celebrate Holy Communion in the Cathedral on occasions agreed by the Chapter. Subject to the provisions of Constitution and Statutes no person shall preach within the Cathedral without the approval of the Dean.

It is the duty of the Dean, as Chair of the Chapter, to govern and direct on its behalf the life and work of the Cathedral and, in particular, to:

- Ensure that Divine Service is duly performed in the Cathedral;
- Ensure that the Constitution and Statutes are faithfully observed;
- Maintain good order and proper reverence in the Cathedral;
- Secure the pastoral care of all members of the Cathedral community;
- Take all decisions necessary to deal with any emergency affecting the Cathedral, pending consideration of the matter by the Chapter;

The Chapter

The Cathedrals Measure 1999 requires that it shall be the duty of the Chapter to direct and oversee the administration of the affairs of the Cathedral and in particular, to:

- Order the worship and promote the mission of the Cathedral;
- Formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- Prepare an annual budget for the Cathedral;
- Submit to the Council the annual report and audited accounts and such other reports as may be requested by the Council on any matter concerning the Cathedral;
- Submit to the College of Canons the annual report and audited accounts prepared as aforesaid;
- Keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019

- Manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out, and
- Perform such other functions as may be prescribed.

The Chapter is also responsible under the requirements laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999 for:

- Preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of Guildford Cathedral and its consolidated entities;
- Stating that they have complied in all material respects with Accounting and Reporting for English Anglican Cathedral and applicable United Kingdom Accounting Standards; or describing which regulations have not been complied with and giving reasons for the non-compliance;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time;
- Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- Preparing the accounts on a going concern basis unless it is inappropriate to presume that the Cathedral will continue to be financially viable.

As far as the Chapter members are aware there is no relevant audit information of which the Cathedral's auditors are unaware; and the Chapter members have taken all the steps that they consider they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Cathedral's auditors are aware of that information.

Method of Appointing Members to the Chapter

In accordance with the Constitution of the Cathedral, the Chapter shall consist of:

- the Dean, who shall be the chairman and shall have a second or casting vote;
- all the Residentiary Canons;
- one lay person appointed by the Bishop after consultation with the Dean and the Chapter;
- The Cathedral Honorary Treasurer;
- two lay persons elected by a meeting of members of the Cathedral Community;
- Up to three persons nominated by Chapter for their particular skills (not more than one whom may be a clerk of holy orders).

All lay persons must be actual communicants and shall hold office for three years and shall be eligible for membership for further terms of office.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019

Members of Chapter

The Dean	The Very Reverend Dianna Gwilliams
The Sub Dean	The Venerable Stuart Beake

The Residentiary Canons	The Reverend Canon Dr Julie Gittoes (until May 2019) The Reverend Canon Dr Paul Smith
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Chapter Appointees:	Mr Andrew Pianca (Hon Treasurer) Ms Jo Pinson (from January 2019)
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One Lay person appointed by the Bishop	Mr Roddy Porter
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Two persons elected by Cathedral Community	Mr Ian Bowler Mrs Linda Sharpin
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Appendix 3 - The Cathedral Council

The Cathedrals Measure 1999 requires that it shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelistic, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, to:

- Consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter;
- Receive and consider the annual budget of the Cathedral;
- Receive and consider the annual report and audited accounts;
- Consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of this Measure, and
- Perform such other functions as may be prescribed.

The Chairman is a lay person, not a member of the Chapter, appointed by the Bishop after discussion with the Chapter. The Dean is a member ex officio, and the Chapter elects two members. One member is elected by the Cathedral Community and two by the College of Canons. Further members are appointed to represent the wider civic, economic, and ecumenical interests and concerns of the diocese.

The Bishop as Visitor is invited to attend as an advisor and non-voting member at all meetings of the Cathedral Council and the Council continues to be grateful for his support and advice.

Appendix 4 - The College of Canons

The College of Canons consists of the Dean, Residentiary Canons, the Archdeacons of Surrey and Dorking and the Bishop of Dorking. In addition, there are 30 members (15 ordained and 15 lay) appointed by the Bishop of Guildford in consultation with the Dean, up to 4 Ecumenical Canons and up to 3 additional members who may hold a particular responsibility in the diocese. The College elects two members to the Cathedral Council. It is the responsibility and duty of the College of Canons to elect the Diocesan Bishop in accordance with the Appointment of Bishops Act, 1533.

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019

The role of the College of Canons is to promote and support the Mission and Ministry of the Cathedral in the diocese by drawing on the experience of its members in their ministry and reflecting the views of the Diocese. In furtherance of that role it shall:

- Receive and consider the annual report and audited accounts.
- Discuss such matters concerning the Cathedral as may be raised by any of its members, and
- Perform such other functions as may be prescribed and relevant to its role.

Appendix 5 - The Bishop

The Bishop shall have the principal seat and dignity in the Cathedral.

After consultation with the Chapter and subject to any provision in the Statutes, he may officiate in the Cathedral and use it in his work of teaching and mission, for ordinations and synods and for other Diocesan occasions and purposes. Also,

- The Chapter shall from time to time consult the Bishop in respect of the general direction and mission of the Cathedral, and the Bishop may at any time seek the advice of the Chapter on any matter.
- The Constitution of the Cathedral provides that the Bishop shall be the Visitor thereof.
- The Bishop shall as Visitor hear and determine any question as to the construction of the Constitution and Statutes.
- The Bishop may hold a visitation of the Cathedral when he considers it desirable or necessary to do so or when requested by the Council or the Chapter.
- In the course of a visitation, the Bishop may give such directions to the Chapter, to the holder of any office in the Cathedral or to any person employed by the Cathedral as will, in the opinion of the Bishop, better serve the due observance of the Constitution and Statutes.
- It shall be the duty of any person or body on whom functions are conferred by or under The Cathedrals Measure 1999 to act in accordance with any determination under, and any direction under, the above paragraphs.
- The provisions above are without prejudice to the powers of the Bishop under the Care of Cathedrals (Supplementary Provisions) Measure 1994 and his powers as Visitor generally.
- The Bishop may at any time propose for consideration by the Council amendments to the Constitution.

Appendix 6 - The Cathedral Finance and Risk Committee

The Constitution requires the setting up of a Finance Committee with the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management and the management of property and assets belonging to the Cathedral. Chapter receives and acts with the guidance and the advice given to it by the Cathedral Finance and Risk Committee.

The Committee consists of the Dean, the Chief Operating Officer, the Treasurer, and at least three but not more than six persons appointed by Chapter for their ability, expertise and experience in the fields of finance and investment and their management; of these not more than two may be members of Chapter. The majority of members of the Finance and Risk Committee will not be members of Chapter. Members are appointed for a renewable period of three years.

The Cathedral's Finances

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

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

Members of the Cathedral Finance and Risk Committee

Mr Andrew Pianca (Honorary Treasurer and Chair)
The Very Reverend Dianna Gwilliams
The Venerable Stuart Beake
Mr Ian Bowler
Mr Clive Cunningham (until October 2019)
Mr Matt O'Grady
Mr Nigel Stapleton (from April 2019)

Appendix 7 – The Fabric Advisory Committee

Under the Care of Cathedrals Measure 1990, the Fabric Advisory Committee (FAC) is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter in regard to proposed development of and changes to the Cathedral's fabric.

There are eight voting members of the Fabric Advisory Committee, four appointed by the Cathedrals Fabric Commission after consultation with the Chapter, and four by the Chapter after consultation with the Commission. The members appoint a Chairman from among their own number. The Dean and the Chief Operating Officer attend meetings on behalf of the Chapter, and other Chapter members are free to attend; no members of the Chapter have a vote. The Cathedral Architect, under Section 4 of the Care of Cathedrals Measure 1990, has a duty to attend meetings, although he does not have the right to vote.

Members of the Fabric Advisory Committee

Mr Nick Sealy (Chair) (until June 2019)
Mr Paul Velluet (Chair from June 2019)
Ms Beth Astridge (until January 2019)
Mr Matt Champion (from January 2020)
Mr Colin Kerr
Mr James Miller
Ms Cressida Williams (from January 2020)
Mr Paul Williams
The Reverend Canon Stuart Thomas
Vacant
Secretary Mr Matt O'Grady

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019

Appendix 8 – The Community Committee

The Cathedral Constitution also makes provision for a Community Committee, to act as a channel of communication between Chapter and the community, and to advise Chapter on any matters affecting the Cathedral community.

Appendix 9 – (Statutory) Cathedral Lay Staff

Chief Operating Officer	Mr Matt O’Grady
Organist and Master of the Choristers	Mrs Katherine Dienes-Williams

Appendix 10 - Cathedral Volunteers

Chapter acknowledges the enormous contribution made more than 300 volunteers throughout the year. The various areas of service include Archivists, Bell Ringers, Coin Scheme, Day Chaplains, Fair Trade, Family Engagement and Schools Helpers, Flower Arrangers, Graphic Designer, Guides, The Guildford Cathedral Singers, Handyman, Honorary Assistant Clergy, Pastoral Assistants, Servers, Shop Helpers, Stewards, Sunday School Helpers, Tower Tour Guides, and the Treasury Curator.

Appendix 11 – Cathedral Officers and Advisers

The work of the Chapter would not be possible without support from experts in various professional fields and the following table details the Chapter’s advisers:

Architect and Surveyor	Mr John Bailey, BA, BArch, RIBA, AABC Thomas Ford & Partners
Auditor	Mr Andrew Skilton Brewers Chartered Accountants
Bank Manager	Mr Mark Aitken National Westminster Bank
Cathedral Solicitor	Mr Duncan Elson, LLB Charles Russell Speechlys
Investment Adviser	Mr James Stewart Smith Charles Stanley & Co Ltd
Land Development Project Manager	Mr Tim Asson, BSc Hons, MRICS Asson Associates

The Cathedral Church of the Holy Spirit, Guildford

APPENDICES TO THE ANNUAL REPORT

For the year ended 31 December 2019



Guildford Cathedral,
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