

SOUTHWARK CATHEDRAL

Annual Report and Consolidated Financial Statements for the year ended 31st December 2021

**The Cathedral and Collegiate Church of St Saviour and
St Mary Overie, Southwark**

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The Chapter's Annual Report

The Cathedral's Mission and Review of the Year

Mission Statement

Our mission statement, adopted by the Chapter, states:

Southwark Cathedral -

an inclusive Christian community
growing in orthodox faith and radical love.

The marks of our community are

- confidence in God and the Gospel
- passion for those on the edge of society
- engagement in vibrant theology and teaching
- prayerful service of our Bishop and Diocese
- love for London and the world

Our rule of life is centred on a commitment to

- worship
- study
- service and above all
- to the Living God we know in Jesus Christ

Review of the past year

2021 at Southwark Cathedral was often dominated, as was the year before, by the Covid pandemic. The early months of the year were again spent in lockdown, with a profound effect on the worshipping life of the Cathedral community and on every other aspect of our business life and ability to welcome visitors. Many of the Cathedral's administrative staff were encouraged to work remotely from home where possible and all volunteers were stood down from their normal duties and asked not to come to the Cathedral unless strictly necessary. It was, however, also a year in which we began to recover and re-build after the extraordinary events of previous eighteen months, and by the summer most of the Cathedral staff had returned to work, the Cathedral reopened for worship and people began to return for events in the Nave. A few schools returned to spend time learning here and our shop and café began to trade again.

Worship in person has been supplemented with online worship led by the whole clergy broadcasting from the Cathedral and their homes. We thank Mark Charlton, our Head of IT, for setting up the necessary equipment to broadcast worship and our verging team who have continued to facilitate and support this streamed worship.

The number of people engaging with these worship broadcasts has shown that we have not only stayed in contact with our regular congregation but that we have developed a new online community of worshippers from across London and the world. The level of donations that we received and the commitment from the regular congregation to their ongoing stewardship giving, suggested that our keeping in touch and giving access to worship at a time when churches across the country were closed, has been greatly appreciated. We have also been able to use pre-recorded readings and prayers from members of the congregation of the Cathedral and our sister church of St Hugh.

We involved our musicians as much as possible during the year and working closely within Government guidance, we have been able to employ our lay clerks, and welcome back our choristers, to enhance our worship. At times we have used pre-recorded music by the lay clerks organised by the Director of Music, Ian Keatley. Morning and Evening Prayer on our YouTube channel and on Facebook are attracting larger congregations than were previously present in the Cathedral. Average congregations overall for each of the daily services is around [400] and for the Sunday Eucharist around [750].

The National lockdown meant the closure of all of our commercial activities early in the year, but we were able to re-open the site including the shop and café in the summer with a safe one-way system around the site for visitors and other Covid protocols in place. Inevitably visitor numbers were down on previous years with the lack of international tourists and averaged about 20% of normal in the summer months.

Throughout the year, many of our staff returned to work, though some remained on furlough into the summer and early autumn. Martin Smith, our Facilities Manager, and the cleaning team worked hard to make the Cathedral Offices in Montague Chambers a 'Covid-secure' working environment for our staff who returned on a part-time basis. The Senior Management Team have made it a priority to keep in touch with staff working from home and organised Zoom catch ups before being able to meet again in person for a staff breakfast in October. Sadly, the arrival of the omicron variant and implementation of the Government's so called Plan B meant that we did not feel it was safe to meet together soon after that and our planned staff Christmas celebrations were cancelled.

The support from central Government as well as other grants which our Fundraiser Tom Poole has been able to access for us, allowed us to retain staff at a time when much of the normal work of the Cathedral has been suspended. We were very pleased that we managed to ensure that no redundancies were made during the year at a time when other cathedrals have had to let go up to 15% of their staff.

In 2020, we were pleased to have received a favourable report following the audit of the Cathedral's safeguarding policies and procedures carried out by the Social Care Institute for Excellence. Work to maintain these high standards is part of our commitment to continuous improvement. We have also worked on the actions from the 2019 Health and Safety Audit and developed a number of revised policies to support the Governance Review led by the new Chief Operating Officer (COO) in preparation for the Cathedral's transition to being a registered charity.

In 2018, the Cathedral Chapter had launched its Masterplan which set out the priorities and aspirations for the Cathedral's ministry over the next five years. This document has been revised both in response to a staff survey in autumn 2020 and again in the aftermath of the pandemic. It has been the subject of discussion at a number of Chapter meetings during the past year with regular reports on progress on the main areas of the Masterplan. Inevitably, our priorities have been affected by the pandemic and the Chapter is now focusing on a phase of re-building after last year's lockdowns.

Priorities that have been developed in the year include:

- Appointment of a Chief Operating Officer (COO) as successor to the Comptroller;
- Following the appointment of the COO, much of the legal and preparatory work prior to seeking registration with the Charity Commission was completed and a draft new Constitution and Statutes for the Cathedral approved by Chapter. Work will continue into 2022 to move towards registration with the Charity Commission which we hope will happen in the late summer of 2022 well in advance of the 2023 deadline required under the Cathedrals Measure which received Royal Assent in April this year;
- Working on a recovery plan to reinstate our income streams including our commercial activities. This included ending our relationship with our catering concession Leafi, and welcoming a residency with Bread Ahead, a Borough Market Neighbour, appointing a sales and marketing executive to drive sales of our conference space and enhancing retail income with the growing online shop and with a new Christmas Shop;

- Engagement with a dispersed worshipping community through live streaming of services after the Cathedral re-opens;
- Improving the way in which we can hold mixed mode meetings to maximise attendance at meetings whilst keeping people safe at home;
- Beginning vital work to consider the Contested Heritage works in the Cathedral with a group drawn from across our Cathedral community and to begin to decide how to respond to such works;
- Continuing to move towards obtaining the necessary statutory permissions to enable the next stage of the works to improve access across the Cathedral site (including a new passenger lift and step-free access to the Harvard Chapel) to be carried out.

The year ended on a low note with most of our special event carol services and school services cancelled and footfall dropping away from our café and Christmas Shop as people were encouraged to stay at home. The New Year has brought renewed numbers of worshippers and visitors and the recent lifting of Covid restrictions will support some exciting projects planned we have planned for later in 2022.

Cathedral worship and congregational life

At the heart of Cathedral life is the daily round of worship which has continued in spite of lockdowns and closures. Services are mainly in-person but we also have a large online community who join us for Morning Prayer each day and the Sunday 11am Choral Eucharist.

In-person congregations on Sundays and weekdays have slowly been re-building, though they still fall short of pre-pandemic numbers. Due to Plan B restrictions brought in during December a number of external carol services were cancelled or were online only. This also contributed to lower numbers attending Cathedral services over Christmas.

The Cathedral serves as a parish church for the constantly changing neighbourhoods along Bankside from the edge of Tate Modern to the west as far as Hay's Galleria to the east. The parish reaches south from the Thames to Union Street (with a small deviation to include the Cathedral School and the All Hallows site). The parish also includes Borough Market, Guy's Hospital, Shakespeare's Globe, London Bridge Station and The Shard. Our parish is the home of the only livery hall south of the River, Glaziers' Hall. The population of the parish continues to grow and change rapidly, bringing with it many challenges and opportunities.

As a Parish Church Cathedral, we have an Electoral Roll which is compiled in accordance with the Church Representation Rules. At the Annual Parochial Church Meeting in April 2021, the total membership on the Electoral Roll stood at 413 (up from 402 at the September 2020 meeting).

People living in the parish are welcomed into the Cathedral as their parish church for baptisms, weddings and funerals. We actively seek to help our local community to respond to and benefit from its changing environment and participate in discussions with Southwark Council for local improvement initiatives. We work closely with Living Bankside and we are a partner in the Better Bankside Business Improvement District as well as fostering links with local businesses, including Borough Market.

The greater Cathedral parish includes the Conventional District of St Hugh's, Bermondsey which is under the pastoral care of the Sub Dean. In May the Revd David Adamson-Hill whose ministry was shared by St George the Martyr, St Hugh's and the Cathedral left to become Associate Priest of Croydon Minster with special responsibility for St George's, Waddon.

There are strong links between the Cathedral and the Cathedral Primary School (as well as with our other foundation schools outside the parish) with the Sub Dean and several members of the congregation serving as governors. Heather Smith continues her very valuable ministry as a Southwark Pastoral Auxiliary in the parish and local community and Caroline Clifford serves as a

Reader at the Cathedral, co-leading the Pilgrim course which prepares people for confirmation. In November we were able to host the Robes Winter Night Shelter Sleep Out for the first time in three years. Due to the pandemic it has not been possible to run the shelter for homeless people as in previous years.

Parents and toddlers enjoy using the crèche facilities and the number of children attending Junior Xpress 1 and 2 had been increasing in recent years. During the year we have been able to resume this ministry which was suspended during lockdowns. Numbers are very slowly increasing and we will be seeking to re-build our ministry among children and young people in the coming year.

Other opportunities for congregational learning include workshops for Admission to Holy Communion, Lent and Advent sessions and the Interest & Action Groups which offer opportunities for involvement in a wide range of activities. Some of these have moved to online and others are now meeting again in-person.

Our Mothers' Union branch, the Unity Group (which fosters overseas links and our partnership with St George's Roman Catholic Cathedral and St Olav's Norwegian Church, Rotherhithe) and our Masvingo Group (which looks after our links with the Diocese of Masvingo in Zimbabwe through the exchange of prayer and information and financial help) whose membership is drawn from the Cathedral congregation all continued their important work.

The Cathedral contributes financially to the local, national and international community by giving 10% of the money raised through the planned giving scheme each year to a variety of charities. In 2021 the sum donated was £29,326 (£28,120 in 2020). Members of the congregation are invited to nominate charities with a UK Registered Charity Number. The Mission Allocations Group then present their proposals to the Chapter for endorsement. A proportion (10%) is always kept aside in case of a shortfall in raising our annual £10,000 commitment to support the Diocese of Masvingo, and to enable a quick response to emergency appeals.

The charities that received funds in 2021 were: The Manna Society, USPG, Lalgadh Leprosy Hospital, Praxis, Stockwell Good Neighbours, Burgess Sports, Bellingham Community Project BCP, Camberwell Choir School, Wild London (London Wildlife Trust) and Tree Musketeers who each received £2,933.

The Cathedral, in common with all parishes in the Diocese, is asked to contribute to the Diocesan Parish Support Fund out of which are met the costs of clergy stipends, housing, and training as well as the central support costs for the Diocesan Office. The Cathedral made a pledge of £38,000 in 2021 to this fund.

Our fundraising activity

The Chapter is always aware of the need to generate sufficient income to enable Southwark Cathedral to continue its work, and we engage in fundraising activity to support the Cathedral's ongoing mission and ministry. The majority of voluntary donations come from members of our congregation or wider circle of support. We respect the right of regular givers to cease giving without explanation and we do not exert pressure on worshippers to donate. Our Complaints Policy sets out the process by which concerns can be raised. More detail on our sources of voluntary income is given on page 12 and in note 2 of the accounts on page 37

In 2021, Southwark Cathedral's fundraising efforts again focused mainly on the financial challenges posed by Covid-19, including successful applications to support the costs of the Cathedral through funding schemes set up by the government and the Church Commissioners. As a result of the pandemic, we continued to adapt the Cathedral's fundraising and promote alternative ways of giving via QR codes, livestreaming and social media. Text donations and contactless giving provided additional ways to support the Cathedral (£22,088 donated via onsite contactless donations in 2021). We recognised the importance of remaining engaged with donors and speaking openly about our need for financial support.

We submitted an application to the Culture Recovery Fund Second Round (via the National Lottery Heritage Fund) and received £75,600 for 1 April to 30 June 2021 running costs. An application to the Culture Recovery Fund for Heritage to fund urgent upgrades to the Cathedral's building services (electrics, lighting and heating) was successful, and the Cathedral received a grant of £59,263 toward the works, which are expected to be completed by March 2022. Successful applications were submitted to the Cathedrals Sustainability Fund for support toward staff employment costs totalling £196,088 including funding for COO (for the period 2021-2024) and funding for a Head of Property and Estates post.

Funding totalling £25,000 was received from Allchurches Trust. This annual grant support provides very important funding for the daily mission and ministry of the Cathedral. Grant and donation funding was received for the Cathedral Choir, and the Cathedral's two art installations in 2021 were funded by grants and donations. In addition, a new High Mass Set was funded by individual donors.

Southwark Cathedral Development Trust continued to support the Cathedral's fundraising and awarded grants to the Cathedral totalling £56,970 during 2021. The Friends of Southwark Cathedral is also a much-valued source of support, and awarded grants to the Cathedral totalling £6,794 during 2021, including towards radio microphones and data cables, livestreaming, and vergers' cassocks. The Dean of Southwark's Fund awarded grants totalling £13,225 to Southwark Cathedral during 2021, including £10,000 toward the cost of refurbishing staff accommodation. Grants from Southwark Cathedral Development Trust, the Friends of Southwark Cathedral, and the Dean of Southwark's Fund are included in 'Income from Friends and local trusts' in Note 2 of the accounts on page 37.

Our public benefit

Although the Cathedral presently falls outside Charities Act legislation and is therefore not regulated by the Charity Commission, the Chapter has due regard to the public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. It is anticipated that following the implementation of the Cathedrals Measure, the Cathedral will become registered as a charity under the regulation of the Charity Commission in the summer of 2022.

The Cathedral not only serves the local community daily in its religious and charitable work, but it is an active resource in the promotion of religion, music, history, heritage and archaeology. This annual report describes the activities that deliver these core public benefits.

Risk Management

With an organisation as complex as the Cathedral, and relying heavily on voluntary and trading income, we are exposed to a number of risks. The Chapter is ultimately responsible for regularly reviewing and assessing the risks faced by the Cathedral in all areas of its work, and for ensuring effective and adequate risk management and that internal controls are in place to manage our risk exposure appropriately. The Chapter recognises that any risk management system can only identify, mitigate and manage risks and not eliminate them and can provide only reasonable, and not absolute, assurance against loss.

The Chapter adopts a balanced and broad approach to risk, recognising it is often appropriate to take risk in the right circumstances in pursuit of the Cathedral's vision. In doing so, the Chapter recognises the inherent uncertainty in relation to the external environment and how events beyond our control can have an impact on our life.

The level of risk taken at any point is determined by the Chapter's ongoing judgement as to what is appropriate in the circumstances, having taken into account all relevant information available. The Chapter is supported in this assessment of risk by the Senior Management Team (who manage

the day-to-day business of the Cathedral) and by the Finance Committee who pay particular attention to the financial risks but also take an interest in the overall risk profile of the Cathedral's activities. The Chapter can also draw on a variety of sources of external expertise including our legal advisers, our auditors, our insurers, and specialist advisers employed by the Diocese (particularly with regard to safeguarding, human resources, communications and IT) which enable options to be tested and risk-assessed before decisions are made.

In support of Chapter's management of risk, Chapter recognised that it needed to re-think and refresh its approach to risk and has therefore taken certain steps to improve its ability to identify and manage risk.

The Chapter encourages staff at all levels to see management of risk as a key operational responsibility. We support a working culture of openness and honesty so that mistakes, adverse events and uncertainties are quickly identified and reported to the relevant senior member of staff. We expect all our staff to take appropriate responsibility for ensuring that effective and proportionate risk identification is in place within their area of responsibility, whilst understanding the importance of swift reporting where a senior response is required.

Risk reporting and monitoring

Reporting mechanisms are in place so that the Chapter is kept up-to-date with key risks. This is done by a series of regular reports to Chapter as part of the usual meeting agenda. Events of particular or sudden importance which present a risk are communicated immediately to Chapter members by email.

In the light of the recommendations from the Cathedrals Working Group and self-evaluation exercise, a complete review of the risk registers was undertaken in early 2020. Building on this initial piece of work, Chapter appreciated that this is an area that will require continued focus as we prepare to implement the Cathedrals Measure requirements and register with the Charity Commission. A new Audit and Risk Committee will therefore be created in 2022 and Chapter has now approved a draft Terms of Reference for the Committee. The Committee members will be expected to have recent and relevant experience in various areas pertaining to risk and internal audit. The Chair of the Committee will not be a member of Chapter to ensure that the Committee's independence of thought and the ability to challenge are preserved. In anticipation of the creation of this new Audit and Risk Committee, the COO has been working with Ecclesiastical, the Cathedral's insurers, to develop an Enterprise Management System approach to risk, which will see the 2020 risk register developed further and used in more agile manner, taking advantage of the Ecclesiastical team's experience in reviewing risk registers and advising on EMS approaches to risk.

Project risks

Activities or initiatives that might present a high degree of potential risk or uncertainty are brought to the Chapter's attention either by the Senior Management Team or the Finance Committee.

Financial risks

Controls are in place to ensure that the Cathedral's financial activities are properly managed. These include budgetary control, account reconciliation, authority levels, reserves management and monitoring of the Cathedral's investment strategy. Quarterly management accounts are reviewed by the Finance Committee and a financial summary with key performance indicators and the current cashflow position is presented to each Chapter meeting.

Prior to the Covid pandemic, the Chapter considered the major financial risks affecting the future of the Cathedral to be sources of funding and reliance on key members of staff. The Cathedral has a healthy level of reserves should any large-scale unexpected expenditure occur compared to other cathedrals of a similar size but has previously been dependent on being able to earn its way through periods of financial difficulty.

Successful and profitable trading by Southwark Cathedral Enterprises Limited (SCEL), the Cathedral's wholly-owned trading subsidiary, has therefore been an essential part of the Cathedral's resilience but the Covid pandemic has shown us how the Cathedral is susceptible to any external change in circumstances which affects income-earning potential. Our commercial activities have been severely affected but we are fortunate that many other sources of income have held up well including congregational planned giving and our income from property. The size of our cash reserves meant that we did not need to seek outside financial assistance (though we continue to hold £50,000 'bounce back' loan for SCEL) and have received a £75,000 loan from The Dean of Southwark's Fund. The support from the central Church and Government referred to elsewhere in this report have also helped to sustain cashflow levels throughout the year. For more details see the Financial Review section below.

As we build back from the past eighteen months' disruption, Chapter will, in 2022, seek to look at spreading income generation risk by developing its income streams other than via SCEL's premises retail, catering and conference business and also discuss adapting its risk appetite to enable investment to support income growth.

Property risks

The Chapter's responsibility for a complex Grade-I listed historic building and its neighbouring modern additions presents a significant risk both in terms of unexpected major events, such as fire or flood, as well as the high level of maintenance required to keep the buildings water-tight and ensure they provide a safe environment for those who use and visit them. Our property insurance cover is sufficient to deal with major damage to the fabric of the buildings and SCEL carries insurance to recompense trading income for periods of time for which the buildings in which it trades are unusable due to terrorist attacks. Regular quinquennial inspections carried out by the Cathedral Architect enable the Chapter to plan major repair projects. The Fundraiser and the Development Trust work closely with the Cathedral Architect to raise the necessary funds to carry out works identified in the quinquennial inspection.

The Chapter's property portfolio of residential accommodation requires considerable maintenance work due to the age and size of the buildings. The Chapter is aware of the need to review the portfolio and consider ways in which staff and tenants can be accommodated in more suitable accommodation attracting lower running costs. A new Head of Property is being recruited to assist the COO with this review.

Operational risks

The Cathedral is committed to working practices and approaches that help ensure consistent risk management across the organisation.

Senior staff play a key role in keeping risk management at the heart of our day-to-day activities. The Senior Management Team oversees operational and reputational risk assessment and management of our daily operations and activities.

A comprehensive health and safety action plan is in place and this is reviewed annually by the Health and Safety Committee (HSC). The HSC (previously meeting weekly to complete the actions from the previous (2019) Health and Safety Audit) now meets monthly with any incidents, accidents and concerns being brought to the Senior Management Team meeting each week. A further Health and Safety audit is planned for 2022. Regular site Fire and Lockdown Drills are organised by this group. The COO monitors and manages cyber risk with the Head of IT Services.

The Cathedral's insurance cover is reviewed annually and as circumstances change. Insurance cover is currently provided by Ecclesiastical Insurance who conduct comprehensive surveys of the Cathedral precincts and our residential properties. Recent requirements arising out of the survey of our residential accommodation highlighted a number of actions that needed to be taken to comply with latest legislation and these have now been completed.

As a small organisation, where each member of staff has a unique and necessary role, the Cathedral is dependent on staff continuity; the sudden loss of a senior member of the clergy or lay staff could be difficult to manage and might require buying in expensive skills to cover a shortage.

Safeguarding risks

Safeguarding policies and procedures are in place for children, young people and vulnerable adults and these are kept under review and meet the Church of England's national policy and practice guidance. The Chapter confirms that it has complied with the duty of the Church of England Safeguarding and Clergy Discipline Measure 2016 to have due regard to policy and guidance issued by the House of Bishops on matters relating to safeguarding.

We have three Cathedral Safeguarding Officers, two of whom help to deliver the large amount of in-house safeguarding training required. We also receive considerable support and advice from the Diocesan Safeguarding Team. The Canon Precentor is the Cathedral Safeguarding lead, following the retirement of Matthew Knight as Comptroller in June 2021.

Any potential gaps in good practice identified by the Cathedral's Safeguarding Officers or any member of staff or the Cathedral community are reported to the Chapter. Advice from the Diocesan Safeguarding Team led to the appointment of choir chaperones to assist the music department staff with the care and supervision of children in the choirs before, during and after rehearsals and services.

Recruitment procedures follow the Church of England's guidance on safer recruitment and all paid and volunteer staff who work with children are subject to Disclosure and Barring Checks prior to appointment and complete a confidential declaration. These are renewed every three years.

Last year we recorded that in February 2020, our safeguarding policies and procedures were audited by the Social Care Institute for Excellence. The report that resulted was very favourable about the culture of safeguarding awareness and best practice being deployed at all levels of the Cathedral organisation. Our training and recruitment policies were also commended. Building on that work, an action plan has been drawn up from the report's recommendations and the Chapter, Senior Management Team and staff have now worked through those actions and continue to refine process and procedure within the context of continuous improvement and ongoing training around safeguarding in the Cathedral.

Work on the implementation of the Cathedrals Measure and registration of the Cathedral as a Charity in 2022 has also led us to review and renew our Complaints and Whistleblowing Policies to further support our safeguarding framework.

Face-to-face training was put on hold during the pandemic. As much training as possible has been done online but there is a clear preference among our staff (both paid and volunteer) for face-to-face training. This form of training resumed in April 2021. So far it has mostly been focused on leadership training, which has been extended to a wider group than before. From Spring 2022 the quantity of Basic and Foundation level face to face training available will increase significantly and those staff and volunteers due to have their training renewed will be offered places.

We employ a part-time Safeguarding Administrator to help with the planning and administration of training sessions and to assist the safeguarding lead. The Safeguarding Administrator also undertakes and records Disclosure and Barring Checks and leads on preparation for the implementation of new Safer Recruitment guidelines.

Financial Review

The financial situation

The financial position of the Cathedral and its trading subsidiary are under continual discussion and review by the Chapter, the Finance Committee and the Board of Southwark Cathedral Enterprises Limited. Our operating surplus or deficit position on our unrestricted funds is one of the key measures of the Cathedral's underlying financial performance. The day-to-day operations of the Cathedral in recent years, (other than in 2020 due to the pandemic and a very small deficit in 2017) have generated a surplus of income over expenditure which has allowed us to build up reserves that provide a contingency fund against unexpected future events and also provide for investment to support the work of the Cathedral.

The Chapter has always been acutely aware of the need to continue to build up and maintain our cash reserves to provide the necessary level of financial security to allow for unexpected events and unplanned major works to our property portfolio. With this in mind, it has been the policy of the Chapter to set balanced budgets and maintain close scrutiny of income and expenditure through regular financial reporting to the Finance Committee and review of our financial position at every Chapter meeting.

In 2021, because of the anticipated ongoing effect of the Covid-19 pandemic, an operating deficit of £135,065 was budgeted. In the event, due to the strong performance of SCEL during the year (and due in turn to the presence on site of a Covid testing site which paid a strong commercial fee and the return of special events when lockdown periods allowed) the year had ended with a significant operating surplus. The Chapter is grateful to all the staff who enabled this to happen.

We were fortunate that many income streams, other than through SCEL, were largely unaffected by the downturn in business as a result of the pandemic. These included grants received from the Church Commissioners, income from property rentals and many of the grants we habitually receive from local trusts. Again this year, we have been struck by the continued strong commitment on the part of the congregation to supporting the Cathedral through planned giving, even when we were unable to offer public worship. The Chapter are extremely grateful for commitment shown by so many of our existing donors as well as the new congregational members joining us for the first time via our online worship.

We have taken advantage of Government support through the Coronavirus Job Retention Scheme that allowed us to continue to hold a number of our staff on furlough leave while the Cathedral was closed, and also allowed a flexible part-time return to work during the uncertain periods in between. For those still on furlough, we received grants to cover 80% of their salary costs totalling £67,693 for both Cathedral and Enterprises staff across the year. We also received £17,286 from the local authority in the form of grants for small retail and hospitality businesses forced to close due to the lockdown restrictions. We also made some savings on our usual office costs and our utilities when the Cathedral was closed.

The Church Commissioners have also been a source of huge support throughout this period. Payment of their annual grant to cover some lay salaries was made upfront in April, rather than month by month, which helped our cashflow in the early part of the lockdown. Support through the Cathedral's Sustainability Fund towards the salary costs of our Commercial Director also increased to compensate for the lower than expected commercial income, out of which the salary costs for this post are met. The Church Commissioners also provided valuable support in the form of a grant of £5,525 for the cost of the lay clerks who we were able to continue to provide music throughout the year at our online worship and, when we were able to re-open, at our Sunday services.

The effect of all of this financial support has enhanced our earned income so that we were able to achieve a surplus for the year of £149,115 (including the gain on investments) whereas earlier predictions in 2021 pointed to a much worse scenario. The reserves built up in previous years have also ensured that we remain financially viable even during these unprecedented times.

For the current year, there was an increase in unrestricted funds of £20,003 (before investment gains) compared with a decrease of £130,069 in 2020 (see the Consolidated Statement of Financial Activities on page 29 and note 15 of the accounts on page 45). The improvement here is due to the fact that we were able during 2021 to recover in some part following the dramatic decline in our commercial income that occurred during the 2020 lockdowns. Southwark Cathedral Enterprises was therefore able to make a charitable donation from its profits in 2021 (£265,261) whereas in 2020 no donation was possible.

The single largest expenditure by the Cathedral is on our staff costs and more details can be found in 'Our People' below. An increase of 1.84% was announced in October 2021 in the London Living Wage rate that we apply as the minimum for our paid staff. Since September 2015 we have ensured that all paid staff receive at least the London Living Wage (currently £11.05 per hour). The Chapter introduced this in response to a request from the congregation and is working towards a position where all Cathedral suppliers pay the living wage as well. We try to benchmark our salaries against those in other cathedrals and charitable organisations recognising that we are unable to compete with the salaries offered by larger organisations or the commercial sector. We are in a difficult position being in central London where rates of pay are the highest in the country. We remain fortunate to attract a number of staff in key positions for whom remuneration is not the only reward and who wish to devote their time to supporting the ministry of the Cathedral.

The Finance Committee is responsible for recommending to Chapter how income is used to best support of the mission and ministry of the Cathedral. The rigorous expenditure approval regime introduced in early 2019 continues and has ensured that all departments work within their budgets. Going forward and as we emerge from the pandemic, the Board of SCEL and the Finance Committee are discussing ways in which we can look to invest in the Cathedral's streams of earned income so that these can grow and develop organically whilst remaining within the Chapter and Board of SCEL's appetite for risk and prudent management of Cathedral funds. The COO has been charged with helping realise the SCEL Board strategy around this. The Cathedral Sustainability Fund has been a very important source of funding of people who can help bring about this growth. See more below in the 'Our People' section.

Five-year financial trends

Below is a table showing the five-year financial trends which shows that the Cathedral achieved surpluses in all of the past five years, except in 2020 (when investment gains were taken into account) and 2017. This illustrates the progress that has been made in building up our financial reserves since 2016. Figures for income and expenditure combine all unrestricted, restricted and endowment elements together.

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Income					
Donations and legacies	603	573	813	1,264	1,152
Grants in support of mission	492	417	221	273	210
Charges and fees	210	108	235	274	257
Trading	631	355	823	791	708
Investments	203	187	176	147	197
Total income	2139	1,640	2,268	2,749	2,524
Expenditure on:					
Raising funds	530	543	586	633	565
Ministry	625	520	652	643	684
Cathedral and precincts upkeep	726	521	721	1,007	1,013
Education and outreach	122	68	144	173	189
Community, parish, congregation	84	74	86	88	87
Other expenditure	2	2	4	4	3
Total expenditure	2089	1,728	2,193	2,548	2,541
Net income before investment gains	49	(88)	75	201	(17)
Net gains on investments	100	(5)	116	132	41
Net movement in funds	149	(93)	191	333	24
Funds					
Unrestricted Funds	1153	1,098	1,218	1,230	897
Restricted Funds	255	222	178	114	78
Endowment Funds	16422	16,361	16,378	16,239	16,274
Total Funds	17,830	17,681	17,774	17,583	17,249

Income

Total consolidated income for 2021 was £2.14 million compared with £1.64 million in 2020. The Cathedral's total income year on year is inherently variable as it depends on the aggregate amount of trading income, legacies, specific donations, fundraising income and grant funding for major projects in any one year.

Donations and legacies

Donations and legacies lie at the heart of the Cathedral's income through the generosity of our congregation and our donors, both individuals and organisations.

Congregational giving and collections produced £224,800 in 2021 (£255,226 in 2020). The 2020 figure was below expectations and resulted from the fact that congregational giving in the 'plate' at services declined by about 80% during the year as our worship moved online or the numbers attending were restricted to comply with Covid safety requirements. This year, the drop was a result of the fact that a small number of particularly generous givers moved away from the parish but it was pleasing that the number of people giving overall has increased. A significant proportion of the sum received is tax recovered under gift-aided donations which accounted for £59,392 across all forms of giving in 2021 (£74,042 in 2020).

We did not receive any legacies in either 2021 or 2020. This compares very poorly with legacy income received by other cathedrals and we are aware that we have some urgent work to do on encouraging people to consider remembering the Cathedral in their wills.

Donations and gifts totalled £138,414 which is slightly lower than in 2020 (£141,313). We also received £180,281 from local trusts, including £6,794 from the Cathedral Friends and £98,587 from the Development Trust.

Grants in support of mission

The Church Commissioners made a grant of £245,337 (2020: £262,515) including £108,729 (2020: £131,307) as a contribution to the costs of funding the salaries of Cathedral staff (vergers, organists and office staff) who assist in the provision of the Cathedral's worship. A further grant of £136,603 (2020: £104,976) covers the stipends, pension and national insurance contributions of the Dean, Sub Dean and Canon Precentor.

We also received a grant of £17,494 (2020: £26,232) from the Cathedrals Sustainability Fund (CSF) towards the salary of the new Commercial Director (the post was vacated in April). Further contributions from the CSF were received to support an increase from the Comptroller's part-time salary to the new Chief Operating Officer's full-time salary. We were also very pleased to receive CSF funding for the Conference and Events Marketing and Sales Executive role and a pledge to meet 75% of the proposed Head of Property role currently being recruited. A further £67,693 was received through the Government's Coronavirus Job Retention Scheme to support the salary costs of furloughed staff.

Charges and fees

Income from charges and fees increased in 2021 to £210,257 (2020: £107,827). This income is derived from fees for special services, weddings, memorial services and funerals and from charges recoverable from organisers of services and events for musicians and administration. The closure of the Cathedral for part of the year in 2020 led to the lower figure last year and we are pleased that in 2021, the amount rose despite the effect of tightening lockdown restrictions in the lead up to Christmas which resulted in many fewer special services and carol services taking place.

Trading income

Southwark Cathedral Enterprises Ltd is wholly owned by the Chapter, and manages the non primary purpose commercial trading activities of the Cathedral, including the Cathedral Shop, conferences, events and concerts using the Cathedral's premises, the catering contract, and visitor-related income. Profits are gift-aided to the Cathedral and are included in the consolidated statement of financial activities on page 29 and detailed in note 5 to the accounts on page 39. In 2021 the gross income was £631,187, which represented a significant positive variance on the Budget.

The extremely strong performance by SCEL was achieved largely by the events team, lead by the Head of Events, Rose Harding, and the return of special events to the Cathedral in a very positive way that we had been unable to predict in 2020 during the height of the pandemic lockdowns. The income generation was also due to the presence from April 2021 of the Randox Laboratories and Doctap Covid testing centre in the Millennium Courtyard. Doctap also rented one of the Cathedral's small meeting rooms as a storeroom for its equipment. The testing centre provided our business with a monthly income of over £14,000 and also enabled us to play our part in the response to the pandemic. Other income was derived from filming in the Cathedral and from the continued operation of the on-line shop which enabled the company to continue its retail trading despite

periods of lockdown and low footfall at the Cathedral. The company was therefore very pleased to have recovered from its previous year's loss, be able to make a profit of £289,358 and a gift-aided donation to the Cathedral in 2021 of £265,261.

Conference business was particularly badly hit with almost no bookings after mid-March but the arrival of a Marketing and Events Executive in September has meant that both established and new clients are being proactively encouraged to book.

We were fortunate to secure some filming via Warner Bros for an Apple streamed series and, through the BBC, for a factual piece celebrating the passing of the Disability Discrimination Act, a project which both supported our trading income and our mission to reflect diversity and inclusion in our work. Special events brought in income of £357,970 (2020: £109,974) while conferences brought in a further £37,126 (2020: £69,256). Overall, our conferences and events activity made a profit of £284,997 (on a turnover of £395,096) compared to a loss of £2,950 in 2020 (on a turnover of £179,230).

Although the principal role of the Cathedral Church is to be a place of Christian worship, we continue to be a popular London venue for performing arts, and in 2021 we continued to welcome regular and new clients. We hope to continue to build on these relationships to bring in valuable income and also welcome a large number of people who might not otherwise visit the Cathedral.

We were also able to return to hosting concerts by amateur music groups, informal recitals by visiting choirs and professional productions by choirs, theatre companies and orchestras although tickets sales for all our events in the Nave have remained restricted due to Covid precautions. City of London Sinfonia continued to perform here outside the lockdowns, working to restricted capacities and will be holding their 50th anniversary concert at the Cathedral in the Spring of 2022. Such a partnership is undoubtedly one to treasure. Fever Up continued to book concert dates in the Cathedral again, working to any dates available that presented themselves outside the periods of lockdown and working to the restricted capacities. Fever Up is an entertainment discovery platform offering programming that is inventive and creative. Its candlelit concerts are booked in to a great number of heritage sites across the UK.

Our visitor numbers were badly hit by further lockdowns as a result of the pandemic and at the close of 2021 the numbers were still only around 20% of the levels seen in 2019. The almost total absence of foreign tourists had a big impact also on our footfall in the shop but we responded by continuing to build on-line retail offer and by launching a Christmas Shop in the Queen Elizabeth Room. Overall, retail made a loss of £13,492 (2020: £40,012) although additional grants of £17,286 were received from local government funding to the retail sector forced to close due to the lockdown and this amount is not included in the stated loss. Shop turnover rose to £108,119 this year (2020: £48,860) but has still not recovered to 2019 figures.

Despite a fall in visitor numbers, we provided a busy programme of heritage, learning and visitor events including Bard in the Yard, our popular Shakespeare event, which returned in the summer. Our special connection to the River Thames continued to be celebrated with Mudlarking talks and walks, thanks to Lara Maiken's support. The Mudlarking day in October attracted hundreds of visitors and had a sea shanty choir. There has been a changing exhibition in the Link. A number of lectures and book signing talks have happened, with author question and answer sessions, looking at both theology and social history. Art installations included the powerful and poignant 'These Days Will Pass' by Mark Titchner, 'The Leaves of the Trees' by Peter Walker and the 'Gratitude' sculpture exhibition in celebration of the NHS. We are hoping to build these events back up as visitors return to the Cathedral in the coming year.

In August we brought to an end our catering concession relationship with Leafi. We agreed a six month residency with Borough Market bakery Bread Ahead, and they were able to drop into the café space and open with only a week's closure for deep cleaning. Their offer of cakes, speciality doughnuts and sandwiches, baked only a few yards away in the market, have proved very popular and income has remained steady, although footfall fell away in the second half of December with the Government's Plan B announcement.

Turnover from our visitor-related activity, though hit by the lockdowns, did improve on the previous year, which meant that a profit of £842 was achieved on a turnover of £24,234, (though profit was £12,454 on turnover of £17,495 in 2020).

Investments

Four of the flats in our residential properties are let to tenants, while All Hallows Hall and the top floor of Montague Chambers are let to a small business. We also receive rental payments from Boro Bistro for the land that we own between the Herb Garden at the east end of the Cathedral and London Bridge. Additional rental income was received from renting out the Succentor's flat at St Paul's Vicarage. The property at 7 Temple West Mews is now the home of the new Canon Precentor, Andrew Zihni, so does not generate income. Income from property was £179,253 (2020: £166,300). (2021 income included a monthly licence fee to place scaffolding on the part of Montague Close owned by the Cathedral for the refurbishment of the adjacent Bridge House. We anticipate that this arrangement will come to an end during early 2022) Our let property costs in 2021 were £35,684 (2020: £27,325) as set out in the Expenditure on Raising Funds table below and which reflects the work necessary on them due to the age and condition of our current property portfolio. The increase is due to works that had to be carried out to the flat previously housing the Cathedral Curate who left to take up his first parish in June 2021. The flat was prepared for the new Assistant Organist and Music Administrator who arrived for the new autumn term.

Income from our investments amounted to £23,191 (2020: £20,756) of which the majority was in the form of restricted income from the Choirs Endowment Fund, the income from which is applied to the running costs of the Cathedral choirs.

Expenditure

Total consolidated expenditure for 2021 was £2.09 million compared with £1.73 million in 2020. The Cathedral's total expenditure, like our income, is similarly variable as it depends on the extent of expenditure on major projects in any one year.

Cost of raising funds

The cost of raising funds in 2021 was £529,867 (2020: £542,892). The largest component in this is £341,829 expended on SCEL's commercial activities including staff costs, purchases for the Cathedral shop and other overheads. It also includes the cost of welcome desk staff and the Visitors' Officer's salary and an allocation of shared administrative support costs.

Ministry

Expenditure on ministry was £624,912 in 2021 (2020: £519,791) and comprises the cost of clergy stipends and pensions, clergy and lay staff housing (vergers and musicians), the Cathedral's choirs and the costs of our liturgy and worship. The figure also includes collections that are taken on behalf of external charities and subsequently paid away. The higher figure in 2021 reflected the fact that the costs of services and music reduced in 2020 as worship moved entirely online and the choir sang much less frequently.

Cathedral and precincts upkeep

Major repairs and restoration work form a small part of the £725,568 spent on Cathedral and precincts upkeep in 2021 (2020: £520,465). The total value of major works to the Cathedral in 2021 amounted to £151,204 (2020: £31,451).

The other significant element in this category is the day-to-day maintenance of the Cathedral Church and its precincts. The staff of four vergers and the Facilities Team care for the Cathedral precincts and supervise maintenance and repair work carried out by contractors. The cost of this area of the Cathedral's activity was £574,365 (£489,014 in 2020). The uplift reflects the fact that costs were reduced in 2020 due to the building being closed for four months with far less visitor traffic.

Education and outreach

Education and outreach accounted for £122,300 expenditure (2020: £68,423) the majority of which relates to collections taken at special services held at the Cathedral that are subsequently paid

away to external charities supported by the Cathedral. Also included in this figure is the Cathedral's own charitable giving which allocates 10% of stewardship income to be distributed to a number of charities. The recipients in 2021 are listed under 'Cathedral Worship and Congregational Life' on page 3.

The work of the Education Centre is funded and managed by the Southwark Cathedral Education Trust but the Cathedral makes a donation towards the running costs of £20,000 each year. In 2021, the Education Officer, The Revd Lisa Bewick, began to build back work with the Junior and Youth Express groups in response to the Cathedral's Masterplan priorities but this remained severely restricted due to the pandemic. Lisa left her role at the end of 2021 to take up position in her first parish as a priest. Robyn Horne then joined us as an interim Education Centre Co-ordinator and worked to build back schools visits with a team of volunteers. Robyn also co-ordinated the official opening of the Susannah Barford Room as the Education Centre's new home.

Congregation, parish and community

A total of £80,480 was spent during the year relating to parish activity (2020: £73,961). This includes spending across a wide range of parish activities including hospitality, parish events and our contribution to the Diocese through the Parish Support Fund (£38,000).

Support costs

Support costs relating to administration, governance and support staff salaries are allocated to relevant expenditure categories. Support costs totalled £298,038 in 2021 (2020: £248,395) some of which was offset by CSF support of salary costs.

Investments

The value of the Cathedral's investments, managed by Investec, (excluding the property at All Hallows Hall currently valued at £970,000) amounted to £858,780 at the end of the year (2020: £822,753).

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 Limited;
- investments in which the trustees may invest under the general power of investment in the Trustee Act 2000;
- the improvement 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.

Investment objectives

The Chapter's overall investment objective for its long-term funds is to maintain a balanced portfolio of investments to deliver long-term capital growth and growing income to support ongoing operational expenditure, particularly in the case of the Choirs Endowment Fund, to support the running cost of the Cathedral choirs. This means holding investments that grow capital values above real terms over the long-term and produce sustainable growth in investment income year on year.

In 2015, it was decided to move the investments forming the Choirs Endowment Fund and Property Endowment Fund to Investec Wealth & Investment where they would be actively managed to provide any balance of capital growth and income generation. Regular meetings are held between Investec and nominated members of the Finance Committee (in an advisory capacity) to discuss the balance of the portfolio between different asset classes and agree changes in that balance to reflect the current economic conditions.

All our investments are invested in accordance with the Trustee Act 2000. The Cathedral's investment policy is to maximise the return (taking capital and income together) while investing within the ethical guidelines adopted by the Church Commissioners. Investec make investment decisions based on the Cathedral's Investment Policy. A new Investment Policy was approved in

early 2022 to ensure that the Cathedral's approach to ethical and responsible investment explicitly remains in line with Church of England guidelines and its ambition to move towards a carbon net zero policy in 2030.

Reserves

The Cathedral's total unrestricted funds stand at £1,153,476 at the end of the year (2020: £1,098,473). Of these funds £105,355 (2020: £81,147) represent free reserves comprising the General Fund. The remainder consists of £1,048,121 (2020: £1,017,326) from the unrealised gains arising from the most recent revaluation of All Hallows Hall and Cottage in 2014.

Determining the level of free reserves the Cathedral needs to hold is an important part of the Chapter's financial management and forward financial planning. Chapter acknowledges that reserve levels that are too high may tie up money unnecessarily and limit the amount of spend on charitable activities thereby reducing the potential benefit that the Cathedral can provide. Reserve levels that are too low not only impact on the Cathedral's long-term solvency, but also leave us in difficulty facing day-to-day expenditure commitments.

The Chapter's aim is to build up its funds, including its reserves, to levels sufficient to address the Cathedral's long-term sustainability and need to maintain and preserve the Cathedral's fabric and heritage. This means establishing sufficient funds so that we are able to develop and grow the mission and ministry of the Cathedral in the future whilst retaining sufficient readily accessible reserves to meet the financial liabilities inherent in running and maintaining an historic Cathedral and its precincts. With this in mind, the Chapter has a long-term aim of building up free reserves equal to six months' operational expenses or £870,000 (based on the average unrestricted expenditure incurred during the three years leading up to 2020 before the pandemic).

Due to the loss of commercial income in 2020 and 2021 following the lockdown and decreased footfall at the Cathedral, our free reserves have been badly depleted and we are now much further away from achieving this target than we were at the end of 2019. In order to address this, the Chapter remains committed to increasing income and controlling expenditure as a means of achieving this. A five-year budget forecast prepared for the Chapter in 2020 envisaged a period of stabilisation in 2021 and 2022 followed by increasing surpluses being generated from our normal activities from 2023 onwards when we expect our commercial income streams to enter a growth phase once again.

The Cathedral remains a going concern with sufficient reserves to maintain normal day-to-day activities throughout 2022. Our budget for 2022 recognised that lockdown restrictions would remain in place for early part of the year and our cashflow projections take account of that, as well as the continuation of the government's support through grants via the local authority for retail.

The challenge going forward is to be creative and proactive in rebuilding our commercial income streams whilst fundraising from available sources and taking advantage of any government and local authority support for small business.

Structure, Governance and Management

Governing Statutes

Southwark Cathedral is an ecclesiastical corporation established for charitable purposes.

Ecclesiastical corporations are currently governed under the Cathedrals Measure 1999 and by the Cathedral's Constitution and Statutes that came into effect on 23rd April 2000 and were subsequently amended in April 2009 and again in November 2013. Although the Cathedral is not registered with the Charity Commission, the Chapter seeks to have due regard to the Commission's guidance where applicable and appropriate.

Under these instruments 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 its mission.

The Constitution and Statutes require that any person or body having functions under these instruments shall have due regard to the fact that the Cathedral is the seat of the Bishop of Southwark and a centre of worship and mission. The Bishop of Southwark is the Visitor and has the right to be present and to speak at meetings of the Cathedral Council but plays no significant role in the day-to-day decision-making structure of the Cathedral.

Proposed Changes to the Governance of the Cathedral

Cathedrals currently fall outside the Charities Act and are not regulated by the Charity Commission. Following the outcome, however, of the 2017 Cathedrals Working Group to review aspects of the cathedral governance and management, with the consequential enactment of the new Cathedrals Measure 2021, the Cathedral will be undergoing very substantial changes to its governance including its registration as a charity under the auspices of the Charity Commission. The Dean and Cathedral Warden Daniel Chumbley took part in the Church Commissioners training in July and the new COO is leading the work necessary to prepare for these changes. Southwark Cathedral is in the first tranche of seven cathedrals to revise its Constitution and Statutes and to apply to register with the Charity Commission. It will be the first parish church cathedral to do so.

The Governance and executive organisational structure of the Cathedral

Under the requirements of the Constitution and Statutes, the governance of the Cathedral is set out as follows:

The **Bishop of Southwark** has his seat in the Cathedral and may officiate in the Cathedral and use it for Diocesan services and events. He is the Visitor and in this role ensures the observance of the Constitution and Statutes.

The **Chapter** is the administrative body of the Cathedral and meets on at least seven occasions each year. It consists of 13 members: the Dean, the five Residentiary Canons and seven other ordained and lay members holding appointed or elected positions. Details of the members of Chapter are given on page 24, and the procedure for their appointment is set out on page 20.

The **Cathedral Council** is appointed to further and support the work of the Cathedral and to review and advise upon the work of the Chapter. The Council is made up of 19 people appointed by the Bishop of Southwark, the Bishop's Council, chosen from the Chapter, or elected from the Electoral Roll and College of Canons. In addition, six members are appointed by the Bishop after consultation with the Chapter, who have experience in architectural and conservation matters, finance, education, ecumenism and any other experience and expertise considered beneficial to the Cathedral's work and mission. The Council meets three times a year in March, June and November. The June meeting is held jointly with the Chapter. The Cathedral Council will cease to exist once the Cathedral is registered as a charity under the regulation of the Charity Commission, although it is hoped that the individuals currently serving on Council will remain available as informal sources of experience, knowledge and wisdom to the dean and Chapter members.

The Dean, the Residentiary and Honorary Canons, and the Area Bishops and Archdeacons working in the Diocese sit as the **College of Canons**. The College of Canons will continue to exist after the Cathedral is registered as a charity under the regulation of the Charity Committee but will no longer form part of the governance structure of the Cathedral.

The Constitution also 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. The Finance Committee has up to ten members.

Under the Care of Cathedrals Measure 1990, the **Fabric Advisory Committee** 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, four appointed by the Cathedrals Fabric Commission for England and four by the

Cathedral Chapter. In addition, the Dean, Chief Operating Officer, Cathedral Architect, Cathedral Archaeologist and one of the Cathedral Wardens attend the four meetings each year.

The **Senior Management Team**, whose membership includes the Dean, Sub Dean, Canon Precentor, COO and Cathedral Accountant, are responsible for the day-to-day management of property, personnel, safeguarding and financial issues and work through department heads to ensure that the Cathedral's activities are effectively and efficiently run and that all aspects of health and safety are addressed. In the last of these they are assisted by the **Health and Safety Panel** which consists of the Sub Dean, COO, Head Verger and Facilities Manager and which carries out regular risk assessments of Cathedral activities and takes appropriate professional advice where necessary.

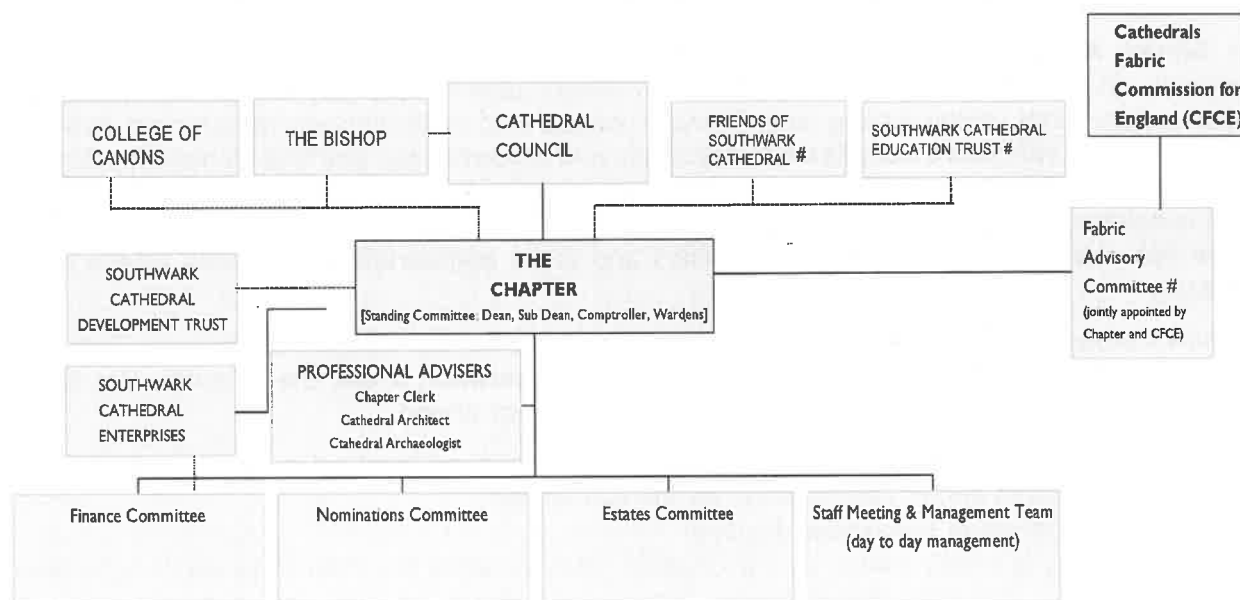
The new Cathedrals Measure includes a strengthened role for the Senior Management Team and clear terms of reference which set out the relationship between it and the Chapter. We will be working on implementing these recommendations in the year ahead.

In addition there are five other formally-constituted organisations involved in aspects of managing the Cathedral's affairs and/or raising funds for the Cathedral:

- *Southwark Cathedral Enterprises Limited*
This company is wholly owned by the Chapter, and manages the main commercial activities of the Cathedral, including the Cathedral Shop, conferences, events and concerts using the Cathedral's premises, licensing of the cafe, and tour-related income. Profits are gift-aided to the Cathedral and are included in the consolidated statement of financial activities on page 27 and detailed in note 5 to the accounts on page 39
- *The Southwark Cathedral Development Trust (registered charity 1069914)*
This registered charity, formed to raise funds for the Millennium Project, is now dedicated to the fundraising campaign. It has independent trustees and is not under the control of the Chapter. A summary of the financial performance of the Trust in 2021 is given in the Fundraising Report on page 4.
- *Southwark Cathedral Education Trust (registered charity 1058369)*
The Southwark Cathedral Education Trust is an independent registered charity which oversees the work of the Education Centre and seeks to help teachers cover a range of national curriculum subjects in imaginative ways. This is accomplished by offering experience-based trails and workshops. It has independent trustees and is not under the control of the Chapter.
- *The Friends of Southwark Cathedral (registered charity 1159545)*
This registered charity provides financial support to the Cathedral for repairing, maintaining and beautifying the Cathedral church, to the Cathedral choirs when on tour, and assisting the Chapter in their mission and ministry. It has independent trustees and is not under the control of the Chapter.
- *The Dean of Southwark's Fund (registered charity 275354)*
This registered charity provides financial support for extending, developing and maintaining the buildings, fabric, amenities and work of Southwark Cathedral as well as the advancement of the Christian religion. It has independent trustees and is not under the control of the Chapter.

[See Note 19 for a summary of the financial performance of all of the three registered charities listed]

Southwark Cathedral Organisational Chart in 2021



Committees with membership partly nominated by external bodies

The Chapter

Members' responsibilities in relation to the financial statements

The Chapter members are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to Cathedrals in England and Wales requires the Chapter members to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Cathedral and of the incoming resources and application of resources of the Cathedral for that period. In preparing these financial statements, the Chapter members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Cathedral will continue in business.

The Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Cathedral and enable them to ensure that the financial statements comply with the Cathedrals Measure 1999 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the Cathedral and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Current method of appointing members

The Dean and all Residentiary Canons are appointed by the Bishop of Southwark. All are members of Chapter by virtue of their appointment, the Dean being the Chairman.

The Cathedral's Constitution and Statutes set out the following method for appointing the Remaining Members to Chapter:

- two people (not more than one of whom may be in Holy Orders) appointed by the Bishop, after consultation with the Dean, having particular expertise which will enrich the Chapter's deliberations and knowledge;

- two people elected from among those who are or have been Cathedral Wardens of the parish by persons whose names are on the electoral roll of the parish at the Annual Parochial Church Meeting;
- two other people elected from the church electoral roll of the parish by persons whose names are on the church electoral roll of the parish at the Annual Parochial Church Meeting;
- the Comptroller by virtue of that appointment.

With the implementation of the new Cathedrals Measure 2021, the adoption by the Cathedral of amended Constitution and Statutes and once the Cathedral is registered as a charity under the regulation of the Charities Act 2011, the method of appointing Chapter Members will change to meet the requirements of these new governing statutes.

Procedures for the induction and training of new members

Members of Chapter are invited to attend training courses run by the Association of English Cathedrals. This training has recently been extended to include more in-depth training days for chapters as a whole and we have participated fully in this new training programme. All new members of Chapter have a meeting with the Dean, Sub Dean and (prior to 28 June 2021) the Comptroller and (post 28 June 2021), the Chief Operating Officer so that the work of Chapter and procedures at meetings can be explained. Members have the opportunity to have tours of the Cathedral and an introduction to the work of the Cathedral's various departments. Again, as the Cathedral transitions to being a charity regulated by the Charity Commission, it is envisaged that our training requirements for Chapter will change.

Our people

Our Clergy

Our full-time clergy are the Dean, Sub Dean and Canon Precentor. Their stipends are paid by the Church Commissioners. The cost of these stipends, pension and national insurance payments is included under 'Clergy stipends and working expenses' and the grant we receive from the Church Commissioners to cover the costs is included in our restricted income under 'Grants in Support of Mission'. In addition, the Chapter normally pays the stipend for a part-time Succentor. This post is currently unfilled but there are plans to interview to replace the post early in 2022. The vacancy allowed the Chapter to rent out the Succentor's flat to bring in some welcome additional income in 2021.

The Chapter is responsible for the housing costs and expenses in connection with all the above. The Canon Chancellor, Canon Treasurer and Canon Missioner are licensed to the Cathedral but their stipends and housing costs are met by the Diocese for whom they hold full-time roles. They are members of Chapter and play a full role in the worshipping life of the Cathedral in addition to their Diocesan responsibilities.

In January 2021 a new Precentor, Andrew Zihni, was appointed following Gilly Myers' retirement after eight years in the post. Andrew was previously the Assistant Diocesan Director of Ordinands in the Diocese of Southwark and prior to that he was at St George's Chapel, Windsor where he was a Minor Canon and School Chaplain at St George's School.

Our Cathedral employees

The Chapter directly employs 21 full-time and 24 part-time staff (2020: 21 full-time and 24 part-time) in a variety of roles which support the mission and ministry of the Cathedral. These staff are organised into departments which report either to the Chief Operating Officer or Precentor. The Dean leads the work of the Learning Centre.

Staff changes in 2021 included the following:

With the arrival of James Gough to cover the music department's administrative tasks, Zanna Bloomfield, previously Music Administrator, became the Assistant to the Precentor and Canon Pastor.

Following Natasha Kuler stepping down from her receptionist role (see below), Julia Tchoudinova took on the part time receptionist for the remainder of 2021, with a number of volunteers helping us ensure the reception desk was covered at other times. We are grateful to Julia for her contribution to the reception role and are pleased that she is currently exploring other roles at the Cathedral.

David Adamson-Hill left his role as Curate and Minister in Charge of St Hugh's in the spring and took up his first parish in Croydon.

In April 2021, Emma Allen, the Commercial Director, left for a new role as the Head of Commercial Services at the National Museum of the Royal Navy in Portsmouth. Although Emma was only with us for short time she brought valuable skills and new perspectives to discussions at the Senior Management team. Her role has not been replaced and the new Chief Operating Officer has been leading the executive function of SCEL.

In June, Justine Horseman Sewell joined Southwark Cathedral as its COO, a new post created in the wake of the implementation of the new Cathedrals Measure, and she leads the executive function of SCEL. Previously, she has provided legal consultancy work for Durham Cathedral over the past five years and previously held the Cathedral Administrator role at St Edmundsbury Cathedral. She is a solicitor and has worked in leadership roles with charity and company boards in the arts and third sector for many years including at Fifteen Foundation, Tate galleries and the Girls' Day School Trust. She has board membership experience as a School Governor, Chapter member and with a Ministry of Justice Courts Board.

June also saw the early retirement by Matthew Knight, our Comptroller. Matthew was in post for almost sixteen years and had steered our finances and administration through the challenges following the Millennium Project and other building works, as well as building up vital cash reserves. His financial prudence and excellent administration skills enabled the Cathedral to weather the pandemic better than would otherwise have been the case. We are all most grateful for Matthew's outstanding contribution over those years

Natasha Kuler resigned as receptionist and then subsequently as Assistant to the Canon Pastor in June 2021. She continues to volunteer at the Cathedral.

Emily Halton increased her hours as Safeguarding Administrator to take on the role of Assistant to the COO and to take on the task of minuting and clerking Chapter, SCEL Board and various other Chapter Committees

Bridget Abbott retired in May 2021 after 29 years' service at the Cathedral. She occupied various roles, and latterly as Assistant to the Comptroller. Her experience and devoted service to the Cathedral will be very much missed.

In September we were pleased to welcome back Sahika Karagoz who took up the role of Conference and Events Sales and Marketing Executive to drive sales of our conference spaces in a market which had dropped considerably as a result of the Covid pandemic.

In October, Stephen Disley left us after over twenty years as Assistant Director of Music and Organist and Director of the Girls' Choir. He contributed a huge amount to the musical life of the Cathedral and will be missed by his colleagues and friends in the wider Cathedral community.

Our Volunteers

We are very fortunate and grateful to have a solid base of 410 volunteers, many of whom offer their time in more than one role and give generously of their time and skills to enrich and extend the work of the Cathedral and its service to the local community. Our volunteers work in a huge range of roles including bell-ringers, broderers, day chaplains, Education Centre volunteers, Eucharistic ministers, flower arrangers, guides, honorary minor canons, honorary vergers, hospitality team, intercessors and readers, office volunteers, servers, shop volunteers, stewards, ROBES project volunteers, Sunday School leaders and helpers, and welcomers. In addition, many serve as members of the various committees that assist in the organisation of our life.

Our Volunteers' officer, Michelle Ford, works with teams across the Cathedral to identify and fill any volunteering gaps and build relationships with volunteer providers. Although many of our volunteers have not felt able to return to their volunteer work yet following the pandemic, a large number have and we are grateful to them for this.

The twice-yearly Volunteer Team Leaders' meeting, chaired by the Dean, provides a useful forum for the different groups to meet and up-date others on their work and we hope to hold a volunteers' party in the coming year to thank volunteers for their continued commitment and dedication to Cathedral life.

The Cathedral's Role in the Diocese

The Diocese of Southwark was formed in 1905 and covers much of South London from Kingston-upon-Thames in the west to Thamesmead in the east; and from the River Thames in the north to Gatwick Airport in the south. In the same year, the parish church of St Saviour became the Cathedral of the newly formed Diocese.

As the *cathedra* of the Bishop and the mother church of the Diocese of Southwark, the Cathedral is an intrinsic part of the Diocesan community, working alongside the Bishop and his staff and the many other bodies which together form the Diocese of Southwark.

This relationship is most obviously expressed in acts of worship under the presidency of the Bishop of Southwark which draw people from all over the Diocese. Each year a large number of Diocesan services are held at the Cathedral, including the Blessing of the Oils and Re-affirmation of ordination vows on Maundy Thursday, ordination services, confirmation services, and Archdeacons' visitations. Some of these were still not able to take place in 2021 due to the pandemic but online alternatives were offered where possible and we are delighted that our online community has grown and remains actively participating in services.

The Cathedral is used by senior Diocesan clergy as a place for meetings and interviews. Honorary Canons, Diocesan officers and others participate in worship and education here and assist with the voluntary work of the Cathedral, and conversely Cathedral clergy are frequently invited into parishes to celebrate and preach. The Cathedral also enjoys a close relationship with other bodies within the Diocese including the Board of Education, voluntary agencies, Church schools (especially Foundation Schools) and universities. We very much value these links with the Diocese.

This report on the Cathedral's activities during the year ending 31st December 2021 brings together the legal and administrative information, the independent report from the Cathedral's auditors and the financial statements form the Chapter's statutory annual report. You are also invited to read my Dean's Annual Report which provides additional reflections on the past year together with some more detail on our achievements and activities.

Finally, I would like to record my thanks to Matthew Knight, Comptroller, Toyin Tukasi, Cathedral Accountant and Justine Horseman Sewell, Chief Operating Officer and all those who assist them with the management of the Cathedral's finances and for the compiling of this annual report.

A handwritten signature in dark ink, appearing to be 'AN' followed by a wavy line.

The Very Revd Andrew Nunn
Dean of Southwark Cathedral

23 March 2022

[Date]

Legal and Administrative Information

Full legal name and address

The Cathedral and Collegiate Church of St Saviour and St Mary Overie, Southwark, also known as Southwark Cathedral
London Bridge
London SE1 9DA
Telephone: 020 7367 6700 General email address: cathedral@southwark.anglican.org
Web site: www.southwarkcathedral.org.uk

Administrative Body

The Cathedral's administrative body is the Chapter. The members of the Chapter at the end of the year were

The Very Revd Andrew Nunn, Dean
The Revd Canon Michael Rawson, Sub Dean and Canon Residentiary
The Revd Canon Jay Colwill, Canon Residentiary
The Revd Canon Leanne Roberts, Canon Residentiary
The Revd Canon Wendy Robins, Canon Residentiary
The Revd Canon Andrew Zihni, Canon Residentiary (from 31 January 2021)
Mr Matthew Knight, Comptroller (retired June 2021)
Mrs Justine Horseman Sewell, Chief Operating Officer (appointed June 2021)
Mrs Linda Hutchinson, Cathedral Warden
Mr Daniel Chumbley, Cathedral Warden
The Revd Canon Joabe Cavalcanti
Ms Amanda Adamson-Hill
Mr Peter Haddock
Mrs Helen Quintrell

Statutory office holders

Comptroller

Mr Matthew Knight (retired 24 June 2021)

Chief operating Officer

Mrs Justine Horseman Sewell (appointed 14 June 2021)

The Finance Committee

Mr Richard Cornwell – chairman

The Very Revd Andrew Nunn

The Revd Canon Michael Rawson

Mr Ian Akhurst

Mr Daniel Chumbley

Mr Mike Dyer

Mr Colin Johnston

Mr Matthew Knight (retired 24 June 2021)

Mrs Barbara Lane

Mr Pip Steen (resigned 12 May 2021)

Mrs Stephanie Mills (resigned 12 May 2021)

Mr Hanif Barma (appointed 12 May 2021)

Mrs Justine Horseman Sewell (appointed 14 June 2021)

In attendance:

Mrs Toyin Tukasi – Cathedral Accountant

Ms Emma Allen – Commercial Director

(resigned 9 April 2021)

Mrs Emily Halton – secretary

The Fabric Advisory Committee

The Revd Charles Pickstone – chairman

Mr Paul Appleton

Professor Maurice Howard

Mr Luke Hughes

Miss Gillian Lewis (resigned 8 June 2021)

Ms Claire Reed

Mr Guy Rowston

Ms Phillida Shaw

Ms Katy Lithgow (appointed 8 June 2021)

In attendance:

Mr Richard Malins – secretary

The Very Revd Andrew Nunn – Dean

Ms Kelley Christ – Cathedral Architect

Dr Jackie Hall – Cathedral Archaeologist

Mr Matthew Knight – Comptroller (retired 28 June 2021)

Mrs Justine Horseman Sewell – COO
(appointed 14 June 2021)

Mrs Linda Hutchinson – Cathedral Warden

Mr Alexander Holton – (ex officio)

Director of Music

Mr Ian Keatley

Bankers

National Westminster Bank plc

10 Southwark Street

London SE1 1TT

Chapter Solicitors

Winckworth Sherwood

Minerva House

5 Montague Close

London SE1 9BB

Independent Auditors

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

Cathedral Architect

Ms Kelley Christ

A&RME

415 Endsleigh Court

24 Upper Woburn Place

London WC1H 0HQ

Archaeological Consultant

Dr Jackie Hall

51 Back Road

Linton

Cambridge

CB21 4JF

Surveyors

Rapleys LLP

51 Great Marlborough Street

London

W1F 7JT

Insurers

Ecclesiastical Insurance Group

Beaufort House

Brunswick Road

Gloucester GL1 1JZ

Investment Managers

Investec Wealth & Investment Limited

30 Gresham Street

London

EC2V 7QN

Independent Auditor's Report to the Chapter Members of Southwark Cathedral

Opinion

We have audited the financial statements of Southwark Cathedral for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Group and 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and Cathedral's affairs as at 31 December 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the guidelines specified by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999.

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 Cathedral in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Chapter members are responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 themselves. 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 where the Cathedrals Measure 1999 requires us to 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
- the group and Cathedral has not kept adequate accounting records; 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 required for our audit.

Responsibilities of Chapter members

As explained more fully in the Chapter members' responsibilities statement set out on page 19-20, the Chapter 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 Chapter 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 Chapter 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 Chapter 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

We have been appointed as auditor under Section 27 of the Cathedrals Measure 1999 and report in accordance with that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Cathedral's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chapter members.
- Conclude on the appropriateness of the Chapter members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cathedral's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cathedral to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Cathedral.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Cathedral and considered that the most significant are the Cathedrals Measure 1999, the Cathedral SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Cathedral complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the Cathedral's 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 Cathedral's Chapter 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 any party other than the Cathedral and Cathedral's Chapter members as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Moore Kingston Smith LLP
Statutory auditor

Date 12 April 2022

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

Southwark Cathedral

Consolidated Statement of Financial Activities for the year ended 31st December 2021

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM:	2					
Donations and Legacies		425,381	177,506	-	602,887	573,263
Grants in support of mission		-	491,722	-	491,722	416,792
Charges and fees arising in course of mission		205,489	4,768	-	210,257	107,827
Trading and fundraising		631,187	-	-	631,187	354,971
Investments		180,791	21,652	-	202,443	187,056
Total Income		<u>1,442,848</u>	<u>695,648</u>	<u>-</u>	<u>2,138,496</u>	<u>1,639,909</u>
EXPENDITURE ON:	3,4					
Raising Funds		494,435	35,432	-	529,867	542,892
Charitable Activities:						
Ministry		325,108	299,804	-	624,912	519,791
Cathedral and precincts upkeep		449,967	275,601	-	725,568	520,465
Education and outreach		78,279	44,021	-	122,300	68,423
Community, parish and congregation		73,293	11,349	-	84,642	73,961
Other expenditure		1,763	-	-	1,763	2,247
Total Expenditure		<u>1,422,845</u>	<u>666,207</u>	<u>-</u>	<u>2,089,052</u>	<u>1,727,779</u>
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS		20,003	29,441	-	49,444	(87,870)
Net gains on investments	6	<u>35,000</u>	<u>3,584</u>	<u>61,087</u>	<u>99,671</u>	<u>(5,516)</u>
Net income/(expenditure)		<u>55,003</u>	<u>33,025</u>	<u>61,087</u>	<u>149,115</u>	<u>(93,386)</u>
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movements in funds		<u>55,003</u>	<u>33,025</u>	<u>61,087</u>	<u>149,115</u>	<u>(93,386)</u>
Reconciliation of funds:						
Total Funds brought forward		<u>1,098,473</u>	<u>221,455</u>	<u>16,360,721</u>	<u>17,680,649</u>	<u>17,774,035</u>
Total Funds carried forward		<u>1,153,476</u>	<u>254,480</u>	<u>16,421,808</u>	<u>17,829,764</u>	<u>17,680,649</u>

All operations are continuing.

There are no recognised gains or losses for the year other than those detailed above.

The accompanying notes form an integral part of these financial statements.

Southwark Cathedral

Consolidated Balance Sheet as at 31st December 2021

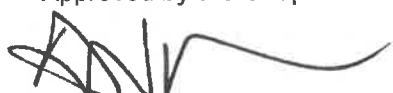
	Note	Unrestricted	Restricted	Endowment	Total Funds 2021	Total Funds 2020
		£	£	£	£	£
Fixed Assets						
Investment assets	6	970,000	28,644	858,780	1,857,424	1,757,753
Subsidiary undertaking	5	-	-	-	-	-
Tangible assets:						
Property	7	-	-	15,250,000	15,250,000	15,250,000
Equipment and plant	8	50,777	-	-	50,777	56,286
		<u>1,020,777</u>	<u>28,644</u>	<u>16,108,780</u>	<u>17,158,201</u>	<u>17,064,039</u>
Current Assets						
Stocks		32,915	-	-	32,915	39,680
Debtors	9	134,164	12,409	-	146,573	104,724
Deposits and cash		<u>655,955</u>	<u>153,981</u>	<u>-</u>	<u>809,936</u>	<u>702,708</u>
		823,034	166,390	-	989,424	847,112
Liabilities due within one year						
Creditors	10	<u>(180,550)</u>	<u>(24,811)</u>	<u>-</u>	<u>(205,361)</u>	<u>(180,502)</u>
Net Current Assets		<u>642,484</u>	<u>141,579</u>	<u>-</u>	<u>784,063</u>	<u>666,610</u>
Total Assets less Current Liabilities		1,663,261	170,223	16,108,780	17,942,264	17,730,649
Liabilities due after one year						
Inter-fund loan	20	(397,285)	84,257	313,028	-	-
Bounce Back Loan		(37,500)	-	-	(37,500)	(50,000)
Dean's Fund		<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>
Total net Assets		<u>1,153,476</u>	<u>254,480</u>	<u>16,421,808</u>	<u>17,829,764</u>	<u>17,680,649</u>
The funds of the Cathedral:	15-17					
Unrestricted - Cathedral		105,355	-	-	105,355	105,244
Unrestricted - Trading		-	-	-	-	(24,097)
Designated fund		1,048,121	-	-	1,048,121	1,017,326
Restricted		-	115,452	-	115,452	91,932
Choir Funds		-	114,844	771,391	886,235	816,912
Buildings Fund		-	-	15,250,000	15,250,000	15,250,000
Property Fund		-	24,184	400,417	424,601	423,332
Total Cathedral funds		<u>1,153,476</u>	<u>254,480</u>	<u>16,421,808</u>	<u>17,829,764</u>	<u>17,680,649</u>

Southwark Cathedral

Cathedral Balance Sheet as at 31st December 2021

	Note	Unrestricted £	Restricted £	Endowment £	Total Funds 2021 £	Total Funds 2020 £
Fixed Assets						
Investment assets	6	970,000	28,644	858,780	1,857,424	1,757,753
Subsidiary undertaking	5	100,000	-	-	100,000	75,903
Tangible assets:						
Property	7	-	-	15,250,000	15,250,000	15,250,000
Equipment and plant	8	50,777	-	-	50,777	56,286
		<u>1,120,777</u>	<u>28,644</u>	<u>16,108,780</u>	<u>17,258,201</u>	<u>17,139,942</u>
Current Assets						
Stocks		-	-	-	-	-
Debtors	9	94,551	12,409	-	106,960	111,805
Deposits and cash		521,832	153,981	-	675,813	560,172
		<u>616,383</u>	<u>166,390</u>	<u>-</u>	<u>782,773</u>	<u>671,977</u>
Liabilities due within one year						
Creditors	10	(111,399)	(24,811)	-	(136,210)	(131,270)
Net Current Assets		<u>504,984</u>	<u>141,579</u>	<u>-</u>	<u>646,563</u>	<u>540,707</u>
Total Assets less Current Liabilities		1,625,761	170,223	16,108,780	17,904,764	17,680,649
Liabilities due after one year						
Inter-fund loan	20	(397,285)	84,257	313,028	-	-
Bounce Back Loan		-	-	-	-	-
Dean's Fund		(75,000)	-	-	(75,000)	-
Total net Assets		<u>1,153,476</u>	<u>254,480</u>	<u>16,421,808</u>	<u>17,829,764</u>	<u>17,680,649</u>
The funds of the Cathedral:	15-17					
Unrestricted - Cathedral		105,355	-	-	105,355	105,244
Unrestricted - Trading		-	-	-	-	(24,097)
Designated fund		1,048,121	-	-	1,048,121	1,017,326
Restricted		-	115,452	-	115,452	91,932
Choir Funds		-	114,844	771,391	886,235	816,912
Buildings Fund		-	-	15,250,000	15,250,000	15,250,000
Property Fund		-	24,184	400,417	424,601	423,332
Total Cathedral funds		<u>1,153,476</u>	<u>254,480</u>	<u>16,421,808</u>	<u>17,829,764</u>	<u>17,680,649</u>

Approved by the Chapter and authorised for issue on



Andrew Nunn
Dean



Michael Rawson
Sub Dean

Southwark Cathedral

Consolidated Statement of Cash Flows as at 31st December 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	21	(137,233)	(268,685)
Cash flows from investing activities:			
Rent received net of costs		179,252	166,300
Investment income received net of costs		23,191	20,756
Purchase of property, plant and equipment		(32,982)	-
Net Cash provided by investing activities		169,461	187,056
Cash flows from financing activities:			
Repayment of borrowing		75,000	-
Net cash used in financing activities		75,000	-
Change in cash and cash equivalents in the reporting period		107,228	(81,629)
Cash and cash equivalents at the beginning of the reporting period		702,708	784,337
Cash and cash equivalents at the end of the reporting period		809,936	702,708

Southwark Cathedral

Notes to the Consolidated Financial Statements

1 Accounting Policies

Basis of preparation of the consolidated financial statements

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

Going concern

The financial statements are prepared on a going concern basis, which assumes that the Cathedral will continue as a going concern for the foreseeable future. As explained more fully in the Annual Report, whilst the COVID-19 pandemic has had some impact, particularly on the activities of the trading subsidiary, many activities have continued at the Cathedral or online if not possible. Income has held up well and the Cathedral has also benefitted from various grants including the Government's furlough scheme. The Chapter has considered the Cathedral's forecasts and projections for the coming year and have concluded there is a reasonable expectation that the Cathedral has adequate resources to continue in operational existence for the foreseeable future. The Cathedral therefore continues to adopt the going concern basis in preparing its financial statements.

Group financial statements

The financial statements are consolidated to include the results of the Cathedral's subsidiary undertaking, Southwark Cathedral Enterprises Limited. They do not include the financial transactions, assets and liabilities of other charitable organisations which are not under the control of the Chapter, details of which are provided in the notes to the financial statements; nor do they include the accounts of informal gatherings of Cathedral members or groups that owe their main affiliation to another body.

Third party and non-cash receipts and payments and donated assets and services

Where amounts are payable on behalf of the Cathedral by third parties, for example the Church Commissioners, these are disclosed under both income and expenditure in the consolidated statement of financial activities. Where assets and services are donated to the Cathedral the value is included in the appropriate classification of income and expenditure.

Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies and Donations

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy can be measured reliably. Where entitlement to a legacy exists but there is doubt as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

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

Income arising from events and conferences

Income is recognised at the date at which the event or conference takes place. Any income received in advance is deferred to the date of the event or conference.

Grants Receivable

Grants receivable which are subject to conditions or restrictions are credited to the restricted fund in the Consolidated Statement of Financial Activities as soon as they are received or become receivable.

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

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure on raising funds comprises the costs associated with fundraising and trading. Charitable expenditure comprises those costs incurred by the Cathedral in the delivery of its mission. Direct costs represent all costs which directly relate to a single activity. Support costs, including governance costs, are apportioned on an appropriate basis to estimated usage.

Pension Scheme Arrangements

Defined contribution

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

Defined benefit

Pensions and related benefits for the Dean, Sub Dean and Canon Precentor are provided by the Church of England Funded Pensions Scheme. This scheme operates as an occupational pension scheme and contributions, at a rate determined having regard to actuarial advice, are paid into a separate fund in the trusteeship of the Church of England Pensions Board. Benefits arising from pensionable service are provided from that fund. The contributions to the fund by the Cathedral are charged to the Consolidated Statement of Financial Activities as incurred, as the scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities relating to the Cathedral.

Taxation

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

Cathedral and its inventory

No value is attributed to the Cathedral (together with the linked 1988 Chapter House and Millennium Buildings) in the financial statements and it is not included in the consolidated balance sheet. The Cathedral and the Millennium buildings, which are inalienable assets, are currently insured for a total sum of £40 million. No value is attributed to items included in the Cathedral inventory under Section 13(1) of the Care of Cathedrals Measure 1990 as they are considered to be of architectural, archaeological, artistic or historic interest and the cost of obtaining valuations would be onerous compared with the benefit derived by users of the accounts.

Non-investment Property

Properties owned by the Chapter are included in the consolidated balance sheet at cost or valuation. A valuation was carried out at 1st January 2014 as disclosed in the notes to the financial statements. The transitional provisions of FRS102 have been used to treat this valuation as a deemed cost. Where property is held on a "mixed-use" basis such that it is partly used by the Cathedral and partly rented out, the property is wholly held at depreciated cost as it would not be practicable reliably to estimate the value of the investment property element.

Depreciation

No depreciation is provided on the freehold properties owned by the Cathedral and carried on the Balance Sheet because the useful economic life of the properties is judged to be longer than 50 years, and the Chapter's policy is to maintain and repair the properties to ensure that they retain their value in use to the Cathedral. In order to comply with FRS102, the Chapter has conducted an impairment review. The Chapter considers that the net realisable value of the properties in the Balance Sheet is not less than their carrying value and expects to hold the properties for more than 50 years. In the opinion of the Chapter, the assets are therefore not impaired and there is no requirement to adjust the value at which the properties are carried in the Balance Sheet.

Expenditure on furnishings, equipment, fixtures and furniture of £10,000 or more is stated in the balance sheet at cost less depreciation provided to write it off over its expected useful life as follows:

Computers and software	3 years
Other items	4 years

Investment Property

The Church Hall and Cottage on the All Hallows site, which are owned by the Chapter, are regarded as investment property as they are rented out on an arm's length basis to generate income for the Cathedral. Investment properties are carried at their open market value.

Investments

The investments are held subject to the Trustees Act 2000 and are included in the consolidated balance sheet at market value.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Consolidated Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding on disposing of the relevant investment.

Stocks

Stocks comprise shop goods for resale and are stated at the lower of cost and net realisable value.

Funds

Funds are classified between Endowment, Restricted and Unrestricted in accordance with the legal constraints on their use, and the consequent degree of flexibility which the Chapter has on using the income that gave rise to the funds.

Endowment Funds

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

Restricted Funds

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

Unrestricted Funds

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

Basic financial assets

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

Other financial assets

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

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

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

Impairment of financial assets

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

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

De-recognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

De-recognition of financial liabilities

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

Judgements and key sources of estimation uncertainty

In the application of the Cathedral's accounting policies, the Chapter is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The Chapter uses the valuation performed by its independent valuers as the basis for fair value of its investment properties updated for movements in property indices. The valuation is based upon the key assumptions of estimated rental values and market-based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties.

The Chapter consider the significant assumptions to the valuation of investment properties to be estimated rental values and market based yields.

In the absence of current prices in an active market for similar properties, the Chapter considers information from a variety of sources, including:

- a. current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- b. recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

- c. discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the carrying values and key assumptions used for the fair value measurement, are given in note 7 to the financial statements. The Chapter considers that building assets held within non-investment property should not be depreciated as the expected useful lives of these assets is estimated to exceed 50 years and the net realisable value of these assets exceeds the value at which they are carried in the Balance Sheet. However, the Chapter considers whether these assets may be impaired on an annual basis.

2 Income and Endowments

Year to 31st December 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations and Legacies					
Congregational collections and giving	219,598	5,202	-	224,800	255,226
Donations and fundraising appeals	104,623	33,791	-	138,414	141,313
Tax recoverable under Gift Aid	55,710	3,682	-	59,392	74,042
Income from Friends and local trusts	45,450	134,831	-	180,281	102,682
Legacies	-	-	-	-	-
	<u>425,381</u>	<u>177,506</u>	<u>-</u>	<u>602,887</u>	<u>573,263</u>
Grants in Support of mission					
Church Commissioners	-	245,333	-	245,333	262,515
Other revenue and capital grants	-	246,389	-	246,389	154,277
	<u>-</u>	<u>491,722</u>	<u>-</u>	<u>491,722</u>	<u>416,792</u>
Charges and fees arising in the course of mission					
Facility and other fees	205,489	4,768	-	210,257	107,827
Trading and fundraising activities					
Gross income of shop, refectory and other activities	631,187	-	-	631,187	354,971
Investments					
Income from investment Property	179,252	-	-	179,252	166,300
Income from other Investments	727	21,651	-	22,378	19,431
Interest receivable on short term deposits	812	1	-	813	1,325
	<u>180,791</u>	<u>21,652</u>	<u>-</u>	<u>202,443</u>	<u>187,056</u>
Total	<u>1,442,848</u>	<u>695,648</u>	<u>-</u>	<u>2,138,496</u>	<u>1,639,909</u>

3 Expenditure on raising funds Year to 31st December 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Costs of facilities for visitors	115,981	35,182	-	151,163	127,792
Gross costs of shop, refectory and other activities	341,829	-	-	341,829	384,435
Costs of appeals and fund raising	-	250	-	250	3,340
Let property costs	36,625	-	-	36,625	27,325
	<u>494,435</u>	<u>35,432</u>	<u>-</u>	<u>529,867</u>	<u>542,892</u>

4 Expenditure on Charitable Activities Year to 31st December 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Ministry					
Clergy stipends and working expenses	344	141,143	-	141,487	117,439
Clergy housing costs	37,302	-	-	37,302	19,631
Clergy support costs	55,257	25,252	-	80,509	98,333
Services, music and congregational costs	232,205	133,409	-	365,614	284,388
	<u>325,108</u>	<u>299,804</u>	<u>-</u>	<u>624,912</u>	<u>519,791</u>
Cathedral and precincts upkeep					
Major repairs and restoration	-	151,204	-	151,204	31,451
Vergers and interior upkeep	199,963	63,012	-	262,975	211,558
Cathedral insurance	54,677	-	-	54,677	53,805
Precincts, security and gardens upkeep	15,118	-	-	15,118	14,190
Support costs (see below)	180,209	61,385	-	241,594	209,461
	<u>449,967</u>	<u>275,601</u>	<u>-</u>	<u>725,568</u>	<u>520,465</u>
Education and outreach					
Educational activities	26,679	13,429	-	40,108	38,857
Charitable and other giving	51,600	30,592	-	82,192	29,566
	<u>78,279</u>	<u>44,021</u>	<u>-</u>	<u>122,300</u>	<u>68,423</u>
Community, parish and congregation	<u>73,293</u>	<u>11,349</u>	<u>-</u>	<u>84,642</u>	<u>73,961</u>
Other expenditure					
Interest and similar charges payable	1,763	-	-	1,763	2,247
	<u>1,763</u>	<u>-</u>	<u>-</u>	<u>1,763</u>	<u>2,247</u>
Total	<u>1,422,845</u>	<u>666,207</u>	<u>-</u>	<u>2,089,052</u>	<u>1,727,779</u>

Included within support costs are staff and office costs associated with running the Cathedral. Also included are governance costs of £23,150.

5 Investment in Subsidiary Undertaking

The Cathedral owns 100,000 £1 ordinary shares representing the entire issued share capital of Southwark Cathedral Enterprises Limited, company number 02869292, registered in England and Wales. This company deals with all the trading activities of the Cathedral shop and administers the car parking (including the upkeep of the roadway and the adjacent area), the refectory, income from tours, and the use of the Cathedral (except for services) and its facilities. Generally, all net profits are transferred to the Cathedral under Gift Aid.

Audited accounts, containing an unqualified audit opinion, are filed with the Registrar of Companies. A summary of the trading result is shown below:

	2021 £	2020 £
Turnover	578,521	276,251
Cost of sales	(101,641)	(66,432)
Gross Profit	476,880	209,819
Grant Received	52,666	78,720
Other Operating Costs	(240,188)	(318,003)
Profit/(loss) for the year	289,358	(29,464)
Charitable distribution to the Cathedral	(265,261)	(4,011)
Net movement in reserves	24,097	(33,475)
Accumulated (Loss)/profit brought forward	(24,097)	9,378
Accumulated (Loss)/profit carried forward	-	(24,097)
Share capital	100,000	100,000
Net assets	100,000	75,903

Advantage is taken of the exemption under FRS102 from disclosure of intra-group transactions of the wholly owned subsidiary.

6 Investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Market value at 1st January 2021	935,000	25,060	797,693	1,757,753
Additions	-	-	-	-
Net increase/(decrease) on revaluation	35,000	3,584	61,087	99,671
Market value at 31st December 2021	970,000	28,644	858,780	1,857,424
CBF Investment Fund shares	-	28,644	-	28,644
Investec Wealth and Investment portfolio	-	-	858,780	858,780
Investment property at All Hallows	970,000	-	-	970,000
	970,000	28,644	858,780	1,857,424

7 Non-Investment Property

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Cost or Valuation				
At 1st January 2021	-	-	15,250,000	15,250,000
At 31st December 2021	-	-	15,250,000	15,250,000

	Endowment Funds £	Total Funds £
Non-investment properties are held and used as follows:		
At 1st January 2021		
for Cathedral office facilities	2,500,000	2,500,000
for Cathedral clergy and staff housing	12,750,000	12,750,000
	15,250,000	15,250,000

Non-investment property comprises:	2021 £	2020 £
The Deanery, 50/51 Bankside, SE1	3,750,000	3,750,000
52 Bankside, SE1	1,500,000	1,500,000
Montague Chambers, Montague Close, SE1	2,500,000	2,500,000
All Hallows' Vicarage, 2 Copperfield Street, SE1	2,250,000	2,250,000
St. Paul's Vicarage, 54 Kipling Street, SE1	2,650,000	2,650,000
73 St. George's Road, SE1	1,100,000	1,100,000
7 Temple West Mews, SE11	1,500,000	1,500,000
	15,250,000	15,250,000

During 2014, the Chapter commissioned a valuation of the Cathedral's property portfolio with Biscoe Craig Hall as at 1st January 2014. Non-investment property is now held at a deemed cost since this date as permitted by FRS102.

Montague Chambers is subject to a legal charge in favour of the Millennium Commission in connection with grant funding.

In accordance with an agreement signed and sealed on 29th March 1999, the Chapter would receive the proceeds of the sale of 73 St George's Road and 7 Temple West Mews after repaying sums due to the Church Commissioners of £87,428 and £36,634 respectively.

In addition to the above, the Chapter owns and administers the following freehold properties which are not valued in the financial statements: The Cathedral and Collegiate Church of St. Saviour and St. Mary Overie, together with the 1988 Chapter House and Millennium Buildings which are considered to be inalienable assets and are held for the continuing use and mission of the Cathedral. The freehold of the All Hallows Church site is also owned by the Chapter but it is not valued in the financial statements as it is consecrated property which is excluded from accountability by virtue of section 10 of the Charities Act 2011.

8 Equipment and Plant

Group	Computer Equipment £	Nave Chairs £	Other Assets £	Total £
Cost				
At 1st January 2021	92,664	153,358	663,842	909,864
Additions	-	-	32,982	32,982
At 31st December 2021	<u>92,664</u>	<u>153,358</u>	<u>696,824</u>	<u>942,846</u>
Depreciation				
At 1st January 2021	92,664	153,358	607,556	853,578
Charge for the year	-	-	38,491	38,491
At 31st December 2021	<u>92,664</u>	<u>153,358</u>	<u>646,047</u>	<u>892,069</u>
Net Book Value				
At 31st December 2021	<u>-</u>	<u>-</u>	<u>50,777</u>	<u>50,777</u>
At 31st December 2020	<u>-</u>	<u>-</u>	<u>56,286</u>	<u>56,286</u>
Cathedral				
Cost				
At 1st January 2021	92,664	153,358	663,842	909,864
Additions	-	-	32,982	32,982
At 31st December 2021	<u>92,664</u>	<u>153,358</u>	<u>696,824</u>	<u>942,846</u>
Depreciation				
At 1st January 2021	92,664	153,358	607,556	853,578
Charge for the year	-	-	38,491	38,491
At 31st December 2021	<u>92,664</u>	<u>153,358</u>	<u>646,047</u>	<u>892,069</u>
Net Book Value				
At 31st December 2021	<u>-</u>	<u>-</u>	<u>50,777</u>	<u>50,777</u>
At 31st December 2020	<u>-</u>	<u>-</u>	<u>56,286</u>	<u>56,286</u>

9 Debtors

	Group		Cathedral	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors and users of facilities	124,791	71,712	85,178	44,909
Amounts owed by group undertaking	-	-	-	33,884
Other debtors and accrued income	8,412	14,313	8,412	14,313
VAT	5,724	10,543	5,724	10,543
Prepayments	7,646	8,156	7,646	8,156
	<u>146,573</u>	<u>104,724</u>	<u>106,960</u>	<u>111,805</u>

10 Creditors: Amounts falling due within one year

	Group		Cathedral	
	2021	2020	2021	2020
	£	£	£	£
Tax and social security costs	50,507	21,323	19,554	15,651
Trade creditors	89,086	99,586	68,342	62,386
Amounts owed to group undertaking	-	-	7,656	-
Accruals	23,301	20,372	15,847	14,012
Deferred Income	-	-	-	-
Bounce Back Loan	10,000	-	-	-
Other creditors	24,811	39,221	24,811	39,221
	<u>197,705</u>	<u>180,502</u>	<u>136,210</u>	<u>131,270</u>

Deferred income

	Group		Cathedral	
	2021	2020	2021	2020
	£	£	£	£
Deferred Income brought forward	-	20,969	-	3,333
Released in the year	-	(20,969)	-	(3,333)
New Provision added	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Income carried forward	-	-	-	-

Creditors: Amounts falling due after more than one year

	Group		Cathedral	
	2021	2020	2021	2020
	£	£	£	£
Dean's Fund Loan	75,000	-	75,000	-
Bounce Back Loan	37,500	50,000	-	-
	<u>112,500</u>	<u>50,000</u>	<u>75,000</u>	<u>-</u>
These loans are repayable as shown below:	2021	2020	2021	2020
	£	£	£	£
Within one year	10,000	3,933	-	-
Between one and two years	10,000	9,606	-	-
Between two and five years	27,500	30,301	-	-
In five years or more	75,000	6,160	75,000	-
	<u>122,500</u>	<u>50,000</u>	<u>75,000</u>	<u>-</u>

Southwark Cathedral Enterprises has a Bounce Back Loan with National Westminster Bank plc of £50,000 with a six year term and an interest rate of 2.5% which is not charged in the first year. Southwark Cathedral has a loan with Dean's Fund payable in 3 equal instalments on the 5th, 6th and 7th anniversary of draw down

11 Chapter and Employees

No elected/appointed member of the Chapter received any remuneration or reimbursement of expenses (2021 - £Nil).

No employee received remuneration above £60,000 during 2021 or 2020.

The average numbers of all paid employees and clergy during the year were:

	2021 Full Time	2021 Part Time	2020 Full Time	2020 Part Time
Clergy	3	1	3	1
Administrative staff	4	3	6	3
Music department	1	9	2	12
Vergers department	4	-	4	-
Works department	1	3	1	3
Visitors	1	3	1	3
Subsidiary undertaking	3	2	4	2
	<u>17</u>	<u>21</u>	<u>21</u>	<u>24</u>

	2021 £	2020 £
Employee costs for the year		
Salaries and stipends	731,431	750,987
Employer's national insurance costs	60,171	61,139
Employer's pension contributions	<u>34,971</u>	<u>38,241</u>
	<u>826,573</u>	<u>850,367</u>

Emoluments of Chapter members (Key Management Personnel)

	2021 £	2020 £
Dean	37,670	37,485
Sub Dean	29,476	29,403
Canon Residentiary	27,099	10,040
Comptroller	<u>60,740</u>	<u>41,174</u>
	<u>154,985</u>	<u>118,102</u>

Expenses of ex-officio Chapter members

Number receiving expenses	<u>4</u>	<u>4</u>
Services (telephone, electricity etc)	1,691	1,488
Travel	848	469
Hospitality	9,787	6,523
Other	<u>166</u>	<u>259</u>
	<u>12,492</u>	<u>8,739</u>

12 Pensions

Southwark Cathedral participates in the Pension Builder Scheme section of Church Workers Pension Scheme (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Employees of Southwark Cathedral are enrolled in the Pension Builder Classic Scheme of the CWPF which is classed as a defined benefit scheme. The Cathedral contributes up to a matching 5% of the member's basic salary.

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 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.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable. The total charge included in these accounts, including Clergy, is £69,694 (2020: £62,790).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed a deficit of £4.8m 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, Southwark Cathedral could become responsible for paying a share of that employer's pension liabilities.

13 Auditors' Remuneration

	2021	2020
	£	£
Audit Remuneration - audit services (Cathedral & Subsidiary	17,500	16,350
- Non audit services	640	600
	<u>18,140</u>	<u>16,950</u>

14 Commitments

At 31st December 2021 the Chapter was committed to making the following total minimum lease payments under non-cancellable operating leases on office equipment in the year to 31st December 2021:

	2021	2020
	£	£
Payments due within one year	13,863	19,693
Payments due between one and two years	8,177	11,268
Payments due between two and five years	6,704	5,582
	<u>28,744</u>	<u>36,542</u>

15 Unrestricted Funds

Set out below are figures for the unrestricted General and Property Funds and Southwark Cathedral Enterprises.

Year to 31st December 2021

	General Fund £	Cathedral Enterprises £	Property & Asset Fund £	TOTAL £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	425,381	-	-	425,381
Grants in support of mission	-	-	-	-
Charges and fees arising in course of mission	205,489	-	-	205,489
Trading and fundraising	-	631,187	-	631,187
Investments	180,791	-	-	180,791
Other income	-	-	-	-
Total income	811,661	631,187	-	1,442,848
EXPENDITURE ON:				
Raising Funds	152,606	341,829	-	494,435
Charitable Activities:				
Ministry	325,108	-	-	325,108
Cathedral and precincts upkeep	445,762	-	4,205	449,967
Education and outreach	78,279	-	-	78,279
Community, parish and congregation	73,293	-	-	73,293
Other expenditure	1,763	-	-	1,763
Total Expenditure	1,076,811	341,829	4,205	1,422,845
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	(265,150)	289,358	(4,205)	20,003
Net gains on Investments	-	-	35,000	35,000
Net income/(expenditure)	(265,150)	289,358	30,795	55,003
Gross transfers between funds	265,261	(265,261)	-	-
Net Movement in Funds	111	24,097	30,795	55,003
Funds brought forward	105,244	(24,097)	1,017,326	1,098,473
Total Funds Carried Forward	105,355	-	1,048,121	1,153,476

The transfer from Cathedral Enterprises to the General Fund represents the amount transferred under Gift Aid from Southwark Cathedral Enterprises Ltd as a contribution to the running costs of the Cathedral

15 Unrestricted Funds (continued)

Year to 31st December 2020

	General Fund £	Cathedral Enterprises £	Property & Asset Fund £	TOTAL £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	457,584	-	-	457,584
Grants in support of mission	-	-	-	-
Charges and fees arising in course of mission	107,217	-	-	107,217
Trading and fundraising	-	354,971	-	354,971
Investments	168,331	-	-	168,331
Other income	-	-	-	-
Total income	733,132	354,971	-	1,088,103
EXPENDITURE ON:				
Raising Funds	133,132	384,435	-	517,567
Charitable Activities:				
Ministry	218,048	-	-	218,048
Cathedral and precincts upkeep	369,461	-	13,008	382,469
Education and outreach	31,482	-	-	31,482
Community, parish and congregation	66,359	-	-	66,359
Other expenditure	2,247	-	-	2,247
Total Expenditure	820,729	384,435	13,008	1,218,172
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	(87,597)	(29,464)	(13,008)	(130,069)
Net gains on Investments	-	-	10,000	10,000
Net income/(expenditure)	(87,597)	(29,464)	(3,008)	(120,069)
Gross transfers between funds	4,011	(4,011)	-	-
Net Movement in Funds	(83,586)	(33,475)	(3,008)	(120,069)
Funds brought forward	188,830	9,378	1,020,334	1,218,542
Total Funds Carried Forward	105,244	(24,097)	1,017,326	1,098,473

The transfer from Cathedral Enterprises to the General Fund represents the amount transferred under Gift Aid from Southwark Cathedral Enterprises Ltd as a contribution to the running costs of the Cathedral.

16 Restricted Income Funds

Year to 31st December 2021

	Choir Funds £	Other Restricted Income £	Property Fund £	Total £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	5,345	133,382	38,779	177,506
Grants in support of mission	5,000	383,240	103,482	491,722
Charges and fees arising in course of mission	4,768	-	-	4,768
Trading and fundraising	-	-	-	-
Investments	19,303	2,349	-	21,652
Other income	-	-	-	-
Total income	34,416	518,971	142,261	695,648
EXPENDITURE ON:				
Raising Funds	250	35,182	-	35,432
Charitable Activities:				
Ministry	19,302	280,502	-	299,804
Cathedral and precincts upkeep	-	124,397	151,204	275,601
Education and outreach	-	44,021	-	44,021
Community, parish and congregation	-	11,349	-	11,349
Other expenditure	-	-	-	-
Total Expenditure	19,552	495,451	151,204	666,207
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	14,864	23,520	(8,943)	29,441
Net gains on Investments	-	-	3,584	3,584
Net income/(expenditure)	14,864	23,520	(5,359)	33,025
Gross transfers between funds	-	-	-	-
Net Movement in Funds	14,864	23,520	(5,359)	33,025
Funds brought forward	99,980	91,932	29,543	221,455
Total Funds Carried Forward	114,844	115,452	24,184	254,480

16 Restricted Income Funds (continued)

Year to 31st December 2020

	Choir Funds £	Other Restricted Income £	Property Fund £	Total £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	1,874	95,604	18,201	115,679
Grants in support of mission	-	409,682	7,110	416,792
Charges and fees arising in course of mission	610	-	-	610
Trading and fundraising	-	-	-	-
Investments	18,424	301	-	18,725
Other income	-	-	-	-
Total income	20,908	505,587	25,311	551,806
EXPENDITURE ON:				
Raising Funds	3,200	22,125	-	25,325
Charitable Activities:				
Ministry	18,424	283,319	-	301,743
Cathedral and precincts upkeep	-	106,545	31,451	137,996
Education and outreach	-	36,941	-	36,941
Community, parish and congregation	-	7,602	-	7,602
Other expenditure	-	-	-	-
Total Expenditure	21,624	456,532	31,451	509,607
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	(716)	49,055	(6,140)	42,199
Net gains on Investments	-	-	1,612	1,612
Net income/(expenditure)	(716)	49,055	(4,528)	43,811
Gross transfers between funds	-	-	-	-
Net Movement in Funds	(716)	49,055	(4,528)	43,811
Funds brought forward	100,696	42,877	34,071	177,644
Total Funds Carried Forward	99,980	91,932	29,543	221,455

17 Endowment Funds

Year to 31st December 2021

	Buildings Fund £	Property Fund £	Choirs Endowment Fund £	Total £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	-	-	-	-
Grants in support of mission	-	-	-	-
Charges and fees arising in course of mission	-	-	-	-
Trading and fundraising	-	-	-	-
Investments	-	-	-	-
Other income	-	-	-	-
Total income	-	-	-	-
EXPENDITURE ON:				
Raising Funds	-	-	-	-
Charitable Activities:				
Ministry	-	-	-	-
Cathedral and precincts upkeep	-	-	-	-
Education and outreach	-	-	-	-
Community, parish and congregation	-	-	-	-
Other expenditure	-	-	-	-
Total Expenditure	-	-	-	-
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	-	-	-	-
Net gains/(loss) on Investments	-	6,628	54,459	61,087
Net income/(expenditure)	-	6,628	54,459	61,087
Gross transfers between funds	-	-	-	-
Net movement in funds	-	6,628	54,459	61,087
Funds brought forward	15,250,000	393,789	716,932	16,360,721
Total Funds Carried Forward	15,250,000	400,417	771,391	16,421,808

17 Endowment Funds (continued)

Year to 31st December 2020

	Buildings Fund £	Property Fund £	Choirs Endowment Fund £	Total £
INCOME AND ENDOWMENTS FROM:				
Donation and Legacies	-	-	-	-
Grants in support of mission	-	-	-	-
Charges and fees arising in course of mission	-	-	-	-
Trading and fundraising	-	-	-	-
Investments	-	-	-	-
Other income	-	-	-	-
Total income	-	-	-	-
EXPENDITURE ON:				
Raising Funds	-	-	-	-
Charitable Activities:				
Ministry	-	-	-	-
Cathedral and precincts upkeep	-	-	-	-
Education and outreach	-	-	-	-
Community, parish and congregation	-	-	-	-
Other expenditure	-	-	-	-
Total Expenditure	-	-	-	-
NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS	-	-	-	-
Net gains/(loss) on Investments	-	(1,879)	(15,249)	(17,128)
Net income/(expenditure)	-	(1,879)	(15,249)	(17,128)
Gross transfers between funds	-	-	-	-
Net movement in funds	-	(1,879)	(15,249)	(17,128)
Funds brought forward	15,250,000	395,668	732,181	16,377,849
Total Funds Carried Forward	15,250,000	393,789	716,932	16,360,721

18 Notes on Funds

Property Fund

That portion of the Property Fund represented by the proceeds of sale of properties formerly belonging to the Cathedral is part of the endowment and can be used to acquire land and to improve or develop property other than the Cathedral buildings. Endowment monies can only be expended on Cathedral buildings with the consent of the Church Commissioners and subject to agreement between the Commissioners and the Chapter that such monies will be repaid. The endowment element of the Fund is £400,417 (2020: £393,789). The restricted element of the fund at the year end is £24,184 (2020: £29,543). The unrestricted element of the fund stands at £1,013,121 (2020: £1,017,326) from the unrealised gains arising from the revaluation of All Hallows Hall and Cottage.

Buildings Fund

This represents the value of properties owned by the Chapter and is an endowment fund. It was established in 1996 when the Cathedral brought the value of its properties (excluding the Cathedral church and ancillary buildings within the line of ecclesiastical exemption) onto its balance sheet to comply with the requirements of the original Guidelines on Accounting and Reporting by English Anglican Cathedrals. The value of this fund at 31st December 2021 stands at £15,250,000 following the revaluation of Cathedral properties during 2014.

Choirs Endowment Fund

Income from this fund jointly supports the Boys and Girls Choirs and the music of the Cathedral.

Property Endowment Fund

Income from this fund is to be applied to property maintenance of the Cathedral property portfolio.

Choristers Funds

There are two funds, the Choristers Fund and the Girls Choir Fund, administered by the directors of the Boys and Girls Choirs, which are used to finance choir tours and other choir activities. Monies raised from donations and concerts and other fundraising events are accumulated in these funds and expended as necessary.

General Revenue Account

This account is the operating account of the Cathedral. It is primarily an unrestricted fund, although certain immaterial items of income and expenditure during the year are technically restricted.

19 Connected Charities

The entities listed below, for which financial information, subject to audit where appropriate, is set out, are not controlled by the Chapter but are wholly for the benefit of the Cathedral. In accordance with the guidelines on Cathedral Accounting, only the transactions with these entities are included in the consolidated accounts. The information relates to the following accounting years: for the Friends of Southwark Cathedral and the Dean's Fund the figures relate to the accounting year ending 31st December 2020, for Southwark Cathedral Education Trust the figures relate to the accounting year ending 31st March 2021 and for Southwark Cathedral Development trust the figures relate to the accounting year ending 31st December 2021.

	Friends of Southwark Cathedral £ (1159545)	Southwark Cathedral Education Trust £ (1058369)	Southwark Cathedral Development Trust £ (1159545)	Dean's Fund £ (275354)
Gross income	156,341	38,346	42,812	7,220
Net income before amounts paid to Cathedral	9,133	(3,933)	(5,481)	-
Amounts paid to Cathedral	17,335	-	48,602	-
Gross assets	375,271	110,900	1,130,922	-
Net assets	382,327	108,604	121,122	-

20 Analysis of Group Net Assets between Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
Fund balances at 31st December 2021 are represented by:					
Tangible fixed assets	-	50,777	-	15,250,000	15,300,777
Investments	-	970,000	28,644	858,780	1,857,424
Current Assets	823,034	-	166,390	-	989,424
Current Liabilities	(170,550)	-	(24,811)	-	(195,361)
Long term liabilities	(122,500)	-	-	-	(122,500)
Inter-fund loan	(397,285)	-	84,257	313,028	-
Total net assets	132,699	1,020,777	254,480	16,421,808	17,829,764

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Fund balances at 31st December 2020 are represented by:					
Tangible fixed assets	-	56,286	-	15,250,000	15,306,286
Investments	-	935,000	25,060	797,693	1,757,753
Current Assets	688,079	-	159,033	-	847,112
Current Liabilities	(141,281)	-	(39,221)	-	(180,502)
Long term liabilities	(50,000)	-	-	-	(50,000)
Inter-fund loan	(389,611)	-	76,583	313,028	-
Total net assets	107,187	991,286	221,455	16,360,721	17,680,649

The inter-fund loan represents the accumulated balance of endowment fund assets which has been used to support other unrestricted and restricted fund programmes, particularly the Millennium Project and other property improvements.

21 Cash flow notes

Reconciliation of net income to net Cash flow from operating activities:	2021 £	2020 £
Net income for the reporting period (as per SOFA)	49,444	(87,870)
Adjustments for:		
Depreciation charges	38,491	39,048
Income added to Endowment capital	-	(76,542)
Income from property and investments	(202,443)	(187,056)
(Increase)/decrease in stock	6,765	(7,368)
Decrease in debtors	(41,849)	108,346
(Decrease)/increase in creditors	12,359	(57,243)
Net cash (used in)/provided by operating activities	<u>(137,233)</u>	<u>(268,685)</u>
 Analysis of cash and cash equivalent	 2021 £	 2020 £
Cash in hand/held as Investment	809,936	702,708
Total cash and cash equivalents	<u>809,936</u>	<u>702,708</u>