

# ROCHESTER CATHEDRAL

Growing in Christ since AD604



ANNUAL REPORT  
Statutory Accounts  
2021

# Rochester Cathedral Annual Report and Statutory Accounts

## Contents Page

### Contents

<b>CONTENTS</b> .....	<b>2</b>
<b>PART 2</b> .....	<b>3</b>
1. LEGAL AND ADMINISTRATIVE INFORMATION .....	3
1.1 <i>Legal name of the Cathedral</i> .....	3
1.2 <i>Chapter Office</i> .....	3
1.3 <i>Chapter</i> .....	3
1.4 <i>Other key appointments</i> .....	3
1.5 <i>Finance Risk and Audit Committee</i> .....	4
1.6 <i>Fabric Advisory Committee</i> .....	4
1.7 <i>Auditors</i> .....	4
1.8 <i>Banker and other professional advisers</i> .....	5
2. STRUCTURE, GOVERNANCE AND MANAGEMENT .....	6
2.1 <i>Governing Statute</i> .....	6
2.2 <i>Relationship with the Diocese</i> .....	6
2.3 <i>Corporate body</i> .....	6
2.4 <i>Finance Risk and Audit Committee</i> .....	7
2.5 <i>Fabric Advisory Committee</i> .....	7
2.6 <i>The Cathedral Forum</i> .....	7
2.7 <i>Chapter appointments and training</i> .....	7
2.8 <i>Chapter responsibilities</i> .....	8
2.9 <i>Clergy and senior staff changes</i> .....	8
2.10 <i>Subsidiary Company</i> .....	8
2.11 <i>Related Organisations</i> .....	9
2.12 <i>Investment Powers</i> .....	9
2.13 <i>Public Benefit</i> .....	10
2.14 <i>Risk analysis</i> .....	10
2.15 <i>Staffing and Volunteers</i> .....	10
3. FINANCIAL REVIEW .....	11
3.1 <i>Major sources of finance</i> .....	11
3.2 <i>Reserves Policy</i> .....	12
3.3 <i>Investment Policy</i> .....	12
3.4 <i>Investment Performance</i> .....	13
3.5 <i>Maintenance Plan for the Cathedral and its Precincts</i> .....	14
3.6 <i>Achievements and performance</i> .....	14
3.7 <i>Commentary on the 2021 results</i> .....	16
4. INDEPENDENT AUDITORS REPORT.....	19
5. STATUTORY ACCOUNTS	
Accounts.....	23

## Part 2

Part 2 of the Annual Report contains all the information the Cathedral is required to disclose by statute and regulation. Part 1 of the report describes the wide range of activities undertaken by the Cathedral over the year and measures them against our present and future plans.

### 1. Legal and administrative information

#### 1.1 Legal name of the Cathedral

The legal name of the Cathedral is the Cathedral Church of Christ and the Blessed Virgin Mary Rochester

Name commonly used: Rochester Cathedral

#### 1.2 Chapter Office

Garth House

The Precinct

Rochester

ME1 1SX

Telephone: 01634 843366

Email: administrator@rochestercathedral.org

#### 1.3 Chapter

Members of Chapter who served during 2021 (with their year of appointment) were as follows:

<i>Dean</i>	The Very Revd Dr Philip Hesketh - 2016
<i>Canon Precentor</i>	The Revd Canon Matthew Rushton – 2017 (Commissioners' Canon)
<i>Canon Chancellor</i>	The Revd Canon Dr Gordon Giles – 2020 (Commissioners' Canon)
<i>Bishop's Appointee</i>	The Revd Canon Chris Dench (Vice Dean) – 2018
<i>Bishop's Appointee</i>	The Revd Canon Sue Brewer – 2018
<i>Bishop's Appointee</i>	Canon Colin Lovell – 2019
<i>Bishop's Appointee</i>	Canon Paul Hudson - 2010
<i>Bishop's Appointee</i>	Canon Paul Francis – 2021
<i>Bishop's Appointee</i>	Canon Victoria Wallace – 2021
Chapter Clerk – Executive Director	Mr Simon Lace - 2017

#### 1.4 Other key appointments

##### **Chapter Clerk – Executive Director**

Appointed 2017 Mr Simon Lace

##### **Director of Music**

Appointed Vacant

##### **Surveyor to the Fabric**

Appointed 2015 Mr John Bailey  
Thomas Ford & Partners  
177 Kirkdale, London SE26 4QH

**Archaeologist**

Appointed 2006

Mr Graham Keevill  
Keevill Heritage Consultancy  
85 Kynaston Road,  
Didcot, Oxon OX11 8HA

**1.5 Finance Risk and Audit Committee**

External members Mr Stephen Smith – Jan 2021

Internal members  
The Very Revd Dr Philip Hesketh  
Canon Paul Hudson  
Canon Paul Francis (Chair) – 2020  
Mr Simon Lace  
The Revd Canon Sue Brewer

Finance Manager Mr Rob Trice

**1.6 Fabric Advisory Committee**Appointed by CFCE  
Dr Nicola Coldstream (Chair)  
Mr Allan Brodie  
Mr David Baker  
Mr James Ford

Appointed by Chapter

Mrs Heather Newton  
Mr Tobit Curteis  
Mrs Margaret Davies  
Mr Jeremy Ashbee

Secretary Mrs Sue Malthouse

The Dean, Chapter Clerk- Executive Director, Canon Precentor and the Head Verger attend all FAC meetings. All members of Chapter are invited to attend FAC meetings when they are able. The Cathedral Archaeologist and Surveyor to the Fabric also attend all FAC meetings.

**1.7 Auditors**

The Cathedral Auditors, appointed in 2007 and reappointed in 2021, are Haysmacintyre LLP.

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

## 1.8 Banker and other professional advisers

<b>Banker</b>	Lloyds Bank plc 142-146 High Street Chatham, Kent ME4 4DQ
<b>Solicitors</b>	DGB Solicitors LLP The Captain's House Central Avenue Pembroke Chatham Maritime, Kent ME4 4UF
<b>Investment Manager</b>	CCLA - CBF Funds Senator House 85 Queen Victoria Street London EC4V 4ET
<b>Surveyor (general)</b>	J.A. Warner Ltd The Guardhouse Church Lane The Historic Dockyard Chatham Kent ME4 4TE
<b>Rent Advisors</b>	
Commercial	Harrisons Oasis House Ambley Green Gillingham Business Park Kent ME8 0NJ
Residential	Kent Residential Lettings 151 New Rd Chatham Kent ME4 4PT

## **2. Structure, governance and management**

### **2.1 Governing Statute**

The Cathedral is governed by the Cathedrals Measure 1999 and the Rochester Cathedral Constitution and Statutes dated September 2000, updated in December 2009, July 2013 and July 2016.

The Cathedral is an ecclesiastical corporation.

### **2.2 Relationship with the Diocese**

The Cathedral is the formal 'seat' of the Bishop of Rochester, and he is the official Visitor. The Bishop is a valued friend and advisor to the Cathedral, which in turn seeks to support the Bishop's work of leading the Diocese in mission and ministry.

The Diocesan Bishop, the Rt Revd James Langstaff was appointed in 2010. The Suffragan Bishop of Tonbridge, The Rt Revd Simon Burton-Jones was consecrated in July 2018.

The Cathedral is the mother church of the Diocese covering the western half of Kent and the London Boroughs of Bromley and Bexley, and is a centre of worship and mission. It is also a venue for civic events, concerts and graduation ceremonies.

### **2.3 Corporate body**

The members of the Chapter, Council, and College of Canons form the corporate body of the Cathedral.

#### ***The Chapter***

The Chapter consists of the Dean, four Residentiary Canons (these are the on-site clergy of whom two are full-time, and two have other primary appointments within the Diocese), the Chapter Clerk-Executive Director (a full time employee of the Cathedral) and four non-residentiary lay members (recruited for their skills and expertise in specific areas of the Cathedral's life), who are all members of the College of Canons. The Chapter is responsible for leadership, policy, strategy and vision and meets 10 times each year with an additional residential meeting in July.

The two full-time Residentiary Canons are responsible for different portfolios within the Cathedral's life. These functions are supported by a range of committees and teams of staff led by the Chapter Clerk – Executive Director with overall responsibility for Cathedral support services and resources.

#### ***The Cathedral Council***

The Council is an advisory and consultative body, established to support the work of the Chapter and to ensure accountability to the wider community and Diocese. It provides a sounding board and guidance for the Chapter as well as offering an informal critical friend role to ensure that the Cathedral fulfils its legal responsibilities. It also has a formal executive role if any amendments to the Cathedral's Constitution and Statutes should be proposed. The Chair of the Council is Lady Anne-Marie Nelson.

### ***The College of Canons***

The College consists of senior clergy and lay members from across the Diocese, appointed by the Bishop, along with a number of ecumenical canons (representatives from other denominations). Its role is to ensure that the Cathedral is open to informed opinions, observations and comment from churches within and beyond the Diocese.

## **2.4 Finance Risk and Audit Committee**

This committee is responsible for advising Chapter in connection with its responsibilities for financial and investment management. The committee also reviews the major risks the Cathedral faces on a regular basis and acts as the audit committee, meeting with the auditors to discuss the audit findings and make recommendations to the Chapter regarding the Annual Accounts. It meets monthly in order to maintain a detailed scrutiny of Cathedral income and expenditure against the annual budget and a longer term 5-year strategy.

## **2.5 Fabric Advisory Committee**

This committee is responsible for ensuring that any work to the fabric of the Cathedral is done with proper regard to the integrity of a Grade 1 listed building of national significance and in accordance with statutory processes. It includes experts in the conservation and repair of historic buildings, the Surveyor to the Fabric and the Cathedral Archaeologist.

## **2.6 The Cathedral Forum**

This is a quarterly meeting open to all members of the Cathedral's congregation and community. It has no statutory powers but allows for open discussion of any issue of interest within the life of the Cathedral.

## **2.7 Chapter appointments and training**

The Dean and two Commissioners' Canons (Canon Precentor and Canon Chancellor) are appointed by the Crown.

The non-residentiary lay members of the Chapter are appointed by the Bishop, usually on the recommendation of the Chapter.

New members of the Chapter are provided with key documents such as the Constitution & Statutes and links to the Cathedrals Measure 1999. Informal discussions are used to brief them on their role and to help them understand the different aspects of the Cathedral's work. Training in corporate governance, HR and H&S responsibilities is given internally.

Chapter members are encouraged to participate in the training programme offered each year by the Association of English Cathedrals.

## 2.8 Chapter responsibilities

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

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- stating that they have complied in all material respects with the Accounting and Reporting Regulations for English Anglican Cathedrals prepared by the Cathedral Administrators and Finance Association (CAFA) specified by the Church Commissioners, or describing which recommendations have not been complied with and giving reasons for the non compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which, the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and
- safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities. In discharging these obligations, the Chapter is strongly supported by the Finance Committee through preparing the necessary documents and providing considered and detailed advice.

## 2.9 Clergy and senior staff changes

There were no changes during the year.

## 2.10 Subsidiary Company

### ***Rochester Cathedral Enterprises Ltd***

RCE Ltd is an wholly owned company set up to maximise the Cathedral's commercial potential for generating income, and to run the Cathedral's catering and retail operations. Profits from the company are paid across to the Cathedral as Gift Aid. The Board is comprised of four members of Chapter, (including the Chapter Clerk- Executive Director) and up to three external members recruited for their specialist knowledge and expertise. The Board is currently chaired by one of the independent external members.



## 2.11 Related Organisations

### **Organisations for the sole benefit of the Cathedral Friends of Rochester Cathedral (Registered Charity 273973)**

The Friends is an independent network of people with an interest in the built heritage environment in general and Rochester Cathedral in particular. They had a total membership of 902 at the end of the year. They provide substantial and welcome financial support for the work necessary to the fabric of the Cathedral covering a number of projects.

### **Rochester Cathedral Trust (Registered Charity 291616)**

The Trust is an independent body set up to raise money on the Cathedral's behalf and to make grants in accordance with the terms of the Trust Deed to support the development of the Cathedral. The Trustees are drawn from across West Kent. Their present priorities are to grow the Music Endowment with a target of raising £2m by 2025, and to raise funds for a range of projects to restore the Cathedral's historic fabric. The amount raised for the Music Endowment so far and transferred to the Cathedral to the end of 2021 was £1,897k.

### **Other Organisations**

#### **King's School Rochester**

King's School plays an important role in the life of the Cathedral, supplying the boy choristers and some of the girl choristers for the Cathedral choirs and regularly holding major events and concerts in the Cathedral. All Cathedral Residentiary Canons are Governors of the School, and the Dean is Vice-Chair of the School Governors. King's School pays a rent for a number of Cathedral buildings they use. The Cathedral contributes towards scholarships for the choristers who attend the School, and a new arrangement has been recently agreed between both parties which will see a single unified choir consisting of Kings School boys and girl choristers.

## 2.12 Investment Powers

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

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

## **2.13 Public Benefit**

Although it is not a current reporting requirement of the Church Commissioners (this will change on the implementation of the new Cathedral's Measure in 2021), nevertheless the Chapter confirms that they have complied with section 17 of the Charities Act 2011 to have regard to public benefit guidance published by the Charity Commission in determining the activities of the Cathedral. The Cathedral maintains a policy of free access to all members of the public. It not only serves the community daily in its religious and charitable work but is an active resource of national importance in the promotion of religion, music, education, history and architecture.

## **2.14 Risk analysis**

The Chapter considers that the principal risks faced by the Cathedral are Fire, Safeguarding and Financial, particularly in relation to building projects.

The most urgent risks facing the Cathedral building are fire and flood. A fire would be catastrophic, and consequently the air sampling and fire detection system has been replaced alongside the recently completed HTFE project and all parts of these improvements have now been completed. The crypt has suffered one serious flooding and after extensive investigations and planning work is expected to take place in 2023 to mitigate this risk.

The loss of reputation and potential claim through lack of appropriate safeguarding of vulnerable young people and adults has also been addressed with ongoing monitoring and application of the safeguarding policies. Additionally, all staff involved with young people are automatically subject to DBS checks. During the year we created a Safeguarding Group to monitor and improve safeguarding across the Cathedral.

The financial risk relating to cost overruns on building projects has been addressed and is covered by the Capital Projects Board at its monthly meetings, where all capital projects are monitored to ensure that overrun problems do not occur. The Reserves policy and Capital Improvement Fund further contribute to ensuring that the Chapter can meet any excess costs.

The accounts are approved at a time of relaxed restrictions although there remains much uncertainty as a result of the continuing impact of the coronavirus (COVID-19) pandemic. In particular, the Cathedral is now fully open but volunteers have been slow to return and visitor numbers have not yet recovered to pre-pandemic levels. With the restrictions of the pandemic now being removed the organisation continues to be vigilant, through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Chapter considers it appropriate for the going concern basis to be adopted for these accounts.

## **2.15 Staffing and Volunteers**

The Cathedral employs 29 (FTE) staff to deliver its objectives – vergers, musicians, gardeners, education officers, cleaners, finance staff, fundraisers and administrative support workers.

In addition, more than 356 volunteers provide invaluable support without which the Cathedral could not function properly – stewards, welcomers, guides, chaplains, educationalists, Sunday Club leaders and helpers, embroiderers, retail and catering volunteers, musicians, flower arrangers, pastoral

visitors, events organisers, brass polishers, choir helpers, servers, readers, intercessors, bell-ringers, cash-counters, committee volunteers, envelope stuffers and many more besides.

### **3. Financial review**

#### **3.1 Major sources of finance**

##### ***Investment income***

The Cathedral owns 43 (2020 43) properties, both commercial and residential, in Rochester, mostly in the Cathedral precinct and the High Street. Property is the principal source of investment income and in 2021 rents accounted for £593k (2020 £590k) (54% of unrestricted income in 2021; 53% in 2020). Other investment income from shares, stocks and interest amounted to £101k (2020 £99k). A review of investment performance is given in a separate section below.

##### ***Income from supporter groups & trusts***

The Friends of Rochester Cathedral contributed a total of £222k (2020: £53k). This award was made up as follows: Gardens and Grounds £8k and Lighting Project £214k.

Donations and grants received through the Rochester Cathedral Trust totalled £31k and were made up as follows: Music running costs £21k, Vocal Coaching £5k and £5k for the Children's Community Choir. Other donations from Rochester Cathedral Trust are detailed below.

The amount raised by the Rochester Cathedral Trust in 2021 for the music endowment was £140k (2020: £48k). This amount was transferred to the Cathedral in 2021 and is included in these accounts.

##### ***Grants receivable***

Total grants for the year included amounts received from the Church Commissioners under various sections of the Cathedrals Measure 1999 to contribute towards administrative salaries, clergy salaries, removals costs for clergy and chancel repairs. In 2021, the total figure of £537k (2020 £320k) included the contribution towards administrative salaries £121k (2020 £116k), the contribution towards the stipend of the Dean and Commissioners' Canons which was £137k (2020 £117k), and £279k from the Cathedral Sustainability Fund for HR and Visitor Services staffing costs.

Job Retention Scheme grant income was received in the year from the Government totalling £30k (2020: £147k).

Additionally, other grants totalling £137k (2020: £487k) including £25k from the Allchurches Trust (2020 £25k), £33k from Rochester Cathedral Trust towards administrative costs (2020 £21k), Listed Places of Worship grant scheme £16k (2019 £63k), Friends of Cathedral Music £26k, and £11k (2020 £362k) from from Rochester Cathedral Trust for various capital projects.

##### ***Voluntary income***

The total received from congregational giving, donations and gift aid amounted to £164k (2020 £207k) during the period, which included £1k (2020 £1k) raised for Chennai in India, £1k (2019 £2k) raised for the "Team Charlie" project in India, and £5k raised specifically for Cathedral Youth and Ministry.

### **Trading**

The Cathedral's trading company, Rochester Cathedral Enterprises Ltd (RCE Ltd), operates a "Cafe in the Crypt" staffed largely by volunteers. During the year a small retail pop up operation was established alongside the new visitor reception desk and operated by the Visitor Services Team. Cathedral lettings and educational income continued to be treated as trading activity in RCE Ltd.

2021 saw the gradual re-opening of all trading and commercial operations.

RCE Ltd turnover for the period was £128k (2020 £67k). The company made a trading surplus in the year of £40k and made a gift-aided payment to the Cathedral of £41k (2020 - £14k).

### **Charges and fees arising in the course of mission**

Total income from lettings of the Cathedral, charges for educational visits, guided tours, concerts and recitals, filming and recording fees, etc amounted to £10k (2020 £9k).

## **3.2 Reserves Policy**

Reserves are needed both to maintain the level of the Cathedral's current activities and to enable the completion of long-term projects. The Chapter considers that the Cathedral should aim to hold unrestricted reserve levels to cover at least six months of ordinary activity, which at the present time would be approximately £600k. In 2021 the consolidated general fund reserves stood at £725k in surplus (2020 £602k in surplus).

There was a surplus in 2021 on the unrestricted fund of £123k (2020 £60k). The main factors affecting the 2021 results were Job Retention Scheme funding from the Government, unrealised investment gains and savings made in the year through costs savings.

## **3.3 Investment Policy**

The Chapter aims to keep a balanced portfolio of investments that is risk averse and appropriate to the purposes of the funds that are represented by them.

Investments in property are to be either capable of efficient local management or in the form of managed property funds. Performance is measured against income yield on the CBF Property Fund, the property fund managed by CCLA Investment Management Ltd on behalf of the Central Board of Finance of the Church of England.

Investments held through the Church of England Central Board of Finance are subject to the ethical guidelines issued by the Church of England Ethical Investments Advisory Group (EIAG).

### **Restricted Funds**

These funds usually arise from legacies and donations, and are limited to spending on defined purposes. The policy is to achieve a balance between capital growth and the ability to realise assets within a given timescale.

### **Unrestricted Funds**

These funds are used for managing fluctuations in the ordinary operations and to fund future projects. The policy is to achieve a mixed portfolio of assets with capital growth and those providing high yields and easy liquidity.

### **Endowment Funds**

Where the capital is to be retained, the policy is to achieve long-term income growth, with less emphasis on liquidity.

## **3.4 Investment Performance**

### **Property Investments**

Rochester Cathedral owns property in the precinct to house clergy and staff, and to use for offices. Other property in Rochester High Street is held for investment purposes and is rented out on a commercial basis where possible to generate funds for the day-to-day operation of the ministry of the Cathedral. Properties were fully revalued at market value during 2006/7 and are revised annually at 31st December with reference to a yield basis for commercially let property and an external index for residential property (Land Registry house price index). In 2021 the Cathedral commenced a programme of rolling revaluations with a view to updating and checking the values at the year end.

### **Property Investments**

	<b>£'000</b>
Rental income	593
Professional services	(31)
Other costs	(13)
Property repairs	(58)
<b>Net income</b>	<b>491</b>

<b>Yield on investment properties</b>	<b>£'000</b>
Capital value investment property	£14,178
Net income yield	3.46%
<b>CBF Property Fund income yield (Gross)</b>	<b>4.30%</b>

Gross rental income has increased to £593k (2020 £590k), and the net income yield of 3.46% for the year compares with 3.55% for 2020. The annual net income yield will vary year by year depending on the amount of capital works carried out in the year. The 2021 yield is lower from the previous year. It is worth noting that the benchmark CBF yield is based on a portfolio of larger commercial property with no residential property.

### **Other investments**

The performance of the Cathedral's other investments is shown below:

	<i>Equities</i>	<i>Property</i>	<i>Variable interest</i>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Gross income from other investments</i>				
Listed in the UK	150	13	-	163
Cash deposits	-	-	1	1

	150	13	1	164
Gains/(losses) on revaluations/disposals	735	38	-	773
<b>Total return on other investments</b>	<b>885</b>	<b>51</b>	<b>1</b>	<b>937</b>

<i>Return on other investments</i>	<b>£'000</b>
Market value of other investments	6,245
Return	15.0%
<b>FTSE All Share</b>	<b>14.55%</b>

At 31st December 2021 our total investments, excluding direct property holdings, totalled £6.24m (up from £5.36m in 2020), of which 94.0% were held in equity funds, 0.0% in fixed interest stocks, 5.0% in property funds and 1.0% in cash.

### 3.5 Maintenance Plan for the Cathedral and its Precincts

A plan for regular routine maintenance of the Cathedral is in place and is managed by the Head Verger.

The most recent Quinquennial Inspection was carried out by the Surveyor to the Fabric during 2018 and considerable effort has been put into establishing a costed and prioritised forward programme of works. Major projects started during 2021 included renewal of the Cathedral lighting.

### 3.6 Achievements and performance

During 2021 the Chapter continued to further implement the Development Plan for the period 2018-2022. The Development Plan was produced following detailed consultations with the Cathedral Council, College of Canons, Rochester Cathedral Trust, Friends of Rochester Cathedral, Cathedral staff, volunteers and congregation.

The Development Plan sets out the Cathedral's aspirations and activities over the next five years arranged over three core themes - Grow, Enrich, Resource. The five specific key aims are:

1. Grow our communities through prayer, worship and action.
2. Develop opportunities for personal and spiritual growth.
3. Strengthen our engagement with our partners and stakeholders through listening and collaboration.
4. Maintain and improve historic buildings, spaces, monuments and collections.
5. Become a more sustainable and resilient organisation.

Progress on the Development Plan was severely restricted by the Coronavirus pandemic. Nevertheless, the Cathedral continued to address its key aims:

Key Aim 1/2 - The Cathedral continued to be a place of prayer and worship acting within the government restrictions and Church of England Guidelines. The Cathedral remain open for individual

prayer through most of the lockdown and supported people through online prayer networks, groups and phone calls. People were placed in touch with local food delivery services.

When permitted worship continued in person social distanced in the Cathedral nave. A 9.30 and 11.30 Sunday Eucharist was instigated with booking essential. At each service the numbers were between 40-50 people. Some seats were kept available to respond to pastoral issues at the door on the day. When choirs were permitted choristers sang at one service and adult/lay clerks at the other. For a short period they were allowed to sing together socially distanced.

The Cathedral's programme of public events was again much affected by the pandemic. All activities planned for the first eight months of the year were either cancelled or postponed. The first major event after the Cathedral was reopened was a lightshow produced by Luxmuralis. Offered over three nights at the beginning of October, the lightshow was hugely popular, attracting over 7,600 paying customers and returning a useful surplus for the Cathedral's trading company.

Key Aim 3 - During the year members of the Cathedral staff again kept in regular contact with Medway Council, the medical services, Royal Engineers and church and community groups. A listening and supportive attitude was adopted. In December 2020, the Cathedral crypt was made available as a non-asymptomatic Coronavirus Test Centre at first staffed by the Royal Engineers and then a Council Team and this continued until March 2021.

Key Aim 4 – Again, a significant amount of restoration of the Cathedral's fabric and improvements to its infrastructure took place during the year. The first phase of work to restore the Bishop's Gate commenced in October and was then paused for the winter. The second phase will commence in April 2022. Work also started on the complete replacement of the Cathedral's lighting systems. CES Lighting Ltd won the contract to design and install a new system, stripping out all the defunct lighting and cabling in the process. Supported by very generous grant-aid from the Friends of Rochester Cathedral (£500,000) and the Rochester Cathedral Trust (£86,000), the project will be completed in the Spring of 2022. The new lighting will transform the experience of visitor and worshippers using the Cathedral's spaces. A second infrastructure project was in development in 2021. Funded by the Cathedral Trust the project will replace the Cathedral's failing sound system and much improve our ability to record and livestream services. The new sound system is expected to be in place before the Autumn of 2022. The Cathedral Trust also provided grant aid to commission a report into how the Cathedral's heating system can be improved both to increase its effectiveness and to reduce our Cathedral's carbon footprint. Further support of up to £100,000 was received from the Trust to improve the drainage on the southside of the Cathedral. This work has been needed since the completion of the Hidden Treasures; Fresh Expressions project in 2017 and will be undertaken in 2022.

Key Aim 5 - The year was financially challenging with a significant reduction in income anticipated at the beginning of lockdown. Although income was well down, we finished the year with a surplus largely due to reduced costs because of grant-aid and prolonged Cathedral closures due to Covid.

The new Cathedral Measure received Royal consent in April 2021 and the Cathedral's preparation to meet the requirements of the new Measure continued. A small working party under former Chapter

member Paul Hudson was created to develop a new Constitution & Statutes and continue the work for the Cathedral to become a registered charity in 2023.

The Cathedral's review of the employment of Scott William Farrell, the former Director of Music, was forwarded to the Church of England's National Safeguarding Team for their review of Farrell's employment at cathedrals in Rochester, Ely and Newcastle. The NST review will be published in May 2022.

### **3.7 Commentary on the 2021 results.**

The results for the year ended 31 December 2021 reflect another year in which the Cathedral faced substantial challenges. The key challenges revolved around the continuing Covid-19 pandemic. This involved periods of complete closure and the delay of planned exhibitions and attractions, with consequential sharp reductions in overall income. During 2021 we progressed our plans for a £500k improvement to the lighting system and on site work commenced in September 2021. The Lighting Projects is supported by the Friends of the Cathedral.

The unrestricted surplus for the year is largely due to the revaluation of investments and the substantial support towards normal running costs provided by the Government's Job Retention Scheme.

Our combined investment policy bringing together the property aspirations with the investments objectives continues to deliver good investment returns whilst maintaining the underlying value of the assets. No properties were sold in the year. Future years will continue to benefit from this policy; the reinvestment of our non-property monetary assets has already produced good results – investment income was £164k in 2021 and £158k in the previous year.

We have seen reduced levels of income from congregations and visitors due to the pandemic, but supporters have been generous in maintaining contributions. Congregational collections and giving, including Gift Aid, was £164k in 2021, the decrease £43k over 2020 (£207k) being largely to specific donations to support the Cathedral in the pandemic.

The final result on the unrestricted fund was a surplus of £126k, which leads to an overall general fund surplus carried forward of £728k.

Funds for restricted purposes increased £282k from £362k to £644k, largely due to advance recognition of the Cathedral Sustainability Fund grants and a legacy from the Estate of H J Hoby. Designated funds increased by £6k from £507k to £513k.

#### **Revaluation of Property**

Properties were revalued as stated in section 3.4.

Net gains on revaluation of property amounted to £949k (2020: £449k) which related almost entirely to residential properties with an increase of 14.2%.

#### **Trading**



The Cathedral's trading subsidiary, Rochester Cathedral Enterprises Ltd, reopened from June 2021 and has made good progress in establishing the café and retail operations.

RCE Ltd gift-aided £Nil to the Cathedral in 2021 (2020 £14k).

### **Expenditure**

Operating expenditure was well controlled during the year with most departments spending within their budget limits. We were able to complete some long-standing issues relating to the Vestry Doors and work started on the long awaited improvements to the Cathedral lighting starting with the Spire lighting. The main renewal of the internal lighting started in September 2022.

### **Financial consequences of the pandemic**

The worldwide pandemic caused by the COVID-19 virus continues to have an impact on the Cathedral. The Cathedral is now re-open and normal activities have started to take place, although visitor numbers remain low compared to pre-pandemic levels.

### **CONCLUSION**

Recovery has been steady and slow this year, but the numbers returning to Cathedrals has been significantly down. Those returning for worship has been gradual; those attending for the first time has been slightly up. Volunteer numbers have halved affecting the operation of the Cathedral. Regular online services have stopped for re-evaluation but played a significant part in fulfilling the Cathedral's key aims during the pandemic.

Cathedral visitor numbers were down. Overall, the numbers of visitors to UK attractions were 57% lower than pre-pandemic 2019 levels. Anything outdoor did reasonably well which may well reflect the nations state of mind and focus on well-being. Despite this trend the Cathedral made the most of what commercial opportunities were available with good results and the crypt café has recovered well.

The Cathedral has maintained its outside connections with various partners and started to host again several civic events. We championed the City of Culture bid working closely with Medway Council. Links continued to be warm and strong with both The Royal Engineers and King's School, Rochester where the clergy are governors and the Dean Chair of the Governing Body.

The Cathedral received significant support and funding from the Church Commissioners which has proven essential to recovery post pandemic. Grant funding for new posts will hopefully enable the Cathedral to better respond to increased pressure on staff caused by the effects of long Covid and sickness.

It has been another good year in terms of grants and donations to the Cathedral. This has enabled the completion of quinquennial work on the fabric and on the development of the Cathedral's outdoor spaces and gardens. Significant investment has meant the Cathedral has been able to address the outstanding issues of lighting and sound. Both the Friends of Rochester Cathedral and The Rochester Cathedral Trust have given major donations.

Work on the Cathedral's collections has continued with a substantial progress made on digital updating and interpretation online. This includes work on matters of Contested History and addressing questions around greater diversity and inclusion.

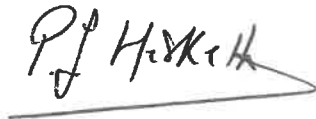
Further investment was made by Chapter in the areas of safeguarding and wellbeing. New appointments were made, and time and energy given responding to staff concerns. There always remains more to be done in what is an over stretched organisation attempting to deliver a demanding ministry and programme. Preparation for the implementation of the new Cathedral Measure has progressed and in restructuring the Cathedral's management structure. All this will hopefully increase the Cathedral's resilience and long-term stability. As ever the commitment of Lay members of Chapter, who are volunteers, has been considerable.

It has been another challenging year, but we have seen areas of growth and the effective management of the Cathedral's resources and finances. We look forward with renewed confidence and hope to the future.

The COVID pandemic continued to impact on the Cathedral business and finances with a lockdown and no visitor events to operate. The year saw rigorous control of the finances and ensuring all available external funding was sourced. We continued to collect commercial and residential rents and our investments made an adequate return enabling us to deliver a controlled budget and making a small excess that contributes to the mission of the Cathedral and funds to maintain the estate. The support of all the teams was excellent and beyond the normal in supporting the actions enforced by the pandemic. The foundations were laid for the coming year.

**Very Revd Dr Philip Hesketh**  
**Dean**

**13<sup>th</sup> June 2022**

A handwritten signature in black ink, reading 'P. Hesketh', written over a horizontal line that tapers to a point on the right.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CATHEDRAL CHAPTER OF ROCHESTER CATHEDRAL FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Opinion**

We have audited the financial statements of Rochester Cathedral for the year ended 31 December 2021 which comprise the consolidated Statement of Financial Statement of Financial Activities, the Consolidated and Cathedral-only Balance Sheets, the Consolidated Cash Flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

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

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

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

**Responsibilities of the members of Chapter**

As explained more fully in the Chapter Responsibilities statement set out on page 8, the Chapter is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, particularly unusual entries; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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

*Haysmacintyre LLP*

Haysmacintyre LLP  
Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 28.10.2022

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Rochester Cathedral

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

	Notes	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2020 £000
<b>Income and endowments from:</b>	1										
Donations and legacies		152	1	327	140	620	135	55	118	48	356
Grants		87	-	590	-	677	193	16	745	-	954
Charges and fees arising in the course of mission		8	-	2	-	10	9	-	-	-	9
Trading and Fundraising		158	-	-	-	158	82	-	-	-	82
Investments		694	11	52	-	757	689	11	48	-	748
Other		-	-	-	-	-	1	-	-	-	1
<b>Total</b>		<b>1,099</b>	<b>12</b>	<b>971</b>	<b>140</b>	<b>2,222</b>	<b>1,109</b>	<b>82</b>	<b>911</b>	<b>48</b>	<b>2,150</b>
<b>Expenditure on:</b>											
Raising funds	2	275	28	6	-	309	299	5	11	85	400
Ministry & music		413	45	280	-	738	278	27	289	-	594
Cathedral and precincts upkeep		246	14	333	-	593	284	15	537	-	836
Education and outreach		132	5	90	-	227	154	1	35	-	190
Community, parish and congregation		4	-	3	-	7	10	-	3	-	13
Other		2	-	-	-	2	2	-	-	-	2
<b>Total</b>		<b>1,072</b>	<b>92</b>	<b>712</b>	-	<b>1,876</b>	<b>1,027</b>	<b>48</b>	<b>875</b>	<b>85</b>	<b>2,035</b>
<b>Net income/(expenditure) before investment gains</b>		<b>27</b>	<b>(80)</b>	<b>259</b>	<b>140</b>	<b>346</b>	<b>82</b>	<b>34</b>	<b>36</b>	<b>(37)</b>	<b>115</b>
Realised gains/(losses) on investments		-	-	-	-	-	-	-	-	-	-
Gains/(losses) on revaluation of Investments	6	141	41	23	568	773	63	7	10	232	312
<b>Net income/(expenditure)</b>		<b>168</b>	<b>(39)</b>	<b>282</b>	<b>708</b>	<b>1,119</b>	<b>145</b>	<b>41</b>	<b>46</b>	<b>195</b>	<b>427</b>
<b>Transfers between funds</b>		<b>(45)</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains (losses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>949</b>	<b>949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449</b>	<b>449</b>
Gains/(losses) on revaluation of Property (Cathedral own use)	6/8										
<b>Net movement in funds</b>		<b>123</b>	<b>6</b>	<b>282</b>	<b>1,657</b>	<b>2,068</b>	<b>60</b>	<b>126</b>	<b>46</b>	<b>644</b>	<b>876</b>
Total funds brought forward		602	507	362	21,794	23,265	542	381	316	21,150	22,389
<b>Total funds carried forward</b>	14/15/16	<b>725</b>	<b>513</b>	<b>644</b>	<b>23,451</b>	<b>25,333</b>	<b>602</b>	<b>507</b>	<b>362</b>	<b>21,794</b>	<b>23,265</b>

The notes numbered 1 to 25 together with the accounting policies on page 30 form part of these accounts.

Rochester Cathedral

Consolidated Balance Sheet  
as at 31 December 2021

	Notes	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Restated Total Funds 2020 £000
<b>Fixed Assets</b>											
Property	7	-	-	-	14,179	14,179	-	-	-	13,242	13,242
Other investments	6	1,122	360	208	4,551	6,241	981	323	184	3,867	5,355
		1,122	360	208	18,730	20,420	981	323	184	17,109	18,597
<b>Non investment assets</b>											
Property	8	-	-	-	4,638	4,638	-	-	-	4,625	4,625
Plant & equipment	9	9	-	-	9	9	14	-	-	-	14
		9	-	-	4,638	4,647	14	-	-	4,625	4,639
<b>Total fixed assets</b>		<b>1,131</b>	<b>360</b>	<b>208</b>	<b>23,368</b>	<b>25,067</b>	<b>995</b>	<b>323</b>	<b>184</b>	<b>21,734</b>	<b>23,236</b>
<b>Current Assets</b>											
Stocks	10	21	-	-	-	21	18	-	-	-	18
Debtors	11	252	-	381	40	673	159	-	55	-	214
Short term deposits		122	-	-	-	122	297	-	-	-	297
Cash at bank and in hand		(81)	153	55	43	170	(216)	201	123	60	168
		314	153	436	83	986	258	201	178	60	697
<b>Liabilities due within one year</b>											
Creditors	12	(399)	-	-	-	(399)	(312)	(17)	-	-	(329)
		(399)	-	-	-	(399)	(312)	(17)	-	-	(329)
<b>Net current assets</b>		<b>(85)</b>	<b>153</b>	<b>436</b>	<b>83</b>	<b>587</b>	<b>(54)</b>	<b>184</b>	<b>178</b>	<b>60</b>	<b>368</b>
<b>Liabilities due after one year</b>											
		(321)	-	-	-	(321)	(339)	-	-	-	(339)
<b>Net assets</b>		<b>725</b>	<b>513</b>	<b>644</b>	<b>23,451</b>	<b>25,333</b>	<b>602</b>	<b>507</b>	<b>362</b>	<b>21,794</b>	<b>23,265</b>
<b>Funds</b>											
General Fund		668	-	-	-	668	586	-	-	-	586
Rochester Cathedral Enterprises		57	-	-	-	57	16	-	-	-	16
Mary J Smith ( Barrett's Folly) Bequest		-	275	-	-	275	-	256	-	-	256
Other Funds		-	238	644	-	882	-	251	362	-	613
Endowment		-	-	-	23,451	23,451	-	-	21,794	-	21,794
Revaluation reserve		-	-	-	-	-	-	-	-	-	-
<b>Total funds</b>	<b>14/15/16</b>	<b>725</b>	<b>513</b>	<b>644</b>	<b>23,451</b>	<b>25,333</b>	<b>602</b>	<b>507</b>	<b>362</b>	<b>21,794</b>	<b>23,265</b>

The notes numbered 1 to 25 together with the accounting policies on page 23 form part of these accounts.

Approved by Chapter on 9 May 2022 and signed on its behalf by

*P. J. Hesketh*

Very Revd Dr Phillip Hesketh  
Dean

Revd Canon Chris Dench  
Vice Dean



Rochester Cathedral

Balance Sheet - Cathedral only  
as at 31 December 2021

	Notes	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Restated Total Funds 2020 £000
<b>Fixed Assets</b>											
Investment assets											
Property	7	-	-	-	14,179	14,179	-	-	-	13,242	13,242
Investments	6	1,122	360	208	4,551	6,241	981	323	184	3,867	5,355
		1,122	360	208	18,730	20,420	981	323	184	17,109	18,597
<b>Non investment assets</b>											
Property	8	-	-	-	4,638	4,638	-	-	-	4,625	4,625
Plant & equipment	9	9	-	-	9	9	14	-	-	14	14
		9	-	-	4,638	4,647	14	-	-	4,625	4,639
<b>Total fixed assets</b>		<b>1,131</b>	<b>360</b>	<b>208</b>	<b>23,368</b>	<b>25,067</b>	<b>995</b>	<b>323</b>	<b>184</b>	<b>21,734</b>	<b>23,236</b>
<b>Current Assets</b>											
Debtors	11	237	-	381	40	658	155	-	55	-	210
Short term deposits		122	-	-	-	122	297	-	-	-	297
Cash at bank and in hand		(121)	153	55	43	130	(229)	201	123	60	155
		238	153	436	83	910	223	201	178	60	662
<b>Liabilities due within one year</b>											
Creditors	12	(379)	-	-	-	(379)	(293)	(17)	-	-	(310)
		(379)	-	-	-	(379)	(293)	(17)	-	-	(310)
<b>Net current assets</b>		<b>(141)</b>	<b>153</b>	<b>436</b>	<b>83</b>	<b>531</b>	<b>(70)</b>	<b>184</b>	<b>178</b>	<b>60</b>	<b>352</b>
<b>Liabilities due after one year</b>											
Creditors	13	(321)	-	-	-	(321)	(339)	-	-	-	(339)
<b>Net assets</b>		<b>669</b>	<b>513</b>	<b>644</b>	<b>23,451</b>	<b>25,277</b>	<b>586</b>	<b>507</b>	<b>362</b>	<b>21,794</b>	<b>23,249</b>
<b>Funds</b>											
General Fund		669	-	-	-	669	586	-	-	-	586
Mary J Smith Bequest		-	275	-	-	275	-	256	-	-	256
Other Funds		-	238	644	-	882	-	251	362	-	613
Endowment		-	-	-	23,451	23,451	-	-	21,794	-	21,794
Revaluation reserve		-	-	-	-	-	-	-	-	-	-
<b>Total funds</b>	<b>14/15/16</b>	<b>669</b>	<b>513</b>	<b>644</b>	<b>23,451</b>	<b>25,277</b>	<b>586</b>	<b>507</b>	<b>362</b>	<b>21,794</b>	<b>23,249</b>

The notes numbered 1 to 25 together with the accounting policies on page 23 form part of these accounts.

Approved by Chapter on 9 May 2022 and signed on its behalf by

Very Revd Dr Philip Hesketh  
Dean



Revd Canon Chris Dench  
Vice Dean



Rochester Cathedral

Cash Flow Statement  
as at 31 December 2021

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2020 £000
<b>Cash flows from operating activities:</b>										
Net Cash provided by/(used in) operating activities	(735)	(63)	(119)	(40)	(957)	(626)	136	(146)	(117)	(753)
<b>Cash flows from investing activities:</b>										
Rents received net of costs	593	-	-	-	593	590	-	-	-	590
Investment income received net of costs	102	11	52	-	165	99	11	48	-	158
Proceeds from sale of property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant & equipment	-	-	-	-	-	(2)	-	-	(640)	(642)
Proceeds of sale of investments	-	12	1	-	13	-	-	-	-	-
Purchase of investments	-	(8)	(2)	(117)	(127)	-	-	-	-	-
Net cash provided by/(used in) investing activities	695	15	51	(117)	644	687	11	48	(640)	106
<b>Cash flows from financing activities:</b>										
Repayments of borrowing	-	-	-	-	-	-	-	-	-	-
Cash inflows	-	-	-	-	-	-	-	-	-	-
Receipt of endowment	-	-	-	140	140	-	-	-	48	48
Net cash provided by/(used in) financing activities	-	-	-	140	140	-	-	-	48	48
Change in cash and cash equivalents in the year	(40)	(48)	(68)	(17)	(173)	61	147	(98)	(709)	(599)
Cash and cash equivalents as at 1 January 2021	81	201	123	60	465	20	54	221	769	1,064
Cash and cash equivalents as at 31 December 2021	41	153	55	43	292	81	201	123	60	465

Rochester Cathedral

Cash Flow Statement  
as at 31 December 2021

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2020 £000
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>										
Net movement in funds for the year	123	6	282	1,657	2,068	59	126	46	644	875
Adjustments:										
Depreciation	5	-	-	-	5	7	-	-	-	7
Income added to endowments	-	-	-	(140)	(140)	-	-	-	(48)	(48)
Income from property	(593)	-	-	-	(593)	(590)	-	-	-	(590)
Income from investments	(101)	(11)	(52)	-	(164)	(99)	(11)	(48)	-	(158)
Investment management costs	-	-	-	-	-	-	-	-	-	-
Loss/(profit) on sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Loss/(profit) on sale of investments	-	-	-	-	-	-	11	2	-	13
Unrealised on revaluation of investments	(141)	(41)	(23)	(568)	(773)	(63)	(7)	(10)	(232)	(312)
Revaluation of Investment Property	-	-	-	(949)	(949)	-	-	-	(448)	(448)
(Increase)/decrease in stocks	(3)	-	-	-	(3)	1	-	-	-	1
(Increase)/decrease in debtors	(94)	-	(326)	(40)	(460)	63	-	(28)	-	35
Increase/(decrease) in creditors	69	(17)	-	-	52	(4)	17	(108)	(33)	(128)
Transfer between funds	-	-	-	-	-	-	-	-	-	-
Net cash provided by/(used in) operating activities	(735)	(63)	(119)	(40)	(957)	(626)	136	(146)	(117)	(753)
<b>Analysis of cash and cash equivalents</b>										
Cash at bank	(81)	153	55	43	170	(216)	201	123	60	168
Cash on deposit	122	-	-	-	122	297	-	-	-	297
Total cash and cash equivalents	41	153	55	43	292	81	201	123	60	465

## Rochester Cathedral

### Accounting Policies - For the year ended 31 December 2021

#### Basis of preparation

The accounts have been prepared in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2019, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Cathedral meets the definition of a public benefit entity under FRS102.

The accounts are presented in sterling, which is the functional currency of the Cathedral, and rounded to the nearest thousand pound.

#### Consolidation

The accounts consolidate the results of the Cathedral and its wholly owned subsidiary Rochester Cathedral Enterprises Ltd.

In addition the, the Cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided in note 24.

#### Going concern

The Chapter has considered whether the use of the going concern basis of accounting is appropriate. To do this, they have considered whether there are any material uncertainties as to the cathedral's ability to continue as a going concern. They have carried out this assessment for a period of at least one year from the date of approval of these accounts. they have concluded that there are no material uncertainties about the Cathedral's ability to continue as a going concern.

From March 2020, the COVID-19 crisis resulted in significant reductions in the Cathedral's cash inflows. The Chapter has taken actions to mitigate the shortfall by reducing costs, notably in relation to staffing and discretionary expenditure including use of the Government's Job Retention Scheme. Cashflow forecasts have been constantly monitored and updated into 2021 and 2022 and, based on these forecasts, the Chapter consider that there continues to be no material uncertainties about the Cathedral's ability to continue as a going concern.

#### Income

Legacies are accounted for when there is entitlement, receipt is probable and the value of the legacy is measurable.

Grants are defined as sums receivable from trusts and public bodies, payment of which is determined by compliance with determined criteria. Grants are accounted for when due.

Investment income is recognised in the accounts in the period in which it is earned.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprise the costs of commercial trading and their associated support costs; and
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the the Cathedral and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the Cathedral but do not directly undertake either charitable or fundraising activities. Please see note 5 for details of these costs and the basis of allocation.

#### Tangible Fixed assets

Individual fixed assets costing £1000 or more are capitalised at cost and depreciated over their useful economic lives on a straight line basis as follows:

Computer & IT equipment	3 years
Other plant, machinery, furniture or fittings	5 years
Temporary buildings	15 years

#### Heritage assets

Heritage assets include the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to these assets acquired before 31 December 2018, because information on their historical cost is not available.

Items donated to the inventory since 1 January 2019 are valued in the year of acquisition and shown as a heritage asset unless there is insufficient information available to reliably estimate the value of the asset.

## Rochester Cathedral

### Accounting Policies - For the year ended 31 December 2021

#### Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the market value based on their bid price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The Cathedral does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Cathedral is that of volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or subsectors.

#### Stock

Retail and catering stocks are stated at the lower of cost and net realisable value.

#### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### Cash at bank and in hand

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

#### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### Type of funds

A fund is an amount set aside for specific purposes in accordance with the circumstances under which the resources were originally received. Funds are divided into:

- Endowment funds. These are restricted funds where the capital must be held permanently.
- Restricted funds. These have specific conditions attached to the expenditure of capital and income.
- Designated funds. These are unrestricted funds set aside by Chapter for specific purposes.
- Unrestricted funds. Chapter have the discretion to spend both capital and income.

#### Property

Property valuations have been included on the Balance Sheet on the following basis:

- Investment properties – market value
- Non – investment properties – existing use value

The Cathedral's policy is to carry out an internal revaluation by reference to established indices and to instigate formal revaluations to the properties every five years or when considered necessary.

#### Third Party receipts and payments

The Church Commissioners pay the stipends of the Dean and the two Commissioner's Canons. The amounts are shown in a Restricted Fund in the Statement of Financial Activities, both under grants received and under clergy costs.

#### Pensions

The Cathedral participates in the Pension Builder Scheme of the Church Workers Pension Fund for lay staff.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the 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 and charged in the SoFA during the year when the contributions become payable.

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

<b>1. Income</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>(i) Donations and legacies</b>					
Congregational collections and giving	50	-	-	-	50
Donations	66	1	33	-	100
Tax recovered under Gift Aid	13	-	1	-	14
Income from supporter groups & trusts					
Friends of Rochester Cathedral	-	-	222	-	222
Rochester Cathedral Trust (see note below)	-	-	31	140	171
Legacies	23	-	40	-	63
	<b>152</b>	<b>1</b>	<b>327</b>	<b>140</b>	<b>620</b>
	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£000	£000	£000	£000	2020
					£000
Congregational collections and giving	58	-	-	-	58
Donations	62	31	36	-	129
Tax recovered under Gift Aid	12	5	3	-	20
Income from supporter groups & trusts					
Friends of Rochester Cathedral	-	-	53	-	53
Rochester Cathedral Trust (see note below)	-	-	26	48	74
Legacies	3	19	-	-	22
	<b>135</b>	<b>55</b>	<b>118</b>	<b>48</b>	<b>356</b>
	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£000	£000	£000	£000	2021
					£000
<b>(ii) Grants receivable</b>					
Church Commissioners	-	-	537	-	537
Job Retention Scheme	30	-	-	-	30
Other grants	57	-	53	-	110
	<b>87</b>	<b>-</b>	<b>590</b>	<b>-</b>	<b>676</b>
	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£000	£000	£000	£000	2020
					£000
Church Commissioners	-	-	320	-	320
Job Retention Scheme	147	-	-	-	147
Other grants	46	16	425	-	487
	<b>193</b>	<b>16</b>	<b>745</b>	<b>-</b>	<b>954</b>

Other Grants includes Allchurches Trust £25k (unrestricted - 2020 £25k).

Other Grants includes Rochester Cathedral Trust £113k (restricted - 2020 £362k).

<b>(iii) Charges and fees arising in the course of mission</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Fees	8	-	2	-	10
	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>10</b>
	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total
	£000	£000	£000	£000	2020
					£000
Fees	9	-	-	-	9
	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(iv) Trading and fundraising</b>					
Charges to visitors	-	-	-	-	-
Commercial activities (RCEL)	128	-	-	-	128
Management Charges	30	-	-	-	30
	<b>158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Charges to visitors	-	-	-	-	-
Commercial activities (RCEL)	67	-	-	-	67
Management Charges	15	-	-	-	15
	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(v) Income from investments</b>					
Investment property income	593	-	-	-	593
Other investment income	101	11	51	-	163
Interest from short-term deposits	-	-	1	-	1
	<b>694</b>	<b>11</b>	<b>52</b>	<b>-</b>	<b>757</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Investment property income	590	-	-	-	590
Other investment income	97	11	48	-	156
Interest from short-term deposits	2	-	-	-	2
	<b>689</b>	<b>11</b>	<b>48</b>	<b>-</b>	<b>748</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(vi) Other income</b>					
Other Charges	-	-	-	-	-
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Other Charges	1	-	-	-	1
	<b>1,099</b>	<b>12</b>	<b>971</b>	<b>140</b>	<b>2,221</b>

Income from Rochester Cathedral Trust included a transfer of £140k to the Music Endowment, which is shown as a separate endowment to the Cathedral's existing endowments. (see note 16).

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

2. Costs of raising funds	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
Facilities for visitors	34	-	-	-	34
Services directly recoverable	2	-	-	-	2
Trading	89	-	-	-	89
Marketing costs	6	-	-	-	6
Costs of appeals and fundraising	33	-	-	-	33
Non-investment property costs (Note 4)	-	-	-	-	-
Investment property costs					
Estate projects (Note 4)	-	28	-	-	28
Other investment property costs	102	-	-	-	102
Support costs	9	-	6	-	15
	<b>275</b>	<b>28</b>	<b>6</b>	<b>-</b>	<b>309</b>

The cost of raising funds is any cost directly attributable to the income generated and not associated with specific areas of ministry (see below)  
Cost of raising funds includes costs of generating income through Rochester Cathedral Enterprises Ltd.

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Facilities for visitors	27	-	-	-	27
Services directly recoverable	5	-	-	-	5
Trading	68	-	-	-	68
Marketing costs	10	-	-	-	10
Costs of appeals and fundraising	32	-	-	-	32
Non-investment property costs (Note 4)				85	85
Investment property costs					
Estate projects (Note 4)	-	5	-	-	5
Other investment property costs	145	-	-	-	145
Support costs	12	-	11	-	23
	<b>299</b>	<b>5</b>	<b>11</b>	<b>85</b>	<b>400</b>

3. Expenditure on mission	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(i) Ministry &amp; music</b>					
Clergy stipends and working expenses	-	-	137	-	137
Clergy housing costs	20	-	-	-	20
Clergy support costs	31	-	-	-	31
Services and music	273	45	83	-	401
Ministry support costs	89	-	60	-	149
	<b>413</b>	<b>45</b>	<b>280</b>	<b>-</b>	<b>738</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Clergy stipends and working expenses	-	-	117	-	117
Clergy housing costs	24	-	-	-	24
Clergy support costs	47	-	16	-	63
Services and music	151	27	104	-	282
Ministry support costs	56	-	52	-	108
	<b>278</b>	<b>27</b>	<b>289</b>	<b>-</b>	<b>594</b>



# Rochester Cathedral

## Notes to the Accounts - For the year ended 31 December 2021

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(ii) Cathedral and precincts upkeep</b>					
Major projects (note 4)	-	-	288	-	288
Maintenance and interior upkeep	115	14	-	-	129
Insurance	42	-	-	-	42
Precincts security and gardens upkeep	37	-	10	-	47
Support costs	52	-	35	-	87
	<b>246</b>	<b>14</b>	<b>333</b>	<b>-</b>	<b>593</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Major projects (note 4)	-	-	470	-	470
Maintenance and interior upkeep	175	15	26	-	216
Insurance	38	-	-	-	38
Precincts security and gardens upkeep	35	-	8	-	43
Support costs	36	-	33	-	69
	<b>284</b>	<b>15</b>	<b>537</b>	<b>-</b>	<b>836</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(iii) Education and outreach</b>					
Educational activities	104	5	74	-	183
Archives & library	-	-	-	-	-
Charitable giving	4	-	-	-	4
Support costs	24	-	16	-	40
	<b>132</b>	<b>5</b>	<b>90</b>	<b>-</b>	<b>227</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Educational activities	135	1	18	-	154
Archives & library	-	-	-	-	-
Charitable giving	1	-	-	-	1
Support costs	18	-	17	-	35
	<b>154</b>	<b>1</b>	<b>35</b>	<b>-</b>	<b>190</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
<b>(iv) Community, parish and congregation</b>					
Community, parish and congregation costs	-	-	-	-	-
Support costs	4	-	3	-	7
	<b>4</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>7</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Community, parish and congregation costs	7	-	-	-	7
Support costs	3	-	3	-	6
	<b>10</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>13</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
(v) Other expenditure on mission					
Interest and similar charges	2	-	-	-	2
	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Interest and similar charges	2	-	-	-	2
	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
	<b>1,072</b>	<b>92</b>	<b>712</b>	<b>-</b>	<b>1,876</b>

**4. Major Projects - gross cost (Note 2)**

	Start date	2021 Funds £000	2020 Funds £000	2019 Funds £000	2018 Funds £000	Total Funds £000
<b>Estate Projects</b>						
College Yard External Repairs	2019/2017	-	-	23	-	23
Phoenix House - common area redecoration	2018	-	-	-	45	45
Deanery Window & Roof repairs	2018	-	-	-	3	3
82 High Street - refurbishment	2019/2018	-	-	57	152	209
Balance overspend on WW1 Roof Repairs	2018	-	-	10	-	10
Garth House Refurbishment/Reception	2019/2016	-	-	66	-	66
Garth House External works	2019	-	-	50	-	50
5 St Margarets Street	2019	-	-	42	-	42
Deanery Refurbishment	2020	-	85	-	-	85
Estate Walls	2021	23	-	-	-	23
External Paths - Precinct	2021	5	-	-	-	5
Others under £5,000		-	5	2	1	8
		<b>28</b>	<b>90</b>	<b>250</b>	<b>201</b>	<b>569</b>

**4. Major Projects - gross cost**

	Start date	2021 Funds £000	2020 Funds £000	2019 Funds £000	2018 Funds £000	Total Funds £000
<b>Cathedral major projects (Note 3)</b>						
Others under £5,000		-	9	7	6	22
New Tractor	2021	7	-	-	-	7
Vestry Doors	2021	23	-	-	-	23
North Nave Glazing & Clerestory	2020	13	176	-	-	189
Cathedral Lighting Scheme	2020	226	52	-	-	278
Quire Vaulting & Clerestory	2020	3	190	-	-	193
Live streaming equipment	2020	-	14	-	-	14
Pinnacle & South Presbytery	2019	4	4	182	-	190
Handrails	2019	-	-	11	-	11
Ground Radar Survey	2018	-	-	-	7	7
Glazing Survey	2018	-	-	-	7	7
St Andrew Centre Asbestos removal	2018	-	-	-	18	18
QI Fees	2018	-	-	-	5	5
Electrical Testing	2018	-	-	-	6	6
CCTV	2018	-	-	-	32	32
Cloister Garth Project	2018	12	17	18	47	94
Pulpitum Screen	2017	-	-	-	2	2
Crypt Ventilation	2017	-	-	-	26	26
WIFI	2017	-	-	-	2	2
WW1 QI Roof Repairs/Eastern Roof	2017/2015	-	-	-	153	153
Vestry Fit Out	2020/2016	-	8	-	-	8
Crypt Flood	2016	-	-	-	1	1
		<b>288</b>	<b>470</b>	<b>218</b>	<b>312</b>	<b>1,288</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

**5. Support costs**

Support costs, which are the running costs of administration, are allocated to the different expenditure headings on the basis of the number of full-time staff in each department. The support costs are apportioned as follows to the main expenditure headings:

	Direct costs £000	Support costs £000	Total 2021 £000	Direct costs £000	Support costs £000	Total 2020 £000
Funds generation	294	15	309	377	23	400
Ministry	589	149	738	486	108	594
Cathedral and precincts upkeep	506	87	593	767	69	836
Education and outreach	187	40	227	155	35	190
Community, parish and congregation	-	7	7	7	6	13
Other	2	-	2	2	-	2
	<b>1,578</b>	<b>298</b>	<b>1,876</b>	<b>1,794</b>	<b>241</b>	<b>2,035</b>

**Auditors remuneration**

Auditors' remuneration for audit services amounted to £14,676 (2020: £14,676)

**Operating lease commitments**

The Cathedral has entered into a number of operating leases as lessee for which the total of future minimum lease payments are as follows:

	2021 £000
Within 1 year	8
Later than one year but within five years	36
Later than five years	-
<b>Total</b>	<b>44</b>

**6. Other investments**

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000
Value at 1st January 2021	981	323	184	3,867	5,355
Additions/ disposals	-	(4)	1	116	113
Net increase on disposals and revaluation	141	41	23	568	773
<b>Value at 31st December 2021</b>	<b>1,122</b>	<b>360</b>	<b>208</b>	<b>4,551</b>	<b>6,241</b>
CBF Church of England Funds	1,122	198	182	4,374	5,876
CBF Property Funds	-	126	-	177	303
Cash investments	-	28	26	-	54
	<b>1,122</b>	<b>352</b>	<b>208</b>	<b>4,551</b>	<b>6,233</b>

As at the 31 December 2021 the whole of the investment portfolio was managed by CCLA and held in CBF Funds.

No individual equity holding amounts to over 5% of the total value of investments.

No investments are held by the subsidiary company.

	Unrestricted Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2020 £000
Value at 1st January 2020	918	327	176	3,635	5,056
Additions/ disposals	-	(11)	(2)	-	(13)
Net increase on disposals and revaluation	63	7	10	232	312
<b>Value at 31st December 2020</b>	<b>981</b>	<b>323</b>	<b>184</b>	<b>3,867</b>	<b>5,355</b>
CBF Church of England Funds	981	185	160	3,712	5,038
CBF Property Funds	-	110	-	155	265
Cash investments	-	28	24	-	52
	<b>981</b>	<b>323</b>	<b>184</b>	<b>3,867</b>	<b>5,355</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

**7. Investment property**

	<b>Endowment Funds £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Value at 1st January 2021	13,242	13,242	11,344
Disposal	-	-	-
Transferred from non investment property	-	-	1,450
Gain on revaluation	937	937	448
Value at 31st December 2021	<u>14,179</u>	<u>14,179</u>	<u>13,242</u>

The Cathedral's properties were revalued by Robert Wickham FRICS, an external valuer, as at March 2007 and revised for values up to December 2021 on a yield basis for commercial property and by reference to a recognised property index for residential property.

During the year a number of properties were valued professionally by local agents and these valuations were adopted as at 31st December 2021. Further revaluations will be carried out over the next 5 years by a range of professional advisors, with experience in both residential and commercial property valuations.

The property transferred in 2020 from non-investment property to investment property was the former Deanery, now 1 Prior's Gatehouse which is now a residential letting.

All properties are held at freehold value, and none are held by the subsidiary company.

**8. Non- investment property**

	<b>Endowment Funds £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Freehold value at 1st January 2021	4,625	4,625	5,435
Net increase/(decrease) in revaluation	-	-	-
Purchase of property	-	-	640
Transferred to investment property	13	13	(1,450)
Freehold value at 31st December 2021	<u>4,638</u>	<u>4,638</u>	<u>4,625</u>
For Cathedral use	<u>4,638</u>	<u>4,638</u>	<u>4,625</u>
	<u>4,638</u>	<u>4,638</u>	<u>4,625</u>

During the year a number of properties were valued professionally by local agents and these valuations were adopted as at 31st December 2021. Further revaluations will be carried out over the next 5 years by a range of professional advisors, with experience in both residential and commercial property valuations.

No investment properties are held by the subsidiary company.

**9. Plant and equipment**

	<b>Temporary Buildings £000</b>	<b>Plant £000</b>	<b>Computer Equipment £000</b>	<b>Fixtures &amp; Fittings £000</b>	<b>Total 2021 £000</b>
Cost brought forward at 1st January 2021	13	33	10	14	70
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Cost carried forward at 31st December 2021	<u>13</u>	<u>33</u>	<u>10</u>	<u>14</u>	<u>70</u>
Depreciation brought forward at 1st January 2021	5	32	8	11	56
Charge for year	1	-	1	3	5
On disposals	-	-	-	-	-
Depreciation carried forward at 31st December 2021	<u>6</u>	<u>32</u>	<u>9</u>	<u>14</u>	<u>61</u>
Net book value	<u>7</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>9</u>
	<b>Temporary Buildings £000</b>	<b>Plant £000</b>	<b>Computer Equipment £000</b>	<b>Fixtures &amp; Fittings £000</b>	<b>Total 2020 £000</b>
Cost brought forward at 1st January 2020	13	33	8	14	68
Additions	-	-	2	-	2
Disposals	-	-	-	-	-
Cost carried forward at 31st December 2020	<u>13</u>	<u>33</u>	<u>10</u>	<u>14</u>	<u>70</u>
Depreciation brought forward at 1st January 2020	5	31	4	9	49
Charge for year	-	1	4	2	7
On disposals	-	-	-	-	-
Depreciation carried forward at 31st December 2020	<u>5</u>	<u>32</u>	<u>8</u>	<u>11</u>	<u>56</u>
Net book value	<u>8</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>14</u>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

<b>10 Stocks</b>	<b>Retail</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Value at lower of cost or net realisable value	21	21	18
All the stocks above are held in the subsidiary company.			

<b>11 Debtors due within one year Consolidated</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	74	-	-	-	74
Grants - Rochester Cathedral Trust	-	-	86	-	86
Grants - Friends of Rochester Cathedral	-	-	76	-	76
Rochester Cathedral Enterprises Ltd	4	-	-	-	4
Other	247	-	119	40	406
Prepayments	28	-	-	-	28
	<b>353</b>	<b>-</b>	<b>281</b>	<b>40</b>	<b>674</b>
<b>Cathedral Only</b>					
Trade debtors	65	-	-	-	65
Grants - Rochester Cathedral Trust	-	-	86	-	86
Grants - Friends of Rochester Cathedral	-	-	76	-	76
Rochester Cathedral Enterprises Ltd	2	-	-	-	2
Other	247	-	119	40	406
Prepayments	23	-	-	-	23
	<b>337</b>	<b>-</b>	<b>281</b>	<b>40</b>	<b>658</b>

<b>Debtors due within one year Consolidated</b>	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	45	-	-	-	45
Grants - Rochester Cathedral Trust	-	-	18	-	18
Grants - Friends of Rochester Cathedral	-	-	33	-	33
Rochester Cathedral Enterprises Ltd	7	-	-	-	7
Other	94	-	4	-	98
Prepayments	12	-	-	-	12
	<b>158</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>213</b>
<b>Cathedral Only</b>					
Trade debtors	45	-	-	-	45
Grants - Rochester Cathedral Trust	-	-	18	-	18
Grants - Friends of Rochester Cathedral	-	-	33	-	33
Rochester Cathedral Enterprises Ltd	3	-	-	-	3
Other	94	-	4	-	98
Prepayments	12	-	-	-	12
	<b>154</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>209</b>

## Rochester Cathedral

### Notes to the Accounts - For the year ended 31 December 2021

12. Creditors falling due within one year	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2021
Consolidated	£000	£000	£000	£000	£000
Trade creditors	142	-	-	-	142
Rochester Cathedral Enterprises Ltd	20	-	-	-	20
Other	188	-	-	-	188
Bank Loan	15	-	-	-	15
Accruals and deferred income	32	-	-	-	32
	<b>397</b>	-	-	-	<b>397</b>
<b>Cathedral Only</b>					
Trade creditors	142	-	-	-	142
Rochester Cathedral Enterprises Ltd	-	-	-	-	-
Other	188	-	-	-	188
Bank Loan	15	-	-	-	15
Accruals and deferred income	32	-	-	-	32
	<b>377</b>	-	-	-	<b>377</b>

Creditors falling due within one year	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2020
Consolidated	£000	£000	£000	£000	£000
Trade creditors	72	-	-	-	72
Rochester Cathedral Enterprises Ltd	20	-	-	-	20
Other	159	17	-	-	176
Bank Loan	15	-	-	-	15
Accruals and deferred income	46	-	-	-	46
	<b>312</b>	<b>17</b>	-	-	<b>329</b>
<b>Cathedral Only</b>					
Trade creditors	72	-	-	-	72
Rochester Cathedral Enterprises Ltd	-	-	-	-	-
Other	160	17	-	-	177
Bank Loan	15	-	-	-	15
Accruals and deferred income	46	-	-	-	46
	<b>293</b>	<b>17</b>	-	-	<b>310</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

13. Creditors falling due after one year	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2021
Consolidated	£000	£000	£000	£000	£000
Bank Loan	321	-	-	-	321
	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
One to two years	16	-	-	-	16
Two to five years	62	-	-	-	62
Over five years	243	-	-	-	243
	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
<b>Cathedral Only</b>					
Bank Loan	321	-	-	-	321
	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>
One to two years	16	-	-	-	16
Two to five years	62	-	-	-	62
Over five years	243	-	-	-	243
	<u>321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321</u>

The loan secured is for £850k from Lloyds Bank secured on 5 commercial properties owned by the Cathedral. The repayment of the loan is over 20 years at an interest rate of 2.6% above base.

Creditors falling due after one year	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total 2020
Consolidated	£000	£000	£000	£000	£000
Bank Loan	339	-	-	-	339
	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339</u>
One to two years	16	-	-	-	16
Two to five years	62	-	-	-	62
Over five years	261	-	-	-	261
	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339</u>
<b>Cathedral Only</b>					
Bank Loan	339	-	-	-	339
	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339</u>
One to two years	16	-	-	-	16
Two to five years	62	-	-	-	62
Over five years	261	-	-	-	261
	<u>339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339</u>

The loan secured is for £850k from Lloyds Bank secured on 5 commercial properties owned by the Cathedral. The repayment of the loan is over 20 years at an interest rate of 2.6% above base.

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

14. Designated Funds	Balance at 01 Jan 2021 £	Income £	Expenditure £	Investment Movements £	Transfers £	Balance at 31 Dec 2021 £
Organ Sinking Fund	57,163	2,523	-	3,911	5,000	68,597
Mary J Smith (Barrett's Folly) Bequest	255,569	9,903	(26,903)	36,679	-	275,248
Music Outreach Fund	9,239	-	-	-	-	9,239
Education Fund	3,270	-	(52)	-	-	3,218
Missioner Fund	2,972	-	-	-	-	2,972
Gardens & Grounds - Plants	2,000	-	(494)	-	-	1,506
Stewards Fund	1,620	-	(197)	-	-	1,423
Dean's Fund	8,994	-	-	-	-	8,994
Junior Church Fund	2,224	-	-	-	-	2,224
Cathedral lighting	1,000	-	(1,000)	-	-	-
Capital Improvement Fund	127,152	-	(41,224)	-	40,000	125,928
Roof Tiles Fund - Library	5,602	-	-	-	-	5,602
Dean's Covid Recovery Fund	19,814	-	(17,504)	-	-	2,310
On line Ministry Fund	4,500	-	(4,500)	-	-	-
Choral Scholarships Fund	6,000	-	-	-	-	6,000
	<b>507,119</b>	<b>12,426</b>	<b>(91,874)</b>	<b>40,590</b>	<b>45,000</b>	<b>513,261</b>

	Balance at 01 Jan 2020 £	Income £	Expenditure £	Investment Movements £	Transfers £	Balance at 31 Dec 2020 £
Organ Sinking Fund	49,151	1,255	-	1,757	5,000	57,163
Mary J Smith (Barrett's Folly) Bequest	267,985	9,726	(27,000)	4,858	-	255,569
Music Outreach Fund	9,239	-	-	-	-	9,239
Education Fund	4,105	-	(590)	-	(245)	3,270
Missioner Fund	2,972	-	-	-	-	2,972
Gardens & Grounds - Plants	2,000	-	-	-	-	2,000
India Travel Fund	1	-	(1)	-	-	-
Stewards Fund	1,643	-	(23)	-	-	1,620
Dean's Fund	2,219	6,775	-	-	-	8,994
Junior Church Fund	2,224	-	-	-	-	2,224
Cathedral lighting	1,000	-	-	-	-	1,000
Capital Improvement Fund	33,047	18,750	(4,645)	-	80,000	127,152
Roof Tiles Fund - Library	5,602	-	-	-	-	5,602
Dean's Covid Recovery Fund	-	35,000	(15,186)	-	-	19,814
On line Ministry Fund	-	4,500	-	-	-	4,500
Choral Scholarships Fund	-	6,000	-	-	-	6,000
	<b>381,188</b>	<b>82,006</b>	<b>(47,445)</b>	<b>6,615</b>	<b>84,755</b>	<b>507,119</b>

**Designated Funds - description**

Organ Sinking Fund	For the future refurbishment of the organ
Mary J Smith (Barrett's Folly) Bequest	For supporting music in the Cathedral
Music Outreach Fund	To support the music outreach programme
Education Fund	To support developmental education work
Missioner Fund	Canon Missioner's discretionary fund
Gardens & Grounds - Plants	For the acquisition of plants for garden development
India Travel Fund	To assist travel to Cathedral supported projects in Chennai
Stewards Fund	To support costs and training of cathedral stewards
Dean's Fund	Dean's discretionary fund (includes £6k for Aids Quilt display)
Junior Church Fund	To support costs and set-up of Junior Church
Cathedral lighting	To improve lighting within the Cathedral
Capital Improvement Fund	To provide for future repairs and improvements to Estate Properties
Roof Tiles Fund - Library	Donations for Library Roof Tiles for Library
Deans Covid Recovery fund	To support Cathedral activities affected by the Covid 19 closures
On Line Ministry Fund	Designated from an anonymous donation to be expended on on-line ministry
Choral Scholarships Fund	Designated from an anonymous donation to be expended on choral scholarships

Transfers in 2021 made up as follows:	£
Transfer from General Fund to Capital Improvement Fund for 2021 Capital Projects	40,000
Transfer from General Fund to Organ Sinking Fund for 2021 contribution	5,000
	<b>45,000</b>



# Rochester Cathedral

## Notes to the Accounts - For the year ended 31 December 2021

15. Restricted Funds	Balance at 01 Jan 2021	Income	Expenditure	Investment Movements	Transfers	Balance at 31 Dec 2021
	£	£	£	£	£	£
Church Commissioners' Restricted	-	537,229	(331,987)	-	-	205,242
HJ Hoby Bequest - Capital	131,898	40,000	-	18,966	-	190,864
HJ Hoby Bequest - Income	38,741	3,870	(1,754)	-	-	40,857
Doris Colmore Peters Bequest	30,934	811	-	3,968	-	35,713
Cathedral Projects fund	21,013	284,835	(287,484)	-	-	18,364
Music fund	-	78,463	(78,463)	-	-	-
Garth Garden Fund	-	7,500	(7,500)	-	-	-
Roman Wall Fund	6,768	-	-	-	-	6,768
Chennai project fund	13,421	577	-	-	-	13,998
Chennai - Team Charlie	17,901	652	-	-	-	18,553
EV Family Fun Day	2,826	-	-	-	-	2,826
Garth Roses	4,591	2,125	(2,000)	-	-	4,716
Gardens Greenhouse Fund	-	3,750	-	-	-	3,750
Embroidery fund	804	-	-	-	-	804
Library Fund	808	1,250	-	-	-	2,058
Choir fund	500	-	(500)	-	-	-
Flower Guild	2,924	1,415	(2,291)	-	-	2,048
Youth Fund	32,546	2,550	-	-	-	35,096
Congregation Fund	13,019	2,589	-	-	-	15,608
Friends of Rochester Cathedral Music	22,180	2,030	-	-	(4,440)	19,770
Rochester Cathedral Voluntary Choir	-	-	-	-	4,440	4,440
ACVC	1,551	-	(90)	-	-	1,461
Bells Centenary Fund	16,885	1,303	-	-	-	18,188
On Line Ministry Fund	1,562	-	-	-	-	1,562
Education fund	1,245	-	-	-	-	1,245
	<b>362,117</b>	<b>970,949</b>	<b>(712,069)</b>	<b>22,934</b>	<b>-</b>	<b>643,931</b>

	Balance at 01 Jan 2019	Income	Expenditure	Investment Movements	Transfers	Balance at 31 Dec 2019
	£	£	£	£	£	£
Church Commissioners' Restricted	-	319,951	(319,951)	-	-	-
HJ Hoby Bequest - Capital	123,378	-	-	8,520	-	131,898
HJ Hoby Bequest - Income	34,984	3,757	-	-	-	38,741
Doris Colmore Peters Bequest	28,354	797	-	1,783	-	30,934
Cathedral Projects fund	4,035	486,638	(469,660)	-	-	21,013
Music fund	83	69,757	(69,840)	-	-	-
Garth Garden Fund	-	7,500	(7,500)	-	-	-
Roman Wall Fund	6,768	-	-	-	-	6,768
Chennai project fund	12,000	1,421	-	-	-	13,421
Chennai - Team Charlie	15,497	2,404	-	-	-	17,901
EV Family Fun Day	2,826	-	-	-	-	2,826
Garth Roses	4,496	1,220	(1,125)	-	-	4,591
Embroidery fund	801	3	-	-	-	804
Library Fund	805	3	-	-	-	808
Choir fund	500	-	-	-	-	500
Flower Guild	2,304	1,080	(460)	-	-	2,924
Youth Fund	29,996	2,550	-	-	-	32,546
Congregation Fund	10,430	2,589	-	-	-	13,019
Friends of Rochester Cathedral Music	21,210	1,050	(80)	-	-	22,180
ACVC	1,391	160	-	-	-	1,551
Bells Centenary Fund	15,739	1,146	-	-	-	16,885
Dean's Covid Recovery Fund	-	6,250	(6,250)	-	-	-
On Line Ministry Fund	-	1,562	-	-	-	1,562
Education fund	-	1,000	-	-	245	1,245
	<b>315,597</b>	<b>910,838</b>	<b>(874,866)</b>	<b>10,303</b>	<b>245</b>	<b>362,117</b>

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2020**

**15. Restricted Funds - description**

		<b>Income/ capital</b>
Church Commissioners' Restricted	To meet stipends and associated costs of clergy	Both
HJ Hoby Bequest	This fund derived from the estate of HJ Hoby. The Capital is to be retained intact with the income to be used for Cathedral fabric and Music, particularly Music.	Residue - income only
Doris Colmore Peters Bequest	For work with youth and children	Both
Cathedral Projects Fund	For projects specifically funded by outside bodies	Both
Music Fund	For the provision of music. From the Music Endowment	Both
Garth Garden Fund	For maintenance of the Garth gardens	Both
Roman Wall Fund	For maintenance of the Roman Wall	Both
Chennai project fund	For constructing a church near Chennai, India	Both
EV Family Fun Day	Specific grant funding/fundraising for the Family Fun Day	Both
Garth Roses	For acquiring new roses for the Garth	Both
Gardens Greenhouse Fund	For replacement of Greenhouse	Both
Embroidery Fund	For restoration of the Library curtains and other embroidery projects	Both
Library Fund	For purchases and running costs of the library	Both
Choir Fund	For Choir recruitment brochures	Both
Flower Guild	For the provision of flowers in the Cathedral	Both
Youth Fund	Specific donations for Young Peoples Work	Both
Congregation Fund	Specific donations for developing the congregation	Both
Friends of Rochester Cathedral Music	Specific fundraising for the Choir and Music	Both
ACVC	Association of Cathedral Voluntary Choirs Festival 2019	Both
Bells Centenary fund	Specific fundraising for a new bell	Both
CYP Fund	Knife Angel income and expenditure	Both
Dean's Covid Recovery Fund	Restricted donations to support the Cathedral activities affected by Covid 19 closures	Both
On Line Ministry Fund	Restricted donations to support on-line ministry	Both
Education Fund	Restricted donations to support developmental education work	Both

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

16. Endowment Funds	Balance at	Income	Expenditure	Investment	Transfers	Balance at
	01 Jan 2021			Movements		31 Dec 2021
	£	£	£	£	£	£
General endowment	20,266,498	-	-	1,287,567	-	21,554,065
Music endowment	1,527,004	140,020	-	229,749	-	1,896,773
	<u>21,793,502</u>	<u>140,020</u>	<u>-</u>	<u>1,517,316</u>	<u>-</u>	<u>23,450,838</u>

	Balance at	Income	Expenditure	Investment	Transfers	Balance at
	01 Jan 2020			Movements		31 Dec 2020
	£	£	£	£	£	£
General endowment	19,769,062	-	(85,000)	582,436	-	20,266,498
Music endowment	1,381,353	48,041	-	97,610	-	1,527,004
	<u>21,150,415</u>	<u>48,041</u>	<u>(85,000)</u>	<u>680,046</u>	<u>-</u>	<u>21,793,502</u>

**Endowment Funds - description**

		Income/capital
General endowment	Permanent endowment to generate income for the Cathedral	Income only
Music Endowment	Raised by Rochester Cathedral Trust for the provision of music	Income only

The Music Endowment Fund includes specific endowments for a chorister (£50,000 each) as follows:

The Ousley Trust  
The Hans and Julia Rausing Trust  
The Henry Oldfield Trust  
Saddlers Livery Company  
Mercers' Livery Company  
The J & J Medal  
The Cooke Medal  
The Aiken Medal  
Mrs J Callebaut (2)

**17. Staff numbers**

The average full time equivalent number of paid staff working for the Cathedral during the year was 28.7 (2020: 30.4).

	2021 No.	2020 No.
Funds generation	1.5	1.5
Ministry	11.0	12.2
Cathedral and precincts upkeep	6.6	7.6
Education and outreach	3.6	3.6
Community, parish and congregation	0.5	0.5
Administration and finance	5.5	5.0
	<u>28.7</u>	<u>30.4</u>

Of the above, members of Chapter numbered 3.0 (2020: 3.0)

**18. Staff costs**

	Salaries & Stipends	Employers' NI	Employers' Pension	Total
	£000	£000	£000	£000
2021	738	56	63	857
2020	783	47	60	890

**19. Emoluments of higher paid staff**

No of staff members paid more than £60,000 were 1 (2020 1).

**Key Management Personnel**

Salary levels for Chapter members is set by the Church Commissioners.

Salary levels for the Chapter Clerk - Executive Director and other senior staff are set by reference to available benchmarks.

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

**20. Remuneration of members of Chapter**

The remuneration of the members of Chapter was:

The Dean  
 Canon Precentor  
 Canon Chancellor

2021		2020	
Stipend (incl Employers NI)	Employers' Pension	Stipend (incl Employers NI)	Employers' Pension
41,174	12,539	40,766	12,293
31,559	10,031	31,408	9,834
31,505	10,031	17,195	5,431
<b>104,238</b>	<b>32,602</b>	<b>89,369</b>	<b>27,558</b>

The remuneration and pension provision of clerical members of Chapter are paid in accordance with scales laid down annually by the Church

£3,251 (2020 - £679) in expenses were paid in total to the 10 (2020: 10) members of Chapter during the year. Expenses comprised travel, entertainment and non-departmental expenses.

**Related Party Transactions**

Unrestricted donations totalling £9,000 (2020: £3,585) were made by members of Chapter in the year. Details of remuneration and expenses paid to members of Chapter are shown in note 20.

There were no other related party transactions in the year.

**21. Pensions**

Rochester Cathedral participates in the Pension Builder Scheme section of 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 other participating employers.

The Church Workers Pension Fund has two sections: 1.the Defined Benefits Scheme. 2. the Pension Builder Scheme, which has two subsections;  
 a) a deferred annuity section known as Pension Builder Classic, and, a cash balance section known as Pension Builder 2014.  
 b) a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme**

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pensions Builder Classic provides a pension, 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. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement.

Penion contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means 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. (2021: £39,506 , 2020: £31,676).

A valuation of the scheme is carried out once every three years. The most recent valuation completed was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent review, the Board chose to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m 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, Rochester Cathedral could become responsible for paying a share of that employer's pension liabilities.

**22. Contingent Liability**

The Chapter have a legal responsibility for the maintenance and repair of 25 parish church chancels. They are entitled to claim 66.6% of the costs incurred from the Church Commissioners.

From 1st January 2019 future Chancel Repair liabilities will be funded 100% by the Church Commissioners.

**Rochester Cathedral**  
**Notes to the Accounts - For the year ended 31 December 2021**

**23. Consolidated entities**

Rochester Cathedral Enterprises Ltd is wholly owned by the Cathedral, and its results and assets have been consolidated into these accounts. The company gift-aided £Nil to the Cathedral during the period (2020: £14k).

**24. Connected entities**

Two entities exist which are wholly for the benefit of the Cathedral, but which are not under its control: being Rochester Cathedral Trust and Friends of Only income received or receivable from the entities is included in the accounts.

Relevant information about their income and assets, based on the latest available accounts, is:

	Friends of Rochester Cathedral		Rochester Cathedral Trust	
	2020	2019	2021	2020
	£000	£000	£000	£000
Gross Income	42	88	637	422
Net income/(expenditure)	(8)	24	380	(78)
Amount paid to the Cathedral	29	16	209	468
Gross Assets	1,191	1,253	722	336
Net Assets	1,190	1,252	695	316

**25. Heritage Assets**

The Cathedral owns a number of assets that are of architectural, archaeological, artistic or historic interest and which would be considered to be heritage assets. As stated in the Accounting Policies note, no value is placed on these assets in the balance sheet.

*Nature of assets*

Heritage assets fall into the following categories:

- Paintings
- Plate
- Textiles (including robes and altar linen)
- Books
- Stained Glass
- Monuments and Ledgers
- Miscellaneous (including bells, organs, clocks, and lights).

No items included in the inventory have been disposed of in the period and no items acquired which would warrant inclusion in the inventory.

*Acquisition, disposal, preservation and management of heritage assets*

Under section 13(1) of the Care of Cathedrals Measure 1990, Cathedrals are required to keep an inventory of items owned by the Cathedral that are of architectural, archaeological, artistic or historic interest.

Section 2(b) and (c) of the Measure also issues strict guidelines about the acquisition and disposal of such assets.

Many of the heritage assets held are situated within the Cathedral itself and can be viewed by visitors to the Cathedral. From time to time, the Chapter will grant public access to certain heritage assets such as the exhibition in July 2010 of the Textus Roffensis, the earliest written record of the English language. The Textus went on permanent display following the completion of the Crypt renovations. From September 2018 to February 2019 it was exhibited at the British Library alongside Magna Carta.