



**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2022**

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ANNUAL REPORT

The Chapter of Peterborough Cathedral present their Annual Report and accounts for the Cathedral Church of St. Peter, St. Paul and St. Andrew (“the Cathedral”), together with the Auditor’s Report, for the year ended 31 March 2022.

Who we are

- We are an Anglican Cathedral, the Mother Church of the Diocese of Peterborough, the seat of the Bishop of Peterborough and a centre of Christian mission and ministry.
- We are a community of prayer centred on Christ’s love – powerfully expressed by the great figure of the crucified Christ at the head of the nave
- We are at the heart of a diverse and growing city, its most significant historic building and a focus of identity and local pride.
- We are one of the great Norman churches of England, a royal burial place, a building of national and international significance.

Our purpose

The Cathedral Statutes state:

The Cathedral Church of St. Peter, St. Paul and St. Andrew in Peterborough is the seat of the Bishop of Peterborough and a centre for mission and the worship of Almighty God.

The Cathedral’s purpose is further explored in the Cathedral’s Mission Statement (taken from the document Vision and Values 2018) and is summarised as follows:

“To share the love of God in Jesus Christ affirming life in all its fullness and drawing people into relationship with him.”

Founded as a Benedictine Abbey in the 7th century Peterborough Cathedral continues to draw inspiration from the Benedictine tradition and the rule of St Benedict to shape our community in four key areas:

Worship: To make the daily round of prayer and praise (often enriched through the glory of the Anglican choral tradition) the heartbeat of the Cathedral’s life and our primary call.

Hospitality: To welcome all who come as we would welcome Christ himself - he is both host and guest – and to find ways to invite others to explore, celebrate, learn, pray and grow with us.

Learning: To deepen our understanding of God’s purposes for us as expressed in Scripture and tradition and to use our God given gifts of reason and intuition in that endeavour.

Service: To show compassion for those in need and to work with others for a just society and the integrity of creation.

Our Core values of joyfulness, generosity, inclusivity and integrity run through all of our activities as described in the following paragraphs.

Emerging from COVID

The past year has seen a gradual return to more customary patterns of Cathedral life as the critical phase of the pandemic receded with the roll out of vaccines, the reduction in the severity of infections and the gradual relaxation of restrictions. Fears that the emergence of the Omicron variant would signal a return to lockdown or more severe restrictions, were not realised despite its prevalence, although the impact on staffing, with absences and self-isolation were not insignificant. Indeed, the toll that the pandemic had placed on staff and congregational well-being was clear to see, with issues of long-term fatigue, stress and mental health needing to be addressed. Levels of anxiety remained

high among some, and while there was a gradual return to live worship and events, numbers for most of the year were clearly not at pre-COVID levels.

Over the course of the year live services, events and meetings resumed and streaming and video conferencing began to recede, although the ability to connect in this way and for hybrid (home/office) working patterns to be deployed proved a valuable piece of learning.

Some of the anticipated developments, such as virtual tours and merchandising have proved harder to bring to fruition than was expected not least due to the priority placed on resuming in person activity and the limits on capacity and expertise within the team.

People

As well as the impact on well-being already referred to there have been a number of changes in personnel throughout the organisation.

At Chapter level we welcomed a new Lay member, Amanda Davidson-Young, a member of the Cathedral congregation with a background in business and publishing. We said farewell to Maria Steele who stepped down in anticipation of her husband's retirement as Archdeacon of Oakham. There were also moves among the residentiary canons, with the Canon Missioner Sarah Brown moving on to become Dean of Hereford. Canon Tim Alban-Jones took on the full-time role as Vice Dean and Canon Pastor and his successor as Bishop's Chaplain, Canon Steve Benoy, was appointed to a new part-time Canon Missioner role beginning in May 2022.

So far as lay staff were concerned the appointment of Rob Glover as Head Gardener has proved a significant one. Bringing a high level of professionalism and knowledge, and with the benefit of grant funding the appearance of the Precincts have not only been very much tidier but new areas of planting are emerging adding greatly to the interest and attractiveness of this Registered Park and Garden. The employment of an apprentice (Alex Dines) through the Kickstart Apprentice scheme has brought additional capacity as well as an important training element to the team.

Charlotte Amato-Gauci joined as Volunteer Co-ordinator and made an immediate impact in beginning to rebuild the team of volunteers, decimated by the pandemic, with many creative ideas and strategies to build resilience and expand the diversity of the volunteer network.

In the summer, Head Verger David Wood retired and we welcomed Jessica Cook from York Minster as his successor. Jessica has needed to rebuild the team which had been depleted during the pandemic, with Lay Clerk Chris Murphy joining the team on a part-time basis and a further recruitment process initiated in the Spring.

Security Guard Ellie Dimou left the Cathedral and was succeeded by Lorraine Johnson.

The disruption to the pattern of worship placed a good deal of stress on the Music Department staff and there was a certain provisionality around appointments. Will Fellows joined as Choral Conducting Scholar but the Organ Scholar departed before completing his year. Lisa Wilkinson was recruited as Chaperone for a period of the year.

As the planned new shop drew closer Izabela Rybinska was recruited with the support of the Cathedral's Sustainability Fund to head up this new development.

We were sorry to lose Steve Cunningham from the Cathedral Welcomers team (as well as a part-time contributor to the Communications Department). In his place we welcomed Sefton Thornton-Lewis.

Worship

It has been a joy to see the gradual return of a full pattern of prayer and worship as the pandemic receded. For part of the year only the choir were allowed to sing but gradually congregational singing returned, albeit initially with the requirement to be masked. Other restrictions remaining in place during the year included the sharing of the peace and (until Easter) no sharing of the common cup. However, numbers grew steadily through the year with Christmas congregations around 50%-60% of pre-pandemic levels but while some services such as the 8am Holy Communion on Sunday have

remained small, the principal Eucharist was approaching its previous levels by Easter with some new members. Other members of the congregation continued to exercise caution – some tuning in to the regular pre-recorded on-line service led by Canon Tim.

A small number continue to share in daily Morning Prayer on Zoom.

Re-building the Cathedral congregation and offering support to those who continue to feel vulnerable are important concerns.

One area of particular concern has been Junior Church which has been suspended and where recruiting a new leadership team proved difficult. Sam Higgins, the Youth Enabler has maintained contact with many families however and plans are in place for a monthly All Age act of worship as we seek to re-animate this area of our life.

Hospitality

Visitor numbers were initially slow to pick up following the various closures and restrictions and there were continued cancellations and postponements of planned events. As with worship however, an increasing desire for contact and live activities was evident and in November the Lux Muralis, The Angles are Coming, light show, brought thousands of visitors through the doors of the Cathedral. The new Shop (Old Scarlett's Emporium) began to take shape during the autumn of 2021 although delays in supply chains saw the completion date delayed until the New Year. However, the quality and appearance of the shop are of a high standard and early signs are that it will be an important addition to the Visitor experience and hence to our revenue.

The implementation of the Dynamic Donation programme brought encouraging early signs of the new approach to the welcome of visitors although maintaining the level of donations will require continued encouragement and training of our paid Welcomers and their volunteers to ensure this approach is understood and embedded and that we meet our budget in this important area. We hope a generous welcome will elicit a generous response.

Key to reviving footfall and revenues in the coming year will be the success of the Natural History's 'Killer Question' (Dinosaur) exhibition. The exhibition has been considerably trailed and some work undertaken with Norwich Cathedral to draw on their experience of hosting 'Dippy' which attracted many thousands of visitors. A programme of theatre productions and a return of Lux Muralis in the autumn are in planning.

Service and Mission

Cathedral clergy and laity continued to support a wide range of projects in the community, including the Light Project Peterborough, Churches Together, the interfaith Forum and Interfaith Support Group, and the Church Urban Fund's Near Neighbours project.

In December Near Neighbours celebrated its tenth anniversary nationally and three years of its pioneering work in Peterborough, showcased at an event in St Mary's Church. Sadly, government funding was withdrawn in the new year and Femi Olasoko, the project worker made redundant.

More positively the Cathedral has engaged with the emerging Peterborough Citizens as a strategic partner and hosted an assembly in the autumn celebrating the early successes of this new city initiative. In particular there has been engagement over refugee welcome, initially the response to Afghan Refugees and now those coming from Ukraine.

Discussions about the sale of a Cathedral property (27A) to the Light Project to secure its continuing work with rough sleepers and the homeless reached an impasse due to planning issues, however the Project continues to operate from Archdeaconry House as it explores a long-term solution.

The Cathedral enjoys a positive relationship with the City Council and clergy regular attend briefings from the Chief Executive and the Leader of the Council.

Diocese

The Cathedral recognises the importance of its role as seat of the Bishop and ‘Mother Church’ of the Diocese and remains committed to make those roles real notwithstanding the geographical challenges of its relationship with the Diocese and of course the more specific exigencies of COVID. Hence, diocesan services such as the ordinations of priests and deacons were once again low-key events with limited numbers present. Other events usually hosted by the Cathedral such as the Bishop’s Bible Day and retired Clergy Eucharist were cancelled.

Clergy continued to support a number of other committees and institutions within the Diocese. The Dean is a Trustee of Launde Abbey, Uppingham and Oakham Schools and the St John and St Anne Almshouses which all continued to face significant challenges in different ways during the year. He and the Canon Precentor both served as Foundation Governors of the King’s (The Cathedral) School and both played a part in the crucial appointments process for a new Head, Darren Ayling retiring after seven years in post. The Vice Dean chairs the city’s Interfaith Support Group and acts as Interfaith adviser for the Oakham Archdeaconry. He is also a governor at The Peterborough School. The Canon Precentor was involved in various training events and is a Vocations Adviser. The Dean, continues to sit on the Bishop’s Management Group, (as will Canon Benoy as Bishop’s Chaplain) as well as Bishop’s Council and other Diocesan bodies which ensures that the Cathedral is alert to the needs of the Diocese and aware of the Bishop’s priorities.

The College of Canons met on two occasions during the year, once via Zoom, and for the autumn service of installation at the Cathedral. The College acts as an important forum offering critical friendship to the Cathedral and enhancing communication within the Diocese.

Safeguarding

Safeguarding remains a key priority for the Cathedral at every level. Towards the end of 2021 the Cathedral hosted an audit by the Social Care Institute for Excellence (SCIE) which was carried out as part of a national programme for auditing every Cathedral in Church of England and an essential step in the road to the Charity Commission registration. It was a very positive experience and “the auditors judged safeguarding to be well understood in Chapter and saw a determination to get it right.” “They judged that the current state of policy and procedure around safeguarding is good.” “Arrangements for keeping safe the cathedral and associated buildings and those working in and visiting them are comprehensive. Staff, volunteers and congregants are confident that they are kept safe.”

There are a number of questions which have emerged as a result of the audit (the lowest number in any Cathedral report) which are being addressed through an Action Plan. Both the audit report and the Action Plan are published on the Cathedral website. The Cathedral Safeguarding Committee continues to meet regularly to implement the actions in the plan.

The auditors were impressed by the level of awareness of safeguarding across the Cathedral community and praised the introduction of Safeguarding Sunday which enables the subject to be addressed from the pulpit. While there is never ground for complacency on such an important topic, the message that Safeguarding is *everyone’s* responsibility has been heard, understood and accepted. Particular thanks are due to Tim Hitch, the Cathedral’s Independent Safeguarding Advisor, for his sterling work in preparing for the audit and for training so many staff and volunteers. We are most fortunate to have him in this role.

Public benefit

The Chapter confirms that it has voluntarily had regard to the Charity Commission’s guidance on public benefit.

While the Cathedral’s customary programme of spiritual, cultural and social activities remained hampered by the restrictions imposed to combat the pandemic, nevertheless the Cathedral was fully re-opened once that became possible. Clergy and laity of the Cathedral continued to support work

with the homeless and offered pastoral support to isolated and elderly members of the community as well as supporting schools and other institutions referenced elsewhere in this report.

The 'Nightingale Court' continued to occupy the Visitor Learning Centre up to the end of March contributing to the administration of justice, as well making positive use of what would have otherwise been an unused space.

The Commercial Director was actively involved in the development of a Business Improvement District for Peterborough which was approved during the year and the Dean and Vice Dean, were actively engaged in the development of Peterborough Citizens.

The Cathedral had been glad to support Near Neighbours in its work to build coherent community relations across the city until its recent demise.

The Cathedral Precincts remained open throughout the year (with the exception of the Cloisters) and the Cathedral's Security team were visible in protecting these green spaces and ensuring they offered a safe environment for the people of the city

Achievements and performance

The Cathedral has emerged from the pandemic in a relatively strong position with 2021/22 seeing another surplus thanks, in no small measure, to grant funding and especially the Cultural Recovery Fund and the continued residency of the Nightingale Court. More importantly it has benefited from the dedication, hard work and expertise of its staff team who have shown amazing resilience throughout the pandemic and have helped to steer the Cathedral from its perilous pre-COVID position into somewhat calmer waters.

Nevertheless, the challenges to sustainability clearly remain, not least with the departure of the Courts, the end of emergency funds, and the current financial pressures exacerbated by the war in Ukraine.

Re-building footfall, congregational numbers and visitor confidence will all be challenges, as will developing the kind of infrastructure improvements through the Touching History programme that will yield robust long-term revenue streams.

Some of the revenue raising plans that were in place pre-COVID such as car parking, now look less likely to succeed so new thinking must go into alternative ways of attracting funds, developing our buildings and making the most of our assets.

Our current exploration of the future of Laurel Court and the cloisters are potentially critical.

We have been in close consultation with the senior leadership of the new University and believe there will be synergies here that can be built on and developed.

The Hastings Trust's development of Dean's Court, which is coming to completion, will benefit not only the Choral Scholars who will live there but, through the rentals of other flats the support that Hastings can give to the Cathedral.

The Cathedral Keys scheme meanwhile, has stalled somewhat after a strong start and needs further impetus and the development of a strategy to attract more corporate partners – none of which will be easy in the current economic environment.

Over the past year, a number of new trustees have been recruited into the Cathedral Trust, and we are confident they can provide the expertise and support that we shall need to develop a fundraising strategy that can support developmental activity as well as core funding.

Financial Review

These accounts have been prepared under the historical cost convention as modified by the revaluation of property and investments, in accordance with the applicable accounting standards and follow the Accounting and Reporting Regulations for English Anglican Cathedrals prepared for the Association of English Cathedrals and specified by the Church Commissioners under S27 of the Cathedrals' Measure 1999, as modified in 2018 (the regulations).

The Chapter accounts for the year ended 31st March 2022 show a surplus of £190,153 (2021 £1,066,209) after considering gains and losses arising from the valuation of investments. The Cathedral continued to be blessed during the year by a number of grants which replaced the loss of income from visitors and worshippers, and the presence of a Nightingale Court in the Visitor Learning Centre, resulting in a net surplus before revaluation gains of £169,809 (2021 £339,427). The underlying challenges of longer term sustainability remain and Chapter is very aware that the improved financial positions at 31 March 2022 and 2021 will be needed to support the Cathedral as it emerges from the pandemic, and while it strives to build other revenues that will sustain into the future.

The incoming resources totalled £2,302,177 (2021 £2,045,915). This 13% increase on the preceding year was mainly represented by a 64% increase in grants and donations, and 42% increase in the sums received through trading activities and investments (mainly due to the continuing presence of the Nightingale Court). The footfall in year was 105,077 as opposed to 25,917 in 2020/21, and this reflected the gradual reopening both for worship and other visitors during the year, tempered at the last minute by the emergence of the Omicron variant in the early months of 2022. The equivalent figure in 2019/20 was 175,042. The Cathedral recognises that it still has considerable work to do in recovering footfall levels to previous years.

Attention is paid increasingly to our online presence, and during the year the Cathedral saw a 6.5% increase in Facebook followers, increased interaction with YouTube, and a reasonably steady congregation of about 250 following the regular Sunday service. The majority of followers are from the UK, but not insignificant numbers engaging from North America and Europe. It is a challenge to encourage those who worship remotely to become contributors to the Cathedral's sustainability.

The ability to hold events and to start to open up other trading activities meant that trading activity increased to £210,757 (before £279k receipts from the Nightingale Courts) after a low of £49,510 the preceding year. Shop sales increased to £29,461 from £8,112 in the preceding year, and reflect an enhanced facility and improved stock lines. The new shop was only open briefly in the financial year, but the results of trading in that period give cause for enthusiasm in the next financial period.

Total expenditure on mission was £494,286 (2021 £458,643) an increase of 8% due largely to increased service and music costs. Expenditure on raising funds increased by 90% as staff costs increased, and in particular, Chapter invested £60k in the continued development of its fundraising strategy and initial bid and grant writing activity to support the Touching History projects. This role was assumed while the Cathedral Trust started a programme of restructuring.

The costs of upkeep of the Cathedral and precincts increased by 3.5% to £815,434 as cathedral staff continued to deal with the historic underinvestment in our properties. A 35% reduction in interest charges to £17k (20/21 £26k) reflected the full year cost of the previously negotiated 5-year loan of £500,000 from the Church Commissioners at a reduced rate of interest.

Education and outreach costs increased by 8% as the ability to host visiting school groups reopened, but also as the Cathedral developed its schedule of online educational talks. These proved very popular and continue to be part of our educational offering for all ages.

Governance costs (principally audit) increased by £3k from the previous year.

Overall financial position

Following the surplus for the year and the gains achieved upon the revaluation of investment properties, the increase in total funds for the year is £190,153 to £10,010,558 (2021 £9,820,405).

The value at which non-investment properties are carried in the accounts is historic value as revalued by Barker Storey Matthews in 2015 in response to the new SORP. The value at which the non-investment properties are held in the accounts is the deemed cost. Chapter has decided not to change the basis of valuation of these properties. No depreciation has been charged against non-investment properties due to their high residual values based on current prices.

Investment properties were subject to an assessment of fair value at 31st March 2022, and as a result an unrealised gain of £17,755 has been recognised in these accounts. Depreciation is not provided on investment properties, in line with revised Cathedral Accounting Regulations.

There was a net cash outflow of £417,333 (2021 £577,572 inflow), bringing the total of cash and cash equivalents to £568,036 (2021 £985,368), with a continuing residual indebtedness to the Church Commissioners of £500,000. Chapter had expected an outflow of COVID support funds that had been built up in the previous year, as the Cathedral started to resume its normal activities.

The endowed funds are held for the permanent benefit of the Cathedral. The restricted funds are held for specific purposes. £33,000, deemed to be a market rate of return on the Catalyst Fund was transferred during the year to the restricted Catalyst Fund for the repair and restoration of the Cathedral and Precinct walls.

Investment policy

The investment objective is to ensure the creation of sufficient income and capital growth to enable the Chapter to carry out its purposes consistently year by year.

The great majority of the Cathedral's investment portfolio is held in residential and commercial property. The Cathedral's property has produced a relatively good return in recent years and, given the nature of the Cathedral and its precincts, Chapter recognises that property will remain by far the largest element of the investment portfolio. Chapter acknowledges that non-property assets play an important role in giving some balance to the portfolio, to spread the risk and provide for the Cathedral's working capital needs

Robust reporting of investment properties has been put into place to monitor the rate of return. Property occupation continues to be robust, without any bad debts, and with increasing rents due to the shortfall of city centre residential accommodation.

The objectives of the Chapter's investment policy in respect of non-property assets are:

- To ensure that Chapter has adequate cash available to meet its commitments
- To ensure that sufficient funds are available at short or no notice to meet foreseeable requirements and a contingency for emergency needs
- To optimise the rate of return on surplus funds without undue risk
- To protect the capital value of funds held against inflation
- To spread risk where appropriate

The Chapter operates an ethical investment policy. The Chapter is committed to investing its funds in a socially responsible way and believes that to accord with the Cathedral's values, due regard must be made of environmental, social and governance issues. The Chapter excludes investments in companies where there is evidence of exploitation or pornography or where there is a substantial dealing in tobacco, gambling, alcoholic drinks, usurious loans or military hardware. In making investment decisions the Chapter expects its appointed investment managers to observe responsible investment principles and to take into consideration the environmental, social, reputational and

governance risk characteristics of existing and prospective investments and to encourage good behaviour through direct engagement with firms. If it comes to the Chapter's attention that firms in which the Cathedral is directly invested are in breach of these principles, the Chapter will work with its investment managers to undertake a review of those investments and potentially remove funds.

Reserves Policy

Chapter continues to have few cash reserves and acknowledges that it effectively operates in a position of negative free reserves until such time as unrestricted reserves are re-established. In the meantime, the needs of the Cathedral are managed through normal cash flow. Endowment Funds increased during the year as a result of property revaluation to £2,029,088 (2021 £2,019,193). Restricted Funds have reduced during the year to £290,904 (2021 £368,432) as Chapter approved the use of £70k to support the music department costs and £44k to purchase a practice organ. The purchase of the organ was to honour a pre-existing commitment which arose from the P900 campaign, and now fulfils the wishes of the donor. The unrestricted funds of £2,852,515 (2021 £2,594,729) largely take the form of property. Designated funds of £4,838,050 (2021 £4,838,050) comprise property alone. Together restricted and designated reserves make up the vast majority of reserves, which can be seen on page 43. Chapter's strategy for sustainability is to build protected liquid reserves as we continue to emerge from the pandemic. The Cathedral has adopted a reserves policy which can be fully implemented when an operating surplus is generated. It is the Chapter's intention to build up free reserves to a level of £744,851, which is the assessed level of reserves required to mitigate the current identified risks. The current level of negative free reserves is £(292,045).

Risk Management

The review of risks to the Cathedral remains a constant and on-going process. The risk register was reviewed just after the year end and presented to the Finance Committee and Chapter. The Executive team has prioritised risk in terms of potential impact and probability, and taken steps to mitigate the risks identified through the course of the pandemic, and as recovery gets underway.

The principal risks facing the Cathedral are:

- The failure of fundraising targets to be met which would impact on the operational outcomes of the Cathedral and its ability to undertake capital projects directed at improving sustainability. The restructuring of the Cathedral Trust and the appointment of fundraisers to the Cathedral staff, supported by Cathedral Sustainability Funding, will be key targets for the early months of 2022.
- Computer systems failures or cyber-attack. The Cathedral's appointed IT specialists are working towards the Cyber Secure accreditation, and across a period of three years the Cathedral has implemented a robust programme of hardware renewal, upgrading systems, and making staff aware of their GDPR responsibilities.
- Insufficient state or church-wide capital funding to ensure the conservation and restoration of the medieval fabric of the Cathedral. The Cathedral has joined with other Cathedrals nationwide to lobby potential funding bodies to ensure that the needs of the Cathedral sector are understood. The Church of England's target of Net Carbon Zero by 2030 increasingly adds pressure to our normal activity, but newly announced central funding may help Chapter to transition to more cost effective energy supplies
- Managing day to day cash flow requirements given the lack of cash reserves, and the on-going servicing of debt

- Financial sustainability through the generation of surpluses is still aspirational, but senior staff appointments are driving the generation of additional income and the diversification of our income streams, underpinned by working smarter not harder.
- Resources to undertake a plan for growth. The successful bid to Cathedral Sustainability Fund, supporting initial two-year appointments of key staff, is mitigating the risk of staff burn-out and allowing Chapter to move projects forward which will lead to sustainability. This is contrasted by a difficult labour market and high inflation which may lead staff to seek higher paid opportunities elsewhere.

Plans for future periods

In 2018 the Cathedral set out its five year goals and continues broadly to work with these objectives in mind. Our recovery plan questioned what did we need to continue, where might we need to innovate, what activities might be managed in a new way and what ambitions did we need, at least for the time being, to set aside.

In May 2022 Chapter received a peer review, the completion of which gave further time for reflection. It was recognised that the opportunity to revisit the 5 year goals should be taken during 2022. This is planned for the early autumn.

Worship: The return to worship in the Cathedral presents us with the challenge to maintain the new online community whilst recapturing our physical congregation. Across the country, places of worship have seen a drop of some 30% in previous congregation sizes. Re-engaging those people as well as growing new Christians, and growth in all areas of worship remains a key missional objective.

Welcome: The planned growth in visitors will allow us to continue the implementation of our “dynamic ask” programme. Footfall and growth in average donations will be key to our sustainable future. Additionally, the recent opening of the revamped shop “Old Scarlett’s Emporium” enhances the welcome to the Cathedral, and we anticipate that better quality shop stock will also grow income.

Learning: Virtual educational programmes that may be delivered to the far reaches of our diocese and further afield have the potential for raising the profile of the Cathedral and its mission, while also developing sustainable incomes.

Newly developed tours and trained guides will increase the learning potential for those who are able to visit in person.

Service: We continue to work with Light Project Peterborough to support an interim home for their work with homeless people within the precincts. Chapter is committed to support this pioneering work.

During the course of the year the Cathedral partnered with Citizens Peterborough, a branch of Citizens UK. Citizens UK is an alliance driven by its members and dedicated to social justice and building strong communities, so the Cathedral recognises great synergy with its objectives.

The Ukrainian war and mass movement of refugees across Europe has led Chapter to support the housing of a refugee family within one of its own properties. Additionally, the appointment of a part-time refugee coordinator enables the Cathedral’s partnership with Citizens UK to work to house up to 50 families within the Diocese.

Financial sustainability and care of our buildings and facilities. We will continue to work with the Cathedral Trust, the Friends and the Hastings Trust on generating at least £1.5m new revenues from benefactors around the idea of the Touching History programme. The Cathedral Keys programme was launched in December with a target of raising at least £140,000 a year. It has shown early success, and we will continue to promote it through 2022. Maintaining and caring for our buildings, our open

spaces and enhancing our mission and outreach are all dependant on the success of our Touching History Campaign and the successful development of projects which bring sustainable incomes. Targeted investment in improving the quality of our rental properties and other lettable spaces will form part of the sustainable strategy.

A caring employer

We continue to balance financial prudence with care for staff and ensuring we have sufficient capacity to support activities as events resume. This is already reflected in the appointment of new posts that have 2-year funding from the Cathedral Sustainability Fund (CSF), and which support sustainable development. Some of those posts are approaching their first full year of employment, and we already see significant change and contribution to our activities. A further tranche of funding for fundraising posts across 3 years has been secured from the CSF, which will give good management and control of the fundraising activity.

We will continue to exercise a duty of care for all our employees and look to enhance our communications with them, to continue to develop a well-being programme and where possible allow some flexibility of work patterns to respond to the challenges of post-Covid working. This has already been enabled in several departments. We will complete a full programme of professional development reviews for all paid staff in 2022, and use Cathedral wide research as an opportunity to benchmark wages and salaries.

Structure, governance and management

The Cathedral, an ecclesiastical Corporation, is governed in accordance with the Cathedrals Measure 1999. A new Constitution and Statutes came into effect on 1 March 2019, following the statutory consultation process. This revised Constitution and Statutes replaces the earlier ones of 2001 and 2009. The new Cathedrals Measure received royal assent in 2021. The changes resulting will result in a new Constitution and Statutes as the Cathedral works towards becoming a registered charity within the next year.

Responsibility for the strategic direction, worship, pastoral care, and oversight of the Cathedral's financial and property assets, rests with the Chapter. In addition, there are two non-executive bodies: the Cathedral Council and the College of Canons.

The Chapter is required to provide reports to the Council on the general direction and mission of the Cathedral in addition to reporting on the annual budget, audited accounts and any proposed revisions of the Constitution and Statutes. The Council will cease once the Cathedral becomes a registered charity. Chapter and the Council continue to explore ways in which it may continue as some form of advisory body.

The College of Canons meets to discuss matters concerning the Cathedral. It also receives and considers the annual report and audited accounts. When called on to do so the College also offers counsel to both the Bishop and the Chapter on matters affecting the Cathedral and Diocese. The detailed responsibilities of each body are contained in the Constitution and Statutes of the Cathedral. The Cathedral Council and the College of Canons both met twice during the year.

The Chapter met on 11 occasions during the year. Under the Cathedral's current statutes, the Dean and all residentiary canons are automatically members of Chapter. Lay members (there may be up to five) are appointed by the Bishop in consultation with the Dean and must be communicant members of the Church of England and resident in the Diocese or on the electoral roll of a parish within the Diocese. The new Cathedrals' Measure will give the responsibility to Chapter to manage new appointments. In anticipation of this, Peterborough Chapter has formed a Nominations and Governance Committee

which, with the Bishop's agreement, has drawn up a skills matrix, identifying where additional skills are required and invited expressions of interest from people with appropriate experience.

The implementation phase of the new Cathedral's Measure began and while Peterborough was not in the first phase, a sub-committee of Chapter continued to review our current Constitution and Statutes in readiness for the forthcoming changes. Advice and funding for associated legal costs are provided by the Church Commissioners.

As well as the new Constitution there will be work required to meet the requirements of the Charity Commission as the Cathedral adopts formal charitable status.

Chapter continues to make good governance a priority not least as an outworking of its core value of Integrity and regularly reviews its practice against a good governance framework.

Chapter was looking forward to the visit of a Peer Review team under the auspices of the Association of English Cathedrals to help reflect on its progress and continuing challenges.

Chapter has put in place written governance procedures, covering the appointment, induction, code of conduct and ongoing learning and development of Chapter members, as well as decision making and the conduct of Chapter meetings. Meanwhile the Association of English Cathedrals offers training for newly appointed members of Chapter and it is expected that new appointees will avail themselves of the opportunities provided.

Chapter has executive responsibility for setting the strategic direction of the Cathedral. The Executive team has operational responsibility for implementing the strategy and the day to day running of the Cathedral. Terms of Reference for the Executive team were defined during 2021.

Pay and remuneration for key senior members of staff is usually benchmarked against other Cathedrals. Due to the pandemic, benchmarking did not take place in 2020, but is underway for 2022.

The Statutes also decree that there shall be a Finance Committee, which at Peterborough was called the Advisory Committee on Finance (ACF), to advise the Chapter on financial and investment management and also the management of property belonging to the Cathedral. This committee includes external independent members with professional experience in these fields. Following the establishment of the Finance Committee and the Property and Investment Committee in accordance with the Bishop's Charge, the Statutes have been amended. With the Bishop's agreement, the Finance Committee and the Property and Investment Committee have now been combined into one.

The Fabric Advisory Committee (FAC) is an independent body, appointments to which are made by the Chapter and the Cathedrals Fabric Commission for England. It is charged with monitoring applications by the Chapter to make modifications and additions to the fabric of the Cathedral. In addition to these committees the Cathedral is also required to have an Administrator, Architect, Auditor and Master of the Music (known at Peterborough as the Director of Music since September 2004).

The Chapter is also required to establish a Cathedral Community Committee which at Peterborough is called the Community Forum.

Building strong and lasting relationships with other bodies and organisations has always been an active policy of the Chapter. Indeed it believes that it is only through mutual understanding and an appreciation of the problems faced by sympathetic organisations that it can further develop its ministry and be truly integrated as a part of the local community and economy and of the Diocese and region.

RESPONSIBILITIES OF CHAPTER:

The Chapter is responsible under requirements laid down by the Church Commissioners and 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 regulations on the subject prepared by Cathedrals Administration and Finance Association (CAFA) 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,
- safe-guarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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;
- 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.

ORGANISATIONAL STRUCTURE:

The Chapter	Dean of Peterborough, The Very Revd Christopher Dalliston
	Vice Dean, The Revd Canon Timothy Alban Jones
	Canon Missioner, The Revd Canon Sarah Brown (until 2 October 2021)
	Canon Missioner, The Revd Canon Steve Benoy (from 1 May 2022)
	Canon Precentor, The Revd Dr Rowan Williams
	The Revd Canon Ian Black (until 26 April 2021)

Canon Mark Constant

Canon Amanda Davison-Young (from 30 September 2021)

Canon Jackie Matthews

Canon Phil Rolfe - Treasurer

Canon Maria Steele (until 30 April 2021)

Canon Richard Tapp

The Dean is appointed by the Crown and other members of Chapter are appointed by the Bishop.

The Cathedral Council

Chair

Sir Lawrence Howard

Bishop of Peterborough, The Right Revd Donald Allister

Dean of Peterborough, The Very Revd Christopher Dalliston

Vice Dean, The Revd Canon Tim Alban Jones

Peter Brotherton

Dr Charles Coxon

Joanne Dalrymple Smith

Sam Falco

John MacMahon

Simon Nurser

Canon Andrew Roberts

Canon Phil Rolfe

Beki Sellick

Father Adam Sowa

The Revd Canon John Westwood (until 31 March 2022)

Members of the Council are appointed by the Bishop

College of Canons

Dean of Peterborough, The Very Revd Christopher Dalliston

Bishop of Peterborough, The Right Revd Donald Allister

Vice Dean, The Revd Canon Tim Alban Jones

The Revd Canon Jane Baxter (until 25 April 2021)

Archdeacon of Oakham, The Venerable Alison Booker (from 4 February 2022)

The Revd Canon Steve Benoy

The Revd Dr Rob Bewley

The Revd Canon Ian Black (until 26 April 2021)

Canon Pete Brotherton (from 18 August 2021)

The Revd Canon Sarah Brown (until 2 October 2021)

The Revd Canon Jane Butler

Canon Helen Cameron
The Revd Canon Neil Clarke
Canon Mark Constant
The Revd Canon Mandy Cuthbertson
The Revd Canon Philip Davies (until 16 January 2022)
Canon Amanda Davison-Young (from 30 September 2021)
The Revd Canon Paul Frost (from 16 January 2022)
The Revd Canon Nicholas Gandy
The Revd Canon John Hall
Canon Mary Hanna (until 12 October 2021)
The Revd Canon Miranda Hayes
Bishop of Brixworth, The Right Revd John Holbrook
The Revd Canon Adrian Holdstock (until 11 December 2021)
The Revd Canon Beverley Hollins
The Revd Canon Hannah Jeffery
The Revd Canon Stephen Kelly
Canon Jackie Matthews
The Revd Canon Charlie Nobbs
Archdeacon of Northampton, The Venerable Richard Ormston
Canon Andrew Presland
The Revd Canon Ian Pullinger (from 17 October 2021)
The Revd Canon Steve Prior (until 30 November 2021)
Canon Andrew Roberts
Canon Miranda Robinson (until 31 July 2021)
Canon Phil Rolfe
The Revd Canon Dr James Saunders (from 16 January 2022)
The Revd Canon Nicholas Setterfield
The Revd Canon Richard Stainer
Archdeacon of Oakham, The Venerable Gordon Steele (until 31 October 2021)
Canon Maria Steele (until 30 April 2021)
Canon Richard Tapp
The Revd Canon Chrys Tremththanmor (from 1 October 2021)
Canon Vyvyan Wainwright
The Revd Canon Stephen Webster
The Revd Canon John Westwood (until 31 March 2022)
Canon Pete White
The Revd Dr Rowan Williams

The Revd Canon Brian Withington (until 2 July 2021)

The Revd Paula York (from 16 January 2022)

Members of the College of Canons are appointed by the Bishop

Nominations Committee

Dean of Peterborough, The Very Revd Christopher Dalliston

Vice Dean, The Revd Canon Tim Alban Jones

Canon Phil Rolfe

Canon Jackie Matthews

Executive Committee Dean of Peterborough, The Very Revd Christopher Dalliston

Vice Dean, The Revd Canon Tim Alban Jones

Canon Precentor, The Revd Canon Dr Rowan Williams (from 9 November 2021)

Jan Armitage, Chief Finance Officer & Cathedral Administrator

Dave Cramp, Commercial Director

Heinz Tom K pper, Estates and Facilities Manager

The Finance Committee

Chair

Simon Nurser (Chair until 9 November 2021)

Canon Phil Rolfe (Chair from 10 November 2021)

The Revd Canon Ian Black (until 26 April 2021)

Canon Sarah Brown (from 26 April 2021 until 2 October 2021)

Canon Mark Constant

Keith Nicholson

Iain Nott

David Scammell (from 9 November 2021)

The Fabric Advisory Committee

Chair

Richard Harman

Dr Ron Baxter

Kevin Clark (from 18 June 2021)

Alison Dickens (from 18 June 2021)

Dr Shelley Garland

Carol Heidschuster

The Very Revd Peter Judd

Professor Claudia Marx

Members of these committees are jointly appointed by Chapter and Cathedrals Fabric Commission for England.

Director of Music Tansy Castledine

Reference and administrative details

Professional Advisors

The Chapter is exceedingly grateful for the support it receives from its professional advisors. In their individual ways they have each contributed in no small way to the mission and ministry of this great Cathedral Church.

Cathedral Architect:	Mr Stephen Oliver
Cathedral Archaeologist:	Dr Jackie Hall
Bankers:	Barclays Bank plc, 1, Church Street, Peterborough PE1 1XB HSBC Bank plc Cathedral Square, Peterborough PE1 1XL
Solicitors:	Hunt and Coombs Solicitors 35 Thorpe Road, Peterborough PE3 6AG Mills and Reeve Botanic House, 100 Hills Road, Cambridge CB2 1PH
Property Consultants:	Eddisons 37 Priestgate, Peterborough PE1 1JL Carter Jonas One Station Square, Cambridge CB1 2GA Jolliffe Daking LLP 37A Broadway, Peterborough PE1 1SQ
Auditors:	Price Bailey LLP Tennyson House Cambridge Business Park Cambridge CB4 0WZ
Stockbrokers:	Vartan & Son 19 Minster Precincts, Peterborough PE1 1XX
Health & Safety Advisors:	Plumsun Unit 4 Pavilion Court, 600 Pavilion Drive, Northampton NN4 7SL

Approved by the Chapter on 27th October, 2022 and signed on its behalf by

A handwritten signature in black ink, appearing to read "Chris Dalliston". The signature is written in a cursive style with a horizontal line under the name.

Dean of Peterborough Cathedral, The Very Rev'd Chris Dalliston

Independent auditor's report to the Members of Chapter of Peterborough Cathedral

Opinion

We have audited the financial statements of Peterborough Cathedral for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the 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, (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Cathedral's affairs as at 31 March 2022, and of the Cathedral's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the guidelines specified by the Church Commissioners under the power 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 charity 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 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 Chapter'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 Chapter with respect to going concern are described in the relevant sections of this report.

Other information

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

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

Independent auditor’s report to the Members of Chapter of Peterborough Cathedral (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Cathedral and its environment obtained in the course of the audit, we have not identified material misstatements in the Chapter’s Annual Report.

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

- adequate accounting records have not been kept by the Cathedral, or returns adequate for our audit have not been received from branches not visited by us; or
- the Chapter’s financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Chapter’s remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Chapter

As explained more fully in the Chapter responsibilities statement set out on page 13, the Chapter is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Chapter determines 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 charity or to cease operations, or has no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting and reporting regulations for English Anglican Cathedrals (dated December 2018) specified by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the Cathedral has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Cathedral and how it operates and considered the risk of the Cathedral not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the Cathedral this included financial reporting.

Independent auditor's report to the Members of Chapter of Peterborough Cathedral (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Reviewing minutes of Chapter meetings, reviewing any correspondence with the regulatory bodies, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management of the Cathedral.
- Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including treatment of legacies and the valuation of investments, and a retrospective review of estimates from prior periods.
- We reviewed the risk management processes and procedures in place

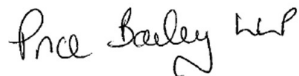
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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

Use of our report

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



Date: 2 November 2022

Price Bailey LLP

Chartered Accountants & Statutory Auditors
Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2022

	Notes	Unrestricted £	Restricted £	Endowment £	2022 £	2021 £
Income and endowments from:						
Donations and legacies:	2					
. Donations		280,639	-	-	280,639	171,513
. Legacies		44,968	-	-	44,968	200,000
. Grants		111,653	1,028,649	-	1,140,301	1,102,696
Charitable activities	3	29,140	-	-	29,140	2,637
Other trading activities	4	490,763	-	-	490,763	49,510
Investments	4a	283,366	33,000	-	316,366	519,559
Total income		1,240,528	1,061,649	-	2,302,177	2,045,915
Expenditure on:						
Raising funds	5	417,119	334,405	-	751,524	396,020
Charitable activities:	6					
. Ministry		235,557	258,728	-	494,286	458,643
. Cathedral and precincts upkeep		541,806	273,627	-	815,434	788,418
. Education and outreach		55,428	1,557	-	56,985	52,606
Other		14,139	-	-	14,139	10,801
Total expenditure		1,264,050	868,318	-	2,132,367	1,706,488
Net (expenditure)/income before gains on investments		(23,522)	193,331	-	169,809	339,427
Net gains on investments	10	10,449	-	9,895	20,344	726,782
Net (expenditure)/ income		(13,073)	193,331	9,895	190,153	1,066,209
Transfers between funds		270,859	(270,859)	-	-	-
Net movement in funds		257,786	(77,528)	9,895	190,153	1,066,209
Total funds brought forward		7,432,780	368,432	2,019,193	9,820,405	8,754,196
Total funds carried forward		7,690,566	290,904	2,029,088	10,010,558	9,820,405

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2021

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021
Income and Endowments From:					
Donations and legacies		371,513	-	-	371,513
Grants		255,283	847,413	-	1,102,696
Charitable activities		2,637	-	-	2,637
Other trading activities		49,510	-	-	49,510
Investments		486,559	33,000	-	519,559
Total Income		1,165,502	880,413	0	2,045,915
Expenditure on:					
Raising funds		227,023	168,997	-	396,020
Ministry		119,026	339,617	-	458,643
Cathedral and precincts upkeep		419,486	368,932	-	788,418
Education and outreach		33,348	19,258	-	52,606
Other Expenditure		7,184	3,617	-	10,801
Total Expenditure		806,067	900,421	0	1,706,488
Net (expenditure) / income before - investment gains		359,435	(20,008)	-	339,427
Net gains (losses) on investments		440,226	-	286,556	726,782
Net (expenditure) / income		779,661	(20,008)	286,556	1,066,209
Gross transfers between funds		-	-	-	-
Net movement in funds		799,661	(20,008)	286,556	1,066,209
Reconciliation of funds:					
Total funds brought forward		6,633,119	388,440	1,732,637	8,754,196
Total funds carried forward		7,432,780	368,432	2,019,193	9,820,405

BALANCE SHEET AS AT 31st MARCH 2022

Fixed Assets	Notes	Total Funds 2022 £	Total Funds 2021 £
Investment Assets	10		
Property		4,345,885	4,328,131
Investments		32,670	30,080
		4,378,555	4,358,211
Tangible Fixed Assets	8		
Property		5,156,143	5,156,143
Equipment		439,406	119,664
		5,595,549	5,275,807
Total fixed Assets		9,974,104	9,634,018
Current Assets			
Stocks		21,687	23,748
Debtors	11	475,480	131,964
Cash at bank & in hand		568,036	985,368
Total current assets		1,065,203	1,141,080
Liabilities due within one year	13		
Loans and bank overdraft		-	-
Creditors		(528,749)	(453,493)
		(528,749)	(453,493)
Net Current Assets		536,454	687,587
Total assets less current liabilities		10,510,558	10,321,605
Liabilities due after 1 year	14		
Loans and bank overdraft		(500,000)	(501,200)
Total net assets		10,010,558	9,820,405

BALANCE SHEET AS AT 31st MARCH 2022 continued

	Notes	Total Funds 2022 £	Total Funds 2021 £
Funds of the Cathedral	15		
Endowment funds	16	2,029,088	2,019,194
Restricted funds	17	290,905	368,431
Unrestricted funds - general		2,852,515	2,594,730
Unrestricted funds – designated fixed assets		4,838,050	4,838,050
Total Cathedral Funds		10,010,558	9,820,405

The notes 1 to 18 form part of these accounts.

The accounts of Peterborough Cathedral were approved by the Chapter and authorised for issue on 27th October, 2022 and signed on its behalf by:

Very Rev'd Christopher Dalliston
Dean of Peterborough Cathedral

Canon Phil Rolfe
Treasurer to Chapter of Peterborough
Cathedral

27/10/ 2022

27/10/ 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities		(387,493)	42,649
Net cash provided by operating activities		(387,493)	42,649
Cash flows from investing activities			
Income from property		316,366	519,559
Tangible assets: additions	8	(346,206)	(72,502)
Investments: additions	10	-	-
Investments: sale proceeds	10	-	-
Property sale proceeds		-	550,000
Net cash provided by (used in) investing activities		(29,840)	997,057
Cash flows from financing activities			
Church Commissioner loan		-	(462,134)
Repayment of bank loan		-	-
Net cash used in financing activities		-	(462,134)
Change in cash and cash equivalents in the year		(417,333)	557,572
Cash at the start of the reporting period		985,368	407,796
Change in cash and cash equivalents in the year		(417,333)	577,572
Cash at the end of the year		568,036	985,368

Reconciliation of net income to net cash inflow from operating activities

	Notes	2022 £	2021 £
Net income for the year		190,153	1,066,209
Adjustments for:			
Depreciation of tangible assets	8	26,463	5,081
Income from property & investments		(316,366)	(519,559)
(Gains) on revaluation of investments	10	(20,344)	(726,782)
(Gains) losses on sale of investment property		-	(50,000)
Decrease in stocks		2,061	(1,967)
(Increase)/Decrease in debtors	11	(343,516)	51,662
Increase (Decrease) creditors	12,13	75,256	218,005
(Decrease in long term loans		(1,200)	0
Net cash used in operating activities		(387,493)	42,649

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022 continued

Cash and cash equivalents and net debt comprise the following balances:

	At 1 April	Cash flows	Other non-cash	At 31
	£	£	changes	March
			£	£
Cash at bank and in hand	985,368	(417,332)	-	568,036
Cash held with investment managers for reinvestment	-	-	-	-
Total cash and cash equivalents	985,368	(417,332)	-	568,036
Current loans and overdraft	0	-	-	-
Bank loans falling due after one year	(501,201)	-	1,201	(500,000)
Total net cash and cash equivalents	484,167	(417,332)	1,201	68,036

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

1. **Accounting policies**

Basis of preparation

The accounts have been prepared in accordance with the *Accounting and Reporting Regulations for English Anglican Cathedrals*, published in December 2018, and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Cathedral meets the definition of a public benefit entity under FRS 102.

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

Consolidation

The accounts represent the results of the Cathedral only.

The Cathedral is the 100% shareholder of Peterborough Cathedral Holdings Ltd. Peterborough Cathedral (Enterprises) Ltd is a wholly owned subsidiary of Peterborough Cathedral Holdings Ltd. Both are dormant companies at this time and hence are not consolidated in the financial statements.

In addition, the Cathedral is connected with various entities that do not meet the criteria for inclusion into the Cathedral's financial statement. Further details are provided in note 17.

Going concern

The Chapter has considered whether the use of the going concern basis of accounting is appropriate. To do this, it has considered whether there are any material uncertainties as to the Cathedral's ability to continue as a going concern. The most significant event which has impacted on this assessment is the continuing effects of the COVID19 (Coronavirus) pandemic that emerged at the beginning of 2020 and the continuing restrictions and consumer hesitancy. Most particularly the greater transmission effectiveness of the Omicron variant resulted in the slow return to small visitor numbers through the summer of 2021, and cancellation of several events in the latter part of 2021.

Additionally, the rise in consumer prices causes uncertainty in the market place, and particularly there has been an evidential shift in consumers' behaviour. Whereas they would previously have booked in advance, they now book at the last minute. This makes the success of events harder to predict.

Finally, the war in Ukraine and its effects on prices and consumer confidence have also been considered.

Chapter has carried out this assessment for a period of at least one year from the date of approval of these accounts. Chapter has satisfied itself that with careful control over costs, mitigations for emerging shortfalls and robust plans for growth in fundraising and income generating activities, together with funding support from various grant making bodies, the Cathedral is able to continue as a going concern. Chapter acknowledges that the Cathedral effectively operates in a position of negative free reserves until such time as unrestricted reserves are built up again. In the meantime, the needs of the Cathedral are managed through normal cash flow.

Estimates included within the accounts are:

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

- **Depreciation** as noted below under tangible fixed assets, and was a total of £24,463 in the year.
- **Valuation of Cathedral use properties.** The value shown in the accounts dates from 2015. Chapter has elected to treat this value as a deemed cost and has not revalued these properties since that date.
- **Valuation of investment properties.** Thirty percent by value of residential and commercial investment properties have been professionally revalued as at 31st March 2022 and also 30% at 31st March 2021. The results extrapolated to the full investment property portfolio, such that they are represented at fair value in accordance with FRS102.

Income

Cash donations, gifts, legacies and other forms of voluntary income are recognised as income when receivable, except insofar as they are incapable of financial measurement.

Grant income is recognised when there is an entitlement to the income, where receipt is probable, and it can be measured with reasonable accuracy. Specifically, where a grant has been agreed subject to expenditure being made, income is recognised as the expenditure is incurred.

Bank interest is included in the SOFA on receipt. Dividends are included in the SOFA when they are received, at the net amount receivable.

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 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 9 for details of these costs and the basis of allocation.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and depreciated over their useful economic lives on a straight-line basis as follows:

Fixtures and fittings (excluding downpipes)	20%
---------------------------------------------	-----

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

Estates and gardening equipment	20%
Downpipes	2%
Office furniture	33%
IT equipment	33%
Shop fittings	10%
Practice organ	2%

Property is currently included in the accounts at cost. It is the intention of Chapter to maintain the properties and that their value will increase over time. It is proposed to obtain periodic valuations to confirm the value of these properties and they are subject to quinquennial impairment reviews. Since the deemed residual value is more than their cost, and depreciation charge would be negligible.

Heritage assets

Heritage assets include the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011. No value has been attributed to the Cathedral.

Cathedral use and investment property

Investment properties are subject to periodic valuation. Thirty percent by value of residential and commercial investment properties have been professionally revalued as at 31st March 2022, and a further 30% at 31st March 2021, with the results extrapolated to the full investment property portfolio, representing fair value in accordance with FRS 102.

Investment properties are not depreciated in accordance with FRS 102.

Cathedral use properties are shown at the value assessed in 2015. Chapter has decided not to revalue these assets. The Cathedral use properties are not depreciated due to the high value placed on the buildings, the longevity of their existence which in turn suggests the longevity of their future existence. Minor improvements to buildings are written off in the year in which such costs are incurred.

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 closing quoted market price.

The differences between market value at the year end and the opening value of the investments are shown as unrealised gains or losses and shown in the SOFA. Similarly the difference between the balance sheet value and the proceeds of sale of an investment are shown as realised gains or losses and shown in the SOFA. Unlisted investments are also shown at market value to show the true fund value.

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

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

The main form of financial risk faced by the Cathedral's investments is that of volatility in equity 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.

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 cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of 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.

Pensions

Chapter provides a contribution of 3% towards the NEST Pension Scheme for employees. Nest Corporation is the name for the National Employment Savings Trust Corporation established under Section 75 of the Pensions Act 2008.

Nest Corporation is appointed as the Trustee of the pension scheme known as Nest (National Employment Savings Trust). Nest Corporation is regulated by The Pensions Regulator.

The scheme is a defined contribution scheme with auto enrolment for permanent staff after the successful completion of their probationary period.

Tax status

The Chapter of Peterborough Cathedral is a charity, but is exempt from registration under the Places of Worship Registration Act, 1855 Section 9; reiterated in the Charities Act 2011, Schedule 3 - Exempt charities.

The Chapter of Peterborough Cathedral therefore is a Charitable Foundation established by Statute under English Law.

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. **Income from donations and legacies**

	Unrestricted £	Restricted £	2022 £
Congregational service collections	22,011	-	22,011
Donations	241,095	-	241,095
Tax receivable	17,532	-	17,532
Total donations	280,639	-	280,639
Legacies	44,968	-	44,968
Total legacies	44,968	-	44,968
Church Commissioners grants	-	382,531	382,531
Heritage Lottery Fund	-	184,000	184,000
Hastings Music Endowment Fund	-	63,750	63,750
Peterborough Cathedral Development & Preservation Trust CIO	-	353,528	353,528
Cripps Endowment Fund	-	30,000	30,000
Allchurches Trust (now Benefact)	25,000	-	25,000
Other grants	86,653	14,839	101,492
Total grants	111,653	1,028,649	1,140,301

	Unrestricted £	Restricted £	2021 £
Congregational service collections	6,906	-	6,906
Donations	140,733	-	140,733
Tax receivable	23,874	-	23,874
Total donations	171,513	-	171,513
Legacies	200,000	-	200,000
Total legacies	200,000	-	200,000
Church Commissioners grants	-	451,157	451,157
Allchurches Trust	25,000	-	25,000
Heritage Lottery Fund	-	250,000	250,000
Hastings Music Endowment Fund	-	60,000	60,000
Peterborough Cathedral Development & Preservation Trust Cio	20,000	52,322	72,322
Cripps Endowment Fund	-	30,000	30,000
Other grants	210,283	3,934	214,217
Total grants	255,283	847,413	1,102,696

As services were severely restricted during the year, many congregants switched to online donations, and their contribution recorded within donations.

Total gift aid receivable included above was £17,532 (2021: £23,874).

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3. Income from charitable activities

	Unrestricted	2022	Unrestricted	2021
	£	£	£	£
Facility and other fees	7,409	7,409	2,505	2,505
Gross income of the education centre	21,731	21,731	132	132
Total	29,140	29,140	2,637	2,637

4. Income from other trading activities

	Unrestricted	2022	2021
	£	£	£
Charges to visitors	796	796	983
Lettings of Cathedral or other buildings	294,495	294,495	6,364
Fundraising events	128,031	128,031	14,975
Gross income of shop	29,461	29,461	8,111
Other	37,979	37,979	19,077
Total	490,763	490,763	49,510

All income from other trading activities in 2021 relates to the unrestricted fund. The lettings of Cathedral buildings was substantially increased due to the presence of the Nightingale Court. In the previous year this income was classified under income from property (shown below).

4a. Income from property and investments

	Unrestricted	Restricted	2022
	£	£	£
Property	283,366	33,000	316,366
Investments	-	-	-
Total	283,366	33,000	316,366

	Unrestricted	Restricted	2021
	£	£	£
Property	486,559	33,000	519,559
Investments	-	-	-
Total	486,559	33,000	519,559

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. **Costs of raising funds**

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Staff costs	2,299	311,853	314,152	265,374
Hospitality	7,858	-	7,858	440
Professional fees	85,598	-	85,598	26,932
Event costs	80,369	10,413	90,783	2,348
Shop purchases	14,271	-	14,271	4,663
IT support, stationery, phone & printing	92,929	-	92,929	68,509
Other costs	133,796	12,139	145,935	27,754
Total	417,120	334,405	751,525	396,020

Restricted expenditure in 2021 totalled £168,997.

6. **Expenditure on Charitable activities**

	Unrestricted	Restricted	2022
	funds	Funds	£
	£	£	£
Ministry	235,557	258,724	494,286
Cathedral and precincts upkeep	541,806	273,628	815,435
Education and outreach	55,428	1,557	56,985
Other expenditure	14,139	-	14,139
Total	846,931	533,910	1,380,844

	Unrestricted	Restricted	2021
	funds	Funds	£
	£	£	£
Ministry	119,026	339,617	458,643
Cathedral and precincts upkeep	419,486	368,932	788,418
Education and outreach	33,348	19,258	52,606
Other expenditure	7,184	3,617	10,801
Total	579,044	731,425	1,310,468

Total irrecoverable VAT included above was £52,389 (2021: £16,665).

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Expenditure on Charitable activities (Continued)

Analysed costs of charitable activities	Unrestricted Funds	Restricted Funds	2022
	£	£	£
Ministry:			
. Clergy stipends and working expenses	85,613	124,981	210,596
. Clergy housing costs	27,495	-	27,495
. Clergy support costs	8,253	-	8,253
. Services and music	114,196	133,747	247,943
Total ministry direct costs	235,557	258,728	494,286
Cathedral and precincts upkeep:			
. Major repairs and restoration	81,879	-	81,879
. Cathedral general repairs & maintenance	44,955	68,507	113,461
. Utilities	122,806	-	122,806
. Cleaning	14,516	-	14,516
. Cathedral insurance	16,138	-	16,138
. Rental property maintenance & utilities	17,580	-	17,580
. Precincts repairs & maintenance	93,930	5,590	99,520
. Bank loan & interest	18,872	-	18,872
. Depreciation	26,463	-	26,463
. Support costs	104,667	199,9531	304,198
Total Cathedral and precincts upkeep costs	541,806	273,628	815,435
Education and outreach:			
. Educational activities	55,428	1,557	56,985
. Archives and library	-	-	-
Total education and outreach costs	55,428	1,557	56,985
Other expenditure:			
Governance costs	14,139	-	14,139
Total other expenditure costs	14,139	-	14,139
Total	846,931	533,910	1,380,468

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Expenditure on Charitable activities (continued)

Analysed costs of charitable activities	Unrestricted	Restricted	2021			
	Funds	Funds				
	£	£	£			
Ministry:						
. Clergy stipends and working expenses	75,970	155,288	231,258			
. Clergy housing costs	16,648	-	16,648			
. Clergy support costs	1,967	-	1,967			
. Services and music	24,441	184,329	208,770			
Total ministry direct costs	119,026	339,617	458,643			
Cathedral and precincts upkeep:						
. Major repairs and restoration	117,463	3,073	120,536			
. Cathedral general repairs & maintenance	12,694	74,534	87,228			
. Utilities	91,137	33,996	125,133			
. Cleaning	4,303	4,119	8,422			
. Cathedral insurance	49,189	16,565	65,754			
. Rental property maintenance & utilities	5,948	1,435	7,383			
. Precincts repairs & maintenance	20,003	29,963	49,966			
. Bank loan & interest	25,710	-	25,710			
. Depreciation	5,080	-	5,080			
. Support costs	87,959	205,247	293,206			
Total Cathedral and precincts upkeep costs	419,486	368,932	788,418			
Education and outreach:						
. Educational activities	33,348	19,258	52,606			
. Archives and library	-	-				
Total education and outreach costs	33,348	19,258	52,606			
Other expenditure:						
Governance costs	7,184	3,617	10,801			
Total other expenditure costs	7,184	3,617	10,801			
Total	579,044	731,424	1,310,468			
Support costs	Costs of raising funds	Charitable activities	2022	Costs of raising funds	Charitable activities	2021
	£	£	£	£	£	£
Support staff wages	-	154,656	154,656	-	133,348	133,348
Finance, HR and IT costs	-	2,326	2,326	-	1,073	1,073
Other premises costs	-	30,694	30,694	-	34,081	34,081
Staff training costs	-	6,529	6,529	-	106	106
Legal and professional fees	-	37,961	37,961	-	92,115	92,115
Governance costs	-	14,139	14,139	-	10,801	10,801
Total	-	246,304	246,304	-	271,524	271,524

Governance costs are stated after charging audit fees of £13,522 (2021: £10,081). Costs are allocated on the basis of the headcount of staff employed in each activity.

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Employees and office holders

	Clergy £	Lay staff £	2022 £	Clergy £	Lay staff £	2021 £
Wages and salaries, including stipends	89,694	753,280	842,974	123,345	630,298	753,643
Social security costs	7,535	55,394	62,929	7,892	42,223	50,115
Pension costs	27,749	14,104	41,853	32,121	11,664	34,785
Total	124,978	822,778	947,756	163,358	684,185	847,543

The average staff numbers are as follows:

	Headcount		Full time equivalent	
	2022 £	2021 £	2022 £	2021 £
Charitable activities:				
. Clergy	4	5	3.2	3.6
. Lay staff	39	30	28.25	18.89
Total	43	35	31.45	22.49

One member of clergy was remunerated between £60,000 and £70,000 for the year (2021: 2)

One member of clergy was remunerated between £70,001 and £80,000 for the year (2021: 1).

Clergy staff cost analysis

Included within staff costs are payments to members of Chapter under the Cathedrals Measure 1999 and the Cathedral constitution. The remuneration of, and pension provision for clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, Archbishops' Council, and the Church of England Pensions Board. No supplement to these scales is paid. These payments are set out below.

Name	Gross stipend £	Apprenticeship levy £	NIC £	Pension £	Total £ 2022
Very Rev'd C Dalliston	38,210	169	3,456	12,601	54,436
Canon S Brown	14,653	62	1,106	5,068	20,889
Canon R Williams	29,149	127	2,273	10,081	41,630
Canon T Alban-Jones	7,287	36	701	0	8,024
	89,299	395	7,535	27,749	124,978

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Employees and office holders (continued)

Name	Gross stipend £	Apprenticeship levy £	NIC £	Pension £	Total £ 2021
Very Rev'd C Dalliston	38,210	166	3,370	12,354	54,100
Canon S Brown	29,149	126	2,252	9,883	41,410
Canon R Williams	29,149	126	2,270	9,883	41,429
	95,608	418	7,892	32,121	136,938

During the year nil expenses were reimbursed to the non-clergy members of Chapter (2021 nil)

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Tangible assets

Cathedral	Property £	Equipment £	2022 £
<i>Cost</i>			
At 1 April 2021	5,156,143	554,457	5,710,600
Additions	-	346,206	346,206
Disposals	-	-	-
Cost at 31 March 2022	5,156,143	900,663	6,056,806
<i>Depreciation</i>			
At 1 April 2021	-	434,793	434,793
Depreciation charge	-	26,463	26,463
Released on disposal	-	-	-
Depreciation at 31 March 2022	-	461,256	461,256
Net book value at 1 April 2021	5,156,143	119,664	5,275,807
Net book value at 31 March 2022	5,156,143	439,406	5,595,549

The property valuation is based on a professional valuation carried out by Barker Storey Matthews and is dated 31st March 2015. Chapter has elected to treat this value as a deemed cost and not revalue these properties.

9. Heritage assets

As stated in the accounting policies, no value has been placed on the Cathedral and ancillary buildings and the items in the inventory prepared under section 24(1) of the Care of Cathedrals Measure 2011.

The Cathedral buildings are the Cathedral, cloisters and library.

The Care of Cathedrals Measure 2011 requires Cathedrals to keep an inventory of all items considered to be of architectural, archaeological, artistic or historic interest in the possession of the Cathedral church. Primarily this consists of the Cathedral's collection of silver plate and the organ. No additions to the inventory in the last four years have met the definition of a heritage asset and there have been no transactions involving heritage assets in the same time period.

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10. Fixed Asset Investments

Fixed Asset investments	Investments	Freehold property	2022
	£	£	£
<i>Fair value</i>			
At 1 April 2021	30,080	4,328,131	4,358,211
Unrealised gain on revaluation	2,590	17,755	20,345
Market value at 31 March 2022	32,670	4,345,886	4,378,556

Fixed Asset Investments	Investments	Freehold property	2021
	£	£	£
<i>Fair value</i>			
At 1 April 2020	24,978	4,106,451	4,131,429
Proceeds from disposals	-	(550,000)	(550,000)
Realised gain on disposal	-	50,000	50,000
Unrealised Gain on revaluation	5,102	721,680	726,782
Market value at 31 March 2021	30,080	4,328,131	4,358,211

The property valuation is based on a professional valuation by Carter Jonas of 30% by value of the investment properties in 2022, and 38% in the previous year. A further desk top has been completed to extrapolate the results of that work across the whole investment property portfolio and based on that combined work, a value adjustment of £17,755 was made in 2022.

The historic cost of the investment assets at 31 March 2021 was £3,606,451 and remained unchanged throughout the year to 31 March 2022.

11. Debtors

	2022	2021
	£	£
Trade debtors	75,326	29,725
Other debtors	3,445	3,086
Prepayments and accrued income	396,709	99,153
Total debtors	475,480	131,964

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Operating lease commitments

Lessor

At 31 March 2022 the Cathedral had agreed commitments as a lessor under non-cancellable operating leases to receive receipts as follows:

2022	£		
	< 1 year	2-5 years	>5 years
Investment properties leased	32,492	74,492	37,333
Freehold properties leased	94,300	158,225	0
Total expected income	126,792	232,717	37,333

2021	£		
	< 1 year	2-5 years	>5 years
Investment properties leased	32,492	92,984	51,333
Freehold properties leased	94,300	252,525	0
Total expected income	126,792	345,509	51,333

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	64,076	64,987
Accruals and deferred income	336,020	294,432
Other creditors	128,653	94,074
Total creditors falling due within one year	528,749	453,493

14. Creditors: Amounts falling due after one year

	2022	2021
	£	£
Church Commissioners' loan	500,000	501,200
Bank loan	-	-
Total creditors falling due after one year	500,000	501,200

In October 2020 the Cathedral and Church Commissioners agreed a 5-year fixed term loan for £500,000, following the repayment of £500,000 in August 2020. The rate of interest is 3.25% above base rate. The loan is interest only for 30 months. Capital repayments of £150,000, £150,000 and £200,000 fall due at 30, 48 and 60 months, resulting in full repayment at 31st October 2025. The loan is secured as a charge against five Cathedral use properties.

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Funds

Cathedral	Unrestricted		Restricted	Endowment	2022
	£	Designated £			
Investment assets	2,667,615	-	-	1,710,940	4,378,555
Tangible fixed assets	476,945	4,838,050	-	318,093	5,633,088
Current assets	774,242	-	290,905	55	1,065,202
Liabilities due within one year	(566,287)	-	-	-	(566,287)
Liabilities due after one year	(500,000)	-	-	-	(500,000)
Total	2,852,515	4,838,050	290,905	2,029,088	10,010,558

Cathedral	Unrestricted		Restricted	Endowment	2021
	£	Designated £			
Investment assets	2,657,165	-	-	1,701,046	4,358,211
Tangible fixed assets	119,664	4,838,050	-	318,093	5,275,807
Current assets	772,593	-	68,432	54	1,141,080
Liabilities due within one year	(453,493)	-	-	-	(453,493)
Liabilities due after one year	(501,200)	-	-	-	(501,200)
Total	2,594,729	4,838,050	368,432	2,019,194	9,820,405

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Endowment funds	1 April 2021	Income	Expend- iture	Investment gains/ (losses)	31 March 2022
	£	£	£	£	£
General Endowment Fund	103,806	-	-	5,803	109,609
Fabric Endowment Fund	170,138	-	-	9,468	179,606
Choral Scholarship Fund	75,621	-	-	-	75,621
Hussey Memorial Fund	32,154	-	-	-	32,154
Fillingham Endowment Fund	108,108	-	-	-	108,108
The William Robinson Trust	424,190	-	-	-	424,190
Other Funds	930	-	-	-	930
Millard Endowment Fund	95,519	-	-	9,481	105,000
Catalyst Fund	1,008,726	-	-	(14,857)	993,969
	2,019,192	-	-	9,895	2,029,087

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

16. Endowment funds (continued)

	1 April 2020	Income	Expend- iture	Investment gains/ (losses)	31 March 2021
	£	£	£	£	£
General Endowment Fund	89,733	-	-	14,073	103,806
Fabric Endowment Fund	142,521	-	-	27,618	170,139
Choral Scholarship Fund	64,363	-	-	11,258	75,621
Hussey Memorial Fund	26,525	-	-	5,629	32,154
Fillingham Endowment Fund	94,035	-	-	14,073	108,108
The William Robinson Trust	365,084	-	-	59,106	424,190
Other Funds	930	-	-	-	930
Millard Endowment Fund	81,446	-	-	14,073	95,519
Catalyst Fund	868,000	-	-	140,726	1,008,726
	1,732,637	-	-	286,556	2,019,193

The General Endowment Fund has been used to fund property investment assets.

The Fabric Endowment Fund relates to funds received to support the fabric of the Cathedral and precincts.

The Choral Scholarship Fund relates to funds received to support the accommodation costs of the choral scholars.

The Hussey Memorial Fund, Fillingham Endowment Fund and the William Robinson Trust are held for capital purposes.

The Millard Endowment Fund relates to funds received to support the repair and maintenance of the fabric of the Cathedral.

The Catalyst Fund is to support the cost of maintenance of the walls within the Cathedral precincts.

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17.Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	1 April 2021	Income	Expenditure	Transfers	31 March 2022
	£	£	£	£	£
Peterborough Cathedral Trust Grants	3,277	353,527	115,088	(226,748)	14,968
The Hastings Music Endowment Fund	-	63,750	63,750	-	-
Catalyst Fund	138,690	33,000	5,590	-	166,100
Heritage Lottery Fund	-	184,000	184,000	-	-
Church Commissioners	-	382,531	382,531	-	-
Mellows Trust	18,279	-	2,520	-	15,759
Cripps Endowment Fund	-	30,000	30,000	-	-
Old Choristers Fund	6,500	-	-	-	6,500
Butt - Music Legacy	200,024	-	69,996	(44,110)	85,918
Church Urban Fund (Near Neighbours)	-	14,839	14,839	-	-
Friends of Cathedral Music	1,660	-	-	-	1,660
AEC NCC	2	-	2	-	-
		-			
Total	368,432	1,061,649	868,317	(270,858)	290,905

Capitalised expenditure from restricted funds	£
Restricted legacies	44,110
Peterborough Cathedral Development and Preservation Trust CIO	226,748
Total	270,859

PETERBOROUGH CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Restricted Funds (continued)

	1 April 2020	Income	Expenditure	Gains and Transfers	31 March 2021
	£	£	£	£	£
Peterborough Cathedral Trust Grants	-	52,321	49,044	-	3,277
The Hastings Music Endowment Fund	-	60,000	60,000	-	-
Catalyst Fund	105,690	-	-	33,000	138,690
Heritage Lottery Fund	-	250,000	250,000	-	-
Church Commissioners	-	451,157	451,157	-	-
Mellows Trust	23,580	-	5,301	-	18,279
Cripps Endowment Fund	-	30,000	30,000	-	-
Old Choristers Fund	5,000	1,500	-	-	6,500
Butt - Music Legacy	245,854	-	45,830	-	200,024
Gardeners Salary	-	1,435	1,435	-	-
Church Urban Fund (Near Neighbours)	1,521	-	1,521	-	-
Friends of Cathedral Music	3,320	-	1,660	-	1,660
Headley Trust	1,500	-	1,500	-	-
AEC NCC	1,975	-	1,973	-	2
Other restricted funds	-	1,000	1,000	-	-
Total	388,440	847,413	900,421	33,000	368,432

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

17. Restricted Funds (continued)

The Peterborough Cathedral Trust Grants relate to funding for all aspects of the Cathedral's operations, and generally are fully expensed during the year.

The Hastings Music Fund relates to income received to support the music of the Cathedral.

The Catalyst restricted funds represent income generated from the Catalyst endowment, restricted for the purpose of repairs to the precinct walls and the related expenditure.

Church Commissioners Restricted income is the Section 21 grant covering the stipends and pension costs of the Dean and 2 residential Canons, and the Section 23 grant which is given to fund staff costs in low income Cathedrals.

The Butt legacy was received for the continuing choral tradition of the Cathedral against which Chapter agreed £69,996 music costs could be offset for the year, and a further £44,110 used to purchase the practice organ, which has been capitalised.

The Anthony Mellows Memorial Trust continued to fund the expenses incurred with the editing and publication of the Abbey and Cathedral's early records. The fund is not fully expensed at the year end.

Other funds are various restricted income that have been received and fully spent in the year, but include work funded by the Cathedral Keys project. During the course of the year, the Company of St Peter donors were amalgamated into the Keys Project and jointly their work funded £47k (2021 Company of St. Peter only £20k). At the year end the Chapter holds funds of £6,500 for the Old Choristers Association (2021 £6.5k) to fund memorial furniture in the Cathedral.

The funds held on behalf of the Church Urban Fund "Near Neighbours" programme, which commenced on 1 April 2019, were fully spent during the year. The project has now ended.

18. Related party transactions

The following Fund balances are not consolidated into the Cathedral's accounts and only income receivable has been credited:

(i) Friends of Peterborough Cathedral

The 'Friends' have a separate constitution and a council to which approximately one third of its members are nominated by the Cathedral. The Council gives nominated grants based only on applications by the Cathedral. Cash is released to the Cathedral on production of suppliers' invoices demonstrating that expenditure has taken place.

The income received in the 12 months to 31/03/22 is £0

The income received in the 12 months to 31/03/21 is £23,565

The latest available audited accounts of the Friends of Peterborough Cathedral to 31 December 2021 indicate that they hold funds of £80,266 (2020 - £90,204), and results show a deficit generated in 2021 of £9,938 (2020 surplus £18,640).

(ii) Peterborough Cathedral Development and Preservation Trust Cio.

The Trust has its own constitution and trustees, among whom the Cathedral are represented. The Trust gives grants to support the Cathedral on projects which it has agreed to fund.

The income received in the 12 months to 31/03/22 is £353,527 of which £200,000 was provided to fund the development of the new Cathedral shop. The Trust was responsible for raising a CRF grant of £184,000 which was paid directly to the Cathedral.

The income received in the 12 months to 31/03/21 is £228,973

The latest available unaudited accounts of the Trust Cio to 31 March 2022 indicate that the Trust holds total funds of £455,224 (2021 £129,173), a small deficit was generated in the year of £(10,508) (2021 £2,409 deficit). The Trust is restructuring during the course of 2022.

PETERBOROUGH CATHEDRAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18. Related party transactions (continued)

(iii) The Sir Cyril Thomas Cripps Endowment Fund

This Endowment Fund is controlled by a Deed which places control under the Trustees. Income from the investments are mandated to the Fabric account and restricted to expenditure on the fabric of the Cathedral.

The income received in the 12 months to 31/03/22 is £30,000

The income received in the 12 months to 31/03/21 is £30,000

The latest available accounts of the Trust to 31 December 2021 indicate that the Fund held total funds of £619,995 (2020 £598,393), and had income of £43,877 (2020 £39,280).

(iv) The Hastings Music Endowment Fund

The income received in the 12 months to 31/03/22 is £63,750

The income received in the 12 months to 31/03/21 is £60,000

The Trust has its own constitution and board of Trustees among whom The Dean is an ex-officio Trustee and Chapter appoints one other Trustee. The Trust deed requires the Trustees to invest in endowment funds for the long term and to provide grants to Chapter to support the costs of the music department. Grants are agreed annually and made quarterly. A separate Fund, The Franklin Bequest, provides grants to support chorister education.

For details of remuneration and expenses paid to members of chapter, see note 7.

No other related party transactions were entered into in the year.