

Southwark Cathedral Development Trust

Registered Office: Southwark Cathedral, London Bridge, London SE1 9DA
Charity Registration number: 1069914

Report of the Trustees for the year ended 31st December 2020

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Report of the Trustees for the year ended 31st December 2020

The trustees submit their annual report and the financial statements for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

Legal and Administrative Information

Full legal name and address

Southwark Cathedral Development Trust
London Bridge
London SE1 9DA
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Charity number 1069914

Trustees

The Very Revd Andrew Nunn, Dean
Mr Matthew Knight
Ms Jennifer Page
The Venerable Dr Jane Steen, Archdeacon of Southwark
Mr Philip Sturrock

Correspondent and Treasurer

Mr Matthew Knight

Bankers

CAF Bank
25 King's Hill Avenue
West Malling
Kent, ME19 4JQ

Independent Examiners

The Accountancy Practice
Lancasters
West End Lane
Henfield
West Sussex
BN5 9RB

Southwark Cathedral Development Trust was established by a Declaration of Trust dated 26th May 1998 as Southwark Cathedral Millennium Trust. The trustees approved a change to the trust's name at their meeting on 15th December 2011 to Southwark Cathedral Development Trust which came into effect on 1st January 2012 following approval by the Charity Commission. This decision was taken to reflect the changed nature of the trust's work following the completion of the

Millennium Buildings project at Southwark Cathedral and the fact that future fundraising effort would focus on new projects.

In 2019 the trustees made a start towards changing the constitutional position to that of a Charitable Incorporated Organisation (CIO). They intend to complete the change in 2021, the better to recognize the ongoing nature its charitable activity compared with the millennium focus in the current Deed, and to adopt a more effective structure for governance and fundraising.

Objectives

The trust's objects are:

- the advancement of the Christian religion by such legally charitable means as the trustees from time to time determine;
- to provide funds to assist in extending, developing and maintaining fabric, amenities and the work of Southwark Cathedral.

There has been no change to those objects during the year.

Structure, Governance and Management

After several years of inactivity, the trustees in 2011 established the policy of supporting the Cathedral's fund-raising activities and three aspects of cathedral life: the Cathedral's music, major new works and repairs to the Cathedral church and its precincts identified by the Cathedral Architect either in the Quinquennial Inspection reports or other proposals to the Cathedral Chapter, and new work based on social mission in the local area. The Trust grant aids the operation of the Cathedral's Fundraising Office, which, inter alia, runs the Trust's day to day activities under the supervision of the Trust's Treasurer.

Since 2016, the Trust has responded to applications from the Cathedral for funds only when these are approved by Chapter on the recommendation of the Cathedral Fundraising Panel which, on behalf of the Cathedral Chapter, is responsible for:

- developing and implementing a coherent and fully researched fund-raising strategy and ensuring this strategy has the approval of the Chapter;
- working with the Cathedral Architect to identify fabric projects suitable for fundraising and steering those projects to the point at which a project manager is appointed and works commence;
- working with the Chapter to develop the social mission project including advising on the creation of a project management committee when the parameters of the project have been agreed by the Chapter;
- working with the Director of Music on fundraising for works to the organ and the choirs endowment fund through the creation of a calendar of events and identification of suitable major donors;
- forwarding requests, approved by the full team (including advisers), to the Development trustees for the payment of grants to the Cathedral for specific projects;
- identifying and recruiting Patrons who are individuals of excellence and influence in various sectors of national life able and willing to assist in fund-raising activities and initiatives;
- developing a budget and staffing plan, overseeing production of publicity, constructing fundraising events programmes and approving all applications to foundations and other grant givers.

The **Fundraising Panel** membership is as follows:

The Very Revd Andrew Nunn, Dean, or the Sub Dean, in his absence

Matthew Knight, Cathedral Comptroller

Tom Poole, Cathedral Fundraiser

assisted, in an advisory capacity, by:

Jennifer Page and Richard Cornwell

The Panel meets on a monthly basis.

Decisions on the use of trust funds for projects are taken by the full trustee board. The trustees are responsible for decisions about investment or other allocation of trust funds in advance of expenditure on approved projects

Trustees meet at least twice a year and additional business can be conducted by email between meetings.

There were no changes to the trustee membership during the year.

Risk

The trustees consider that the main risks arise from adverse movements on investments and from miss-handling of transactions between the Trust and the Cathedral.

Trustees keep under review the performance of invested monies. One trustee monitors each transaction involving transfer of funds from the Trust to the Cathedral. In general, trustees believe systems and controls designed to mitigate the major risks to which the trust is exposed, as identified by them, are satisfactory.

Achievements and Performance

2020 was the ninth full year of activity in the Development Office. The Fundraising Panel met on a monthly basis to co-ordinate various fundraising projects and grant applications.

In recent years, a large part of the Development Office's efforts have been focussed on applications to the various government-funded grants schemes. The effects of the global coronavirus pandemic in 2020 forced a change of direction by many grant making bodies from major projects funding to revenue funding to recognise the unique pressure on charitable organisations caused by the national lockdowns and suspension of normal business and charitable activity. This meant that much of Tom Poole, our Fundraiser's time was spent in 2020 on applying for revenue-based grants that became available through the Church Commissioners directly or via them from central Government to support the ongoing revenue needs of Southwark Cathedral. In many cases the funds applied for were paid directly to the Cathedral rather than to the Trust. This was the case for grants received from the Cathedrals Sustainability Fund (£78,738 for salary support for the Cathedral's commercial staff team and £22,063 for funding for lay clerks fees for the autumn term 2020), from the Cathedral Choirs Emergency Fund (£35,300 for music department costs for the period January to July 2021), and from the government-funded Cultural Recovery Capital Works Fund (for which a grant of £93,850 was received towards essential repairs to the heating system, creation of step-free access from the nave into the north transept, and conservation of medieval masonry in the nave). This latter grant covered 80% of the project costs with the remaining 20% due to be funded by the Development Trust.

Aside from the above, the Trust's fundraising efforts were focussed on securing targeted amounts of money for the Chapter's smaller fabric projects in the Cathedral (such as completion of the new organ camera system and repairs to the parish door) while also developing a long-term strategy for encouraging legacy giving and planning for the large-scale fundraising for the potentially multi-phase access improvements project.

During 2020 the Trust continued to receive grants and donations towards the cost of the Cathedral's music including a further grant of £8,000 from Morden College for the Boys' Choir received in August and due to be paid to the Cathedral in early 2021. At the beginning of 2020, £5,850 remained in the St Mary Overie Appeal (in support of the Girls' Choir probationers) which had been launched and generously supported by Dame Mary Archer in 2014, and this amount was paid to the Cathedral during 2020. Further grants were received from the Derek Hill Foundation (£3,000), Marsh Christian Trust (£650), the John and Ruth Howard Charitable Trust (£2,000) and the Williams Church Music Trust (£2,500).

The Trust continued to enjoy valuable support from the Sanderson Foundation which made a grant of £10,000 to general funds, which were paid to support the cost of the Cathedral Development Office. The Trust also received notification of a further legacy from the estate of the former Cathedral Comptroller, John Trevor Williams totalling £10,307 which was finally received in January 2021.

During 2020 the Trust received £24,479 towards its main areas of fundraising: £142 for fabric, £510 for bells, £23,827 for music. In addition, General Fund income totalled £20,308. Fundraising costs in the year were £43,181 and the trustees made grants to Southwark Cathedral of £8,552 for fabric, £130 for the bells project and £13,849 for music.

At the year end, the balances of restricted funds were as follows:

- Fabric Fund - £106,999 which is being held for future access works in the Cathedral;
- Bells Fund - £7,257 which is being held pending additional works on the bell-frame consequential on the 2016 re-hanging of the bells;
- Music Fund – £9,977 consisting of amounts due to be paid over to the Cathedral in 2021;
- Mission Fund - £43,922 held for future grants to support the Chapter's plans for social mission activity from a refurbished All Hallows Church site.
- Unrestricted Fund - £839,942. In addition to resources to grant fund the Cathedral's Development Office, the remaining funds are being held pending a decision on how best to use the money. A more detailed explanation is contained in the Reserves Policy section below.

Financial Review

Reserves policy

Prior to 2017 it was the aim of the trustees to pass funds to Southwark Cathedral as quickly as is compatible with the project approvals, having regard to agreed procedures and trustee responsibilities: in general therefore the trustees aims were to maintain reserves only to cover one year's expected administrative and staffing costs of the Cathedral Development Office. Following receipt in March 2017, of the John Trevor Williams legacy (£688,266) the Trustees decided to keep this unrestricted legacy in the general fund pending a decision on how best to use the money. There is therefore currently a larger reserve than is needed simply for Development Office purposes. Based on current discussions with the Cathedral Chapter, the trustees intend to use a proportion of this larger reserve to fund access improvement works at the Cathedral. The trustees anticipate up to £100,000 being needed for the first stages of the access works during 2021 and 2022 although the start date for this work is dependent upon the removal of the current coronavirus pandemic restrictions.

The trustees believe that the timescale over which current funds will be applied on access improvement or other projects will extend over a period of some years; the trustees, while maintaining material cash balances, have therefore allocated a substantial portion of current funds to CCLA investments. In January 2020, it was decided to change the balance of the CCLA holdings and increase the proportion held in the Investment Fund and reduce that held in the Property Fund. This was in response to market trends.

Summary of results

The Statement of Financial Activities on page 9 shows that the trust started the year with a fund balance of £975,931. Total income during the year was £44,787 (compared with £37,293 in 2019).

Development Office costs were £41,720 (compared with £44,893 in 2019) the majority of which consisted of the full-year salary costs of the Fundraiser. Fundraising costs amounted to £237 (£1,156 in 2019), mainly hospitality in connection with fundraising events and opportunities to thank donors.

The trust made grants to Southwark Cathedral of £26,031 in 2020 (compared to £46,184 in 2019). Of this, £8,552 was given for fabric works, principally preparatory works before the access project, £13,849 for music and £130 in connection with the bells project.

The investments in CCLA Property and Investment Funds achieved unrealised gains of £56,591 during the course of the year.

Total funds carried forward at the year-end are £1,008,097. On the balance sheet at the year end, there is deferred income of £8,000 due to be recognised in 2021, which consists of a donation from Morden College for the Boys' Choir.

On behalf of the trustees

A handwritten signature in black ink, appearing to be 'A. Nunn', written in a cursive style.

The Very Revd Andrew Nunn
Trustee

Date: 19th May 2021

Independent Examiner's Report to the Trustees of Southwark Cathedral Development Trust for the year ended 31st December 2020

I report on the accounts of Southwark Cathedral Development Trust for the year ended 31st December 2020 which are set out on pages 9 to 14.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
 - have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Jennifer Naylor, FCCA

Chartered Certified Accountant

The Accountancy Practice, Lancasters, West End Lane, Henfield, West Sussex, BN5 9RB

Southwark Cathedral Development Trust

Statement of Financial Activities for the year ended 31st December 2020

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£	£
Income from:	2					
Donations and legacies		20,308	24,479	-	44,787	37,293
Trading and fundraising activities		-	-	-	-	-
Other		-	-	-	-	-
Total income		<u>20,308</u>	<u>24,479</u>	<u>-</u>	<u>44,787</u>	<u>37,293</u>
Expenditure on:						
Raising Funds	3	43,181	-	-	43,181	47,164
Charitable activities	4	3,500	22,531	-	26,031	46,184
Total expenditure		<u>46,681</u>	<u>22,531</u>	<u>-</u>	<u>69,212</u>	<u>93,348</u>
Net income before investment gains		<u>(26,373)</u>	<u>1,948</u>	<u>-</u>	<u>(24,425)</u>	<u>(56,055)</u>
Net gains/(losses) on investments		56,591	-	-	56,591	91,206
Net income		<u>30,218</u>	<u>1,948</u>	<u>-</u>	<u>32,166</u>	<u>35,151</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>30,218</u>	<u>1,948</u>	<u>-</u>	<u>32,166</u>	<u>35,151</u>
Funds reconciliation						
Funds brought forward		809,724	166,207	-	975,931	940,780
Total Funds Carried Forward		<u>839,942</u>	<u>168,155</u>	<u>-</u>	<u>1,008,097</u>	<u>975,931</u>

Southwark Cathedral Development Trust

Balance Sheet as at 31st December 2020

	Note	Unrestricted	Restricted	Endowment	Total Funds 2020 £	Total Funds 2019 £
Current Assets						
Debtors	5	10,308	50	-	10,358	5
Cash at bank and in hand		3,082	18,205	-	21,287	31,875
Investments		827,552	157,900	-	985,452	958,861
		840,942	176,155	-	1,017,097	990,741
Liabilities						
Creditors: Amounts falling due within one year	6	1,000	8,000	-	9,000	14,810
Net Assets		839,942	168,155	-	1,008,097	975,931
Representing:						
Funds	9					
Unrestricted funds		839,942	-	-	839,942	809,724
Fabric Fund		-	106,999	-	106,999	115,409
Bells Fund		-	7,257	-	7,257	6,877
Music Fund		-	9,977	-	9,977	(1)
Mission Fund		-	43,922	-	43,922	43,922
		839,942	168,155	-	1,008,097	975,931

These accounts were approved by the trustees on 19th May 2021



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The Very Revd Andrew Nunn
Chairman of the Trustees

Southwark Cathedral Development Trust

Notes to the Financial Statements

I Accounting Policies

Basis of preparation

These accounts have been prepared on the basis of historic cost (except that investments are shown at market value) in accordance with Charities Statement of Recommended Practice Accounting and Reporting by Charities, Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Charities Act 2011.

Incoming resources

Recognition of incoming resources

These are included in the Statement of Financial Activities (SoFA) when:

- the trust becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Incoming resources with related expenditure

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Tax reclaims on donations and gifts

Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Donated services and facilities

These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

Volunteer help

The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.

Investment income is included in the accounts when receivable.

Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure and liabilities

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Support costs

These include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Grants with performance conditions

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support Costs

Support costs include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters and have been allocated to activity cost categories on a basis consistent with the use of resources.

Assets

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or a reasonable value on receipt.

Investments

Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at trustees' best estimate of market value.

2 Income

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Donations and legacies					
Donations and fundraising appeals	20,308	24,429	-	44,737	35,113
Tax recoverable under Gift Aid	-	50	-	50	2,180
	<u>20,308</u>	<u>24,479</u>	<u>-</u>	<u>44,787</u>	<u>37,293</u>
Trading and fundraising activities					
Income from fundraising events	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments					
Bank interest	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>20,308</u>	<u>24,479</u>	<u>-</u>	<u>44,787</u>	<u>37,293</u>

3 Expenditure of raising funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£	£
Development Office staff	41,631	-	-	41,631	44,313
Fundraising events	237	-	-	237	1,156
Development Office costs	89	-	-	89	580
Support costs	1,224	-	-	1,224	1,115
	<u>43,181</u>	<u>-</u>	<u>-</u>	<u>43,181</u>	<u>47,164</u>

4 Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Grants paid to Southwark Cathedral	3,500	22,531	-	26,031	46,184
Other payments	-	-	-	-	-
	<u>3,500</u>	<u>22,531</u>	<u>-</u>	<u>26,031</u>	<u>46,184</u>

5 Debtors

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Tax recoverable under Gift Aid	-	-	-	-	-
Other debtors	10,308	50	-	10,358	5
	<u>10,308</u>	<u>50</u>	<u>-</u>	<u>10,358</u>	<u>5</u>

6 Creditors: Amounts falling due within one year

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Other creditors and accruals	1,000	-	-	1,000	960
Deferred income	-	8,000	-	8,000	13,850
	<u>1,000</u>	<u>8,000</u>	<u>-</u>	<u>9,000</u>	<u>14,810</u>

7 Employees

The Development Trust does not directly employ any staff. It makes a grant to Southwark Cathedral for the annual total salary costs of the Fundraiser who is employed by Southwark Cathedral on fundraising efforts. In 2020 the grant was used to pay the following amounts (comparable figures for 2019 also shown) to Southwark Cathedral:

	2020 £	2019 £
Salaries	36,057	35,350
Employer's national insurance costs	3,771	3,696
Employer's pension contributions	1,803	1,767
	<u>41,631</u>	<u>40,813</u>

8 Independent examiner's remuneration

	2020 £	2019 £
Independent examiner's remuneration	<u>1,000</u>	<u>960</u>

9 Restricted Funds

	Fabric Fund	Bells Fund	Music Fund	Mission Fund	Total Funds 2020	Total Funds 2019
	£	£	£	£	£	£
Income from:						
Donations and legacies	142	510	23,827	-	24,479	26,793
Trading and fundraising activities	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	<u>142</u>	<u>510</u>	<u>23,827</u>	<u>-</u>	<u>24,479</u>	<u>26,793</u>
Expenditure on:						
Raising Funds	-	-	-	-	-	1
Charitable activities	8,552	130	13,849	-	22,531	45,157
Total expenditure	<u>8,552</u>	<u>130</u>	<u>13,849</u>	<u>-</u>	<u>22,531</u>	<u>45,158</u>
Net income/(expenditure)	<u>(8,410)</u>	<u>380</u>	<u>9,978</u>	<u>-</u>	<u>1,948</u>	<u>(18,365)</u>
Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	<u>(8,410)</u>	<u>380</u>	<u>9,978</u>	<u>-</u>	<u>1,948</u>	<u>(18,365)</u>
Funds reconciliation						
Funds brought forward	<u>115,409</u>	<u>6,877</u>	<u>(1)</u>	<u>43,922</u>	<u>166,207</u>	<u>184,572</u>
Total Funds Carried Forward	<u>106,999</u>	<u>7,257</u>	<u>9,977</u>	<u>43,922</u>	<u>168,155</u>	<u>166,207</u>