

# THE CATHEDRAL AND COLLEGIATE CHURCH OF SAINT SAVIOUR AND SAINT MARY OVERIE, SOUTHWARK

England & Wales · Charity number 1200866

## Details

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**Other names** SOUTHWARK CATHEDRAL

**Status** Registered

**Legal form** Other

**Registered** 2022-11-01

**Register** [View on the Charity Commission register](#)

## Contact

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## Activities

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**Objects:** THE OBJECTS OF THE CHAPTER ARE?(A) TO ADVANCE THE CHRISTIAN RELIGION IN ACCORDANCE WITH THE FAITH AND PRACTICE OF THE CHURCH OF ENGLAND, IN PARTICULAR BY FURTHERING THE MISSION OF THE CHURCH OF ENGLAND;(B) TO CARE FOR AND CONSERVE THE FABRIC AND STRUCTURE OF THE CATHEDRAL CHURCH BUILDING;(C) TO ADVANCE ANY OTHER CHARITABLE PURPOSES WHICH ARE ANCILLARY TO THE FURTHERANCE OF THE PURPOSE REFERRED TO IN SUB-PARAGRAPH (A) OR (B).THE CHAPTER MUST ACT FOR THE PUBLIC BENEFIT WITHIN THE MEANING OF SECTION 4(3) OF THE CHARITIES ACT 2011.

**Activities:** We advance the Christian religion and its mission in accordance with the faith and practice of the Church of England through worship, teaching, visitor engagement and support and service to our congregation, local community and the wider world. We care for and conserve the fabric and structure of our Cathedral church building, heritage site, ancillary buildings and wider residential estate.

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Religious Activities
- **Who:** The General Public/mankind

## Geography

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- Southwark

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,551,302	£3,226,724	£17,630,732	43
2023-12-31	£2,749,217	£2,779,492	£17,393,769	35

## Trustees

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Name	Role	Appointed
DANIEL CHUMBLEY		2022-11-01
Gillian Margaret Reynolds		2022-11-01
Kristin Lynn Ruby		2025-06-11
REVD MICHAEL GRAEME RAWSON		2022-11-01
Rev Kathryn Claire Fleming		2023-09-10
Rev Mark David Oakley		2023-12-03
Rev Roxanne Fay Eversley		2024-02-03
Rev WENDY SHERIDAN ROBINS		2022-11-01
SIMON MATTHEW KINGSTON		2022-11-01
THE REV CANON JEREMY CLARK-KING		2022-11-01

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# Accounts

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# **SOUTHWARK CATHEDRAL**

**Annual Report and  
Consolidated Financial Statements  
for the year ended  
31<sup>st</sup> December 2024**

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

Registered charity number: 1200866

## CONTENTS

Annual Report	
Introduction from the Dean	3
Objectives and Activities	4
Achievements and Performance	5
Financial Review	13
Trustee Plans for 2024	14
Structure, Governance and Management	16
Reference and Administrative Details	25
Statement of the Responsibilities of the Chapter	28
Independent Auditor's Report	29
Consolidated Statement of Financial Activities	33
Consolidated Balance Sheet	34
Cathedral Balance Sheet	35
Consolidated Statement of Cash Flows	36
Notes to the Consolidated Financial Statements	37

## Introduction from the Dean

2024 was a year to take stock and refresh our Vision at Southwark Cathedral.

Having been installed as Dean at the end of the previous year, 2024 presented an opportunity to build upon the foundations set by my predecessor, to whom I'm enormously grateful, and to shape the Cathedral's strategy for the next five years.

**Making Space for Love: with Heart, Mind, and Soul** was the result. This five-year plan is a discernment of our vocation. It is an attempt to build upon Southwark's great history and spiritual heritage, as well as discern our current needs and huge potential. I was especially keen that, at its heart, lies worship, hospitality, learning, and social justice. I was also keen that sustainability is central - not just in the sense of our important commitments to net zero – but also as the longer-term financial viability of the Cathedral.

2024 not only marked my first year as Dean at Southwark, it also saw the appointment of a new Chief Operating Officer in Paul Smith and a new Chief Finance Officer in Ted Halshaw. Together, alongside the rest of the Senior Leadership Team, we immediately set about drafting an Operational Plan to translate the Vision into practicalities. This internal document, by giving timescale and assigning budget, will help us deliver on our commitments and, by doing so, serve our community better. Our values hold us to account: kindness, integrity, justice and courage.

As we have seen in recent months, the financial health of Cathedrals is something for which the Church of England is currently concerned. This being said, we achieved an exceptional surplus of £324k driven by legacy and donations income. This has allowed us to create a designated fund to help bring the operational plan and Vision to life.

Our commitments are ambitious but realistic. We are working to create a Cathedral which is a spiritual resource and beacon of hope for those we serve, in our present time but also for those who come after us.

We have worked hard in 2024 to improve our structures, our processes and our compliance. These are there to ensure we are a safe, diverse, fair, and transparent community, seeking to make space for love as we follow the way of Jesus Christ.

## ANNUAL REPORT

### OBJECTIVES AND ACTIVITIES

#### Charitable objects

The Cathedral and Collegiate Church of Saint Saviour and Saint Mary Overie, Southwark (Southwark Cathedral) is a charity registered and regulated by the Charity Commission for England and Wales under the Charities Act 2011. Its charitable purposes are as follows:

(1) The objects of the Chapter are:

(a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;

(b) to care for and conserve the fabric and structure of the Cathedral Church building; and

(c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b).

(2) In paragraph (1):

“the mission of the Church of England” means the whole mission of the Church of England, pastoral, evangelistic, social and ecumenical;

“Cathedral Church building” means the buildings within the ecclesiastical exemption for the Cathedral; and

“charitable purposes” means purposes within section 2(1) of the Charities Act 2011.

(3) In furthering the objects set out in paragraph (1), the Chapter must act for the public benefit within the meaning of section 4(3) of the Charities Act 2011.

#### **Mission Statement: Making Space for Love**

Rooted in Christian faith, to be a place of hospitality, exploration, imagination, and kindness. We will be a Cathedral that rejoices in making space for all people to flourish and grow, in heart, mind, and soul.

The pathways in which we will make space for love of God and neighbour are:

Heart: To keep the heart healthy in London by a commitment to social justice, upholding the human dignity of all people and of every age.

Mind: To help people both live faithfully and think critically, being a place of learning and discovery.

Soul: To be a school for the soul, a place for enrichment of the inner life through prayer, our Cathedral building, the arts, and community

## **ACHIEVEMENTS AND PERFORMANCE**

### **Worship and Liturgy**

The Liturgical life of the Cathedral is key to the delivery of its charitable objects of advancing the Christian religion in accordance with the faith and practice of the Church of England. At the heart of our work here are the Eucharist and the round of daily offices. As a community, although our worship is rooted in an orthodox Anglican tradition, we are committed to modern, inclusive, imaginative, and accessible worship. In our role as the Mother Church of the Diocese, the worship offered on Diocesan occasions seeks to be non-partisan, authentic and engaging. Most Cathedral services use the Common Worship contemporary language rites. The Book of Common Prayer is used regularly for Choral Evensong.

Our worshipping community consists of approximately 440 individuals, including 45 children (aged 0-10), 40 young people (11-17), and 255 adults, the majority of whom attend one or more of the principal Sunday services – Eucharist at 9.00am, Choral Eucharist at 11.00am and Choral Evensong at 3.00pm, as well as Compline and Benediction on the fourth Sunday of the month at 6.00pm. During the week, from Monday to Saturday, we offer a rhythm of daily services including Morning Prayer, Midday Prayer (excluding Saturdays), Eucharist and Choral Evensong / Evening Prayer. Tuesdays also feature a 9.30am Eucharist and on Fridays the Litany of Reconciliation is prayed during Midday Prayer. These services are attended by smaller congregations who are nevertheless an integral part of the Cathedral community. This weekly round is supplemented by seasonal liturgies around important festivals and principal feasts in the Church year.

Our online congregations are increasingly important to us. The foundation of our online offering is the streaming of Morning Prayer each day and a weekly Choral Eucharist and evening compline on Sundays. These are streamed via the Cathedral's YouTube channel and Facebook page. Due to the availability of consistent statistics, the following figures refer to our community on YouTube only. Between 1 January and 31 December 2024, our YouTube channel gained 409 new subscribers and amassed 87,977 total views across all content. Morning Prayer is usually the only service streamed Monday-Saturday and our average daily viewership was 31 people in 2024. Looking at Sundays across the year, our average number of views across all services was 484. There were higher figures across both weekdays and Sundays in March and December, in line with increased activity during Lent and Advent respectively. We are grateful to our vergers, who manage weekday streaming with their customary efficiency, as well as our team of volunteers who assist with the streaming of Sunday worship and occasional "specials".

In addition to our regular worshippers, our community is further enriched by visitors. These include curious tourists, educational groups, visiting organisations and individuals seeking sanctuary. Our four daily weekday services are offered in the context of a historic building that is free to enter and open to all, reflecting our commitment to public benefit. Visitors are also welcome to enter the Cathedral at other times for private prayer, to light a candle, or to seek guidance and conversation with one of our Day Chaplains.

In 2024, major services included the Consecration of the new Bishop of Woolwich, and the Installation of the new Archdeacon of Lewisham & Greenwich. The Cathedral continued to support the ministry of the Bishop and the wider Diocese, with the annual rhythm of Ordinations, Confirmations and Archdeaconry services, and a joyful celebration of the 30<sup>th</sup> anniversary of the ordination of women as priests in the Church of England, as well as services for children from schools across our Diocese. We welcomed partner institutions for services such as the Thomas Cure Evensong, Livery Company services and the High

Sheriff's Annual Service of Thanksgiving, when the Cathedral welcomed the senior judiciary and Lieutenancy. Our delivery of major services which engage with and celebrate local institutions and civic bodies, both in London and nationally, is a key part of the fulfilment of our charitable purposes.

Examples of our service to the wider Christian community include our Diocesan Evensong, which filled the nave with choirs from churches across the Diocese under the direction of the Cathedral's Director of Music, and a new ecumenical celebration in which the Cathedral Choir was joined by the choir of St George's Roman Catholic Cathedral for a service to mark the week of prayer for Christian Unity. In July, we hosted the Church Commissioners and Charity Commission for Choral Evensong at the end of a conference day in the Cathedral - a service that showcased Southwark music at its most impressive in the service of the wider Church.

Liturgical and musical excellence in the delivery of our special services is key to how the Cathedral delivers its stated aims. It also engages in civic events and moments of National importance through worship and, whilst keeping its orthodox roots, offers an inclusive welcome to those of other worship traditions.

### **Parish and Community**

As a Parish Church Cathedral, we have an Electoral Roll which is compiled in accordance with the Church Representation Rules. At the Annual Parochial Church Meeting in May 2024, the total membership on the Electoral Roll stood at 476 - an increase on the previous year. The Electoral Roll will be fully revised in 2025. Those living in the Cathedral parish and those who worship with us regularly are supported in their life of faith through baptism, confirmation, marriage and funerals. There was a dip in the number of marriages during the year, although there are a healthy number of bookings for 2025. We were delighted to celebrate an increased number of adult baptisms in the autumn and look forward to them joining the Confirmation group in Spring 2025.

The Sub Dean coordinates ministry to the sick and housebound, assisted by our Commissioned Lay Pastoral Minister and one of our Honorary Minor Canons. During the year, we launched the Living Faithfully programme, supporting learning and faith enrichment for our community, which has been well received. Primary aged children are admitted to Holy Communion in November, and we have noted a steady increase in the number of young people participating in our Sunday activities.

We continue to work closely with the Norwegian Church in Rotherhithe and St George's Cathedral, Southwark, together with Southbank Churches. These relationships flourish in parallel with our close links with Rouen Cathedral, France and Bergen Cathedral, Norway. During the year, the Dean visited local mosques and synagogues together with a congregational visit to the Neasden Temple. The Cathedral hosted an Interfaith gathering in the autumn, in partnership with Living Bankside.

We have a particularly close relationship with the ROBES homeless charity. The charity's offices are on Cathedral site. We participate in staffing the Christchurch night shelter for three months each year and hosting the fundraising SleepOut in November.

## **Music**

The Cathedral Choir is made up of boys and girls, who sing both separately and together, and six Lay Clerks. In addition, there is the Merbecke Choir with a separate director and a membership including younger adults, many of whom have been choral scholars or former Cathedral choristers.

The Music Department at Southwark Cathedral is proactively engaged in community engagement and social inclusion on a daily basis. With no choir school, the Department are free to engage with choristers from a wide variety of schools across south London and beyond, so that our choirs more truly reflect the diverse community we serve. Currently, we work with over 80 children on a weekly basis and approximately 160 chorister and probationer parents representing local communities. The pattern of regular visits to schools to offer workshops, lead assemblies and run auditions has continued despite the untimely death of Director of Music Ian Keatley in August 2024, and the Music Department remain committed being part of an inclusive and outward-facing Cathedral community.

Both Choirs performed at Summer and Christmas concerts and at some particularly significant Evensongs: with the choir of St George's Roman Catholic Cathedral to mark the week of prayer for Christian Unity; with choirs from across the Diocese, filling the nave in June; for the Church Commissioners in July, and for the Cathedral Music Trust (in the presence of HRH Duchess of Gloucester) in November, as well as joining with musicians from across London to give thanks for the life of Ian Keatley on the eve of Advent. In addition, a series of concerts have combined organ or solo voice (showcasing our Lay Clerks) with appropriate readings, so that word and music interpret one another

The Cathedral community are very thankful for all that Acting Director of Music Simon Hogan, Assistant Organist James Gough and Merbecke Director Emily Elias have done, which has kept the work of the Department going and the choirs flourishing in a difficult season. With the appointment of a new Director of Music, Helen Smee, who will join the Cathedral at the end of the summer 2025, there is much to look forward to, including the celebration of the Silver Jubilee of the Girls' Choir, the relaunching of the Old Choristers Association, and a Choir Tour for the girls in October 2025.

## **Education**

In 2024, the Cathedral continued to deliver its ministry of education through the Southwark Cathedral Learning Centre. Established in 1996, the Learning Centre is operated by the Southwark Cathedral Education Trust (SCET), an independent charity led by a board of seven Learning Centre Trustees (LCTs) and chaired by the Canon Chancellor. The board includes the Dean, a representative from Chapter, the Southwark Diocesan Director of Education and members of the Cathedral community with a background in education. The Learning Centre employs one part-time, permanent Learning Centre Manager, line-managed by the Canon Chancellor. In December 2024, the Trust also appointed a part-time, temporary administrator to provide administrative support to the Centre, as activity has returned to pre-pandemic levels. The Learning Centre also has a skilled team of 12 active volunteers who support the delivery of school visits managed by the Learning Centre Manager.

The Learning Centre primarily works with primary and secondary schools from the faith, community and independent sector, providing high quality Learning Outside the Classroom (LOtC) experiences at the Cathedral. Students visiting the Cathedral engage in a rich programme of curriculum-linked trails and workshops supporting Religious Education, History, Art & Design and Personal Social & Health Education, Philosophy & Ethics and

Citizenship for students from Early Years through to KS5. The programme aims to encourage a deeper sympathy for the Christian faith and appreciation of the Church's contribution to culture and community.

2024 saw 4551 instances of student participation in education sessions at the Cathedral compared to 3128 in 2023. The Learning Centre's operational activity across 2024 included:

- Managing, delivering and evaluating an annual programme of thematic workshops and trails running on Tues-Friday weekly in term-time;
- A year-round programme of teacher training in partnership with the Southwark Diocesan Board of Education (SDBE);
- Easter and summer holiday family learning 'pop-ups' in partnership with the Old Operating Theatre and the Southwark Heritage Centre;
- Continued partnership with the SDBE to deliver the popular Journey to the Manger Christmas programme for Diocesan primary schools;
- A five-day special programme in October during Luke Jerram's Gaia exhibition, with 235 students engaging with climate justice issues;
- Continued development of our popular 'hot seat' programme, with students posing questions to a member of our clergy supporting young people to explore "big questions" of life, ethics and meaning;
- Developing a new bursary scheme for local Southwark borough schools, with high proportions of students eligible for Pupil Premium to come for a free visit enabled via a grant from the St Olave's Foundation Fund;
- Supporting core work with foundation schools through delivery of educational tours for students coming for their annual services and concerts;
- Supporting the Sub-Dean with some of his work in resourcing and advising on ministry to families and young people in the Cathedral community;
- Ongoing support and development for the dedicated Learning Centre volunteers through training, external visits and regular communications.

Strategic plans for the Learning Centre for 2025 are focused on increasing capacity whilst continuing to resource the Centre sustainably and strengthening the existing relationship with the Cathedral with improved integration.

### **Conservation work**

The Archaeology Chamber in Lancelot's Link is a popular visitor attraction and a window into the history of the site of the Cathedral. It is an open display and therefore susceptible to dust and debris build-up which requires periodic cleaning. The *Friends of Southwark Cathedral* supported the initial gentle conservation clean of the chamber by the experienced Conservation Housekeeping service, Virtu. The careful clean and tidy was executed in April 2024 and returned it to good presentational order, enabling the conservators to check the condition of the archaeology. A further brief is being now being compiled to preserve the chamber's condition and re-present the visitor experience.

As the demolition works of Minerva House commenced in earnest, the Cathedral asked the York Glaziers Trust to undertake an initial inspection of the West End Window by Henry Holiday (1839-1927). This served to confirm the relatively good condition of the stained glass and to reassure the Cathedral of the structural stability of the window. Longer-term considerations for conservation will be scheduled to align with the wider conservation programme for all stained-glass in the Cathedral.

The Cathedral continues to welcome the City and Guilds Art School BA students into the building each year to carry-out their practical curriculum. In 2024-25, they have started monitoring the micro-environment and subsequent condition of the monument to John Gower, the wooden effigy of a knight, the Pugin Tabernacle and the Canon's Doorway. There is also an MA student carrying out research on the John Trehearne monument that has revealed new information about previous paint schemes. The results of the students' research was presented to the Cathedral in a seminar on Monday 24<sup>th</sup> March 2025.

The Property Department continues to run a Conservation Housekeeping Week each year, during which a team of volunteers are taught by a Conservator how to clean an element of the heritage fabric. In 2024, the team grew to encompass some of the City & Guilds students and with the help of the vergers and property teams, they have managed to be responsive throughout the year. This has allowed further cleaning of areas around the Archaeology Chamber, Victorian infrastructure in the Cathedral and prior to conditions surveys at high-level.

There are further works required to the bell-frame before the Cathedral clock can be repaired in the tower. This year saw correspondence with CFCE and applications for further works being submitted.

The Conservation Management Plan was drawn together in a comprehensive document in 2024 and continues to be appraised and reviewed to best represent the conservation areas of significance at Southwark Cathedral. The aspiration is to publish the document for use in 2025.

## **Sustainability**

The Cathedral continues to work closely with the Diocese in delivering its Net Zero Carbon targets for 2030 (Diocese target – 2035). We have received an MEP consultant report this year, commissioned by Better Bankside as part of the Cathedral's involvement in the Southwark Climate Collective Energy Audit, and await a Stage 2 Energy Assessment and Carbon Emissions Review report from the Church of England's Commissioners.

We are using the data from these sources to build a detailed aspirational carbon-reduction plan towards Net Zero Carbon emissions for the Cathedral Precinct.

In the meantime, the Cathedral has made ambitious pledges on which we are now acting. These include:

- A commitment to Green Electricity and Gas energy supply (with no carbon offsets) to 2026;
- A site-wide policy of replacing all bulbs with LED. There are now several ancillary staff areas that have recently been refurbished with LED fittings as well as public areas, including the café, shop and Learning Centre;
- The future supply of low-carbon/renewables energy source for the heating and lighting of the Cathedral is a real ambition, albeit a complex challenge. To assist with this, the Cathedral is tendering for the services of a MEP and Lighting consultant;

- Stage 1 of the Harvard Chapel access and re-ordering project continues with the requests for necessary permissions. This project proposes the installation of under floor heating with air source heat pump.

The Sustainability Group has continued to meet on a monthly basis throughout 2024/5 and work with our companion Eco Group that has been established within the congregation. The focus this year has been to embed sustainable behaviour across Cathedral communities and to develop a Cathedral-wide culture for the care of God's creation. The Cathedral was awarded *A Rocha Eco Church Silver Award* in April 2024 and is now working towards achieving Gold status under the recently revised criteria. The Cathedral has progressed with a ban on single-use plastics on site, a decrease in the use of printed paper and an increase in recycled products being supplied to the Cathedral. In tandem, we have carried out an in-house waste audit and have increased the lines of waste recycling across the site. Staff training continues to encourage positive behaviour change - the Sustainability Group undertook Carbon Literacy Training in March 2024.

The Cathedral promotes environmental resilience in the local community and is a designated Cool Space in London in the Summer providing shelter from the extreme heat. It is important that our planting and landscaping continue to support this, and we have added two large water-butts to the site this year to assist with watering in the dry seasons. The Cathedral Grounds are managed to increase biodiversity and protect existing eco-systems -the *Friends of Southwark Cathedral* have generously assisted with these initiatives.

Last summer, a group of volunteers, both Cathedral and Bankside Open Space Trust, collaborated to enrich the landscape in the Millennium Courtyard, coinciding with the arrival of Luke Jerram's *Gaia* installation at the Cathedral. This took the form of a series of wooden planters, planted up with a range of insect-friendly, globe-shaped blooms, which will continue to provide a colourful welcome for all. This project was supported by the local authority's Cleaner, Greener, Safer funding initiative.

The Cathedral hosted 'Climate Justice Fortnight' under *Gaia* in October. The Sustainability Group worked closely with the Cathedral's Visitor Engagement team to deliver this. The Cathedral partnered with Christian Aid for the fortnight, who provided relevant distribution materials and delivered two free entry workshops on climate justice themes. A 'Green Fair' was held, at which various stallholders representing local organisations and charities with a 'green' focus were invited to engage with the public visiting the *Gaia* installation.

Looking ahead to 2025, we are continuing to raise the profile of environmental sustainability in different areas of Cathedral life.

### **Estate management**

In 2024, the Cathedral established a Property Strategy Group comprised of staff, non-executives and expert volunteers to determine options for the future of the Cathedral's property portfolio for presentation to Chapter. Much work has been achieved by this group in understanding the Cathedral's legal and financial interests in our properties. A Property Assets and Liabilities Register has been established, in which the relevant property information is recorded and regularly updated. This work will be extended to include further detail to the Cathedral precinct and its perimeter in 2025.

The Property Department benefitted from the creation of a new role – the Estates Manager. This allowed the team to execute a Health & Safety audit across the tenanted residential and commercial property portfolio. The status of the portfolio in relation to statutory regulations and other landlord obligations is reported monthly to Chapter.

The current Cathedral Architect's contract term expired in 2024, and the Cathedral spent a great deal of time and thought considering what we required to help us manage the estate over the next 5 years. A thorough selection and interview process was held for a Cathedral Architect and the unanimous decision to re-appoint Kelley Christ was made in October 2024. A Masterplan and 7-Year Strategic Plan is now being developed for the Cathedral precinct.

Early in 2024, the Cathedral received the full reports of the residential conditions surveys that we commissioned in 2023, and these have been used to develop a programme of works across the next 5 years. There is a significant quantity of remedial and fabric upgrade works required across the portfolio after a long period of austerity.

The challenge of finding a workable solution for the Cathedral at All Hallows Church Hall remains. After the building was illegally occupied by squatters in August 2024, an immediate and co-ordinated response with the Diocese resulted in an efficient legal process. The squatters were evicted in October 2024 and the Cathedral has put measures in place to prevent repeat illegal occupancy. The Property Strategy Group has worked hard on behalf of the Cathedral to find a tenant who might be prepared to fund the significant remedial repairs to the building. To date there are interested parties but no commitment and until a solution is agreed, the Cathedral remains responsible for ongoing costs. After 12-months of exploring the Cathedral's options for the site, the possibility of final closure of the building and returning it to the Diocese is now being considered.

Eco Church continues to worship at All Hallows in the community garden. The garden is now managed by the Diocese and the Local Authority with the assistance of Eco Church and the community gardening group.

The Property Department continues to respond to the upgrade of Health & Safety policies, processes and emergency procedures on site. An entirely new Fire Alarm was installed in the Cathedral and across the precinct in 2024. A significant investment in Emergency Lighting is required and the installation of LED lights, improved CCTV equipment and secure access technology is planned for 2025.

The Access strategy remains a priority for the Cathedral and much thinking has taken place in 2024 about impactful solutions to the challenges of the site. The preparatory work for a ramped entrance to the Harvard Chapel has progressed and we are reliant on permissions being granted before we continue with the work. We hope Stage 1 will commence in 2025. Other urgent projects being planned for 2025 include:

- Perimeter signage upgrade
- Feasibility Study for Southwest Entrance, including:
- Perimeter Public Realm project

The Cathedral has met weekly with the contractors of the development site opposite the Northwest end of the precinct - GPE's Minerva House site. We have worked closely with the Stage 1 Main Contractor, Morrisroe, as they partially demolish the building, to limit the impact that this has had on the daily business and operations of the Cathedral. A Party Wall Agreement has now been signed between GPE and the Cathedral in relation to works taking place in the basement and neighbourly matters.

## Visitor Engagement

Our Visitor Engagement (VE) team has expanded this year as we took on six new Welcome Hosts, kindly supported by a grant from the Cathedral Sustainability Fund. These Hosts, supported by our volunteer welcomers and stewards, help ensure the Cathedral offers a world-class welcome and farewell to all who visit, as well as encouraging visitors to donate to the Cathedral.

In October, we hosted Luke Jerram's *Gaia* which was the centrepiece of our Climate Justice Fortnight of events. The Cathedral welcomed 23,000 visitors during this fortnight, and we were delighted to partner with Christian Aid as we highlighted how the climate crisis disproportionately impacts the Global South.

Visitor figures for 2024 increased by 18% on 2023, which is encouraging and something for the Cathedral to build on in 2025 and onwards with the new strategic plan.

The VE team delivered over 80 diverse events throughout 2024, including talks, theatre, concerts, and comedy nights. Some of the highlights were:

- An evening of history talks raising money for the charity Papyrus;
- An evening with social-media sensation Bryony Gordon who tackled the menopause, binge eating, addiction and mental illness;
- Six Queens: The Peril and Passion in the Court of Henry VIII;
- Poetry night with Pádraig Ó Tuama;
- A Mudlarking Year with Lara Maiklem;
- *It's Not That Radical* with Mikaela Loach who spoke about climate justice;
- The Comedy of Errors Churchyard Theatre with The Handlebards;
- 2-day Mudlarking and Heritage Craft Festival;
- *Experience the Christian Orthodox Tradition* Day of Talks.

We also brought *Blankets for London* and *The Big Cathedral Knit* to the Cathedral by partnering with not-for-profit company Craft Forward based in Brixton. Over two days, one in August for producing squares and one in November for assembling blankets, over 3,000 people from all different backgrounds, ages and faiths joined us at the Cathedral to produce over 200 blankets. Craft Forward distributed these to several homeless charities in London in early December. We look forward to building on this relationship with Craft Forward in 2025.

We also welcomed 2,000 people on our tours throughout the year. These tours play an important role in telling visitors the story of Southwark Cathedral and we are very grateful to our brilliant team of Guides who deliver them.

Exhibitions in 2024 included a display of icons by acclaimed iconographer Hanna Ward, *Threads Through Creation* - a spectacular re-telling of the Creation story in Genesis using twelve huge textile panels, and the aforementioned *Gaia*. We also re-introduced art in the café and will be looking at inviting local artists and charities to display their work in 2025 and beyond.

Worship will always be at the core of the Cathedral's mission and charitable purpose, but as a Cathedral, parish church and place of spiritual focus in the community, we believe that we should be playing our part in bringing different communities together, whatever their background or current circumstances. Our VE team play an important part in our mission by welcoming and engaging all, including those who are may be hesitant to come to a Cathedral or church, and by offering education and entertainment in the context of a faith

space and heritage church building. The work is also key to the Cathedral's fundraising activities and supports important retail and café income.

Plans for 2025 include hosting Peter Walker's *Peace Doves* installation, *A Luxmaralis* lightshow telling the Christmas story in the build-up to advent, a two-day History Book Festival, our annual Mudlarking and Heritage Craft show and introducing a programme of (free to attend) *Living Faithfully* theological talks.

## **FINANCIAL REVIEW**

The total operating result for 2024 before gains and losses on investments was a surplus of £324,578, this compares to a deficit of £30,275 in 2023. This includes a small surplus of £2,795 on restricted funds (2023 - £6,700).

Income increased by £802k from £2.75m to £3.55m. £450k of this increase has been used to create a new designated fund to be used over the next three year to drive income by increasing visitor numbers and supporting long term planning on property projects.

Expenditure also increased by £447k, from £2.78m to £3.2m. The largest contribution to this increase came from an increase in expenditure on raising funds. An increase of £160k related to trading and fundraising activity driven by increased staffing costs partially funded by grants. An increase of £110k relates to work on investment properties.

There was a net loss of £88k on the revaluation of investments in 2024, principally because of a reduction in the valuation of investment properties of £120k, offset by an increase of £32k in other investments.

Total consolidated funds at 31 December 2024 were £17,630,732 (2023 - £17,393,769). Of these £188,419 were restricted funds (2023 - 184,992) and £16,256,810 were endowment funds (2023 - £16,345,057). The unrestricted fund was £735,503 (2023 - £863,720), and £450,000 were designated funds (2023 - £0). Unrestricted and Designated funds include £193,632 represented by the net value of tangible fixed assets and £675,000 by investment properties. The free reserves were therefore minus £133,129 (2023 - £82,047), this excludes the £450,000 designated fund.

### Reserves policy

The Chapter's aim is to build up its free reserves to £540k as this is level deemed to be sufficient to address any short-term loss of income and cover a significant exceptional item of expenditure. This will be achieved through investment in visitor growth through 2025 to 2029 as outlined in the trustee plans for 2025.

## TRUSTEE PLANS FOR 2025

In the coming year, Chapter has identified the following as its priorities in the delivery of the charity's objects:

- Following the Operational Plan, to embed the new Making Space for Love strategy, into everything we do as a Cathedral;
- Continuing to develop and improve how we welcome visitors and worshippers. We will do this by:
  - Increasing the knowledge and skills of our paid Hosts to ensure that they are fulfilling our visitors and worshippers needs and expectations and further improving our income from donations;
  - Creating a new suite of signage and interpretation which will help orientate and inform our visitors and worshippers more effectively;
  - Building a better understanding of our visitors and worshippers through an investment in, and greater focus on, audience development;
  - Developing and growing the Cathedral's social justice programme, so we are serving our diverse communities effectively and well;
  - Curating a cultural spine of activity which will engage potential new visitors and worshippers to visit the Cathedral;
  - In anticipation of the Church of England independent safeguarding audit in 2026, Chapter are working with the Diocese to recruit a part-time professional Cathedral Safeguarding Officer, whose focus will be helping us prepare for the audit. We are working with the Diocese on a formal Service Level Agreement to enable this appointment, and to put our existing relationship with the Diocesan Safeguarding Adviser on a more defined level;
  - Maintain a four-year rolling budget for property maintenance and renewal to underpin long term financial security.
- Following the recruitment of the Fundraiser in 2024, developing our fundraising and development activity (with input and guidance from the SLT) to allow us to become more strategic in the way we grow this area of our work;
- Improvement in the performance and effectiveness of the Cathedral's IT function;
- Finish the excellent work which was undertaken in 2024 around the Cathedral's Assets and Liabilities, to have complete understanding of the Cathedral and its Estate;
- Complete the Conservation Management Plan;
- Find a long-term, workable solution for the All Hallows site;
- Work towards the Trustees approving longer term projects as part of a seven-year Site Strategic Plan, to include:
  - Southwest Entrance to Cathedral – a landscaping project that allows a more generous pedestrian entrance and compliant access ramp to the SW porch of the Cathedral whilst preserving the churchyard for Cathedral visitors only.

Early consultation has commenced with stakeholders regarding the public realm at the western fringe of the Cathedral;

- Harvard Chapel – the re-ordering of the chapel to provide an accessible, heated space for quiet prayer and worship. The pre-application process is underway;
- Millennium Courtyard – a landscaping project considering a safe and functional stone surface for access and provision of a public outdoor space during opening hours. The re-landscaping of this area is to be considered in line with the new public realm landscaping being delivered by the developers of Minerva House;
- Tower Crossing Platform and Nave Floor – replacing existing timber finishes with stone and incorporating under-floor heating in-line with Net Zero Carbon plan and visitor worshipper comfort and welcome;
- Access Projects – compliant ramps to Retrochoir, west end of Link in addition to Harvard Chapel and southwest entrance;
- Re-siting and improving toilet and hygiene facilities for visitors;
- Lighting Projects – LED controlled lighting systems for the Cathedral both internally and externally. The Cathedral is running a tender process for a Lighting Designer;
- Decarbonising heating systems for the Cathedral office (Montague Chambers) and plan for decarbonising heating of Millennium Building and Song School.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governance**

The Cathedral is registered as a charity with the Charity Commission, in accordance with the Cathedrals Measure 2021.

The Chapter are the board of charitable Trustees that exercise governance and have responsibility for the overall life of the Cathedral. The Chapter consists of the Dean, two executive Residentiary Canons, three non-executive Residentiary Canons, and six lay non-executive members. The lay non-executive members include the Senior Non-Executive Member and the two Cathedral Wardens.

Chapter meetings are chaired by the Dean, or by the Senior Non-Executive Member in the Dean's absence. Chapter meets ten times a year, and is attended by members of Chapter as well as the Chief Operating Officer (COO) and the Chief Financial Officer (CFO). Each meeting includes reports from the COO and CFO, as well as items on governance, compliance and general matters to enable Trustees to make decisions that are in the best interests of the Cathedral.

The Dean is the principal dignitary of the Cathedral after the Bishop and has a particular role in ensuring the proper performance of Divine Service in the Cathedral. The Dean also has several statutory roles and responsibility for the governance of the Cathedral, including as Chair of the Trustees.

### **Trustee Recruitment and Training**

When new Trustees are appointed, we follow an induction process suggested by the Association of English Cathedrals. This involves the Trustee being invited to meet staff, attend worship at the Cathedral, be guided on a historical tour of the fabric of the Cathedral and its ancillary buildings and receipt of the documents below. We also assist Trustees with establishing their own account on the Charity Commission website and completing necessary documentation, including a Fit & Proper Person Declaration and Declaration of Interest Form. Toward the end of 2024, a skills audit was carried out to help identify areas that would be useful for future training in 2025 and beyond.

Documents provided to Trustees include Cathedral Constitution & Statutes, Charity Commission *The Essential Trustee*, Charity Governance Code, The Cathedrals Measure 2021 and related statutory guidance, the Care of Cathedrals Measure 2011 and CFCE guidance documents, role description, minutes of recent Chapter meetings, dates of the year's Chapter and related meetings, the most recent Annual Report and Financial Statements, the current budget and most recent finance report and management accounts, the Risk Register, the Terms of Reference for Chapter Committees, the Conflict of Interest policy, copies of policies approved by Chapter and an Organisation Chart.

### **Chapter Committees**

Chapter is supported by several Committees that are prescribed by the Cathedrals Measure 2021:

- The Nominations Committee advises Chapter on the appointment of individuals to Chapter and other Committees. In doing so, the Committee ensures that all appointments are fair and transparent, and that there is diversity among members. The Committee also has responsibility for recommending to Chapter the appointment

of Directors to the SCEL Board. The Committee regularly review the skills, knowledge and experience of Chapter and other Committee members.

- The Audit and Risk Committee review the activities and management of the Cathedral with an independent perspective in order to identify, manage and mitigate risk. The Committee also recommends on the Cathedral's audit functions. The Dean is not a member of the Committee, but may attend, and speak at, meetings. Further information on how the Cathedral approaches and manages risk is set out in the Risk section below.
- The Finance Committee is concerned with the financial management of the Cathedral, and also its investment strategy. It makes recommendations to the Chapter in relation to its budget, financial processes and financial and investment policies. The Dean is not a member of the Committee, but may attend, and speak at, meetings. We have however found it difficult to recruit and appoint a full complement of members to this committee this year and are continuing to search for suitable members whilst ensuring an appropriately diverse and skilled Committee.

The Committee terms are to be reviewed by Chapter every three years. Each member of Chapter and the Committees is appointed for a term of up to four years, although some Chapter members have been appointed for a specified shorter period to allow for a staggered rolling membership and prevent all members ending their term at the same time.

Under the Care of Cathedrals Measure 2011, the Fabric Advisory Committee is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter regarding proposed development of and changes to the Cathedral's fabric. There are eight voting members, four appointed by the Cathedrals Fabric Commission for England and four by the Cathedral Chapter. In addition, the Dean, Chief Operating Officer or Head of Property, Cathedral Architect, Cathedral Archaeologist and one of the Cathedral Wardens attend the four meetings each year and the committee advises on and ensures protection of the fabric of the Cathedral and its precincts.

### **Connected Organisations**

There are five other formally constituted organisations involved in aspects of the Cathedral's affairs:

#### *Southwark Cathedral Enterprises Limited*

This company is wholly owned by the Cathedral and manages the main commercial activities of the Cathedral. This includes retail, conferences, special events, commercial bookings for social occasions and concerts, and the operation of the café. These streams rely on SCEL using the Cathedral's premises, and development of the licensing structure for this use is currently under review. Profits are, if so decided by the Board of SCEL, donated to the Cathedral.

#### *The Southwark Cathedral Development Trust (registered charity 1069914)*

This registered charity, was initially formed as a vehicle for the Millennium Project funds and remains a separate charity, not under the control of the Chapter and with independent trustees. Funds held in it can be applied for by the Cathedral and are held for the purposes of Music, Fabric and Social Mission costs.

*Southwark Cathedral Education Trust (registered charity 1058369)*

The Southwark Cathedral Education Trust is an independent registered charity which oversees the work of the Learning Centre and seeks to help teachers cover a range of national curriculum subjects through experience-based visits and workshops on site at the Cathedral. The Cathedral makes available to it both classroom and office space. It has independent trustees and is not under the control of the Chapter.

*The Friends of Southwark Cathedral (registered charity 1159545)*

This registered charity provides financial support to the Cathedral for repairing, maintaining and beautifying the Cathedral church, and assisting the Chapter in their mission and ministry. It is not under the control of the Chapter. Proposed projects for which the Cathedral applies for funding are considered by its independent trustees.

*The Dean of Southwark's Fund (registered charity 275354)*

This registered charity provides financial support for extending, developing and maintaining the buildings, fabric, amenities and work of Southwark Cathedral as well as the advancement of the Christian religion. It has independent trustees and is not under the control of the Chapter.

## **Staffing and Management**

We currently have a lay staff of 39 employees (35 FTE), working across a range of departments between Southwark Cathedral and Southwark Cathedral Enterprises Limited (our trading subsidiary).

Managerial, operational and staffing decisions are made at the Senior Leadership Team (SLT) meeting. SLT meets weekly, chaired by the COO and attended by the Dean, the Canon Pastor (Sub-Dean), Canon Precentor and CFO. Heads of Department are individually invited to attend for part of an SLT meeting twice a year, providing an opportunity for reciprocal support, updates and feedback. SLT's Terms of Reference mean that it debates and decides upon those matters delegated to it by Chapter. It also receives and decides matters escalated from Heads of Department and other line-managed staff for approval. The meeting is attended by the EA to the COO, who records actions and circulates an action tracker to ensure that necessary actions are followed up.

Heads of Department lead the various operational functions of the Cathedral and come together fortnightly in a meeting chaired by the COO – an important platform for sharing news and views and ensuring a cohesive and co-operative approach across departments.

There are several other important regular decision-making forums: Diary Meeting (weekly) and Health, Safety and Security Meeting (fortnightly) are key forums for staff to meet to discuss the Cathedral diary and our activities, ensuring clear communication between stakeholders and compliance in terms of H&S and RAMS. Other groups such as the Visual Arts Group and Sustainability Committee meet on a regular basis and are formed of Cathedral staff, Diocesan staff and volunteers. There are regular SLT agenda items for members to report on matters discussed in these forums, with some matters taken to Chapter.

Our lay staff pay structures are not set formally, and a benchmarking exercise is undertaken with the Diocese staffing structure, other Cathedral salaries and average London salaries.

Any annual salary uplift takes place each year in conjunction with the Budget setting for the

year following. Any percentage uplift is discussed initially between the CFO and COO, presented as part of the draft Budget to SLT, Finance Committee and then Chapter for approval. Any change is applied from 1 January each year.

Chapter, in consultation with the Finance Committee and the Board of Southwark Cathedral Enterprises, has for many years decided to pay all its staff at least the London Living Wage (and also to require its main suppliers and partners to pay LLW). This rate of pay is subject to review each year. The rate is calculated annually by the Resolution Foundation and overseen by the Living Wage Commission.

## **Our Volunteers**

We are very fortunate to have 327 active volunteers, many of whom offer their time in more than one role. This contribution of service is significant and vital to our ability to undertake many activities that have an impact on our beneficiaries.

Volunteers undertake a wide range of roles (currently 30) based both at the Cathedral and in the local community. Within the Cathedral teams, there are pastoral roles (e.g. Day Chaplains, meaning that we can offer a caring presence in the Cathedral church every day for visitors and pilgrims, in a way that would otherwise not be possible), visitor experience roles (e.g. Stewards, Welcomers, again to provide welcome and support to visitors which the Cathedral would not be able to fund at such a level of attendance) and operational roles (e.g. flower arrangers, volunteer receptionists). We also offer more outward facing opportunities involving the local community, including for example, volunteering with the Cathedral's Learning Centre, which welcomes local school groups to the Cathedral, and at our ancillary sites (e.g. Eco Church volunteers at All Hallows Church). There are also volunteers based with Robes Overnight Shelters who provide food and care for homeless guests in the early months of the year.

The Cathedral's Volunteers Officer has played a crucial role in galvanising our wide volunteer base, ensuring they are all appropriately recruited and trained, and engaged with the Cathedral's values and wider missional purpose. We have achieved this in a number of ways, including a Volunteers Forum where we invite a guest speaker to facilitate some training and invite each department at the Cathedral to speak about their work, as well as advertise any volunteer roles. Not only is this a useful exercise for departments to help bolster the work the Cathedral teams are doing, but it also provides an opportunity for volunteers to understand more about the Cathedral's current and upcoming projects, and for staff and volunteers to get to know one another. Following the Forum's success, it is hoped that this will continue to be an annual event to be built on further in 2025. The Volunteers Officer also organises reciprocal visits for volunteers to foster a sense of community, build strong relationships with other organisations and encourage knowledge sharing. In 2024, volunteer trips were arranged with the Tower of London, St John's Gate, HMS Belfast and All Hallows by the Tower. The introduction of a new volunteer database called Assemble in early 2024 has also enabled the Volunteer Officer to securely store data and provide useful reports, including number of volunteer hours recorded (approximately 5,972 hours among 134 volunteers). The system also assists with volunteer recruitment - in 2024 we welcomed 43 new volunteers to the Cathedral.

## Safeguarding

Chapter puts safeguarding at the heart of what it does. The Chapter's Safeguarding Lead (CSL) is the Canon Precentor. The CSL receives the National Safeguarding Team (NST) regular bulletins and leads the review and adaptation of our policies as advised. We are currently working on training for the implementation of the new National Case Management System with a view to implementing this according to NST recommendations and for our INEQE audit in June 2026. We also receive considerable support and advice from the Diocesan Safeguarding Team. The CSL has regular meetings with the Diocesan Safeguarding Adviser which, together with the annual Diocesan Safeguarding Advisory Panel focused on the Cathedral, ensures that we are compliant with Diocesan policies.

Policies are formally reviewed annually by Chapter and this year were amended to reflect the best practice guidance of all our volunteers being required to undertake training at basic level (49 undertook this in 2024). We also extended the leadership level training to include our Day Chaplains, of whom 18 completed the training in 2024.

All members of Chapter are trained to Leadership level (lay members) and Senior Leadership level (clergy and senior staff members). The Cathedral Safeguarding Administrator ensures that all training levels are up to date. Those involved in recruitment at the Cathedral have undertaken the new Safer Recruitment training either online or at specially organised in person training sessions. Safeguarding policies and procedures are in place for children, young people and vulnerable adults and these are kept under review and meet the Church of England's national policy and practice guidance. The Chapter confirms that it has complied with the duty of the Church of England Safeguarding and Clergy Discipline Measure 2016 to have due regard to policy and guidance issued by the House of Bishops on matters relating to safeguarding.

We have three Cathedral Safeguarding Officers, two of whom help to deliver the large amount of in-house safeguarding training required. The CSOs were invited this year to a staff breakfast to ensure that all staff colleagues were familiar with them and their work, again to foster a robust safeguarding culture and improve our practice. As a worshipping community we observed Safeguarding Sunday in November, stressing our shared responsibility for safeguarding across our common life. There is a standing notice about safeguarding in our weekly newsheet and e-newsletter, and there are strong visual notices about safeguarding in the Song School and in the context of our Junior Xpress meetings.

Any potential gaps in good practice identified by the Cathedral's Safeguarding Officers or any member of staff or the Cathedral community are reported in accordance with our Safeguarding procedures.

Recruitment procedures follow the Church of England's guidance on safer recruitment and all paid and volunteer staff who work with children and vulnerable adults are subject to Disclosure and Barring Checks prior to appointment and complete a confidential declaration. These are renewed every three years. In 2024, DBS checks were carried out for 8 new volunteers and 6 members of staff.

Safeguarding is reported on, and discussed as appropriate, at every SLT meeting and every Chapter meeting, led by the CSL as a standing agenda item. The report at each Chapter meeting includes basic information on any ongoing issues, a regular training report and any matters that Chapter needs to consider. Confidential issues are not reported in detail to the wider meeting, but a small group of Trustees has been formed to discuss matters in appropriate detail whilst ensuring the confidentiality of matters discussed.

There is an informal safeguarding committee, made up of the CSL and the three Cathedral

Safeguarding Officers. This group meets regularly for appropriate information sharing, mutual support and to ensure that the team is as effective as possible. As CSOs, the members of this group all have the necessary skills, experience and training. We employ a part-time Safeguarding Administrator to help with the planning and administration of training sessions and to assist the safeguarding lead. The Safeguarding Administrator also undertakes and records Disclosure and Barring Checks and leads on preparation for the implementation of new Safer Recruitment guidelines.

The CSL also works closely with the COO in his capacity as head of HR and lead on governance, legal matters and risk.

Following on from our reports to the Charity Commission in 2023 concerning historic abuse, the Commission confirmed its satisfaction with the conduct of matters reported. They did, though, suggest a light-touch independent risk assessment of one aspect of Cathedral life, and this was undertaken by Thirtyone8 in April/May. Their risk assessment confirmed that the Cathedral was managing all risks appropriately, with one suggestion going forward: to introduce some sessions staying safe for our choristers. We made one further report to the Commission in 2024, on a matter related to an historic case that had already been reported. Again, the Commission was content with our handling of the matter.

The Trustees remain clear that there is a strong safeguarding culture prevailing at the Cathedral and that a safe environment for children and vulnerable adults is provided in the Cathedral, whilst acknowledging that there is always more to be done to ensure this safety.

## **Fundraising**

Active fundraising remains within the finance function. The aim is to raise funds for the Cathedral and its charitable purposes through individual gifts, trusts and foundations grants, legacies, and corporate support. We seek to encourage donations and do not engage in pressurising potential donors. We make every effort to ensure that our fundraising does not intrude on peoples' privacy, that it is not unreasonably persistent and that it does not place pressure on anyone to donate. We develop strong relationships with our funders and listen to their preferences and needs.

Going forward, we also aim to invest greater time, effort and care in the stewardship of our donor relationships, not least – for example – by more promptly thanking and acknowledging donors for their support and reporting on its impact.

Research and vetting of potential supporters are key parts of fundraising and the processing and storing of personal data is necessary. We follow strict procedures for storing and maintaining of such data. All data is stored and protected, with limited access to relevant persons. We consider the ethical impacts of our fundraising and seek to make sure that we do not accept donations where to do so would represent a conflict of interest, a reputational risk, or would impact our ability to fulfil our mission.

In 2023-24, the charity did not engage with independent professional fundraisers. We also did not receive any complaints in relation to fundraising or raise any matter with regulators. Should any complaints arise, they will be handled swiftly and investigated thoroughly, and we will respond appropriately to all Freedom of Information requests from individuals.

This year, we recruited a new fundraiser, Ben Skelton, who joined the Cathedral at the end of July, filling a post that had been vacant for almost two years. During the interim, fundraising had been performed on an ad hoc basis by a combination of finance and admin team staff and some very committed and capable volunteers. While these individuals achieved some very impressive results, the lack of a single dedicated person with overall

responsibility and oversight for fundraising inevitably resulted in some gaps in systems in areas such as planning and stewardship.

Much of the first five months of Ben's time at the Cathedral (the last five months of the year) was spent researching donor and supporter data and relationships, and in organising a stewardship event for historic donors at the Cathedral in the autumn. Thanks to support from the Cathedral Events team and the staff of corporate partner Bankside Hotel, the latter was a significant success – generating several donations and pledges and reactivating a number of donor relationships.

Draft donor plans are now in place to guide fundraising campaigns for all the Cathedral's main areas of activity and objectives over the coming years.

In the first five months of our new Fundraiser's employment, an additional £36k was banked in new grants, with notable grants and pledges being made by organisations including the Benefact Trust, the Worshipful Company of Saddlers and the Frazer Trust.

### **Risk Management, Reporting and Monitoring**

As a small, but complex organisation, Southwark Cathedral has an ongoing exposure to a range of risks: financial, legal and reputational. It is the ultimate responsibility of the Chapter to regularly review and assess these risks, ensuring the Cathedral has effective and adequate risk management, with proper internal controls in place. Chapter recognises that any risk management system can provide only reasonable and not absolute assurance against loss.

To assist Chapter in their assessment, there are a number of supporting functions. The Audit & Risk Committee, Senior Leadership Team and Finance Committee (which pays particular attention to financial risk) are all charged with the ongoing assessment of Southwark Cathedral's exposure to risk.

### Operations

The *Risk Register* too remains a "live" document with regular updates to keep a track on organisational risk, looking at causes, mitigations and target actions with timelines attached. The *Operational Plan* (written to accompany the Cathedral's new five-year strategy) also provides a degree of organisational reassurance that proper planning and resource management are in place.

Some of the previous risks from last year's Annual Report remain ongoing organisational risks, such as the risk of receiving insufficient voluntary income and the ongoing effects of a number of external factors affecting our trading and property income. However, a great deal had been done to mitigate other issues – such as better strategic financial processes and planning and the recruitment of a dedicated Fundraiser.

The Cathedral remains focused on a number of practical mitigations to these organisational risks, such as diversification of income streams and maintenance of good client/customer relations. In order to ensure the best possible conditions for future trading opportunities, the Cathedral has also rewritten and updated the Terms of Reference with SCEL (the Cathedral's Enterprise function).

The appointment of a permanent CFO (with a strong charity background) in 2024 has meant that a number of financial processes have been reviewed and improved. The appointment of a new COO in 2024 too (with a strong business background) has ensured a lot of the

income-generating functions of the Cathedral have also been reviewed and improved.

### Safeguarding

In terms of Safeguarding risks, there still remains the ongoing legal and financial risk from claims in respect to current instances of abuse, as well as the legal and financial risk from breaches of current policies and processes and the legal and financial risk from claims in respect of non-recent instances of abuse. Alongside this risk is the reputational risk which flows from the associated negative publicity and loss of stakeholder confidence. Mitigation of the Safeguarding risks once again include our ongoing liaison with the Diocesan Safeguarding Team, Safeguarding training, a strong safeguarding culture throughout the organisation, Safer recruitment.

### Fabric and Building

In terms of Fabric and Building risks, issues around insufficient funding to carry our planned and unplanned repairs (especially in a time of rapidly rising costs) remain a concern, as is the cost of timely maintenance to the Cathedral's estate.

Building maintenance and Health and Safety concerns relating to staff, volunteers and visitors also remain a concern, however a range of effective measures are now in place, including the creation of the Assets and Liabilities register and a live compliance planning process which helps us keep abreast of all of the Big Six (i.e. Gas, Electrical, Water, Fire, Asbestos, Lifts) areas for building maintenance. A much more transparent process has been developed to allow more strategic planning of future works, developed by the Property team with assistance from the Property Strategy Group.

Regular reporting and mitigations are in place for incidents, accidents and near misses through the fortnightly Health, Safety and Security Committee with leadership oversight of all issues being taken weekly to the Senior Leadership Team. Staff training and awareness of health and safety issues remain a high priority.

### Registered Charity compliance risks

The legal, financial and reputational risk from breaches of policies and processes adopted under the new Cathedrals Measure also remains a risk, but the recruitment of a CFO steeped in experience of Registered Charity law and practice has mitigated this risk considerably.

### Strategy

The inability to be articulate our strategy, leading to lack of progress on actively translating our mission into practical achievements has been mitigated in large part by the publishing of the *Making Space for Love* strategy - giving a clear and understandable structure to the Cathedral's strategic ambitions. The strategy has been widely promoted to give staff, volunteers, congregation and wider stakeholders an understanding of the Cathedral's future direction. In addition, the creation of the internal Operational Plan, laying out budget and timescales for the delivery of the strategy, has also provided considerable reassurance to internal stakeholders.

### Data Protection

Data protection breaches (including GDPR) remain a risk. In mitigation, the Cathedral has employed industry experts, Hope & May to review our compliance structure and work with the COO and the Governance & Committees Manager, to deliver a robust compliance culture. This has included Hope & May running an All-Staff seminar on GDPR in early 2025.

### IT/Communication

IT and communication failures continue to be a risk and the Cathedral remains in regular dialogue with the Diocese (the Cathedral's IT supplier) about future IT needs. An uplift in the Cathedral's IT investment is anticipated (though not yet scoped) to ensure that the Cathedral is adequately protected.

### Staff recruitment and retention

Staffing risks, including the difficulty of attracting and retaining staff, are still an ongoing concern. In mitigation, a reinvigorated structure of annual appraisal and ongoing, regular 1-1s ensures that the Cathedral senior staff are monitoring this issue closely. The rapid turnover of staff which occurred in 2022 and 2023 has slowed considerably in the last year.

### External threats

The threat to safety of our people (Clergy, staff and volunteers) due to an external event (e.g. terrorist incident, flood, fire or any external incident) is also an ongoing issue. In mitigation, a stronger and more rigorous regime of risk assessment has been put in place, including staff training on the preparation of risk assessments. The Cathedral also has regular dialogue with police and security services to ensure support being sought, as appropriate.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Full legal name and address of Charity

The Cathedral and Collegiate Church of St Saviour and St Mary Overie, Southwark (also known as Southwark Cathedral) London Bridge, London, SE1 9DA

Telephone: 020 7367 6700

General email address: cathedral@southwark.anglican.org

Web site: www.southwarkcathedral.org.uk

### Administrative Body

The Cathedral's administrative body is the Chapter. The members of the Chapter (Trustees) during the year and up to the date of approval of this report are:

The Very Rev'd Dr Mark Oakley  
The Revd Canon Michael Rawson, Sub Dean, Canon Pastor and Canon Residentiary  
The Rev'd Canon Jeremy Clark-King Canon Treasurer and Canon Residentiary  
The Rev'd Canon Wendy Robins, Canon Chancellor and Canon Residentiary  
The Rev'd Canon Kathryn Fleming Precentor and Canon Residentiary  
The Rev'd Canon Roxanne Eversley Canon Librarian and Dean of Cultural Diversity and Canon Residentiary (from 4 February 2024)  
Mrs Linda Hutchinson, Cathedral Warden  
Mr Daniel Chumbley, Cathedral Warden  
Mr Simon Kingston  
Ms Gill Reynolds  
Mrs Lynn Cooper  
Ms Amuda Poongavanam (to 4 November 2024)

### Statutory office holders

#### Chief Operating Officer

Justine Horseman Sewell (to 9 April 2024)  
Isabel Merrifield (Interim, 23 March 2024 to 16 September 2024)  
Paul Smith (from 9 September 2024)

#### Chief Finance Officer

David Edgar (to 13 April 2024)  
Ted Halshaw (from 15 April 2024)

#### Cathedral Architect

Ms Kelley Christ, A&RME

#### Archaeological Consultant

Dr Jackie Hall

The Trustees delegate the day-to-day management of the charity to the **Senior Leadership Team** comprising:

The Very Rev'd Dr Mark Oakley,  
The Rev'd Canon Michael Rawson,  
The Rev'd Canon Kathryn Fleming,  
Justine Horseman Sewell (COO) (to 9 April 2024)  
Isabel Merrifield (Interim COO) (23 March 2024 to 16 September 2024)  
Paul Smith (COO) (from 9 September 2024)

David Edgar (CFO) (from 5 June 2023 to 13 April 2024)  
Ted Halshaw (CFO) (from 15 April 2024)

**The Finance Committee**

Mr Daniel Chumbley (Chair)  
Mr Colin Johnston  
Mr Steve Cockell (to 31 December 2024)  
Mr Richard Cornwell  
Mr Richard Holman  
The Rev'd Canon Jeremy Clark-King  
Mr Julian Sansum (from 23 March 2024)

**The Audit and Risk Committee**

Mr Anthony Demby (Chair)  
Ms Juanita Fan  
Mrs Amanda Adamson-Hill  
Ms Minjie Lin  
The Revd Canon Wendy Robins,  
Ms Amunda Poongavanam (to 4 November 2024)

**The Fabric Advisory Committee**

The Rev'd Charles Pickstone (Chair)  
Professor Maurice Howard  
Mr Luke Hughes  
Mr Guy Rowston  
Ms Phillida Shaw  
Mr Alexander Holton  
Ms Anna Joynt  
Ms Katie Lithgow  
Mr Richard Malins (Secretary)

**The Nominations committee**

Ms Gill Reynolds (chair)  
Mr Daniel Chumbley  
Mrs Linda Hutchinson  
The Rev'd Canon Kathryn Fleming  
Mr Simon Kingston

**Bankers**

National Westminster Bank plc  
10 Southwark Street  
London SE1 1TT

**Chapter Solicitors**

Winckworth Sherwood  
Arbor, 255 Blackfriars Road  
London  
SE1 9AX

**Independent Auditors**

Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP

**Surveyors**

Rapleys LLP  
51 Great Marlborough Street  
London  
W1F 7JT

**Insurers**

Ecclesiastical Insurance Group  
Beaufort House  
Brunswick Road  
Gloucester GL1 1JZ

**Investment Managers**

Investec Wealth & Investment Limited  
30 Gresham Street  
London  
EC2V 7QN

## **STATEMENT OF RESPONSIBILITIES OF THE CHAPTER**

In relation to the Annual Report and Financial Statements, Chapter members are responsible for preparing them in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Cathedral and enable them to ensure that the financial statements comply with the Charities Act 2011, the Cathedrals Measure 2021 and the provisions of the Cathedral's Constitution and Statutes. It is also responsible for safeguarding the assets of the Cathedral and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**The Very Reverend Dr Mark Oakley  
Dean**

**Date 23 April 2025**

## **INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER MEMBERS OF SOUTHWARK CATHEDRAL**

### **Opinion**

We have audited the financial statements of Southwark Cathedral for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Group and Cathedral Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and Cathedral's affairs as at 31 December 2024, and of the group'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 prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Cathedral in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- the group and Cathedral has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

### **Responsibilities of Chapter members**

As explained more fully in the Chapter members' responsibilities statement set out on page 28, the Chapter members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Cathedral's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chapter members.
- Conclude on the appropriateness of the Chapter members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cathedral's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cathedral to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Cathedral and considered that the most significant are the Cathedrals Measure 2021, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Cathedral complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

### **Use of our report**

This report is made solely to the Cathedral's Chapter members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

*Moore Kingston Smith LLP*

Moore Kingston Smith LLP  
Statutory auditor

Date: 02 May 2025

9 Appold Street  
London  
EC2A 2AP

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

# SOUTHWARK CATHEDRAL

## Consolidated Statement of Financial Activities for the year ended 31<sup>st</sup> December 2024

	Unrestricted	Designated	Restricted	Endowment	Total funds	Total funds
	Note	fund	funds	funds	funds	funds
		£	£	£	£	£
		£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	3	1,157,180	-	46,621	-	1,203,801
Grants in support of mission	4	87,827	-	565,823	-	653,650
Charges and fees arising in course of mission	5	215,894	-	17,823	-	233,717
Trading and fundraising	6	1,195,332	-	-	-	1,195,332
Investments	7	245,020	-	19,782	-	264,802
Other income		-	-	-	-	35,433
<b>Total income</b>		<u>2,901,253</u>	<u>-</u>	<u>650,049</u>	<u>-</u>	<u>3,551,302</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>	8	1,008,365	-	110,992	-	1,119,357
<b>Charitable activities:</b>						
Ministry	9	508,286	-	286,215	-	794,501
Cathedral and precincts upkeep	10	878,361	-	232,255	-	1,110,616
Education and outreach	11	92,646	-	17,792	-	110,438
Community, parish and congregation	12	89,944	-	-	-	89,944
Other expenditure		1,868	-	-	-	1,868
<b>Total expenditure</b>	13	<u>2,579,470</u>	<u>-</u>	<u>647,254</u>	<u>-</u>	<u>3,226,724</u>
<b>Net income/(expenditure) before gains/(losses) on revaluation of investments</b>		321,783	-	2,795	-	324,578
Gains/(losses) on revaluation of investments		-	-	632	(88,247)	(87,615)
<b>Net income/(expenditure)</b>		321,783	-	3,427	(88,247)	236,963
<b>Transfers between funds</b>	26	<u>(450,000)</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in funds</b>		(128,217)	450,000	3,427	(88,247)	236,963
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>863,720</u>	<u>-</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,393,769</u>
<b>Total funds carried forward</b>	26	<u>735,503</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,630,732</u>

All operations are continuing.

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

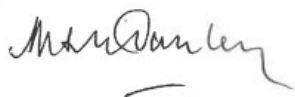
The accompanying notes form an integral part of these financial statements.

# SOUTHWARK CATHEDRAL

## Consolidated Balance Sheet as at 31<sup>st</sup> December 2023

	Note	Unrestricted fund £	Designated funds £	Restricted funds £	Endowment funds £	Total funds 2024 £	Total funds 2023 £
<b>Fixed assets</b>							
Investments	17	675,000	-	28,279	2,793,160	3,496,439	3,584,054
Tangible fixed assets:							
Property	19	-	-	-	13,205,925	13,205,925	13,205,925
Fixtures, fittings, furniture and equipment	20	193,632	-	8,000	-	201,632	115,673
		<u>868,632</u>	<u>-</u>	<u>36,279</u>	<u>15,999,085</u>	<u>16,903,996</u>	<u>16,905,652</u>
<b>Current assets</b>							
Stocks		29,117	-	-	-	29,117	30,828
Debtors	21	300,301	-	-	-	300,301	494,404
Cash at bank and in hand		221,107	450,000	195,574	-	866,681	510,569
		<u>550,525</u>	<u>450,000</u>	<u>195,574</u>	<u>-</u>	<u>1,196,099</u>	<u>1,035,801</u>
<b>Liabilities due within one year</b>							
Creditors	22	(386,863)	-	-	-	(386,863)	(455,184)
<b>Net current assets</b>		<u>163,662</u>	<u>450,000</u>	<u>195,574</u>	<u>-</u>	<u>809,236</u>	<u>580,617</u>
<b>Total assets less current liabilities</b>		<u>1,032,294</u>	<u>450,000</u>	<u>231,853</u>	<u>15,999,085</u>	<u>17,713,232</u>	<u>17,486,269</u>
<b>Liabilities due after one year</b>							
Inter-fund loan	25	(214,291)	-	(43,434)	257,725	-	-
NatWest bounce back loan	23	(7,500)	-	-	-	(7,500)	(17,500)
Dean's Fund loan	23	(75,000)	-	-	-	(75,000)	(75,000)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>	25	<u>735,503</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,630,732</u>	<u>17,393,769</u>
<b>Represented by:</b>							
Unrestricted fund	26	735,503	-	-	-	735,503	863,720
Designated fund	26	-	450,000	-	-	450,000	-
Restricted funds	26	-	-	188,419	-	188,419	184,992
Endowment funds	26	-	-	-	16,256,810	16,256,810	16,345,057
		<u>735,503</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,630,732</u>	<u>17,393,769</u>

The financial statements for Southwark Cathedral, (registered charity number 1200866), for the year ended 31 December 2024 were approved and authorised for issue by the Chapter on 23 April 2025.



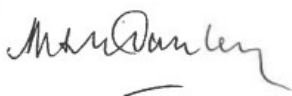
**The Very Reverend Dr Mark Oakley**  
Dean

# SOUTHWARK CATHEDRAL

## Cathedral Balance Sheet as at 31<sup>st</sup> December 2023

	Note	Unrestricted fund £	Designated funds £	Restricted funds £	Endowment funds £	Total funds 2024 £	Total funds 2023 £
<b>Fixed assets</b>							
Investments	17	675,000	-	28,279	2,793,160	3,496,439	3,584,054
Subsidiary undertaking	18	100,000	-	-	-	100,000	100,000
Tangible fixed assets:							
Property	19/20	-	-	-	13,205,925	13,205,925	13,205,925
Plant and equipment		149,580	-	8,000	-	157,580	69,912
		<u>924,580</u>	<u>-</u>	<u>36,279</u>	<u>15,999,085</u>	<u>16,959,944</u>	<u>16,959,891</u>
<b>Current assets</b>							
Stocks		-	-	-	-	-	-
Debtors	21	162,202	-	-	-	162,202	467,842
Cash at bank and in hand		156,217	450,000	195,574	-	801,791	316,453
		<u>318,419</u>	<u>450,000</u>	<u>195,574</u>	<u>-</u>	<u>963,993</u>	<u>784,295</u>
<b>Liabilities due within one year</b>							
Creditors	22	(240,023)	-	-	-	(240,023)	(319,352)
		<u>78,396</u>	<u>450,000</u>	<u>195,574</u>	<u>-</u>	<u>723,970</u>	<u>464,943</u>
<b>Net current assets</b>							
		<u>1,002,976</u>	<u>450,000</u>	<u>231,853</u>	<u>15,999,085</u>	<u>17,683,914</u>	<u>17,424,834</u>
<b>Total assets less current liabilities</b>							
<b>Liabilities due after one year</b>							
Inter-fund loan	25	(214,291)	-	(43,434)	257,725	-	-
NatWest bounce back loan	23	-	-	-	-	-	-
Dean's Fund loan	23	(75,000)	-	-	-	(75,000)	(75,000)
		<u>713,685</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,608,914</u>	<u>17,349,834</u>
<b>Net assets</b>							
<b>Represented by:</b>							
Unrestricted fund	26	713,685	-	-	-	713,685	819,785
Designated funds	26	-	450,000	-	-	450,000	-
Restricted funds	26	-	-	188,419	-	188,419	184,992
Endowment funds	26	-	-	-	16,256,810	16,256,810	16,345,057
		<u>713,685</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,608,914</u>	<u>17,349,834</u>
<b>Total funds</b>							

The financial statements for Southwark Cathedral, (registered charity number 1200866), for the year ended 31 December 2024 were approved and authorised for issue by the Chapter on 23 April 2025.



**The Very Reverend Dr Mark Oakley**  
Dean

# SOUTHWARK CATHEDRAL

## Consolidated Statement of Cash Flows for the year ended 31st December 2024

	Note	2024 £	2023 £
<b>Net cash flow from operating activities</b>	28	202,784	(336,903)
<b>Cash flows from investing activities:</b>			
Income from property	7	239,868	229,550
Income from investments (net of management costs)	7	24,934	24,348
Realisation of investments	17	-	100,000
Investment in property	17	-	(55,303)
Purchase of fixtures, fittings and equipment	20	(101,474)	(80,493)
<b>Net cash flow from investing activities</b>		163,328	218,102
<b>Cash flows from financing activities:</b>			
Repayment of borrowing	23	(10,000)	(10,000)
<b>Net cash flow from financing activities</b>		(10,000)	(10,000)
<b>Net change in cash and cash equivalents in the year</b>		356,112	(128,801)
<b>Cash and cash equivalents at the beginning of the year</b>		510,569	639,370
<b>Cash and cash equivalents at the end of the year</b>		866,681	510,569

### Analysis of changes in net debt

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand and short term deposits	510,569	356,112	866,681
Loans due within one year	(10,000)	2,500	(7,500)
Loans due after one year	(92,500)	10,000	(82,500)
	408,069	368,612	776,681

# SOUTHWARK CATHEDRAL

## Notes to the Consolidated Financial Statements

### 1 Accounting Policies

#### **Basis of preparation of the consolidated financial statements**

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

#### **Going concern**

The financial statements are prepared on a going concern basis, which assumes that the Cathedral will continue as a going concern for foreseeable future. Chapter has considered the Cathedral's forecasts and projections for a period of 12 months from the approval of the financial statements and have concluded there is a reasonable expectation that the Cathedral has adequate resources to continue in operational existence for the foreseeable future. The Cathedral therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Group financial statements**

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

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

Where amounts are payable on behalf of the Cathedral by third parties, for example the Church Commissioners, these are disclosed under both income and expenditure in the consolidated statement of financial activities. Where goods and services are donated to the Cathedral the value is included in the appropriate classification of income and expenditure when the control over the expected economic benefits that flow from the donation has passed to the charity, it is probable and the fair value of the value to the charity can be measured reliably

#### **Income**

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

#### **Legacies and donations**

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

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

#### **Income arising from events and conferences**

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

### **Grants receivable**

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

Grants receivable which are subject to conditions are recognised once any conditions outside the control of the charity have been met.

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

### **Expenditure**

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

### **Pension scheme arrangements**

#### *Defined benefit scheme: Church Workers Pension Fund for lay staff*

Pensions for lay staff are provided by Church Workers Pension Fund. Lay staff are enrolled in the Pension Builder Classic Scheme which is classed as a defined benefit scheme. The contributions to the fund by the Cathedral are charged to the Consolidated Statement of Financial Activities as incurred, as the scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities relating to the Cathedral.

#### *Defined benefit scheme: Church of England Funded Pensions Scheme for clergy*

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

### **Taxation**

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

### **Cathedral and its inventory**

No value is attributed to the Cathedral (together with the linked 1988 Chapter House and Millennium Buildings) in the financial statements and it is not included in the consolidated balance sheet. The Cathedral and the Millennium buildings, which are inalienable assets, are currently insured for a total sum of £51.49 million. No value is attributed to items included in the Cathedral inventory under Section 13(1) of the Care of Cathedrals Measure 1990 as they are considered to be of architectural, archaeological, artistic or historic interest and the cost of obtaining valuations would be onerous compared with the benefit derived by users of the accounts.

### **Tangible fixed assets**

No depreciation is provided on the freehold properties owned by the Cathedral and carried on the balance sheet because the useful economic life of the properties is judged to be longer than 50 years, and Chapter's policy is to maintain and repair the properties to ensure that they retain their value in

use to the Cathedral. In order to comply with FRS102, Chapter has conducted an impairment review. Chapter considers that the net realisable value of the properties in the balance sheet is not less than their carrying value and expects to hold the properties for more than 50 years. In the opinion of Chapter, the assets are therefore not impaired and there is no requirement to adjust the value at which the properties are carried in the balance Sheet.

Expenditure on tangible fixed assets of £1,000 or more is stated in the balance sheet at cost less depreciation provided to write it off over its expected useful life as follows:

Computer equipment	Three years
Fixtures, fittings, furniture and equipment	Ten years
Other items	Four years

### **Non-investment property**

Properties owned by Chapter are included in the consolidated balance sheet at cost or valuation. The transitional provisions of Financial Reporting Standard 102 have been used to treat this valuation as a deemed cost. Where property is held on a “mixed-use” basis such that it is partly used by the Cathedral and partly rented out, the property is wholly held at depreciated cost as it would not be practicable reliably to estimate the value of the investment property element.

### **Investment property**

Investment properties are carried at their open market value.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the Consolidated Statement of Financial Activities as ‘gains or losses on investments’ and are allocated to the appropriate fund.

### **Investments**

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

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the Consolidated Statement of Financial Activities as ‘gains or losses on investments’ and are allocated to the appropriate fund.

### **Basic financial assets**

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

### **Impairment of financial assets**

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

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

### **De-recognition of financial assets**

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

## **Stocks**

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

## **Basic financial liabilities**

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

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

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

## **De-recognition of financial liabilities**

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

## **Funds**

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

### **Endowment funds**

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

### **Restricted funds**

These are funds subject to specific conditions or trusts, imposed by the donor or the terms of a specific appeal, which are binding on Chapter.

### **Designated Funds**

These are funds which have been designated and set aside for a particular purpose by the Trustees

### **Unrestricted funds**

These are funds other than endowment and restricted funds.

## **Impairment of financial assets**

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

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

## **Judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision

affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### **Critical judgements**

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

Chapter uses the valuation performed by its independent valuers as the basis for fair value of its investment properties. Further details, including the carrying values and key assumptions used for the fair value measurement, are given in note 17 to the financial statements.

Chapter considers that building assets held within non-investment property should not be depreciated as the expected useful lives of these assets is estimated to exceed 50 years and the net realisable value of these assets exceeds the value at which they are carried in the balance sheet. However, Chapter considers whether these assets may be impaired on an annual basis.

## 2 Prior year Consolidated Statement of Financial Activities

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2023 £
<b>Income from:</b>				
Donations and legacies	465,312	21,061	-	486,373
Grants in support of mission	71,899	611,734	-	683,633
Charges and fees arising in course of mission	213,676	4,320	-	217,996
Trading and fundraising	1,055,355	16,529	-	1,071,884
Investments	233,747	20,151	-	253,898
Other income	35,433	-	-	35,433
<b>Total income</b>	<u>2,075,422</u>	<u>673,795</u>	<u>-</u>	<u>2,749,217</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>	755,976	92,225	-	848,201
<b>Charitable activities:</b>				
Ministry	363,794	352,113	-	715,907
Cathedral and precincts upkeep	759,496	251,550	-	1,011,046
Education and outreach	89,668	14,883	-	104,551
Community, parish and congregation	97,364	-	-	97,364
Other expenditure	2,423	-	-	2,423
<b>Total expenditure</b>	<u>2,068,721</u>	<u>710,771</u>	<u>-</u>	<u>2,779,492</u>
<b>Net income/(expenditure)</b>	6,701	(36,976)	-	(30,275)
Gains/(losses) on revaluation of investments	<u>(545,556)</u>	<u>2,379</u>	<u>(1,068,016)</u>	<u>(1,611,193)</u>
<b>Net income/(expenditure) after gains/(losses) on revaluation of investments</b>	<u>(538,855)</u>	<u>(34,597)</u>	<u>(1,068,016)</u>	<u>(1,641,468)</u>
<b>Transfers between funds</b>	<u>375,265</u>	<u>(24,709)</u>	<u>(350,556)</u>	<u>-</u>
<b>Net increase/(decrease) in funds</b>	<u>(163,590)</u>	<u>(59,306)</u>	<u>(1,418,572)</u>	<u>(1,641,468)</u>
<b>Reconciliation of funds:</b>				
Total funds brought forward	<u>1,027,310</u>	<u>244,298</u>	<u>17,763,629</u>	<u>19,035,237</u>
<b>Total funds carried forward</b>	<u>863,720</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,393,769</u>

### 3 Income from donations and legacies

	Unrestricted fund £	Restricted funds £	Total 2024 £	Unrestricted fund £	Restricted funds £	Total 2023 £
Congregational collections and giving	254,628	-	254,628	213,296	-	213,296
Donations and fundraising appeal	737,736	43,892	781,628	153,320	13,421	166,741
Tax recoverable under Gift Aid	45,014	2,729	47,743	62,696	2,640	65,336
Legacies and gifts in memory	119,802	-	119,802	36,000	5,000	41,000
	<u>1,157,180</u>	<u>46,621</u>	<u>1,203,801</u>	<u>465,312</u>	<u>21,061</u>	<u>486,373</u>

### 4 Income from grants in support of mission

	Unrestricted fund £	Restricted funds £	Total 2024 £	Unrestricted fund £	Restricted funds £	Total 2023 £
Church Commissioners	74,011	259,633	333,644	-	320,598	320,598
Southwark Cathedral Development Trust	-	192,241	192,241	-	164,616	164,616
Friends of Southwark Cathedral	-	18,749	18,749	-	14,343	14,343
Dean of Southwark's Fund	-	-	-	-	13,360	13,360
Other revenue and capital grants	13,816	95,200	109,016	71,899	98,817	170,716
	<u>87,827</u>	<u>565,823</u>	<u>653,650</u>	<u>71,899</u>	<u>611,734</u>	<u>683,633</u>

### 5 Income from charges and fees arising in the course of mission

	Unrestricted fund £	Restricted funds £	Total 2024 £	Unrestricted fund £	Restricted funds £	Total 2023 £
Facility and other fees	215,894	17,823	233,717	213,676	4,320	217,996

### 6 Income from trading and fundraising activities

	Unrestricted fund £	Restricted funds £	Total 2024 £	Unrestricted fund £	Restricted funds £	Total 2023 £
Gross income of shop, refectory, events and meeting rooms	934,742	-	934,742	839,807	-	839,807
Vistor engagement activities	260,590	-	260,590	215,548	16,529	232,077
	<u>1,195,332</u>	<u>-</u>	<u>1,195,332</u>	<u>1,055,355</u>	<u>16,529</u>	<u>1,071,884</u>

## 7 Income from investments

	Unrestricted fund £	Restricted funds £	Total 2024 £	Unrestricted fund £	Restricted funds £	Total 2023 £
Income from investment property	239,867		239,867	229,550	-	229,550
Income from other investments	136	19,782	19,918	788	20,151	20,939
Interest receivable on short term deposits	5,017	-	5,017	3,409	-	3,409
	<u>245,020</u>	<u>19,782</u>	<u>264,802</u>	<u>233,747</u>	<u>20,151</u>	<u>253,898</u>

## 8 Expenditure on raising funds

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2024 £	Unrestricted fund £	Restricted funds £	Total funds 2023 £
Costs of facilities for visitors	338,134	37,218	-	375,352	229,541	62,562	292,103
Gross costs of shop, refectory and other activities	497,859	-	-	497,859	420,872	-	420,872
Costs of appeals and fund raising	-	-	-	-	-	-	-
Let property costs	172,372	73,774	-	246,146	105,564	29,662	135,226
	<u>1,008,365</u>	<u>110,992</u>	<u>-</u>	<u>1,119,357</u>	<u>755,977</u>	<u>92,224</u>	<u>848,201</u>

## 9 Expenditure on ministry

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2024 £	Unrestricted fund £	Restricted funds £	Total funds 2023 £
Clergy stipends and working expenses	37,058	171,827	-	208,885	20,957	142,373	163,330
Clergy housing costs	37,169	-	-	37,169	14,097	20,957	35,054
Clergy support costs	184,717	-	-	184,717	33,189	74,251	107,440
Services, music and congregational costs	249,342	114,388	-	363,730	295,551	114,532	410,083
	<u>508,286</u>	<u>286,215</u>	<u>-</u>	<u>794,501</u>	<u>363,794</u>	<u>352,113</u>	<u>715,907</u>

## 10 Expenditure on Cathedral and precincts upkeep

	Unrestricted fund £	Restricted funds £	- Endowment £	Total funds 2024 £	Unrestricted fund £	Restricted funds £	Total funds 2023 £
Major repairs and restoration projects	7,753	160,182	-	167,935	-	93,436	93,436
Interior upkeep	409,053	23,766	-	432,819	464,440	27,645	492,085
Cathedral insurance	123,421	-	-	123,421	108,133	-	108,133
Precincts, security and gardens upkeep	16,236	7,681	-	23,917	17,415	2,677	20,092
Vergers and property team	321,898	40,626	-	362,524	169,508	127,792	297,300
	<u>878,361</u>	<u>232,255</u>	<u>-</u>	<u>1,110,616</u>	<u>759,496</u>	<u>251,550</u>	<u>1,011,046</u>

## 11 Expenditure on education and outreach

	Unrestricted fund £	Restricted funds £	- £	Total funds 2024 £	Unrestricted fund £	Restricted funds £	Total funds 2023 £
Educational activities	42,112	-	-	42,112	38,945	-	38,945
Charitable and other giving	50,534	17,792	-	68,326	50,723	14,883	65,606
	<u>92,646</u>	<u>17,792</u>	<u>-</u>	<u>110,438</u>	<u>89,668</u>	<u>14,883</u>	<u>104,551</u>

## 12 Expenditure on community, parish and congregation

	Unrestricted fund £	Restricted funds £	- £	Total funds 2024 £	Unrestricted fund £	Restricted funds £	Total funds 2023 £
Community, parish and congregation	89,944	-	-	89,944	97,364	-	97,364

## 13 Expenditure – direct and support costs

	Unrestricted 2024			Restricted 2024			Total 2024		
	Direct costs £	Support costs £	Total costs £	Direct costs £	Support costs £	Total costs £	Direct costs £	Support costs £	Total costs £
Raising funds	759,235	249,130	1,008,365	91,932	19,060	110,992	851,167	268,190	1,119,357
Charitable activities									
Ministry	386,811	121,475	508,286	270,268	15,947	286,215	657,079	137,422	794,501
Cathedral and precincts upkeep	754,181	124,180	878,361	216,308	15,947	232,255	970,489	140,127	1,110,616
Education and outreach	44,000	48,646	92,646	17,792	-	17,792	61,792	48,646	110,438
Community, parish and congregation	43,397	46,547	89,944	-	-	-	43,397	46,547	89,944
Other expenditure	1,868	-	1,868	-	-	-	1,868	-	1,868
Total charitable activities	1,230,257	340,848	1,571,105	504,368	31,894	536,262	1,734,625	372,742	2,107,367
Total expenditure	1,989,492	589,978	2,579,470	596,300	50,954	647,254	2,585,792	640,932	3,226,724
For consolidated figures:									
Raising funds	369,492	141,013	510,505	91,932	19,060	110,992	461,424	160,073	621,497
Add: costs of trading subsidiary	389,743	108,117	497,860	-	-	-	389,743	108,117	497,860
	759,235	249,130	1,008,365	91,932	19,060	110,992	851,167	268,190	1,119,357

Included within support costs are staff and office costs associated with running the Cathedral

Support costs are apportioned across raising funds and charitable activities largely on the basis of an estimate of the staff time involved. Governance costs included in support costs are £41,180 (2023: £45,479).

## 14 Clergy and staff costs

	2024 £	2023 £
Salaries and stipends	1,189,593	1,031,386
Social security costs	106,328	92,696
Employer pension costs	71,893	61,990
Diocese staff: HR and IT support	17,566	19,403
	<u>1,385,380</u>	<u>1,205,475</u>

### Employees with benefits over £60,000

The number of employees whose total employee benefits (excluding employer pension costs) amounted to more than £60,000 in the year was as follows:

	2024	2023
£70,000 to £79,999	0	1

### Average number of clergy and staff

The average number of clergy and staff by headcount over the year and by function was:

	2024		2023	
	Full-time	Part-time	Full-time	Part-time
Clergy	3	1	2	1
Music	3	2	3	2
Covergers	5	-	5	-
Property	1	3	1	3
Visitor Engagement	1	9	1	3
Trading Subsidiary	3	2	2	2
Operations and Support	6	4	6	4
	<u>22</u>	<u>21</u>	<u>20</u>	<u>15</u>

The figures above do not include stewards who are employed to assist with events.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Cathedral. Key management personnel are members of the Chapter and senior management team. The total emoluments (comprising salaries, employer's National Insurance contributions and employer's pension contributions) of the remunerated key management personnel, were £256,015 (2023: 236,944). The personnel included in these figures are the Dean, Canon Precentor, Sub Dean, Chief Operating Officer and Chief Financial Officer.

No elected or appointed member of Chapter received any remuneration or any other benefits from an employment with the Cathedral or a related entity, nor did they receive any reimbursement of expenses (2022: £nil).

The remuneration of ex officio Chapter members - the Dean, Sub Dean and Canon Precentor in 2024 – is included in the clergy and staff costs figures above and in the key management personnel figures. Their expenses were as follows.

	2024	2023
<b>Number receiving expenses</b>	<u>4</u>	<u>4</u>
	£	£
Services (telephone, utilities etc)	797	4,721
Travel	2,226	3,328
Hospitality	3,877	549
Resettlement allowances and removal	-	8,871
Other	<u>927</u>	<u>-</u>
	<u>7,827</u>	<u>17,469</u>

## 15 Pension costs

### Lay staff

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of Financial Reporting Standard 102 because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Assets in the year are contributions payable. The total charge included in these accounts is £39.972 (2023: £37,819).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

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

## Clergy

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of Financial Reporting Standard (FRS) 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, which were £31,782 in 2023 (2022: £24,171), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £nil.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% per annum;
- RPI inflation of 3.6% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e.  $w_{2020} = 0\%$ ).

Following finalisation of the 31st December 2021 valuation, deficit contributions ceased with effect from 1st January 2023, since the Scheme was fully funded.

The deficit recovery contributions, as a percentage of pensionable stipends, under the recovery plan in force at each 31st December were as follows:

31st December 2021	7.1% payable from January 2021 to December 2022
31st December 2022	Nil
31st December 2023	Nil
31st December 2024	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1st January 2023 onwards, the balance sheet liability as at 31st December 2024 was nil.

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

## 16 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2024 £	2023 £
<b>External audit fees for Cathedral</b>		
Current year	18,825	17,925
Prior year	12,653	
<b>External audit fees for trading subsidiary</b>		
Current year	7,900	7,525
Prior year	5,434	
Non-audit fees	780	745

## 17 Investments

	Investment property £	Listed investments £	Total £
Fair value at 1st January 2024	2,900,000	684,054	3,584,054
Additions	-	-	-
Net gains/losses on revaluation	<u>(120,000)</u>	<u>32,385</u>	<u>(87,615)</u>
Fair value at 31st December 2024	<u>2,780,000</u>	<u>716,439</u>	<u>3,496,439</u>

The Cathedral's investment properties were valued as at 13 December 2024 by Rapleys LLP in accordance with UKVS 4.3 of RICS Valuation – Professional Standards Global and UK January 2014 (revised April 2015). The valuer was a RICS Registered Valuer who has the necessary skills and knowledge to undertake the valuation competently.

## 18 Investment in subsidiary undertaking

The Cathedral owns 100,000 £1 ordinary shares representing the entire issued share capital of Southwark Cathedral Enterprises Limited, company number 02869292, registered in England and Wales. The company's principal activities were the shop and online sales, events and meeting room hire, and the café. Its taxable profits are distributed to the Cathedral under Gift Aid.

Audited accounts are filed with the Registrar of Companies. A summary of the trading result and balance sheet are shown below:

	2024 £	2023 £
<b>Turnover</b>	926,891	824,495
Cost of sales	<u>(199,059)</u>	<u>(137,719)</u>
<b>Gross profit</b>	727,832	686,776
Grants received	7,851	15,312
Administrative expenses	<u>(298,800)</u>	<u>(283,153)</u>
<b>Operating profit</b>	436,883	418,935
Charitable distribution to the Cathedral	<u>(459,000)</u>	<u>(391,312)</u>
<b>Net movement in reserves</b>	(22,117)	27,623
Accumulated profit brought forward	<u>43,935</u>	<u>16,312</u>
<b>Accumulated profit carried forward</b>	21,818	43,935
Share capital	<u>100,000</u>	<u>100,000</u>
<b>Funds</b>	<u>121,818</u>	<u>143,935</u>
	£	£
<b>Balance sheet</b>		
Tangible fixed assets	44,052	45,761
Current assets	232,788	349,384
Creditors	<u>(147,522)</u>	<u>(233,710)</u>
Net current assets	129,318	161,435
Liabilities due after one year	<u>(7,500)</u>	<u>(17,500)</u>
Net assets	<u>121,818</u>	<u>143,935</u>

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

## 19 Tangible fixed assets: property

	2024 £	2023 £
Cost or valuation		
At 1st January	13,205,925	12,300,000
Reclassification from/(to) investment property	<u>-</u>	<u>905,925</u>
At 31st December	<u>13,205,925</u>	<u>13,205,925</u>

All of this property is held in the endowment fund.

During 2014, the Cathedral commissioned a valuation of the Cathedral's property portfolio with Biscoe Craig Hall as at 1<sup>st</sup> January 2014. Non-investment property has been held at a deemed cost since this date as permitted by FRS102.

Montague Chambers, which has the Cathedral's offices, is subject to a legal charge in favour of the Millennium Commission in connection with grant funding.

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

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

In 2023, a property was reclassified from investment properties to non-investment properties as it is now used to house a member of staff.

## 20 Tangible fixed assets: fixtures, fittings, furniture and equipment

Group	Computers and software £	Nave chairs £	Shop fixtures and fittings £	Other assets £	Total £
<b>Cost</b>					
At 1st January 2024	93,694	153,358	50,845	794,690	1,092,587
Additions	6,890	-	4,221	90,364	101,474
At 31st December 2024	<u>100,584</u>	<u>153,358</u>	<u>55,066</u>	<u>885,054</u>	<u>1,194,061</u>
<b>Depreciation</b>					
At 1st January 2024	93,007	153,358	5,084	725,465	976,914
Charge for the year	1,032	-	5,930	8,553	15,515
At 31st December 2024	<u>94,039</u>	<u>153,358</u>	<u>11,014</u>	<u>734,018</u>	<u>992,429</u>
<b>Net book value</b>					
At 31st December 2024	<u>6,544</u>	<u>-</u>	<u>44,052</u>	<u>151,036</u>	<u>201,632</u>
At 31st December 2023	<u>687</u>	<u>-</u>	<u>45,761</u>	<u>69,225</u>	<u>115,673</u>
<b>Cathedral</b>					
<b>Cost</b>					
At 1st January 2024	93,694	153,358	-	769,001	1,016,053
Additions	6,890	-	-	90,364	97,253
At 31st December 2024	<u>100,584</u>	<u>153,358</u>	<u>-</u>	<u>859,365</u>	<u>1,113,306</u>
<b>Depreciation</b>					
At 1st January 2024	93,007	153,358	-	699,776	946,141
Charge for the year	1,032	-	-	8,553	9,585
At 31st December 2024	<u>94,039</u>	<u>153,358</u>	<u>-</u>	<u>708,329</u>	<u>955,726</u>
<b>Net book value</b>					
At 31st December 2024	<u>6,544</u>	<u>-</u>	<u>-</u>	<u>151,036</u>	<u>157,580</u>
At 31st December 2023	<u>687</u>	<u>-</u>	<u>-</u>	<u>69,225</u>	<u>69,912</u>

## 21 Debtors

	Group		Cathedral	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	213,582	361,211	85,693	244,707
Amounts owed by group undertaking	-	-	-	97,878
Other debtors and accrued income	69,846	122,360	59,636	114,424
Prepayments	16,874	10,833	16,874	10,833
	<u>300,301</u>	<u>494,404</u>	<u>162,202</u>	<u>467,842</u>

## 22 Creditors: amounts falling due within one year

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	141,606	157,534	129,090	146,990
Taxation and social security	45,231	71,482	(1,704)	29,574
Amounts owed to group undertaking	-	-	682	-
Accruals	85,566	123,142	75,686	106,313
Deferred income	68,191	56,551	-	-
Bounce Back Loan	10,000	10,000	-	-
Other creditors	36,269	36,475	36,269	36,475
	<u>386,863</u>	<u>455,184</u>	<u>240,023</u>	<u>319,352</u>

The movement in deferred income is:

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Brought forward	56,551	-	-	-
Released in the year	(56,551)	-	-	-
Added in the year	68,191	56,551	-	-
Carried forward	<u>68,191</u>	<u>56,551</u>	<u>-</u>	<u>-</u>

## Creditors: amounts falling due after more than one year

	Group		Cathedral	
	2024	2023	2024	2023
	£	£	£	£
Dean of Southwark's Fund loan	75,000	75,000	75,000	75,000
Bounce Back Loan	7,500	17,500	-	-
	<u>82,500</u>	<u>92,500</u>	<u>75,000</u>	<u>75,000</u>

These loans are repayable as shown below:

In one year or less	10,000	10,000	-	-
In more than one year, but not more than two years	7,500	10,000	-	-
In more than two years, but not more than five years	-	7,500	-	-
In five years or more	75,000	75,000	75,000	75,000
	<u>92,500</u>	<u>102,500</u>	<u>75,000</u>	<u>75,000</u>

Southwark Cathedral has a loan with the Dean of Southwark's Fund payable in three equal instalments on the fifth, sixth and seventh anniversary of draw down.

Southwark Cathedral Enterprises Limited has a Bounce Back Loan with National Westminster Bank plc of £50,000 with a six-year term and an interest rate of 2.5% which was not charged in the first year.

## 24 Operating leases

At 31<sup>st</sup> December 2024, the Cathedral was committed to making the following total minimum lease payments under non-cancellable operating leases on office equipment.

	2024	2023
	£	£
Payments due within one year	16,892	14,315
Payments due between one and two years	15,810	14,315
Payments due between two and five years	39,578	18,117
	<u>72,280</u>	<u>46,747</u>

At 31<sup>st</sup> December 2024, the Cathedral was due the following total minimum lease payments under non-cancellable operating leases on property.

	2024	2023
	£	£
Payments due within one year	77,693	174,510
Payments due between one and two years	20,417	59,985
Payments due between two and five years	-	20,471
	<u>98,110</u>	<u>254,966</u>

## 25 Analysis of group net assets between funds

At 31<sup>st</sup> December 2024:

	Unrestricted fund £	Designated funds £	Restricted funds £	Endowment funds £	Total 2024 £
Tangible fixed assets	193,632	-	8,000	13,205,925	13,407,557
Investments	675,000	-	28,279	2,793,160	3,496,439
Current assets	550,525	450,000	195,574	-	1,196,099
Current liabilities	(386,863)	-	-	-	(386,863)
Liabilities due after one year	(82,500)	-	-	-	(82,500)
Inter-fund loan	(214,291)	-	(43,434)	257,725	-
Total net assets	<u>735,503</u>	<u>450,000</u>	<u>188,419</u>	<u>16,256,810</u>	<u>17,630,732</u>

At 31<sup>st</sup> December 2023:

	Unrestricted fund £	Designated funds £	Restricted funds £	Endowment funds £	Total 2023 £
Tangible fixed assets	106,673	-	9,000	13,205,925	13,321,598
Investments	675,000	-	27,647	2,881,407	3,584,054
Current assets	844,022	-	191,779	-	1,035,801
Current liabilities	(455,184)	-	-	-	(455,184)
Liabilities due after one year	(92,500)	-	-	-	(92,500)
Inter-fund loan	(214,292)	-	(43,433)	257,725	-
Total net assets	<u>863,719</u>	<u>-</u>	<u>184,993</u>	<u>16,345,057</u>	<u>17,393,769</u>

The inter-fund loan represents the accumulated balance of endowment fund assets which has been used to support unrestricted and restricted fund programmes.

## 26 Consolidated statement of funds

	Balance at 1st January 2024 £	Income £	Expenditure £	Revaluation £	Transfers £	Balance at 31st December 2024 £
<b>Unrestricted funds</b>	863,720	2,901,253	(2,579,470)	0	(450,000)	735,503
<b>Designated funds</b>						
Future projects fund	-	-	-		450,000	450,000
<b>Restricted funds</b>						
Music	20,000	84,322	(102,135)	-	-	2,188
Girls choir	82,295	-	-	-	-	82,295
Choristers	64,926	-	-	-	-	64,926
Major repairs and restoration projects	1,945	207,241	(211,252)	-	-	(2,066)
Other property	11,379	11,704	(13,352)	632	-	10,362
Church Commissioners: sustainability	-	117,691	(115,841)	-	-	1,850
Church Commissioners: other	-	141,942	(141,942)	-	-	-
Masvingo project	1,750	30,286	(17,792)	-	-	14,244
Ian Keatley Music Fund		5,802				5,802
Social Justice Fund		3,874				3,874
Other general	2,697	47,187	(44,940)	-	-	4,944
<b>Total restricted</b>	<b>184,992</b>	<b>650,049</b>	<b>(647,254)</b>	<b>632</b>	<b>-</b>	<b>188,419</b>
<b>Endowment funds</b>						
Buildings	15,275,622	-	-	(120,000)	-	15,155,622
Property	389,310	-	-	3,445	-	392,755
Choirs	680,125	-	-	28,308	-	708,433
<b>Total endowment</b>	<b>16,345,057</b>	<b>-</b>	<b>-</b>	<b>(88,247)</b>	<b>-</b>	<b>16,256,810</b>
<b>Total funds</b>	<b>17,393,769</b>	<b>3,551,302</b>	<b>(3,226,724)</b>	<b>(87,615)</b>	<b>-</b>	<b>17,630,732</b>

### Transfers between funds

Chapter have designated £450,000 of unrestricted funds for expenditure in 2025 to 2027 on promoting income generation through increasing visitor numbers and improvements to our property portfolio

### Purposes of restricted funds

#### Music

This fund is for grants and donations to the Cathedral for its music. In 2024, it includes support from the Dame Susan Morden Charity, Benefact Trust, St Olave's and St Saviour's School Foundation and Church Commissioners.

#### Girls choir and choristers

There two funds are used to finance choir tours and other choir activities. Monies raised from donations and concerts and other fundraising events are accumulated in these funds and expended as necessary.

### Major repairs and restoration projects

This fund is for grants and donations for major repair work and for restoration projects. In 2024, this principally included funding from the Southwark Cathedral Development Trust for urgent work on the Queen Elizabeth II room and All Hallows Church, and project work on the Harvard Chapel and Conservation Management Plan. The Headley Trust's support for restoration of the medieval bosses is included in this fund. Funding has been secured in 2025 to cover the deficit on the fund.

### Church Commissioners: sustainability

This fund is for grants from the Church Commissioners' Cathedrals Sustainability Fund in support of various posts which contribute to the long-term sustainability of the Cathedral.

### Church Commissioners: other

This fund is from grants made under Cathedral Measures for clergy and lay staff.

### Masvingo project

This fund is for donations and grants for the Cathedral's work with the Diocese of Masvingo in Zimbabwe.

### Ian Keatley Fund

This fund supports aspiring musicians in their pursuit of musical excellence. Named after Ian Keatley, a passionate advocate for music and education, the fund provides financial assistance to talented individuals who may lack the resources to fully develop their musical skills.

### Social Justice Fund

This fund was created in 2024 following a donation to support the Cathedral's work to keep the heart healthy in London by a commitment to social justice, upholding the human dignity of all people and of every age. As outlined in our new Vision.

### Other general

This is for donations and grants given for other purposes.

## **Purposes of endowment funds**

### Buildings

This represents the value of many of the properties owned by the Cathedral. It was established in 1996 when the Cathedral brought the value of its properties (excluding the Cathedral church and ancillary buildings within the line of ecclesiastical exemption) onto its balance sheet to comply with the requirements of the original Guidelines on Accounting and Reporting by English Anglican Cathedrals. The value of this fund fell to £15,155,622 as at 31<sup>st</sup> December 2024, principally because of a revaluation of the investment properties in the fund.

### Property

The proceeds of sale of properties formerly belonging to the Cathedral is part of the endowment fund and can be used to acquire land and to improve or develop property other than the Cathedral buildings. Endowment monies can only be expended on Cathedral buildings with the consent of the Church Commissioners and subject to agreement between the Commissioners and the Cathedral that such monies will be repaid.

## Choirs

Income from this fund jointly supports the boys and girls choirs and the music of the Cathedral.

## **27 Related charities**

The following entities are not controlled by the Cathedral but exist wholly for the benefit of the Cathedral: The Friends of Southwark Cathedral, Southwark Cathedral Development Trust, The Dean of Southwark's Fund and the Southwark Cathedral Education Trust.

The Cathedral received grants from these charities as follows:

	2024	2023
	£	£
Southwark Cathedral Development Trust	192,241	164,616
Friends of Southwark Cathedral	18,749	14,343
Dean of Southwark's Fund	-	13,360

In addition, the Cathedral made a grant of £20,000 (2023: £20,000) to Southwark Cathedral Education Trust. and received £20,000 (2022: £20,000) for rent and services from the charity.

## **28 Notes to the Consolidated Statement of Cash Flows**

Reconciliation of consolidated net income/(expenditure) to net cash flow from operating activities

	2024	2023
	£	£
<b>Net income/(expenditure) for the year (as per the Statement of Financial Activities)</b>	<b>324,578</b>	<b>(30,275)</b>
Adjustments for:		
Depreciation charges	15,515	13,980
Income added to endowment capital	-	-
Income from property and investments	(264,802)	(253,898)
Decrease/(Increase) in stock	1,711	(3,565)
Decrease/(Increase) in debtors	194,103	(247,945)
(Decrease)/Increase in creditors	(68,321)	184,795
Other non-cash movements		5
<b>Net cash flow from operating activities</b>	<b>202,784</b>	<b>(336,903)</b>

### Analysis of cash and cash equivalents

	2024	2023
	£	£
Cash at bank and in hand and short term deposits	866,681	510,569

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# Accounts

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# **SOUTHWARK CATHEDRAL**

**Annual Report and  
Consolidated Financial Statements  
for the year ended  
31<sup>st</sup> December 2023**

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

Registered charity number: 1200866

## CONTENTS

Annual Report	
Objectives and Activities	3
Achievements and Performance	4
Financial Review	10
Trustee Plans for 2024	10
Structure, Governance and Management	12
Reference and Administrative Details	20
Statement of the Responsibilities of the Chapter	23
Independent Auditor's Report	24
Consolidated Statement of Financial Activities	28
Consolidated Balance Sheet	29
Cathedral Balance Sheet	30
Consolidated Statement of Cash Flows	31
Notes to the Consolidated Financial Statements	32

## ANNUAL REPORT

### OBJECTIVES AND ACTIVITIES

#### Charitable objects

The Cathedral and Collegiate Church of Saint Saviour and Saint Mary Overie, Southwark (Southwark Cathedral) is a charity registered and regulated by the Charity Commission for England and Wales under the Charities Act 2011. Its charitable purposes are as follows:

(1) The objects of the Chapter are:

(a) to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;

(b) to care for and conserve the fabric and structure of the Cathedral Church building; and

(c) to advance any other charitable purposes which are ancillary to the furtherance of the purpose referred to in sub-paragraph (a) or (b).

(2) In paragraph (1):

“the mission of the Church of England” means the whole mission of the Church of England, pastoral, evangelistic, social and ecumenical;

“Cathedral Church building” means the buildings within the ecclesiastical exemption for the Cathedral; and

“charitable purposes” means purposes within section 2(1) of the Charities Act 2011.

(3) In furthering the objects set out in paragraph (1), the Chapter must act for the public benefit within the meaning of section 4(3) of the Charities Act 2011.

#### Mission Statement

Our mission statement, adopted by the Chapter, states:

Southwark Cathedral - an inclusive Christian community, growing in orthodox faith and radical love.

The marks of our community are:

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

Our rule of life is centred on a commitment to worship, study and service to the Living God we know in Jesus Christ.

The main activities that we undertake to deliver our charitable purposes are set out in this report.

## **ACHIEVEMENTS AND PERFORMANCE**

**Object 1(a) - to advance the Christian religion in accordance with the faith and practice of the Church of England, in particular by furthering the mission of the Church of England;**

### **Worship and Liturgy**

The Liturgical life of the Cathedral is key to the delivery of its charitable objects of advancing the Christian religion in accordance with the faith and practice of the Church of England. At the heart of our work here are the Eucharist and the round of daily offices. As a community, although our worship is rooted in an orthodox Anglican tradition, we are committed to modern, inclusive, imaginative, and accessible worship. In our role as the Mother Church of the Diocese, the worship offered on Diocesan occasions seeks to be non-partisan, authentic and engaging. Most Cathedral services use the Common Worship contemporary language rites. The Book of Common Prayer is used regularly for Choral Evensong. In 2023 we welcomed an average of 30 people to our Sunday 9am service, 275 to our 11.30am Eucharist and 80 to our Sunday Evensong service. In our weekly services we serve an average of 5 people at our Morning Prayer service (with around 80 online) and 50 at our weekday Evensong/evening services.

Our online worshipping community is extremely important to us. Our Diocese statistic reporting showed 6,427 views – in particular weekday Morning Prayer has a regular and loyal following from our Sunday congregation and beyond. At the beginning of each service, worshippers are directed to the Cathedral Website to access worship materials. A giving option is also included there to receive online donations.

Our four daily weekday services and prayers are offered in the context of a historical building that is free to enter and welcomes all - key to our commitment to public benefit. Visitors are also able to enter the Cathedral at other times for private prayer, to light a candle or seek guidance and conversation with one of our Day Chaplains.

In 2023, major services included installing a new Precentor and new Dean, both key leadership appointments to the spiritual and worship life of the Cathedral. The Cathedral continued to support the ministry of the Bishop and the wider Diocese, with the annual rhythm of Ordinations, Confirmations and Archdeaconry services, as well as services for children from schools across our Diocese. We welcomed partner institutions for services such as the Thomas Cure Evensong, Livery Company services and the High Sheriff's Annual Service of Thanksgiving, when the Cathedral welcomed the senior judiciary and Lieutenancy. We also held a service to give thanks for the Coronation of King Charles III. The delivery by the Cathedral of major services which engage with and celebrate local institutions and civic bodies both in London and nationally is a key part of the fulfilment of our charitable purposes.

Examples of our service to the wider Christian community include our hosting of a Vigil of Prayer with contributions from members of the Nigerian community in Southwark after the death of Bishop Karowei, followed by a tribute to his ministry at his Service of Songs and Funeral Eucharist, held at the Cathedral and attended by Bishop Karowei's family, members of the community, the Archbishop of Canterbury, and representatives of the Church of Nigeria and Anglican Communion.

In July, we hosted the Churches Together National Windrush Service with representatives of the Windrush Generation, diplomatic and political guests from the UK and Caribbean nations, and the Primate and Bishops of the Province of the West Indies. The service was an important major event on the national and international stage, engaging with diverse communities by incorporating readings, prayers led by children of the Diocese, music from varied traditions and the stories of those who made the journey to the UK as part of the Windrush generation and their families.

Liturgical and musical excellence in the delivery of our special services is key to how the Cathedral delivers its stated aims. It also engages in civic events and moments of National importance through worship and, whilst keeping its orthodox roots, offers an inclusive welcome to those of other worship traditions.

## **Parish and community**

As a Parish Church Cathedral, we have an Electoral Roll which is compiled in accordance with the Church Representation Rules. At the Annual Parochial Church Meeting in May 2023, the total membership on the Electoral Roll stood at 444, an increase on the previous year. People living in the parish are welcomed into the Cathedral as their parish church for key parts of their spiritual life, including for baptisms, weddings and funerals. Our Southwark Pastoral Auxiliary offers ministry to those who are housebound. Throughout the year there are opportunities for congregational learning, including workshops for Admission to Holy Communion, preparation for Confirmation (supported by the Cathedral Reader), Lent and Advent sessions and other groups which offer opportunities for involvement in a wide range of activities.

A key part of our mission is to work with other communities and worship traditions in London in the delivery of our key objects. The Cathedral has a warm association with The Swedish Church in London, the Norwegian Church in Rotherhithe and St George's Catholic Cathedral, Southwark, together with Southbank Churches.

We have a particularly close relationship with the charity ROBES, which supports the homeless community. The charity's offices are on our Cathedral site, and we participate in staffing its Night Shelter for three months and hosting its fundraising SleepOut during the year.

## **Music**

The Choir is made up of boys and girls, who sing both separately and together, and six Lay Clerks. In addition, there is the Merbecke Choir with a separate director and a membership including younger adults, many of whom have been choral scholars or former Cathedral choristers.

The Music Department at Southwark Cathedral is proactively engaged in community engagement and social inclusion on a daily basis. Although there is no choir school, through our work with chorister families, we extend our outreach to richly diverse communities in south London and beyond. Currently we work with over 80 children on a weekly basis and approximately 160 chorister and probationer parents representing local communities. Our Organist & Director of Music regularly visits schools to give talks, lead assemblies and run auditions, whilst building professional relationships to reflect our commitment to maintaining an inclusive and outward-facing cathedral community.

Both Choirs gave annual concerts last year and the Cathedral Choir commissioned the new Southwark Service (by generous donation of the Friends of Southwark Cathedral). The new set of canticles, by renowned composer Nico Muhly, was premiered by the Cathedral Choir in July 2023. Nico Muhly travelled over to London from New York to work with the choristers in the weeks leading up to the world premiere, delivering an important educational experience for our children.

Plans for 2024 include:

- During the week of prayer for Christian Unity in January, our Organist & Director of Music invited the choir of St George's RC Cathedral, Southwark, to sing with our choir at a well-attended ecumenical Evensong.
- Our Sub-Organist hosted several organ workshops for Diocesan parish organists in March and April.

- In June, we are hosting a special Cathedral organ day for schools across the Diocese. 200 children will be welcomed.
- In July, our Organist & Director of Music will direct a grand diocesan choral Evensong with, we hope, a nave full of singers from Diocesan Parish Choirs.

## **Visitor Engagement**

Our Visitor Engagement (VE) team has expanded this year as we look to increase the number of visitor events and grow the scale of our offer to visitors. We saw a full build back in 2023 from the drop in visitor numbers during the pandemic and this year recorded 204,000 visitors, 42,000 of whom visited during the three weeks during which we hosted The Museum of the Moon. We have also re-organised our stewarding of events to ensure that we can deliver a safe and accessible experience for all our visitors.

Worship will always be at the core of the Cathedral's mission and charitable purpose, but as a Cathedral, parish church and place of spiritual focus in the community, we believe that we should be playing our part in bringing different communities together whatever their background or current circumstances. Our VE team play an important part in our mission by welcoming and engaging all, including those who are may be hesitant to come to a Cathedral or church, and by offering education and entertainment in the context of a faith space and heritage church building. The work is also key to the Cathedral's fundraising activities and supports important retail and café income.

Activities in 2023 included:

- Former poet-laureate Carol Ann Duffy for an evening of poetry and reflection;
- History Show-Off – standup comedy about history and archaeology;
- Iconographer Hanna Ward facilitating a Ukrainian Pysanky Easter egg painting workshop with members of the Ukrainian community;
- Europe wide Cathedrals at Night initiative saw over 600 visitors come to the Cathedral on a dark Saturday evening to listen to organ music and enjoy the Cathedral space in the dark;
- Open Gardens Day with the London Garden Trust on which we opened the Deanery garden to 1,000 visitors;
- Heritage Craft and Mudlarking Day with over 2500 visitors engaging with mudlarks, archaeologists, colleges, museums and organisations who raise awareness of the River Thames;
- Outdoor Family theatre in the Church yard;
- Over 40,000 visitors to the Museum of the Moon art installation in just 20 days, the installation was accompanied by a programme of events which included music, talks, photography and comedy all looking at space science with awe and wonder at the universe;
- A Tudor Christmas by Candlelight with historian Alison Weir and Siobhan Clarke speaking about Christmas during Tudor times.

Plans for 2024 include aligning the Gaia art installation to a fortnight's programme looking at climate justice - a core part of our Christian mission - and building on our ministry of welcome and farewell in building and training a new Host team.

## **Education**

The Cathedral delivers its ministry of education through The Southwark Cathedral Learning Centre, which provides a vibrant addition to the life of the Cathedral, bringing in hundreds of children a term to experience various learning opportunities and the peace and the holy atmosphere of the building. The Learning Centre was established in 1996 and since that time

has sought to provide opportunities for children, families and adults to learn about the Christian faith in ways which stimulate curiosity, awe and wonder, in the unique setting of the historical fabric of Southwark Cathedral.

The Learning Centre is operated by the Southwark Cathedral Education Trust, a separate charity to Southwark Cathedral. It has eight Learning Centre Trustees (LCT). The Canon Chancellor of the Cathedral is the current Chair and the other LCTs include a member of the Cathedral clergy, the Southwark Diocesan Director of Education and members of the Cathedral and wider community, many of whom have a background in education. The Learning Centre currently has one part time staff member who is managed by the Canon Chancellor.

Most of the work undertaken by the Learning Centre is with primary and secondary schools from the faith, community and independent sector, including diocesan church schools. Tours and trails aim to encourage a deeper sympathy for the Christian faith, an appreciation of the Church's contribution to culture and community. Supporting engagement with the "big questions" of life, ethics and meaning, and the capacity to respond to the transcendent. Including expressing praise, gratitude, or respect for Creation. The Learning Centre ensures the Cathedral is used, in accordance with its charitable purposes, as a resource to support the spiritual, moral, social and cultural development of pupils, particularly in providing high quality experience outside the classroom.

This year, we welcomed nearly three and a half thousand children who studied a range of activities including:

- Offering a diverse school programme for Early Years/Primary and Secondary to KS5.
- Holding Programme workshops covering a range of subjects - largely RE, History, Citizenship, Philosophy and Ethics.
- Delivering popular sessions such as Exploring Christian Signs and Symbols session (all Key Stages), God's World story and games-based session (EYFS and KS1), Romans trail (KS2), Pilgrimage role-play (KS2) and our hands-on workshops (Candle-making, Clay Tiles and Puppets).
- Delivering a secondary Hot Seat programme was also popular. Students pose questions to a member of our clergy.
- Delivering a year-round programme of teacher training in partnership with SDBE.
- Supporting core work with foundation schools through delivery of educational tours for students coming for their annual services and concerts.

The Learning Centre staff also work with the Sub Dean outside the school context in supporting, resourcing and advising on ministry to families and young people in the Cathedral community. Going forward, the Cathedral would like to support the Education Trust in developing the Learning Centre as a focus for the Cathedral's adult learning programme, so that members of the congregation and wider Diocese can have access to further opportunities to take part in learning – deepening and enhancing their faith. At present, these opportunities are offered at Lent and Advent (as well as other occasions), but the LCTs would like to offer more regular learning opportunities both in person and online.

### **Object 1(b); to care for and conserve the fabric and structure of the Cathedral Church building;**

#### **Conservation work**

The Conservation Management Plan is a major piece of work that was undertaken in 2023 and received input from across the Cathedral community. It was funded by the Southwark Cathedral Development Trust and will be a vital resource in guiding all Cathedral communities in matters of maintenance, repair and conservation of the historic setting and assets.

A project to clean-up the current North entrance to the Cathedral via the Mandela Porch and to improve the visitor welcome began in January 2024. With the generous support of the Friends of the Cathedral, the York flagstones of the Link were professionally cleaned and sealed to reveal some of their original colour and to improve on-going maintenance.

The Property Department since 2023 has run a Conservation Housekeeping Week in which volunteers are taught by a Conservator how to clean an element of the heritage fabric. In 2023, we dusted fragile stone in the Cathedral. In February 2024, staff and volunteers knelt in the Link with magic sponges and toothbrushes to test their newly acquired skills in cleaning the engraved lettering the York flagstones. The group will collaborate with other housekeeping groups in the wider heritage sector to share information. In 2023 we visited Westminster Abbey's team, and we hope to arrange reciprocal visits with the Houses of Parliament this summer. Sharing training within the Heritage sector helps preserve a wider scope of skills and expertise to care for our religious and historic fabric.

The Cathedral has built a strong relationship with the City and Guilds Art School. Each year, the BA Conservation students are given practical briefs to execute inside the Cathedral. This year they have concentrated on the monuments of Lancelot Andrewes, John Trehearne and the tomb of Richard Humble. The Cathedral holds an annual Seminar in March at which the students present their research. We have encouraged students to continue to monitor specific parts of the Cathedral over a year to understand better some of the conservation challenges within the Cathedral. More recently, this monitoring has been extended to include vibration and dust in an attempt to reveal the impact on the Cathedral fabric of the major construction works at Minerva House. The C&G students will assist in the final stages of cleaning the engraved lettering in the stone floor of the Link.

In 2023 we secured the £30,000 Headley Trust grant to stabilise and carry out the first phase of the conservation of the Medieval timber roof bosses, of which £15,000 was received in the year. This work is being carried out off-site and they are due to return to storage in the Cathedral in April 2024. Some of the C&G monitoring work is to identify the best site for their re-presentation in the Cathedral. A greater visitor engagement piece is being planned to use the bosses as a powerful teaching tool and story-telling opportunity.

We continue to work with the relevant consultants to have a fully-working set of bells and Cathedral clock. We are seeking to introduce closer working relationships with the bell-ringing community, which we are fortunate to have. Their hard work makes present the role of the Cathedral in its urban environment on a regular basis and the wider area benefits from their uplifting peels.

## **Sustainability**

The Cathedral hopes to continue to work closely with the Diocese in delivering its Net Zero Carbon targets for 2030 (Diocese target of 2035). 2023 was used to gather information about the energy performance of the Cathedral buildings and to put in place some site-wide policies, e.g. all bulbs to be replaced by LED bulbs and fittings when being replaced. The Cathedral building currently has approximately 50% LED bulbs in use. As part of the Cathedral cafe re-opening with our new partners, the Cathedral refurbished their washrooms and installed LED lights throughout.

The Cathedral is part of The Southwark Climate Collective, a group established by the Better Bankside Business Improvement District and one that shares information, advice and provides free consultation via an energy audit. The results of the audit will help the Cathedral make decisions about the next best areas in which to invest in renewable infrastructure.

The congregation has been active in forming a sustainability group that worked consistently with the Cathedral during 2023/24 to make a successful submission to A Rocha Eco Church for a Silver Award. This was awarded in April 2024.

The Cathedral is a designated Cool Space in London in the Summer (providing shelter from the extreme heat) and it is important that our planting and landscaping continue to support this. The Cathedral Grounds are managed to increase biodiversity and protect existing eco-systems. Both the South-West churchyard garden and Millennium Courtyard provide peaceful spaces available for public use in a busy and otherwise noisy part of the borough and we have continued to work this year to maintain and improve these spaces.

Staff information, training and regular newsletters have encouraged changes in behaviour on site and in our community, including organic and recycled consumables, reduction in paper use for services and better control of lighting and heating use.

## **Estate management**

The Cathedral has spent considerable time overseeing the upkeep and care of the All Hallows Community Garden in Copperfield Street, SE1 - part of its estate. We are now collaborating with Bankside Open Spaces Trust who support the volunteer gardening group. With their help we have installed water butts, planted bulbs and invited St Mary's Eco Church to use the space on a regular basis, which enables us to explore other ways of expressing Christian faith and mission. This has enhanced a peaceful and public green space in the middle of SE1 – it remains consecrated ground.

The All Hallows Church building was identified as having structural damage due to subsidence that made it uninhabitable for residents and sadly, we had to evacuate this property. It is currently propped and secured, awaiting further plans.

Both clergy housing and commercially let property underwent improvement projects, particularly to kitchens and bathrooms. Further listed-building works are planned for our property portfolio for 2024. The challenge is to meet energy reduction targets in ageing building stock.

The Property Department has also had to respond in 2023 to several urgent repair projects to the ancillary buildings to the Cathedral. This part of the site is important to ensure the full use of its spaces over a seven-day working-week and to be able to host a varied programme of events and activities in support of the Cathedral's objects. Works have included:

- Remedial work to stem ingress of water beneath the external wall of the former QE II room which led to significant damage to the electrics, heating and the decorative finish. The room is now re-instated as the new Cathedral Shop, which furthers our objects by selling religious goods and books as well as gifts and souvenirs;
- Repair works to the 1882 concrete slab structure of the Cathedral Offices in Montague Chambers;
- Work to improve building and fire safety.

The Property team's 2024 plans include:

- Agreement of a Salvage Strategy in case of fire, flood and other causes of damage and a Damage Control Plan.
- Improvements to Health and Safety on site with better fire-rating, emergency lighting and safe access and certification.
- To apply for the Eco Church Gold Award this year. We are concentrating on being leaders in behaviour change to make the difference required to meet the ambitious targets of the Church of England.
- Following this, the Archaeological Chamber will be professionally cleaned also. This will be followed by a plan to re-present the content to visitors.

## FINANCIAL REVIEW

The total operating result for 2023 before gains and losses on investments was a deficit of £30,275, down from a deficit of £132,977 in 2022. The unrestricted result was a small surplus of £6,700, offset by a restricted deficit of £36,975.

Income was up from £2.32m to £2.75m. The most significant contribution, £309k, to the increase arose from trading and fundraising which represents the income from the trading subsidiary and Visitor Engagement. The fall of £45k in donations and legacies was more than offset by an increase of £109k in grants in support of mission. The most significant contribution to the increase in investment income of £59k came from investment property income which increased £56k to £230k, in part because of the hire of parking spaces to a film company.

Expenditure also increased, by £329k, from £2.45m to £2.78m. The largest contribution to this increase came from an increase in expenditure on raising funds. An increase of £116k relating to trading and fundraising activity supported a £309k increase in income. An increase of £112k relates to work on investment properties.

There was a net loss of £1.61m on the revaluation of investments in 2023, principally because of a reduction in the valuation of investment properties of £1.64m, marginally offset by increase in the valuation of other investments. A valuation of the investment property portfolio was done by a professional firm of valuers to arrive at its value on 31 December 2023. The valuation at the end of the previous year had been carried out using a combination of the rents being charged for the properties and a market yield indice for central London.

Total consolidated funds at 31 December 2023 were £17,393,769. Of these £184,992 were restricted funds and £16,345,057 were endowment funds. The unrestricted fund was £863,720, of which £106,673 was represented by the net value of tangible fixed assets and £675,000 by investment properties. The free reserves were therefore £82,047, up from £16,312 at the end of 2022.

### Reserves policy

The Chapter's aim is to build up its free reserves to levels sufficient to address the Cathedral's long-term sustainability and need to maintain and preserve the Cathedral's fabric and heritage. The Chapter will consider the appropriate level of reserves during 2024 in the context of risk management and recommendations from relevant committees.

## TRUSTEE PLANS FOR 2024

In the coming year, Chapter has identified the following as its priorities in the delivery of the charity's objects:

- Recruitment of new members of the senior management team following the departure of the Chief Operating Officer and Chief Financial Officer;
- Development and improvement of the way in which we welcome visitors and worshippers onto our site to include:
  - Recruiting paid hosts to enhance the Cathedral visit. These new staff will complement our current Welcome Desk team, ensuring we can welcome visitors more consistently. Paid hosts will be positioned at the Welcome Desk and inside the Cathedral, and their role will involve asking visitors to donate to the running costs of the Cathedral and its work, provide information and be on hand to assist with any visitor requests.

- Improving the Cathedral's historical interpretation – so that we can tell the story of the Cathedral and its surrounding area in Southwark, and what we stand for today and our vision for the future. This will be led by our Heritage Group and will include looking at works in the Cathedral church of contested heritage.
  - Better site curation and wayfinding, including installing external posters/notice boards along the perimeter of the Cathedral railings to advertise not only our core service times but also upcoming events at the Cathedral – with an expectation that this will lead to an increase in visitor numbers at services, recitals and events. This will include production of an updated version of the Cathedral Visitor Map in various languages and in braille.
  - Improving our visitor experience for children and young people with events and activities tailored to families and children.
- Work on the fundraising and development capacity of the Cathedral through the work of a Fundraising Group, recruitment of a Fundraising Manager and development of a legacy programme;
  - Improvement of the data management of the Cathedral through the recruitment of a fixed term Data Manager to implement senior management's GDPR Plan and sign a service level agreement with Diocese IT services to better support the Cathedral's IT function;
  - The undertaking of a full Estate valuation, stock condition report and review of use, led by the Property Review Group;
  - Work towards the Trustees approving longer term projects as part of a seven-year Site Strategic Plan to include:
    - Southwest Entrance to Cathedral – a landscaping project that allows a more generous pedestrian entrance and compliant access ramp to the SW porch of the Cathedral whilst preserving the churchyard for Cathedral visitors only;
    - Harvard Chapel – the re-ordering of the chapel to provide an accessible, heated space for quiet prayer and worship;
    - Millennium Courtyard – a landscaping project considering a safe and functional stone surface for access and provision of a public outdoor space during opening hours;
    - Tower Crossing Platform and Nave Floor – replacing existing timber finishes with stone and incorporating under-floor heating in-line with NZC plan and visitor worshipper comfort and welcome;
    - Access Projects – compliant ramps to Retrochoir, west end of Link in addition to Harvard Chapel and southwest entrance;
    - Re-siting and improving toilet and hygiene facilities for visitors;
    - Lighting Projects – LED controlled lighting systems for the Cathedral both internally and externally.
  - Looking at how better to use the Cathedral's ancillary site to deliver social impact and work with community groups.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governance**

Southwark Cathedral completed its implementation of the Cathedrals Measure 2021 (the Measure) and was granted its second certificate from the Church Commissioners in late October 2022. It was only the second cathedral in England to achieve certification and the first parish church cathedral to do so. To this extent we feel that we are very much in the vanguard of the thinking, with the Church Commissioners and our external legal advisers, about how the Measure's implementation will work in practice, including the appointment of a new board of charity trustees and the Senior Non-Executive Member (SNEM), and in drafting many of the supporting documents including committee terms of reference and policy. The then Dean and Chief Operating Officer were asked to share these experiences at the National Cathedrals Senior Leadership Conference in November 2022 and have been asked to provide one to one support of other cathedrals on their journey to charity registration.

We achieved registration as a charity on 1 November 2022 and are registered, with a charity number, under the auspices of the Charity Commission. Our Chapter members are Trustees within the meaning of the Charities Act 2011 and have now worked for over a year under the new Governance framework.

The implementation of the new Measure involved the dissolution of the Cathedral Council as part of our governance structure, although we recognise and continue to call upon the huge ongoing value of the experience and wisdom of Council members. The College of Canons remains in place but no longer has any responsibility for the governance of the Cathedral. Despite this, the College remains a highly important group in the Cathedral's life.

The Dean is the principal dignitary of the Cathedral after the Bishop and has a particular role in ensuring the proper performance of Divine Service in the Cathedral. As a charity Trustee, the Dean is "primus inter pares" among his fellow trustees, all of whom must exercise independent judgement. However, the Dean also has several statutory roles and responsibility for the governance of the Cathedral. The Dean's consent is required to settle Chapter's budget and their ratification is required for Chapter decisions made under the chairmanship of the SNEM. Chapter meets ten times a year. Each meeting includes Lectio Divina to consider a Biblical text, a reflection on the Trustees' public benefit obligations and Compliance matters including complaints, serious incident reporting and declaration of interests.

### **Trustee Recruitment and Training**

The Chapter (our Board of charitable Trustees) is now the body that exercises governance and has responsibility for the overall life of the Cathedral. 2023 was the first full year in which Chapter exercised this function as trustees of a registered charity. The Chapter consists of the Dean as Chair and two further executive Trustees who are Residentiary Canons, the Senior Non- Executive Member (SNEM) appointed by the Bishop and Vice Chair of Chapter, three non-executive Residentiary Canons alongside six lay non-executive Trustees. Two of our lay non-executive members are Cathedral Wardens, due to our status as a parish church cathedral, and we are also required to have our Chair of Finance Committee on Chapter too. The Senior Management Team has welcomed the challenge, scrutiny and oversight that the newly formed Chapter has already brought, and the Cathedral is grateful for the wide range of talent and experience on its Board.

Chapter's function and remit is enshrined in its new Constitution & Statutes, which were drawn up based on given Church Commissioners templates, subject to Chapter discussion, direction from the Bishop, and legal advice from our Registrar. The specific role of Chapter members was also agreed by the former Chapter as part of recruitment for new Chapter members, and articulated in a Job Description which was in turn used for advertisements for new Chapter members. We also deployed a skills matrix audit to determine the skills that were most required

on the Board of Trustees.

When new Trustees are appointed, we follow an induction process suggested by the Association of English Cathedrals which involves the Trustee being invited to meet staff, attend worship at the Cathedral, be guided on a historical tour of the fabric of the Cathedral and its ancillary buildings and receipt of the documents below. We also assist Trustees with establishing their own account on the Charity Commission website and completing necessary documentation including a Fit and Proper Person Declaration a Registration and Declaration of Interest form. All Trustees have undertaken a variety of training opportunities geared towards their roles as Charitable Trustees during 2023. They will continue to be offered a variety of relevant training opportunities during 2024 and beyond.

Documents provided to Trustees include Cathedral Constitution and Statutes, Charity Commission welcome note and CC3 (The Essential Trustee), Charity Governance Code, The Cathedrals Measure 2021 and related statutory guidance, the Care of Cathedrals Measure 2011 and CFCE guidance documents, role description, minutes of recent Chapter meetings, dates of the year's Chapter and related meetings, the most recent Annual Report and Financial Statements, the current budget and most recent finance report and management accounts, the Risk Register, the Terms of Reference for Chapter committees, the Conflict of Interest policy, copies of policies approved by Chapter and an Organisation Chart.

### **Chapter Committees**

Chapter is supported by several committees that are prescribed by the Cathedrals Measure 2021.

Nominations Committee recommends to the Chapter the appointment of individuals to Chapter and other committees and ensures that all appointments are fair and transparent with diversity and inclusion at their core. Southwark chose to amend the template terms of reference for its Nominations Committee to reference diversity and inclusion, ensuring that appointments reflect the specific context and diversity of Southwark's parish setting and wider Diocese, and also to enshrine the Diocese Anti-racism Charter in its work. Chapter has also chosen to use its Nominations Committee to advise on other committee membership and wider appointments such as suggested Governors for the local foundation school.

Audit and Risk Committee brings independence of approach to monitoring and recommending on the Cathedral's risk management and its audit functions. The Dean does not sit on either the Finance or Audit & Risk Committees but may attend, and speak at, their meetings. We believe this to be a particularly strong committee with a diverse membership. Further information on how the Cathedral approaches and manages risk is set out in the Risk section below.

Finance Committee is concerned with the finances and accounts of the Cathedral, and also its investment strategy. It makes recommendations to the Chapter in relation to its budget, financial processes and financial and investment policies. Nominations Committee appointed a member of Chapter into the role of Interim Chair of Finance in late 2022 and has recently confirmed that chairmanship. We have however found it difficult to recruit and appoint a full complement of members to this committee this year and are continuing to search for suitable members whilst ensuring an appropriately diverse and skilled committee.

The sub-committee terms are to be reviewed by Chapter every three years. Each member, including of Chapter, is appointed for a term of up to four years, although some Chapter members have been appointed for a specified shorter period to allow for a staggered rolling membership and prevent all members ending their term at the same time.

Under the Care of Cathedrals Measure 2011, the Fabric Advisory Committee is responsible to the Cathedrals Fabric Commission for England and considers applications from the Chapter regarding proposed development of and changes to the Cathedral's fabric. There are eight

voting members, four appointed by the Cathedrals Fabric Commission for England and four by the Cathedral Chapter. In addition, the Dean, Chief Operating Officer or Head of Property, Cathedral Architect, Cathedral Archaeologist and one of the Cathedral Wardens attend the four meetings each year and the committee advises on and ensures protection of the fabric of the Cathedral and its precincts.

## **Connected Organisations**

There are five other formally-constituted organisations involved in aspects of the Cathedral's affairs:

### *Southwark Cathedral Enterprises Limited*

This company is wholly owned by the Cathedral, and manages the main commercial activities of the Cathedral. This includes retail, conferences, special events, commercial bookings for social occasions and concerts, and the operation of the café. These streams rely on SCEL using the Cathedral's premises, and development of the licensing structure for this use is currently under review. Profits are, if so decided by the Board of SCEL, donated to the Cathedral.

### *The Southwark Cathedral Development Trust (registered charity 1069914)*

This registered charity, was initially formed as a vehicle for the Millennium Project funds and remains a separate charity, not under the control of the Chapter and with independent trustees. Funds held in it can be applied for by the Cathedral and are held for the purposes of Music, Fabric and Social Mission costs.

### *Southwark Cathedral Education Trust (registered charity 1058369)*

The Southwark Cathedral Education Trust is an independent registered charity which oversees the work of the Learning Centre and seeks to help teachers cover a range of national curriculum subjects through experience-based visits and workshops on site at the Cathedral. The Cathedral makes available to it both classroom and office space. It has independent trustees and is not under the control of the Chapter.

### *The Friends of Southwark Cathedral (registered charity 1159545)*

This registered charity provides financial support to the Cathedral for repairing, maintaining and beautifying the Cathedral church, and assisting the Chapter in their mission and ministry. It is not under the control of the Chapter. Proposed projects for which the Cathedral applies for funding are considered by its independent trustees.

### *The Dean of Southwark's Fund (registered charity 275354)*

This registered charity provides financial support for extending, developing and maintaining the buildings, fabric, amenities and work of Southwark Cathedral as well as the advancement of the Christian religion. It has independent trustees and is not under the control of the Chapter.

## **Staffing and Management**

We currently have a paid lay staff of around 40 members of staff (35 FTE), working across a range of departments between Southwark Cathedral and Southwark Cathedral Enterprises Limited (our trading subsidiary).

Managerial, operational and staffing decisions are made at the Senior Management Team (SMT) meeting. SMT meets weekly, chaired by the COO and attended by the Dean, the Canon Pastor (Sub-Dean), Precentor and CFO. Other department heads may attend from time to time

as required. SMT's Terms of Reference mean that it debates and decides upon those matters delegated to it by Chapter. It also receives and decides matters escalated from Heads of Department and other line-managed staff for approval. The meeting is minuted, and an action tracker drawn out of the minutes to ensure that necessary actions are followed up.

Heads of Department lead the various operational functions of the Cathedral and come together fortnightly in a meeting chaired by the COO – an important platform for sharing news and views and ensuring a cohesive and co-operative approach across departments.

There are several other important regular decision-making forums: Diary Meeting, Heads of Department Meeting, Visual Arts Group, Sustainability Committee and Health, Safety & Security Committee meet on a regular basis, and are formed of Cathedral staff, Diocesan staff and volunteers. All of these fora inform ideas and matters for discussion at SMT or Chapter.

Our lay staff pay structures are not set formally, and benchmarking exercise is undertaken with the Diocese staffing structure, other Cathedral salaries and average London salaries.

Any annual salary uplift takes place each year in conjunction with the Budget setting for the year following. Any percentage uplift is discussed initially between the CFO and COO, presented as part of the draft Budget to SMT, Finance Committee and then Chapter for approval. Any change is applied from 1 January each year.

Chapter, in consultation with the Finance Committee and the Board of Southwark Cathedral Enterprises, has for many years decided to pay all its staff at least the London Living Wage (and also to require its main suppliers and partners to pay LLW). This rate of pay is subject to review each year. The rate is calculated annually by the Resolution Foundation and overseen by the Living Wage Commission.

## **Our Volunteers**

We are very fortunate to have a base of 378 volunteers, many of whom offer their time in more than one role. This contribution of service is significant and vital to our ability to undertake many activities that have an impact on our beneficiaries.

Volunteers undertake a wide range of roles based both at the Cathedral and in the local community. Within the Cathedral teams, there are pastoral roles (e.g. day chaplains, meaning that we can offer a caring presence in the Cathedral church every day for visitors and pilgrims, in a way that would otherwise not be possible), visitor experience roles (e.g. Stewards, Welcomers, again to provide welcome and support to visitors which the Cathedral would not be able to fund at such a level of attendance) and operational roles (e.g. flower arrangers, volunteer receptionists). We also offer more outward facing opportunities involving the local community, including for example, volunteering with the Cathedral's Learning Centre, which welcomes local school groups to the Cathedral, and at our ancillary sites (e.g. EcoChurch volunteers at All Hallows Church).

The Cathedral's Volunteers Officer has played a crucial role in galvanising our wide volunteer base, ensuring they are all appropriately recruited and trained, and engaged with the Cathedral's values and wider missional purpose. One way of achieving this was through a Volunteers Fair, piloted in 2023, at which each department at the Cathedral was invited to advertise a volunteer role. Not only was this a useful exercise for departments to help bolster the work the Cathedral teams are doing, but it also formed an opportunity for volunteers to understand more about the Cathedral's current and upcoming projects, and for staff and volunteers to get to know one another. Following the fair's success, it is hoped that this will become an annual event to be built on further in 2024.

## Safeguarding

Chapter puts safeguarding at the heart of what it does. The Chapter's Safeguarding Lead (CSL) is the Canon Precentor. The CSL receives the National Safeguarding Team (NST) regular bulletins and leads the review and adaptation of our policies as advised. We are currently working on training for the implementation of the new National Case Management System with a view to implementing this according to NST recommendations and for our next SCIE audit in 2026. We also receive considerable support and advice from the Diocesan Safeguarding Team. The CSL has regular meetings with the Diocesan Safeguarding Adviser which, together with the annual Diocesan Safeguarding Advisory Panel focused on the Cathedral, ensure that we are compliant with diocesan policies.

Policies are formally reviewed annually by Chapter and this year were amended to reflect the best practice guidance of all our volunteers being required to undertake training at basic level. All members of Chapter are trained to Leadership level (lay members) and Senior Leadership level (clergy and senior staff members). The Cathedral Safeguarding Administrator ensures that all training levels are up to date. Those involved in recruitment at the Cathedral have undertaken the new Safer Recruitment training either online or at specially organized in person training sessions. Safeguarding policies and procedures are in place for children, young people and vulnerable adults and these are kept under review and meet the Church of England's national policy and practice guidance. The Chapter confirms that it has complied with the duty of the Church of England Safeguarding and Clergy Discipline Measure 2016 to have due regard to policy and guidance issued by the House of Bishops on matters relating to safeguarding.

We have three Cathedral Safeguarding Officers, two of whom help to deliver the large amount of in-house safeguarding training required. The CSOs were invited this year to a staff breakfast to ensure that all staff colleagues were familiar with them and their work, again to foster a robust safeguarding culture and improve our practice. There is a standing notice about safeguarding in our weekly news-sheet and e-newsletter. There are strong visual notices about safeguarding in the Song School and in the context of our Junior Xpress meetings.

Any potential gaps in good practice identified by the Cathedral's Safeguarding Officers or any member of staff or the Cathedral community are reported in accordance with our Safeguarding procedures.

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

Safeguarding is reported on, and discussed as appropriate, at every SMT meeting and every Chapter meeting, led by the CSL as a standing agenda item. The report at each Chapter meeting includes basic information on any ongoing issues, a regular training report and any matters that Chapter needs to consider. Confidential issues are not reported in detail to the wider meeting, but a small group of Trustees has been formed to discuss matters in appropriate detail whilst ensuring the confidentiality of matters discussed.

There is an informal safeguarding committee, made up of the CSL and the three Cathedral Safeguarding Officers. This group meets monthly for appropriate information sharing, mutual support and to ensure that the team is as effective as possible. As CSOs, the members of this group all have the necessary skills, experience and training. We employ a part-time Safeguarding Administrator to help with the planning and administration of training sessions and to assist the safeguarding lead. The Safeguarding Administrator also undertakes and records Disclosure and Barring Checks and leads on preparation for the implementation of new Safer Recruitment guidelines.

The CSL also works closely with the COO in her capacity as head of HR and lead on

governance, legal matters and risk. This year, a File review was undertaken by an independent reviewer working with the COO's office, of all our paid and volunteer staff files to ensure safeguarding compliance and adherence to safer recruitment practices.

This year two reports were made to the Charity Commission under the Serious Incident Reporting framework in relation to historical safeguarding matters. The Charity Commission has confirmed its satisfaction with the conduct of matters reported.

The Trustees remain clear that there is a strong safeguarding culture prevailing at the Cathedral and that a safe environment for children and vulnerable adults is provided in the Cathedral, whilst acknowledging that there is always more to be done to ensure this safety.

## **Fundraising**

Active fundraising currently sits within the finance function. We raise funds for the organisation and its charitable purposes through individual gifts, trusts and foundations grants, legacies, and corporate support. We seek to encourage donations and do not engage in pressurising potential donors. We make every effort to make sure that our fundraising does not intrude on peoples' privacy, that it is not unreasonably persistent and that it does not place pressure on anyone to donate. We develop strong relationships with our funders and listen to their preferences and needs.

Research and vetting of potential supporters are key parts of fundraising and the processing and storing of personal data is necessary. We follow strict procedures for storing and maintaining of such data. All data is stored and protected, with limited access to within the wider team. We consider the ethical impacts of our fundraising and seek to make sure that we do not accept donations where to do so would represent a conflict of interest, a reputational risk, or would impact on our ability to fulfil our mission.

In 2022-23 the charity did not engage with independent professional fundraisers. We also did not receive any complaints in relation to fundraising or raise any matter with regulators. Should any complaints arise, they will be handled swiftly and interrogated thoroughly and we will respond appropriately to all Freedom of Information requests from individuals.

## **Risk Management, Reporting and Monitoring**

Southwark Cathedral is a complex organisation that is exposed to several risks - financial, legal and reputational. It is the ultimate responsibility of the Chapter to regularly review and assess the risks faced by the Cathedral in all areas of its work, and for ensuring effective and adequate risk management and that internal controls are in place to manage our risk exposure appropriately. Chapter recognises that any risk management system can provide only reasonable and not absolute assurance against loss.

Chapter is supported in its assessment of risk by the Audit & Risk committee, Senior Management Team and Finance Committee (which pays particular attention to financial risk). A key target identified by these groups for this year was the re-structuring and updating of the Risk Register, a 'live' document which outlines both the main risks and organisational risks faced by the Cathedral, along with causes, mitigations and target actions with timelines and can be an effective and dynamic tool for those managing the risks.

The Cathedral has sought advice on re-structuring and content revision from our insurers, Ecclesiastical ERM (Enterprise Risk Management) team and the members of the Audit & Risk Committee. Each risk listed has been assigned a risk owner; generally, the Head of Department or staff member best placed to manage and mitigate with specific actions that particular risk and Risk Owners consulted to develop a series of planned actions (with timelines) as a means of monitoring and measuring outcomes.

## Primary Risks to the Cathedral

The following were identified as primary risks for the Cathedral in 2023:

### Financial Risks

- Insufficient voluntary income;
- Reduced ability to generate trading and property income due to external factors;
- Lack of/delay in Chapter strategic planning and staff resource to support fundraising, leading to additional strain on existing staff resources;
- Poor financial controls and processes, resulting in cash flow issues and reduction of cash reserves, poor credit rating and poor financial governance and audit findings.

#### *Identified mitigations:*

- Diversification of income streams;
- Maintenance of good client/customer relations;
- Adequate business planning;
- Analysis of regular giving data;
- Encouragement of congregation to maintain and increase regular giving;
- Active engagement of possible donors;
- Appointment of a CFO and strengthening of Finance team;
- Reassessment of policies and processes; staff training as part of this.

### Safeguarding risks:

- Legal and financial risk from claims in respect to current instances of abuse;
- Legal and financial risk from breaches of current policies and processes;
- Legal and financial risk from claims in respect of non-recent instances of abuse. Reputational risk; negative publicity to Cathedral, loss of stakeholder confidence.

#### *Identified mitigations:*

- Liaison with Diocesan Safeguarding team;
- PCR2 review and ongoing Diocese review;
- Professional communications advice taken where appropriate;
- Safeguarding training;
- Strong safeguarding culture throughout the organisation;
- Safer recruitment;
- Continuous improvement through review of the SCIE action plan.

### Fabric and Building risks:

- Insufficient funding to conduct planned and unplanned repairs;
- Acute programme of refurbishment required on ancillary buildings leading to high costs of repairs;
- Health and safety concerns about buildings; risk to life and safety of visitors and staff.

#### *Identified mitigations:*

- Adequate budget provision allowing for departmental planned works;
- Build cash reserves for unplanned repairs;

- Build strong relationships with independent charities whose charitable purpose is to support the Cathedral and its fabric;
- Risk assessments completed for all events and contractor work;
- Daily site walk round by Facilities team;
- Regular review of Health & Safety risks (including reporting accident, incident and near misses) at fortnightly Health, Safety and Security committee meetings;
- Staff training and awareness.

### **Governance, Legal and Strategic risks:**

- Legal, financial and reputational risk from breaches of policies and processes adopted under the new Cathedrals Measure. Failure to comply with the Charities Act 2022 and/or Charity Commission guidelines;
- Inability to articulate our strategy, leading to lack of progress on actively translating our mission into practical achievements;
- Congregational perception of drift or lack of direction, loss of public profile and financial risk to regular giving from stakeholders.

#### *Identified mitigations:*

- Familiarisation and regular review of the Constitution and Statutes and Governance documents;
- Appropriate financial provision and professional advice sought if required;
- Budget allocation; training and development, provision for work in Chapter's strategy document;
- Appropriate review of Chapter's strategy and monitor progress against objectives;
- Be clear about our vision and priorities with the congregation and ensure staff understand what we are working towards and how to play their part.

### **Data protection and IT risks:**

- Breach of data protection law including GDPR;
- IT and communication failures;
- Lack of file and database security.

#### *Identified mitigation:*

- Adequate investment in IT infrastructure and maintenance. Staff/volunteer training;
- Development of a retention schedule to assist with the appropriate management of hard copy and digital files;
- Restructuring of staff IT systems;
- GDPR action plan implemented to ensure compliance across the Cathedral departments.

### **People risks:**

- Difficulty attracting and retaining staff and loss of "key man" staff may lead to inability to deliver necessary operational functions, financial loss and reputational damage;
- Threat to safety of our people (Clergy, staff and volunteers) due to an external event (e.g. terrorist incident, flood, fire or any external incident).

#### *Identified mitigations:*

- Developing attractive staff packages to assist with recruitment and retention;
- Attention to all staff wellbeing and development to retain and energise current staff for optimum performance;

- Adequate budget allocation for attractive salaries, staff resourcing, training packages;
- In terms of key-man loss; develop deputy roles, consider succession planning;
- In terms of threat to safety; maintain a strong relationship and regular contact with the Police regarding events which might have security considerations. Regular review of security at bi-weekly Health, Safety and Security committee meetings and SMT. Training organised for staff and volunteers;
- Adequate budget provision for; loss of income and business interruption up to four years cover.

## **REFERENCE AND ADMINISTRATIVE DETAILS**

### **Full legal name and address of Charity**

The Cathedral and Collegiate Church of St Saviour and St Mary Overie, Southwark, also known as Southwark Cathedral, London Bridge, London, SE1 9DA

Telephone: 020 7367 6700

General email address: cathedral@southwark.anglican.org

Web site: www.southwarkcathedral.org.uk

### **Administrative Body**

The Cathedral's administrative body is the Chapter. The members of the Chapter (Trustees) during the year and up to the date of approval of this report are:

The Very Rev'd Andrew Nunn, Dean (resigned 4 July 2023)

The Very Rev'd Dr Mark Oakley (from 3 December 2023)

The Revd Canon Michael Rawson, Sub Dean, Canon Pastor and Canon Residentiary

The Rev'd Canon Jay Colwill, Canon Missioner and Canon Residentiary (resigned 3 December 2023)

The Rev'd Canon Jeremy Clark-King Canon Treasurer and Canon Residentiary

The Rev'd Canon Wendy Robins, Canon Chancellor and Canon Residentiary

The Rev'd Canon Andrew Zihni, Precentor and Canon Residentiary (resigned 23 April 2023)

The Rev'd Canon Kathryn Fleming Precentor and Canon Residentiary (from 10 September 2023)

The Rev'd Canon Roxanne Eversley (from 4 February 2024)

Mrs Linda Hutchinson, Cathedral Warden

Mr Daniel Chumbley, Cathedral Warden

Mr Simon Kingston

Ms Gill Reynolds

Mrs Lynn Cooper

Ms Amuda Poongavanam

### **Statutory office holders**

#### **Chief Operating Officer**

Justine Horseman Sewell (to 9 April 2024)

#### **Chief Finance Officer**

Dr David Edgar (from 5 June 2023 to 13 April 2024)

#### **Cathedral Architect**

Ms Kelley Christ, A&RME

#### **Archaeological Consultant**

Dr Jackie Hall

The Trustees delegate the day-to-day management of the charity to the **Senior Management Team** currently comprising:

The Very Rev'd Dr Mark Oakley,  
The Rev'd Canon Michael Rawson,  
The Rev'd Canon Kathryn Fleming,  
Justine Horseman Sewell (COO) (to 9 April 2024)  
Dr David Edgar (CFO) (from 5 June 2023 to 13 April 2024)

#### **The Finance Committee**

The Very Revd Andrew Nunn (to 4 July 2023)  
Mr Daniel Chumbley (Chair)  
Mr Colin Johnston  
Mr Steve Cockell  
Mr Richard Cornwell  
Mr Richard Holman  
The Rev'd Canon Jeremy Clark-King

#### **The Audit and Risk Committee**

Mr Anthony Demby (Chair)  
Ms Juanita Fan  
Mrs Amanda Adamson-Hill  
Ms Minjie Lin  
The Revd Canon Wendy Robins,  
Ms Amunda Poongavanam

#### **The Fabric Advisory Committee**

The Rev'd Charles Pickstone – Chair  
Professor Maurice Howard  
Mr Luke Hughes  
Mr Guy Rowston  
Ms Phillida Shaw  
Mr Alexander Holton (from 11 January 2023)  
Ms Anna Joynt (from 11 January 2023)  
Ms Katie Lithgow

#### **The Nominations committee**

Gill Reynolds (chair)  
Daniel Chumbley  
Linda Hutchinson  
Kathryn Fleming  
Simon Kingston

#### **Bankers**

National Westminster Bank plc  
10 Southwark Street  
London SE1 1TT

#### **Chapter Solicitors**

Winckworth Sherwood  
Arbor, 255 Blackfriars Road  
London  
SE1 9AX

**Independent Auditors**

Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP

**Surveyors**

Rapleys LLP  
51 Great Marlborough Street  
London  
W1F 7JT

**Insurers**

Ecclesiastical Insurance Group  
Beaufort House  
Brunswick Road  
Gloucester GL1 1JZ

**Investment Managers**

Investec Wealth & Investment Limited  
30 Gresham Street  
London  
EC2V 7QN

## STATEMENT OF RESPONSIBILITIES OF THE CHAPTER

In relation to the Annual Report and Financial Statements, Chapter members are responsible for preparing them in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

Chapter is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Cathedral and enable them to ensure that the financial statements comply with the Charities Act 2011, the Cathedrals Measure 2021 and the provisions of the Cathedral's Constitution and Statutes. It is also responsible for safeguarding the assets of the Cathedral and therefore for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**The Very Reverend Dr Mark Oakley  
Dean**

**Date** 8 May 2024

## **INDEPENDENT AUDITOR'S REPORT TO THE CHAPTER MEMBERS OF SOUTHWARK CATHEDRAL**

### **Opinion**

We have audited the financial statements of Southwark Cathedral for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Cathedral Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and Cathedral's affairs as at 31 December 2023, and of the group'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 prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Cathedral in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- the group and Cathedral has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

### **Responsibilities of Chapter members**

As explained more fully in the Chapter members' responsibilities statement set out on page 23, the Chapter members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chapter members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Cathedral's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chapter members.
- Conclude on the appropriateness of the Chapter members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cathedral's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cathedral to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Cathedral and considered that the most significant are the Cathedrals Measure 2021, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the Cathedral complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

### **Use of our report**

This report is made solely to the Cathedral's Chapter members, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP  
Statutory auditor

Date

9 Appold Street  
London  
EC2A 2AP

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

# SOUTHWARK CATHEDRAL

## Consolidated Statement of Financial Activities for the year ended 31<sup>st</sup> December 2023

	Note	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds 2022 £
<b>Income from:</b>						
Donations and legacies	3	465,312	21,061	-	486,373	531,563
Grants in support of mission	4	71,899	611,734	-	683,633	574,291
Charges and fees arising in course of mission	5	213,676	4,320	-	217,996	253,562
Trading and fundraising	6	1,055,355	16,529	-	1,071,884	762,797
Investments	7	233,747	20,151	-	253,898	195,192
Other income		35,433	-	-	35,433	-
<b>Total income</b>		<u>2,075,422</u>	<u>673,795</u>	<u>-</u>	<u>2,749,217</u>	<u>2,317,405</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>	8	755,976	92,225	-	848,201	621,302
<b>Charitable activities:</b>						
Ministry	9	363,794	352,113	-	715,907	711,236
Cathedral and precincts upkeep	10	759,496	251,550	-	1,011,046	889,912
Education and outreach	11	89,668	14,883	-	104,551	120,234
Community, parish and congregation	12	97,364	-	-	97,364	105,111
Other expenditure		2,423	-	-	2,423	2,587
<b>Total expenditure</b>	13	<u>2,068,721</u>	<u>710,771</u>	<u>-</u>	<u>2,779,492</u>	<u>2,450,382</u>
<b>Net income/(expenditure) before gains/(losses) on revaluation of investments</b>		6,701	(36,976)	-	(30,275)	(132,977)
Gains/(losses) on revaluation of investments		<u>(545,556)</u>	<u>2,379</u>	<u>(1,068,016)</u>	<u>(1,611,193)</u>	<u>1,338,450</u>
<b>Net income/(expenditure)</b>		(538,855)	(34,597)	(1,068,016)	(1,641,468)	1,205,473
<b>Transfers between funds</b>	26	<u>375,265</u>	<u>(24,709)</u>	<u>(350,556)</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in funds</b>		(163,590)	(59,306)	(1,418,572)	(1,641,468)	1,205,473
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>1,027,310</u>	<u>244,298</u>	<u>17,763,629</u>	<u>19,035,237</u>	<u>17,829,764</u>
<b>Total funds carried forward</b>	26	<u>863,720</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,393,769</u>	<u>19,035,237</u>

All operations are continuing.

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

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

# SOUTHWARK CATHEDRAL

## Consolidated Balance Sheet as at 31<sup>st</sup> December 2023

	Note	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds 2022 £
<b>Fixed assets</b>						
Investments	17	675,000	27,647	2,881,407	3,584,054	6,145,874
Tangible fixed assets:						
Property	19	-	-	13,205,925	13,205,925	12,300,000
Fixtures, fittings, furniture and equipment	20	106,673	9,000	-	115,673	49,160
		<u>781,673</u>	<u>36,647</u>	<u>16,087,332</u>	<u>16,905,652</u>	<u>18,495,034</u>
<b>Current assets</b>						
Stocks		30,828	-	-	30,828	27,263
Debtors	21	467,930	26,474	-	494,404	246,459
Cash at bank and in hand		345,264	165,305	-	510,569	639,370
		844,022	191,779	-	1,035,801	913,092
<b>Liabilities due within one year</b>						
Creditors	22	(455,184)	-	-	(455,184)	(270,389)
<b>Net current assets</b>		<u>388,838</u>	<u>191,779</u>	<u>-</u>	<u>580,617</u>	<u>642,703</u>
<b>Total assets less current liabilities</b>		1,170,511	228,426	16,087,332	17,486,269	19,137,737
<b>Liabilities due after one year</b>						
Inter-fund loan	25	(214,291)	(43,434)	257,725	-	-
NatWest bounce back loan	23	(17,500)	-	-	(17,500)	(27,500)
Dean's Fund loan	23	(75,000)	-	-	(75,000)	(75,000)
<b>Net assets</b>	25	<u>863,720</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,393,769</u>	<u>19,035,237</u>
<b>Represented by:</b>						
Unrestricted fund	26	863,720	-	-	863,720	1,027,310
Restricted funds	26	-	184,992	-	184,992	244,298
Endowment funds	26	-	-	16,345,057	16,345,057	17,763,629
<b>Total funds</b>		<u>863,720</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,393,769</u>	<u>19,035,237</u>

The financial statements for Southwark Cathedral, (registered charity number 1200866), for the year ended 31 December 2023 were approved and authorised for issue by the Chapter on 24 April 2024.



**The Very Reverend Dr Mark Oakley**  
Dean

8 May 2024

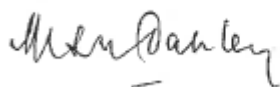
# SOUTHWARK CATHEDRAL

## Cathedral Balance Sheet as at 31<sup>st</sup> December 2023

	Note	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds 2023 £	Total funds - restated 2022 £
<b>Fixed assets</b>						
Investments	17	675,000	27,647	2,881,407	3,584,054	6,145,874
Subsidiary undertaking	18	100,000	-	-	100,000	100,000
Tangible fixed assets:						
Property	1920	-	-	13,205,925	13,205,925	12,300,000
Plant and equipment		60,912	9,000	-	69,912	49,160
		<u>835,912</u>	<u>36,647</u>	<u>16,087,332</u>	<u>16,959,891</u>	<u>18,595,034</u>
<b>Current assets</b>						
Debtors	21	441,368	26,474	-	467,842	222,399
Cash at bank and in hand		151,148	165,305	-	316,453	442,289
		592,516	191,779	-	784,295	664,688
<b>Liabilities due within one year</b>						
Creditors	22	(319,352)	-	-	(319,352)	(165,797)
<b>Net current assets</b>		<u>273,164</u>	<u>191,779</u>	<u>-</u>	<u>464,943</u>	<u>498,891</u>
<b>Total assets less current liabilities</b>		1,109,076	228,426	16,087,332	17,424,834	19,093,925
<b>Liabilities due after one year</b>						
Inter-fund loan	25	(214,291)	(43,434)	257,725	-	-
NatWest bounce back loan	23	-	-	-	-	-
Dean's Fund loan	23	(75,000)	-	-	(75,000)	(75,000)
<b>Net assets</b>		<u>819,785</u>	<u>184,992</u>	<u>16,345,057</u>	<u>17,349,834</u>	<u>19,018,925</u>

The 2022 subsidiary undertaking balance in fixed assets and the unrestricted fund balance have been restated by £16,312 to exclude the retained profits of the subsidiary undertaking.

The financial statements for Southwark Cathedral, (registered charity number 1200866), for the year ended 31 December 2023 were approved and authorised for issue by the Chapter on 24 April 2024.



**The Very Reverend Dr Mark Oakley**  
Dean

8 May 2024

# SOUTHWARK CATHEDRAL

## Consolidated Statement of Cash Flows for the year ended 31st December 2023

	Note	2023 £	2022 £
<b>Net cash used in operating activities</b>	28	<u>(336,903)</u>	<u>(332,199)</u>
<b>Cash flows from investing activities:</b>			
Income from property	7	229,550	173,371
Income from investments (net of management costs)	7	24,348	21,821
Realisation of investments	17	100,000	-
Investment in property	17	(55,303)	-
Purchase of fixtures, fittings and equipment	20	(80,493)	(43,559)
<b>Net cash provided by investing activities</b>		<u>218,102</u>	<u>151,633</u>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing	23	(10,000)	10,000
<b>Net cash used in financing activities</b>		<u>(10,000)</u>	<u>10,000</u>
<b>Net change in cash and cash equivalents in the year</b>		(128,801)	(170,566)
<b>Cash and cash equivalents at the beginning of the year</b>		639,370	809,936
<b>Cash and cash equivalents at the end of the year</b>		<u>510,569</u>	<u>639,370</u>

### Analysis of changes in net debt

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand and short term deposits	639,370	(128,801)	510,569
Loans due within one year	(10,000)	-	(10,000)
Loans due after one year	<u>(102,500)</u>	<u>10,000</u>	<u>(92,500)</u>
	<u>526,870</u>	<u>(118,801)</u>	<u>408,069</u>

# SOUTHWARK CATHEDRAL

## Notes to the Consolidated Financial Statements

### 1 Accounting Policies

#### **Basis of preparation of the consolidated financial statements**

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

#### **Going concern**

The financial statements are prepared on a going concern basis, which assumes that the Cathedral will continue as a going concern for foreseeable future. Chapter has considered the Cathedral's forecasts and projections for a period of 12 months from the approval of the financial statements and have concluded there is a reasonable expectation that the Cathedral has adequate resources to continue in operational existence for the foreseeable future. The Cathedral therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Group financial statements**

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

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

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

#### **Income**

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

#### **Legacies and donations**

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

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

#### **Income arising from events and conferences**

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

## **Grants receivable**

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

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

## **Expenditure**

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

## **Pension scheme arrangements**

*Defined benefit scheme: Church Workers Pension Fund for lay staff*

Pensions for lay staff are provided by Church Workers Pension Fund. Lay staff are enrolled in the Pension Builder Classic Scheme which is classed as a defined benefit scheme. The contributions to the fund by the Cathedral are charged to the Consolidated Statement of Financial Activities as incurred, as the scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities relating to the Cathedral.

*Defined benefit scheme: Church of England Funded Pensions Scheme for clergy*

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

## **Taxation**

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

## **Cathedral and its inventory**

No value is attributed to the Cathedral (together with the linked 1988 Chapter House and Millennium Buildings) in the financial statements and it is not included in the consolidated balance sheet. The Cathedral and the Millennium buildings, which are inalienable assets, are currently insured for a total sum of £51.49 million. No value is attributed to items included in the Cathedral inventory under Section 13(1) of the Care of Cathedrals Measure 1990 as they are considered to be of architectural, archaeological, artistic or historic interest and the cost of obtaining valuations would be onerous compared with the benefit derived by users of the accounts.

## **Tangible fixed assets**

No depreciation is provided on the freehold properties owned by the Cathedral and carried on the balance sheet because the useful economic life of the properties is judged to be longer than 50 years, and Chapter's policy is to maintain and repair the properties to ensure that they retain their value in use to the Cathedral. In order to comply with FRS102, Chapter

has conducted an impairment review. Chapter considers that the net realisable value of the properties in the balance sheet is not less than their carrying value and expects to hold the properties for more than 50 years. In the opinion of Chapter, the assets are therefore not impaired and there is no requirement to adjust the value at which the properties are carried in the balance Sheet.

Expenditure on tangible fixed assets of £1,000 or more is stated in the balance sheet at cost less depreciation provided to write it off over its expected useful life as follows:

Computer equipment	Three years
Fixtures, fittings, furniture and equipment	Ten years
Other items	Four years

### **Non-investment property**

Properties owned by Chapter are included in the consolidated balance sheet at cost or valuation. The transitional provisions of Financial Reporting Standard 102 have been used to treat this valuation as a deemed cost. Where property is held on a “mixed-use” basis such that it is partly used by the Cathedral and partly rented out, the property is wholly held at depreciated cost as it would not be practicable reliably to estimate the value of the investment property element.

### **Investment property**

Investment properties are carried at their open market value.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the Consolidated Statement of Financial Activities as ‘gains or losses on investments’ and are allocated to the appropriate fund.

### **Investments**

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

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the Consolidated Statement of Financial Activities as ‘gains or losses on investments’ and are allocated to the appropriate fund.

### **Basic financial assets**

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

### **Impairment of financial assets**

Financial assets, other than those held at fair value through the Statement of Financial Activities, are assessed for indicators of impairment at each reporting end date.

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

### **De-recognition of financial assets**

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

### **Stocks**

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

### **Basic financial liabilities**

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

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

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

### **De-recognition of financial liabilities**

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

### **Funds**

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

#### **Endowment funds**

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

#### **Restricted funds**

These are funds subject to specific conditions or trusts, imposed by the donor or the terms of a specific appeal, which are binding on Chapter.

#### **Unrestricted funds**

These are funds other than endowment and restricted funds.

### **Impairment of financial assets**

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

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

### **Judgements and key sources of estimation uncertainty**

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

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

revision affects both current and future periods.

### **Critical judgements**

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

Chapter uses the valuation performed by its independent valuers as the basis for fair value of its investment properties. Further details, including the carrying values and key assumptions used for the fair value measurement, are given in note 17 to the financial statements.

Chapter considers that building assets held within non-investment property should not be depreciated as the expected useful lives of these assets is estimated to exceed 50 years and the net realisable value of these assets exceeds the value at which they are carried in the balance sheet. However, Chapter considers whether these assets may be impaired on an annual basis.

## 2 Prior year Consolidated Statement of Financial Activities

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds restated 2022 £
<b>Income from:</b>				
Donations and legacies	440,275	91,288	-	531,563
Grants in support of mission	-	574,291	-	574,291
Charges and fees arising in course of mission	236,047	17,515	-	253,562
Trading and fundraising	762,797	-	-	762,797
Investments	175,572	19,620	-	195,192
<b>Total income</b>	<b>1,614,691</b>	<b>702,714</b>	<b>-</b>	<b>2,317,405</b>
<b>Expenditure on:</b>				
<b>Raising funds</b>	586,763	34,538	-	621,301
<b>Charitable activities:</b>				
Ministry	399,955	311,281	-	711,236
Cathedral and precincts upkeep	582,711	307,201	-	889,912
Education and outreach	74,868	45,366	-	120,234
Community, parish and congregation	93,973	11,139	-	105,112
Other expenditure	2,587	-	-	2,587
<b>Total expenditure</b>	<b>1,740,857</b>	<b>709,525</b>	<b>-</b>	<b>2,450,382</b>
<b>Net income/(expenditure)</b>	<b>(126,166)</b>	<b>(6,811)</b>	<b>-</b>	<b>(132,977)</b>
Gains/(losses) on revaluation of investments	-	(3,371)	1,341,821	1,338,450
<b>Net income/(expenditure) after gains/(losses) on revaluation of investments</b>	<b>(126,166)</b>	<b>(10,182)</b>	<b>1,341,821</b>	<b>1,205,473</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in funds</b>	<b>(126,166)</b>	<b>(10,182)</b>	<b>1,341,821</b>	<b>1,205,473</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	1,153,476	254,480	16,421,808	17,829,764
<b>Total funds carried forward</b>	<b>1,027,310</b>	<b>244,298</b>	<b>17,763,629</b>	<b>19,035,237</b>

On a review of the classification of income from various charities, it was concluded that income from Friends and Local Trusts it should be treated as grants in support of mission, rather than donations and legacies. The 2022 figures for these sources of income have therefore been restated.

### 3 Income from donations and legacies

	Unrestricted fund £	Restricted funds £	Total 2023 £	Unrestricted fund £	Restricted funds £	Total restated 2022 £
Congregational collections and giving	213,296	-	213,296	236,501	16,549	253,050
Donations and fundraising appeals	153,320	13,421	166,741	103,885	70,632	174,517
Tax recoverable under Gift Aid	62,696	2,640	65,336	51,889	7,107	58,996
Legacies and gifts in memory	36,000	5,000	41,000	30,000	15,000	45,000
	<u>465,312</u>	<u>21,061</u>	<u>486,373</u>	<u>422,275</u>	<u>109,288</u>	<u>531,563</u>

On a review of the classification of income from various charities, it was concluded that it should be treated as grants in support of mission, rather than donations and legacies. The 2022 figures for these sources of income have therefore been restated.

### 4 Income from grants in support of mission

	Unrestricted fund £	Restricted funds £	Total 2023 £	Unrestricted fund £	Restricted funds £	Total restated 2022 £
Church Commissioners Southwark Cathedral	-	320,598	320,598	-	256,543	256,543
Development Trust	-	164,616	164,616	-	118,200	118,200
Friends of Southwark Cathedral	-	14,343	14,343	-	11,300	11,300
Dean of Southwark's Fund	-	13,360	13,360	-	1,640	1,640
Other revenue and capital grants	<u>71,899</u>	<u>98,817</u>	<u>170,716</u>	<u>18,000</u>	<u>168,608</u>	<u>186,608</u>
	<u>71,899</u>	<u>611,734</u>	<u>683,633</u>	<u>18,000</u>	<u>556,291</u>	<u>574,291</u>

On a review of the classification of income from various charities, it was concluded that income from Friends and Local Trusts should be treated as grants in support of mission, rather than donations and legacies. The 2022 figures for these sources of income have therefore been restated.

### 5 Income from charges and fees arising in the course of mission

	Unrestricted fund £	Restricted funds £	Total 2023 £	Unrestricted fund £	Restricted funds £	Total 2022 £
Facility and other fees	<u>213,676</u>	<u>4,320</u>	<u>217,996</u>	<u>236,047</u>	<u>17,515</u>	<u>253,562</u>

### 6 Income from trading and fundraising activities

	Unrestricted fund £	Restricted funds £	Total 2023 £	Unrestricted fund £	Restricted funds £	Total 2022 £
Gross income of shop, refectory, events and meeting rooms	839,807	-	839,807	762,797	-	762,797
Visitor engagement activities	<u>215,548</u>	<u>16,529</u>	<u>232,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,055,355</u>	<u>16,529</u>	<u>1,071,884</u>	<u>762,797</u>	<u>-</u>	<u>762,797</u>

## 7 Income from investments

	Unrestricted fund £	Restricted funds £	Total 2023 £	Unrestricted fund £	Restricted funds £	Total 2022 £
Income from investment property	229,550	-	229,550	173,371	-	173,371
Income from other investments	788	20,151	20,939	765	19,620	20,385
Interest receivable on short term deposits	3,409	-	3,409	1,436	-	1,436
	<u>233,747</u>	<u>20,151</u>	<u>253,898</u>	<u>175,572</u>	<u>19,620</u>	<u>195,192</u>

## 8 Expenditure on raising funds

	Unrestricted fund £	Restricted funds £	Total funds 2023 £	Unrestricted fund £	Restricted funds £	Total funds 2022 £
Costs of facilities for visitors	229,541	62,562	292,103	136,657	34,219	170,876
Gross costs of shop, refectory and other activities	420,872	-	420,872	426,485	-	426,485
Costs of appeals and fund raising	-	-	-	-	319	319
Let property costs	105,564	29,662	135,226	23,621	-	23,621
	<u>755,977</u>	<u>92,224</u>	<u>848,201</u>	<u>586,763</u>	<u>34,538</u>	<u>621,301</u>

## 9 Expenditure on ministry

	Unrestricted fund £	Restricted funds £	Total funds 2023 £	Unrestricted fund £	Restricted funds £	Total funds 2022 £
Clergy stipends and working expenses	20,957	142,373	163,330	14,850	163,721	178,571
Clergy housing costs	14,097	20,957	35,054	22,324	-	22,324
Clergy support costs	33,189	74,251	107,440	83,672	13,212	96,884
Services, music and congregational costs	295,551	114,532	410,083	279,108	134,348	413,456
	<u>363,794</u>	<u>352,113</u>	<u>715,907</u>	<u>399,954</u>	<u>311,281</u>	<u>711,235</u>

## 10 Expenditure on Cathedral and precincts upkeep

	Unrestricted fund £	Restricted funds £	Total funds 2023 £	Unrestricted fund £	Restricted funds £	Total funds 2022 £
Major repairs and restoration projects	-	93,436	93,436	-	170,540	170,540
Interior upkeep	464,440	27,645	492,085	257,279	98,012	355,291
Cathedral insurance	108,133	-	108,133	56,327	-	56,327
Precincts, security and gardens upkeep	17,415	2,677	20,092	14,424	-	14,424
Vergers and property team	169,508	127,792	297,300	254,681	38,649	293,330
	<u>759,496</u>	<u>251,550</u>	<u>1,011,046</u>	<u>582,711</u>	<u>307,201</u>	<u>889,912</u>

## 11 Expenditure on education and outreach

	Unrestricted fund £	Restricted funds £	Total funds 2023 £	Unrestricted fund £	Restricted funds £	Total funds 2022 £
Educational activities	38,945	-	38,945	36,426	11,139	47,565
Charitable and other giving	50,723	14,883	65,606	38,442	34,227	72,669
	<u>89,668</u>	<u>14,883</u>	<u>104,551</u>	<u>74,868</u>	<u>45,366</u>	<u>120,234</u>

## 12 Expenditure on community, parish and congregation

	Unrestricted fund £	Restricted funds £	Total funds 2023 £	Unrestricted fund £	Restricted funds £	Total funds 2022 £
Community, parish and congregation	97,364	-	97,364	93,973	11,139	105,111

## 13 Expenditure – direct and support costs

	Unrestricted 2023			Restricted 2023			Total 2023		
	Direct costs £	Support costs £	Total costs £	Direct costs £	Support costs £	Total costs £	Direct costs £	Support costs £	Total costs £
Raising funds	563,958	192,018	755,976	68,843	23,381	92,224	632,802	215,399	848,201
Charitable activities									
Ministry	261,739	102,055	363,794	335,457	16,656	352,113	597,196	118,711	715,907
Cathedral and precincts upkeep	655,710	103,786	759,496	234,894	16,656	251,550	890,604	120,442	1,011,046
Education and outreach	47,052	42,616	89,668	14,883	-	14,883	61,935	42,616	104,551
Community, parish and congregation	56,862	40,502	97,364	-	-	-	56,862	40,502	97,364
Other expenditure	2,423	-	2,423	-	-	-	2,423	-	2,423
Total charitable activities	<u>1,023,786</u>	<u>288,959</u>	<u>1,312,745</u>	<u>585,234</u>	<u>33,312</u>	<u>618,546</u>	<u>1,609,020</u>	<u>322,271</u>	<u>1,931,291</u>
Total expenditure	<u>1,587,744</u>	<u>480,977</u>	<u>2,068,720</u>	<u>654,077</u>	<u>56,693</u>	<u>710,770</u>	<u>2,241,822</u>	<u>537,670</u>	<u>2,779,492</u>

Included within support costs are staff and office costs associated with running the Cathedral (2022: unrestricted £269,957, restricted £111,388 and total £381,345).

Support costs are apportioned across raising funds and charitable activities largely on the basis of an estimate of the staff time involved. Governance costs included in support costs are £45,479 (2022: £48,703).

## 14 Clergy and staff costs

	2023 £	Restated 2022 £
Salaries and stipends	1,031,386	901,158
Social security costs	92,696	79,405
Employer pension costs	61,990	69,535
Diocese staff: HR and IT support	<u>19,403</u>	<u>36,075</u>
	<u>1,205,475</u>	<u>1,086,173</u>

The 2022 figures have been restated to include stipends and associated costs for the Dean, Sub Dean and Canon Precentor.

### Employees with benefits over £60,000

The number of employees whose total employee benefits (excluding employer pension costs) amounted to more than £60,000 in the year was as follows:

	2023	2022
£70,001 to £80,000	1	1

### Average number of clergy and staff

The average number of clergy and staff by headcount over the year and by function was:

	2023		2022	
	Full-time	Part-time	Full-time	Part-time
Clergy	2	1	3	1
Music	3	2	2	2
Covergers	5	-	4	1
Property	1	3	2	3
Visitor Engagement	1	3	1	3
Trading Subsidiary	2	2	3	2
Operations and Support	6	4	6	3
	<u>20</u>	<u>15</u>	<u>21</u>	<u>15</u>

The figures above do not include stewards who are employed to assist with events.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Cathedral. Key management personnel are members of the Chapter and senior management team. The total emoluments (comprising salaries, employer's National Insurance contributions and employer's pension contributions) of the remunerated key management personnel, were £236,944 (2022: 222,265). The personnel included in these figures are the Dean, Canon Precentor, Sub Dean, Chief Operating Officer, Chief Financial Officer (from June 2023) and Cathedral Accountant (to February 2023).

No elected or appointed member of Chapter received any remuneration or any other benefits from an employment with the Cathedral or a related entity, nor did they receive any reimbursement of expenses (2022: £nil).

The remuneration of ex officio Chapter members - the Dean, Sub Dean and Canon Precentor in 2023 – is included in the clergy and staff costs figures above and in the key management personnel figures. Their expenses were as follows.

	2023	2022
Number receiving expenses	4	4
	£	£
Services (telephone, utilities etc)	4,721	1,996
Travel	3,328	1,048
Hospitality	549	19,553
Resettlement allowances and removal	8,871	-
Other	-	103
	17,469	22,700

## 15 Pension costs

### Lay staff

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

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

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

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of Financial Reporting Standard 102 because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Assets in the year are contributions payable. The total charge included in these accounts is £37,819 (2022: £31,572 – restated to exclude pension contributions in respect of clergy).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

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

### Clergy

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

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of Financial Reporting Standard (FRS) 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, which were £24,171 in 2023 (2022: £37,963), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £nil.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% per annum;
- RPI inflation of 3.6% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31st December 2021 valuation, deficit contributions ceased with effect from 1st January 2023, since the Scheme was fully funded.

The deficit recovery contributions, as a percentage of pensionable stipends, under the recovery plan in force at each 31st December were as follows:

31st December 2021	7.1% payable from January 2021 to December 2022
31st December 2022	Nil
31st December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1st January 2023 onwards, the balance sheet liability as at 31st December 2022 was nil.

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

## 16 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2023 £	2022 £
External audit fees for Cathedral and trading subsidiary	25,450	23,850
Non-audit fees	745	700

## 17 Investments

	Investment property £	Listed investments £	Total £
Fair value at 1st January 2023	5,390,939	754,935	6,145,874
Additions	55,303	-	55,303
Reclassification as non-investment property	(905,925)	-	(905,925)
Net increase/(decrease) on revaluation	(1,640,317)	29,119	(1,611,198)
Withdrawal of capital	-	(100,000)	(100,000)
Fair value at 31st December 2023	<u>2,900,000</u>	<u>684,054</u>	<u>3,584,054</u>

The Cathedral's investment properties were valued as at 13 February 2024 by Rapleys LLP in accordance with UKVS 4.3 of RICS Valuation – Professional Standards Global and UK January 2014 (revised April 2015). The valuer was a RICS Registered Valuer who has the necessary skills and knowledge to undertake the valuation competently.

The property valuation as at 31 December 2022 was carried out using the rentals obtained from the properties and a market return indice for central London.

## 18 Investment in subsidiary undertaking

The Cathedral owns 100,000 £1 ordinary shares representing the entire issued share capital of Southwark Cathedral Enterprises Limited, company number 02869292, registered in England and Wales. The company's principal activities were the shop and online sales, events and meeting room hire, and the café. Its taxable profits are distributed to the Cathedral under Gift Aid.

Audited accounts are filed with the Registrar of Companies. A summary of the trading result and balance sheet are shown below:

	2023 £	2022 £
<b>Turnover</b>	824,495	736,547
Cost of sales	<u>(137,719)</u>	<u>(148,857)</u>
<b>Gross profit</b>	686,776	587,690
Grants received	15,312	26,250
Administrative expenses	<u>(283,153)</u>	<u>(277,628)</u>
<b>Operating profit</b>	<u>418,935</u>	<u>336,312</u>
Charitable distribution to the Cathedral	<u>(391,312)</u>	<u>(320,000)</u>
<b>Net movement in reserves</b>	27,623	16,312
Accumulated profit brought forward	<u>16,312</u>	<u>-</u>
<b>Accumulated profit carried forward</b>	43,935	16,312
Share capital	<u>100,000</u>	<u>100,000</u>
<b>Funds</b>	<u>143,935</u>	<u>116,312</u>
	£	£
<b>Balance sheet</b>		
Tangible fixed assets	45,761	-
Current assets	349,384	283,406
Creditors	<u>(233,710)</u>	<u>(139,594)</u>
Net current assets	161,435	143,812
Liabilities due after one year	<u>(17,500)</u>	<u>(27,500)</u>
Net assets	<u>143,935</u>	<u>116,312</u>

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

## 19 Tangible fixed assets: property

	2023 £	2022 £
Cost or valuation		
At 1st January	12,300,000	15,250,000
Reclassification from/(to) investment property	<u>905,925</u>	<u>(2,950,000)</u>
At 31st December	<u>13,205,925</u>	<u>12,300,000</u>

All of this property is held in the endowment fund.

During 2014, the Cathedral commissioned a valuation of the Cathedral's property portfolio with Biscoe Craig Hall as at 1<sup>st</sup> January 2014. Non-investment property has been held at a deemed cost since this date as permitted by FRS102.

Montague Chambers, which has the Cathedral's offices, is subject to a legal charge in favour of the Millennium Commission in connection with grant funding.

In accordance with an agreement signed and sealed on 29th March 1999, the Cathedral would receive the proceeds of the sale of properties in St George's Road and Temple West

Mews after repaying sums due to the Church Commissioners of £87,428 and £36,634 respectively.

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

In 2022, following a review of the intended use of Cathedral property, a number of properties were transferred to investment properties to reflect that they were held to earn rental income. In 2023, a property was reclassified from investment properties to non-investment properties as it is now used to house a member of staff.

## 20 Tangible fixed assets: fixtures, fittings, furniture and equipment

Group	Computers and software £	Nave chairs £	Shop fixtures and fittings £	Other assets £	Total £
<b>Cost</b>					
At 1st January 2023	92,664	153,358	-	766,072	1,012,094
Additions	1,030	-	50,845	28,618	80,493
At 31st December 2023	<u>93,694</u>	<u>153,358</u>	<u>50,845</u>	<u>794,690</u>	<u>1,092,587</u>
<b>Depreciation</b>					
At 1st January 2023	92,664	153,358	-	716,912	962,934
Charge for the year	343	-	5,084	8,553	13,980
At 31st December 2023	<u>93,007</u>	<u>153,358</u>	<u>5,084</u>	<u>725,465</u>	<u>976,914</u>
<b>Net book value</b>					
At 31st December 2023	<u>687</u>	<u>-</u>	<u>45,761</u>	<u>69,225</u>	<u>115,673</u>
At 31st December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,160</u>	<u>49,160</u>

## Cathedral

### Cost

At 1st January 2023	92,664	153,358	-	740,383	986,405
Additions	1,030	-	-	28,618	29,648
At 31st December 2023	<u>93,694</u>	<u>153,358</u>	<u>-</u>	<u>769,001</u>	<u>1,016,053</u>

### Depreciation

At 1st January 2023	92,664	153,358	-	691,223	937,245
Charge for the year	343	-	-	8,553	8,896
At 31st December 2023	<u>93,007</u>	<u>153,358</u>	<u>-</u>	<u>699,776</u>	<u>946,141</u>

### Net book value

At 31st December 2023	<u>687</u>	<u>-</u>	<u>-</u>	<u>69,225</u>	<u>69,912</u>
At 31st December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,160</u>	<u>49,160</u>

## 21 Debtors

	Group		Cathedral	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	361,211	150,411	244,707	91,349
Amounts owed by group undertaking	-	-	97,878	35,002
Other debtors and accrued income	122,360	73,637	114,424	73,637
VAT	-	13,074	-	13,074
Prepayments	10,833	9,337	10,833	9,337
	<u>494,404</u>	<u>246,459</u>	<u>467,842</u>	<u>222,399</u>

## 22 Creditors: amounts falling due within one year

	Group		Cathedral	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	157,534	118,361	146,990	85,789
Taxation and social security	71,482	56,001	29,574	21,844
Accruals	123,142	61,216	106,313	33,353
Deferred income	56,551	-	-	-
Bounce Back Loan	10,000	10,000	-	-
Other creditors	36,475	24,811	36,475	24,811
	<u>455,184</u>	<u>270,389</u>	<u>319,352</u>	<u>165,797</u>

The movement in deferred income is:

	Group		Cathedral	
	2023 £	2022 £	2023 £	2022 £
Brought forward	-	-	-	-
Added in the year	56,551	-	-	-
Carried forward	<u>56,551</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 23 Creditors: amounts falling due after more than one year

	Group		Cathedral	
	2023 £	2022 £	2023 £	2022 £
Dean of Southwark's Fund loan	75,000	75,000	75,000	75,000
Bounce Back Loan	17,500	27,500	-	-
	<u>92,500</u>	<u>102,500</u>	<u>75,000</u>	<u>75,000</u>

These loans are repayable as shown below:

In one year or less	10,000	10,000	-	-
In more than one year, but not more than two years	7,500	10,000	-	-
In more than two years, but not more than five years	-	7,500	-	-
In five years or more	75,000	75,000	75,000	75,000
	<u>92,500</u>	<u>102,500</u>	<u>75,000</u>	<u>75,000</u>

Southwark Cathedral has a loan with the Dean of Southwark's Fund payable in three equal instalments on the fifth, sixth and seventh anniversary of draw down.

Southwark Cathedral Enterprises Limited has a Bounce Back Loan with National Westminster Bank plc of £50,000 with a six-year term and an interest rate of 2.5% which was not charged in the first year.

## 24 Operating leases

At 31<sup>st</sup> December 2023, the Cathedral was committed to making the following total minimum lease payments under non-cancellable operating leases on office equipment.

	2023 £	2022 £
Payments due within one year	14,315	19,897
Payments due between one and two years	14,315	14,315
Payments due between two and five years	<u>18,117</u>	<u>32,646</u>
	<u>46,747</u>	<u>66,858</u>

At 31<sup>st</sup> December 2023, the Cathedral was due the following total minimum lease payments under non-cancellable operating leases on property.

	2023 £	2022 £
Payments due within one year	174,510	194,018
Payments due between one and two years	59,985	88,051
Payments due between two and five years	<u>20,471</u>	<u>59,241</u>
	<u>254,966</u>	<u>341,310</u>

## 25 Analysis of group net assets between funds

At 31<sup>st</sup> December 2023:

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total 2023 £
Tangible fixed assets	106,673	9,000	13,205,925	13,321,598
Investments	675,000	27,647	2,881,407	3,584,054
Current assets	844,022	191,779	-	1,035,801
Current liabilities	(455,184)	-	-	(455,184)
Liabilities due after one year	(92,500)	-	-	(92,500)
Inter-fund loan	(214,292)	(43,433)	257,725	-
<b>Total net assets</b>	<b>863,719</b>	<b>184,993</b>	<b>16,345,057</b>	<b>17,393,769</b>

At 31<sup>st</sup> December 2022:

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total 2022 £
Tangible fixed assets	49,160	-	12,300,000	12,349,160
Investments	970,000	25,273	5,150,601	6,145,874
Current assets	672,650	240,442	-	913,092
Current liabilities	(237,047)	(33,342)	-	(270,389)
Liabilities due after one year	(102,500)	-	-	(102,500)
Inter-fund loan	(324,953)	11,925	313,028	-
<b>Total net assets</b>	<b>1,027,310</b>	<b>244,298</b>	<b>17,763,629</b>	<b>19,035,237</b>

The inter-fund loan represents the accumulated balance of endowment fund assets which has been used to support unrestricted and restricted fund programmes. The reduction in the loan from £313,028 to £257,725 between 2022 and 2023 reflects the refurbishment work carried out on one of the endowment fund properties using unrestricted funds.

## 26 Consolidated statement of funds

	Balance at 1st January 2023 £	Income £	Expenditure £	Revaluation £	Transfers £	Balance at 31st December 2023 £
<b>Unrestricted funds</b>	1,027,310	2,075,422	(2,068,721)	(545,556)	375,265	863,720
<b>Restricted funds</b>						
Music	-	126,244	(106,244)	-	-	20,000
Girls choir	77,944	5,250	(899)	-	-	82,295
Choristers	53,006	14,129	(2,209)	-	-	64,926
Major repairs and restoration projects	(10,292)	147,250	(110,304)	-	(24,709)	1,945
Other property	-	25,500	(16,500)	2,379	-	11,379
Church Commissioners: sustainability	-	106,356	(106,356)	-	-	-
Church Commissioners: other	-	178,474	(178,474)	-	-	-
Masvingo project	-	13,961	(12,211)	-	-	1,750
Other general	123,640	34,488	(155,431)	-	-	2,697
<b>Total restricted</b>	<b>244,298</b>	<b>651,652</b>	<b>(688,628)</b>	<b>2,379</b>	<b>(24,709)</b>	<b>184,992</b>
<b>Endowment funds</b>						
Buildings	16,720,939	-	-	(1,094,761)	(350,556)	15,275,622
Property	386,408	-	-	2,902	-	389,310
Choirs	656,282	-	-	23,843	-	680,125
<b>Total endowment</b>	<b>17,763,629</b>	<b>-</b>	<b>-</b>	<b>(1,068,016)</b>	<b>(350,556)</b>	<b>16,345,057</b>
<b>Total funds</b>	<b>19,035,237</b>	<b>2,727,075</b>	<b>(2,757,349)</b>	<b>(1,611,193)</b>	<b>-</b>	<b>17,393,769</b>

### Transfers between funds

The transfer of £350,556 from the endowment fund to the unrestricted fund arises because a revaluation in 2022 of two investment properties which sit with the unrestricted fund was added to the endowment fund.

A transfer of £24,709 between the restricted fund for major repairs and restoration projects arises because costs relating the Harvard Chapel project which have been covered by a restricted grant, were charged in 2022 to the unrestricted fund.

### Purposes of restricted funds

#### Music

This fund is for grants and donations to the Cathedral for its music. In 2023, it includes support from the Dame Susan Morden Charity, Benefact Trust, St Olave's and St Saviour's School Foundation and Church Commissioners.

#### Girls choir and choristers

There two funds are used to finance choir tours and other choir activities. Monies raised from donations and concerts and other fundraising events are accumulated in these funds and expended as necessary.

#### Major repairs and restoration projects

This fund is for grants and donations for major repair work and for restoration projects. In 2023, this principally included funding from the Southwark Cathedral Development Trust for

urgent work on the Queen Elizabeth II room and All Hallows Church, and project work on the Harvard Chapel and Conservation Management Plan. The Headley Trust's support for restoration of the medieval bosses is included in this fund.

#### Church Commissioners: sustainability

This fund is for grants from the Church Commissioners' Cathedrals Sustainability Fund in support of various posts which contribute to the long-term sustainability of the Cathedral.

#### Church Commissioners: other

This fund is from grants made under Cathedral Measures for clergy and lay staff.

#### Masvingo project

This fund is for donations and grants for the Cathedral's work with the Diocese of Masvingo in Zimbabwe.

#### Other general

This is for donations and grants given for other purposes.

### **Purposes of endowment funds**

#### Buildings

This represents the value of many of the properties owned by the Cathedral. It was established in 1996 when the Cathedral brought the value of its properties (excluding the Cathedral church and ancillary buildings within the line of ecclesiastical exemption) onto its balance sheet to comply with the requirements of the original Guidelines on Accounting and Reporting by English Anglican Cathedrals. The value of this fund fell to £15,275,622 as at 31<sup>st</sup> December 2023, principally because of a revaluation of the investment properties in the fund. The remainder of the fall in the value arises because an increase in 2022 in the value of two properties associated with the unrestricted fund was ascribed to the endowment fund and this has been adjusted for by a transfer between funds in 2023.

#### Property

The proceeds of sale of properties formerly belonging to the Cathedral is part of the endowment fund and can be used to acquire land and to improve or develop property other than the Cathedral buildings. Endowment monies can only be expended on Cathedral buildings with the consent of the Church Commissioners and subject to agreement between the Commissioners and the Cathedral that such monies will be repaid.

#### Choirs

Income from this fund jointly supports the boys and girls choirs and the music of the Cathedral.

## **27 Related charities**

The following entities are not controlled by the Cathedral but exist wholly for the benefit of the Cathedral: The Friends of Southwark Cathedral, Southwark Cathedral Development Trust, The Dean of Southwark's Fund and the Southwark Cathedral Education Trust.

The Cathedral received grants from these charities as follows:

	2023	2022
	£	£
Southwark Cathedral Development Trust	164,616	118,200
Friends of Southwark Cathedral	14,343	11,300
Dean of Southwark's Fund	13,360	1,640

In addition, the Cathedral made a grant of £20,000 (2022: £20,000) to The Friends of Southwark Cathedral and received £20,000 (2022: £20,000) for rent and services from the charity.

## 28 Notes to the Consolidated Statement of Cash Flows

### Reconciliation of consolidated net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£	£
<b>Net income/(expenditure) for the year (as per the Statement of Financial Activities)</b>	<u>(30,275)</u>	<u>(132,977)</u>
Adjustments for:		
Depreciation charges	13,980	45,176
Income from property and investments	(253,898)	(195,192)
(Increase)/decrease in stock	(3,565)	5,652
Increase in debtors	(247,945)	(99,886)
Increase in creditors	184,795	45,028
Other non-cash movements	<u>5</u>	<u>-</u>
<b>Net cash used in operating activities</b>	<u>(336,903)</u>	<u>(332,199)</u>

### Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand and short term deposits	<u>510,569</u>	<u>639,370</u>