



**THE CATHEDRAL CHURCH**  
**OF THE**  
**BLESSED VIRGIN MARY OF LINCOLN**

**CONSOLIDATED ACCOUNTS**  
**AND**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDING**  
**31 MARCH 2021**

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# THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

## Annual Report

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### Aims, Objectives and Activities

Lincoln Cathedral was created as an awe-inspiring beacon of worship and hope to the city and county of Lincoln, and to the many hundreds of thousands of pilgrims who have journeyed here over the centuries. Our building stands as testimony, despite war, earthquake, fire and plague, to the enduring faith and witness of the people of Lincolnshire and the grace of God through the ages. It was built as a place of safety and sanctuary where people may find healing and reconciliation. Its purpose, as it always has been, is to bring everyone who comes through its doors, whether visitor, pilgrim or worshipper, closer to God.

For many this experience is achieved through active worship and participation in the Cathedral community, encompassing the regular rhythm of thirty-five or so weekly services in the Cathedral as well as the great festivals.

Others will experience the love of God through the warmth of the welcome they receive in and around the Cathedral, the generous hospitality they encounter or by sitting for quiet reflection in this sacred space. Others still will be drawn closer to God through the learning and education activities organised by the Cathedral, or by special concerts, occasions or events they attend.

In order to achieve this purpose the Cathedral Chapter and all those who work at the Cathedral, whether staff or volunteer aim to:

- Sustain and resource the ministry of the bishop in his diocese
- Maintain and develop the pattern of daily prayer
- Care for the fabric of the Cathedral, as custodians for the benefit of current and future generations
- Enable the building to speak boldly and imaginatively
- Raise funds necessary to fulfil the Cathedral's potential
- Be a natural setting for exploration of and engagement with the issues of contemporary society
- Explore the ways in which the life of the Cathedral can be shared more widely
- Ensure best practice in all that we undertake
- Chapter's priorities, in this financial year, were to:
  - Continue without interval the pattern of Sunday services along with the 35 or so weekday services of Mattins, Holy Communion, lunchtime Eucharist and Evensong
  - Continue to deliver Stage 2 of "Lincoln Cathedral Connected", a National Lottery Heritage Fund (NLHF) enabled project which encompasses the aims of fabric restoration, its interpretation and financial sustainability through enhanced visitor experience.
  - Deliver the planned programme of work in respect the maintenance and restoration of the cathedral fabric and its precinct in line with budgeted cost and timescales

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- Further the strategic priority of financial sustainability, specifically by:
  - Enabling business planning and maximising income from visitors, events and fundraising activities, as well as from retail, conferencing facilities and hospitality.
  - Engage with a wide and diverse demographic of people through the delivery of a well-attended, diverse programme of events and educational activity.

Despite the very significant impact of the Covid-19 pandemic, all the activities undertaken in this financial year supported these aims and objectives.

### **Public Benefit**

In shaping the strategy and planning activities for the year Chapter has given due regard to the Charity Commission's guidance on public benefit.

## **Review of Activities**

### **Ministry**

Lincoln Cathedral stands at the centre of Greater Lincolnshire, above all a place of worship and pilgrimage, to which all are welcome. The Cathedral would normally maintain a steadfast rhythm of daily services every day of the year. However, the enforced closure of the Cathedral to worshippers during several months of the year meant that this core ministry was unable to happen as it would usually, and the Cathedral has been very grateful for the support of volunteers in ensuring that the rhythm of worship could be maintained through online streaming. A mark of that success has been the continued online engagement with many people locally and from around the world.

In May 2020, the Precentor, the Revd Canon Sally-Anne McDougall, left her role and in December 2020, the Revd Canon Nick Brown, who was already the Chapter member representing the Diocese, was installed as Precentor. From the time of her return in mid-March to mid-December the Dean fulfilled the role of the Precentor alongside her other responsibilities.

In December 2020, the Subdean, the Revd Canon John Patrick left his role having been the Canon Pastor to the Cathedral community. The role of Subdean was subsumed into the role of Precentor on Canon Patrick's departure.

The total number of Sunday communicants in the year (1 April 2020 to 31 March 2021) was only 3,229 (2020: 13,758), as there were four full months when worship could not take place in the Cathedral, and subsequently strict social distancing measures. However, the services were broadcast on the Cathedral's social media channels to many thousands of people at home and from around the world.

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#### Music

The Covid-19 pandemic led to the enforced shutting of the Cathedral for worship, and therefore the closure of the music operation on several occasions from March 2020, and the furloughing of the entire music team. However, online broadcasts of worship continued from the homes of the residentiary clergy, with choir items recorded from people's homes and visually edited to an exceptionally high quality. Members of the choir collectively recorded, each in their own home, a stunning performance of *Somewhere over the rainbow* which was expertly compiled by a member of the choir into an online video and dedicated to the NHS. During this period, the Cathedral's choral scholars broadcast compline live from their home

From July 2020, Sunday morning worship resumed in the nave, supported by a single cantor and organist, and all visiting choirs booked to cover the choir's summer holiday had to be cancelled. From September 2020 until December 2020, three choral services were held each week in the nave, sung by a reduced choir as the annual choral scholar scheme was suspended for the academic year. During the second lockdown of November 2020, the Cathedral's six Lay Vicars sang without the choristers for worship broadcast online, with the child choristers returning before Christmas. However, very sadly, the term had to finish on 23 December 2020 owing to a Covid-19 case and other isolations within the choir. Instead of the usually very busy Christmas programme, just one concert of *Carols by Candlelight* was attended by an online audience only.

A further lockdown in the new year necessitated the five Lay Vicars and one volunteer once again to lead the music in worship, though the child choristers continued to be engaged with online singing lessons.

In what proved to be an extraordinarily difficult year for the choir, the stoicism and dedication of all the music staff was to be commended as they sought continually to inspire the private worship of thousands of people over the internet.

#### Events

The challenges of the Covid-19 pandemic, and the national lockdowns, provided little opportunity for the usually busy diary of events, and many significant activities were cancelled or postponed. It was hugely disappointing that the long-planned flower festival could not go ahead and has had to be delayed until such time as the pandemic allows. However, the Cathedral continued to engage with audiences online, and in Covid-secure ways. Three recitals took place in September 2020, and a very successful outdoor carol concert by the Cathedral choir on the Dean's Green took place on 20 December 2020.

#### Cathedral and precincts upkeep

The significant conservation work at the west end of the Cathedral continued during the period, those the enforced closure of much of the works department during lockdown meant that the work

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inevitably fell behind schedule. These major restoration works funded by the National Lottery Heritage Fund and other generous donors through the *Lincoln Cathedral Connected* project were revived as soon as the restrictions allowed, and excellent progress continued to be made on the conservation of the southern run of the Romanesque Frieze, the medieval Gallery of Kings and other sculptures, as well as the cleaning and repair of the central niche and great west doorway.

The Gallery of Kings conservation continued to progress well, with laser cleaning continuing in situ which maintained the delicate layers of polychromy.

The major project of restoration to the northeast transept was completed during the year, allowing the scaffolding to be removed ahead of the opening of the new visitor centre. Work to the cloister walls was also completed, once the time was right to cause minimal disruption to a colony of rare bat species. The finished wall has been specifically finished to allow the bats to continue to roost within it.

The great generosity of individuals and organisations enabled these works. We are enormously grateful to all those who have contributed or left in their will significant amounts towards the upkeep of these buildings loved by so many people. As the only Cathedral in its entirety on Historic England's "At Risk" register we aim to deliver a value of £16m of conservation and restoration work each decade to the Cathedral fabric. It is becoming increasingly difficult to attract the level of funding required and Chapter is very conscious of the need to find sustainable sources of funding for the future.

A key objective for the year has been to continue to halt and redress the growing conservation deficit within the property portfolio in a financially sustainable manner. To this end, close property projects have included a number of substantial internal renovations and upgrades to improve rental incomes.

Betterment schemes have included a complete renovation of Chancery Cottage, and internal refits to seven other properties. The works department also successfully tendered to complete the external renovations on one of the Cathedral's leased properties.

### Visitors

The enforced closure of the Cathedral for much of the period led to a significant reduction in the number of paying visitors. When the Cathedral did reopen to the public, it was for private prayer only. The visitor facilities were reduced during the period, with the closure of the Cathedral Refectory, and the reduction in staff numbers in the visitor experience team and the shop.

### Lincoln Cathedral Connected

*Lincoln Cathedral Connected* is a £16.7m development and restoration project largely funded by the Heritage Lottery Fund ('HLF'). The project comprises conservation work at the West Front and Exchequergate Arch and the development of the Cathedral's facilities significantly to enhance the

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visitor offer. A key objective is to improve access to the Cathedral, both intellectually and physically, allowing a greater number of people to enjoy what it has to offer and enriching their lives as a result.

New facilities at the Visitor Centre will provide first class hospitality and welcome through a new shop and refectory, exhibition spaces, improved interpretation and signage, and an excellent education facility. The Cathedral's external lighting system has also been replaced. The Dean's Green, closed for more than 50 years, has been landscaped and opened to the public, becoming the main exit from the Cathedral for visitors, and will be a space for refreshment, relaxation and reflection.

During the year the conversion and building works to transform the Grade II listed Old Deanery into the new visitor centre were substantially completed by the principal contractor William Birch & Co. Works were delayed by the lockdown, but despite those delays, the project has continued to project to meet its completion deadline of March 2022.

In December 2020, the Subdean, the Revd Canon John Patrick, left his role. In recent years he had led the *Lincoln Cathedral Connected* project on behalf of the Chapter, who are exceptionally grateful to Canon Patrick for his vision and leadership.

### Education and outreach

During the Covid-19 lockdown there were no school visits this whole year. In March 2020 we had started to charge schools and we were booked up every day for the month, then unfortunately, from 13 March these all had to be cancelled.

There was considerable planning for the opening of the Discovery Centre in the new visitor centre (established with the generous support of the Heritage Fund and of the Ross Foundation) the learning programme and holiday events for the duration of the lockdowns. Filming took place with staff for several AV films in the Discovery Centre and Exhibition Gallery that form part of the new visitor centre.

In December 2020 the education team achieved a prestigious national Sandford Award for quality and excellence in heritage education. This will last for five years to 2025.

The CATCH programme was launched with a promotional film featuring the Dean and part one of the outreach project REFLECT:CONNECT on families experience of lockdown was began. This was partnership working with C1Media and Paradigm Arts.

Together with EBP (Education Business Partnership) the Cathedral's Works Department made a VR film of their daily tasks for a week. This will be edited and sent out to Year 10 pupils across the county as part of the Work Experience programme.

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#### **Lincoln Minster Shops**

The Covid-19 pandemic had a significant impact on the trading of the Cathedral Shop and Refectory, which were closed to visitors for the duration of the lockdown. The scenario planning undertaken by the Chapter Clerk and Finance Manager considered a range of circumstances, and advised by an industry expert, identified the Refectory operation as no longer viable, and the exceptionally difficult decision was taken by the board of Lincoln Minster Shops Ltd to close the Refectory, leading to the redundancy of its staff. It was very painful indeed to have to say farewell to diligent and dedicated colleagues, some of whom had served the Cathedral for many years. The consultant assisted with the forward planning for the opening of the new visitor centre, and advised on a tender process to outsource the catering operation to minimise, as far as foreseeable, the risk.

As the commercial entity of Lincoln Cathedral, Lincoln Minster Shops Ltd would usually provide the hospitality for large-scale events, including the many graduation ceremonies for Lincoln's major educational establishments. However, this period saw all such major events postponed.

#### **People**

The Cathedral is exceptionally fortunate to enjoy the commitment and talent of around 600 volunteers spread across more than 30 different diverse and wide-ranging volunteer groups, co-ordinated by a dedicated Volunteer Officer. During normal years, our volunteers give a considerable amount of their time and expertise to the Cathedral and without them the institution would not be able to offer its excellent quality of visitor experience or number of tours and events. Certain areas of the Cathedral, for example the Treasury and the Library, could not be made available to the public without the time and commitment offered by volunteer stewards. However, the pandemic meant that opportunities for volunteering were greatly restricted, though Chapter remains incredibly grateful both to those volunteers who were able to fulfil their role during a difficult year, and to all volunteers for their generosity.

The Cathedral employed approximately 130 people at the start of the year, though the scenario planning undertaken at the beginning of the first lockdown in March 2020 led to the very difficult decision to open opportunities for voluntary redundancy, and then to proceed with a raft of compulsory redundancies. This was a devastating time for the Cathedral, when we said farewell to around 30% of staff during a period when most staff were furloughed. In all, the Cathedral lost a total of more than 400 years' service during the year.

Chapter remains committed to the principles of the Living Wage Foundation and remains dedicated to supporting and developing our people, whether employee, volunteer or placement. We were proud to support several apprentice posts furthering heritage conservation skills in the next generations. Historic Environment Skills (HES) continued their project with an anticipated completion in March 2022. Previous trainees have been granted extensions throughout 2021 to complete study considering the pandemic. Rachael Wragg completed the study and has been an exceptional case. The cathedral have recruited her to the team with the assistance of full funding from the Hamish Ogston Foundation,



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retaining trainees in existing workplaces. The apprentice supported by the Association of Friends (Grace Impesi) has moved on to another cathedral. The Cathedrals Workshop Fellowship (CWF) Covid cohort moved to virtual study during the pandemic, with Lincoln championing the first virtual study module. The Director of Works is now conservation module leader, handing over from the head of conservation at Canterbury Cathedral. Leadworker/joiner Wes Blyth is on the CWF for the period and has been granted an extension due to the pandemic disruption.

Lincoln Cathedral is truly blessed by the dedication of its very skilled and committed people, who work as part of a single team, and the Chapter thanks them most sincerely for all that they do, particularly during the exceptionally difficult circumstances of 2020/21.

### **Achievements and Performance**

The activities undertaken during the year and their achievements, reported above, are considered to have been successful in meeting the Cathedral's core purposes and moving forward in its delivery of key priorities.

### **Investment Policy**

The Corporate Body of Lincoln Cathedral ("Lincoln Cathedral") seeks to produce the best financial return within an acceptable level of risk.

The investment objective for long term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of Lincoln Cathedral. In this way, income generation should continue to be sustainable in perpetuity.

The current long term investment target is RPI +3.5% or better over a 10-year cycle. The investment objective for short term reserves is to preserve real capital value with minimal levels of risk, ensuring high liquidity of assets in order to meet short term cash flow needs. The long-term investment portfolio has been performing in line with this target but has been substantially impacted at year end by the shock impact of the pandemic. This has subsequently shown signs of recovery. Lincoln Cathedral operates within the ethical guidance of the Church of England.

### **Financial Review**

The Statement of Financial Activities ('SoFA') shows a net surplus before gains/(losses) on investments of £3.1m (2020: £4.7m). The Lincoln Cathedral Connected project accounts for £1.1m (2020: £5.1m) of this gain and is reflected in a £591k increase in tangible fixed assets within the balance sheet (Note 6) which represents extensive development of the visitor centre and associated landscaping during the year.

At the heart of the Cathedral's finances lies the generous giving and engagement of ordinary individuals and businesses. Particular thanks is given to those regularly give and continued to do so

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during these difficult times for all. Generous legacies were received, a number of these were substantial and have bolstered the financial outturn for the year.

The Covid-19 global pandemic had a severe impact across operations throughout the financial period. Operations were limited as national and local restrictions were put in place to combat the spread of the virus. The Cathedral has received increased Church Commission grants and utilised eligible coronavirus support grants in order to offset the acute reduction in operating income. In addition, elements of core operating costs were supported through the NLHF Culture Recovery and Emergency Fund grants, both restricted funds, for six to nine months. This has helped to replenish weak unrestricted reserve levels, provided financial security for core functions and increased resilience through uncertain times. The reduced delivery of fabric conservation and property repair will need to be caught up in future periods and will exacerbate the continuing and increasing challenge to secure sufficient income to fund the ambitious programme of works that good stewardship demands.

Expenditure totalled £4,430,767 for the year (2020: £6,233,911 ). This decrease mirrors the fall in income and pause to non-essential activity. Variable costs fell for most income generating activities, with the exceptions of visitor and marketing costs which included a digital refresh of the website. and the development of a virtual tour as well as the required protective equipment and staffing needed for reopening to the public safely during the pandemic.

The SoFA includes £2m (2020: £6m) of NLHF grant funding in the year in support of the Lincoln Cathedral Connected project. The completion of the visitor centre has been delayed due to the coronavirus pandemic as has the delivery of some elements of the activity plan which were reshaped as far as possible to allow for remote engagement; the reduced level of grants reflects this reduced activity.

There are substantial gains, across funds, of £2.5m on the investment portfolio holdings (Note 7) at year end. This goes some way to recovering the sharp £3.2m loss experienced as at 31 March 2020 due to the outbreak of the coronavirus pandemic and subsequent market shock across the global economy. Full recovery of market value is expected in the longer term, acknowledging that economic prospects will remain uncertain.

The positive impact of the investment portfolio recovery is further enhanced within the endowment fund by the revaluation of properties owned and held for rental purposes. The upward valuation of investment property of £4.2m (2020: £8.9m) reflects a change in valuation estimate. In 2020 rental yields were reassessed to better reflect market values and ensure a realistic performance benchmark, this work was built upon in 2021 where a full professional valuation of the property portfolio was undertaken. Professional revaluation of properties will continue on a cyclical basis in order to inform performance against the Chapter's ongoing strategic aim of improving the precinct housing stock to enhance financial sustainability.

The net result across funds is a surplus after investment gains of £9.9m (2020: £10.4m), £920,886 of this relates to unrestricted and designated funds

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### **Reserves Policy**

The Chapter consider that they should hold sufficient reserves in the unrestricted funds to fund working capital and potential liabilities identified from its review of major risks, and to cover shortfalls in unpredictable voluntary income. An acceptable range of free reserves is three to six months of fixed operational costs, less 'reasonably certain' income for Lincoln Cathedral. This equated to a range an accepted range of £0.55m -£1.1m of unrestricted fund reserves as at 31 March 2021.

The unrestricted fund, excluding designated funds and unrestricted funds of subsidiaries, stood at £1.6m at 31 March 2021 (2020: £0.55m). The unrestricted fund is considered broadly to equate to the free reserves of the charity with all but a small proportion of the investment assets held by the fund being realisable within a short timeframe, in the case of unforeseen circumstances.

A small number of designated funds are held, as described in note 22, which represent specific projects and/or working capital requirements for specific ongoing activities. Designated funds are reviewed each year to ensure the funds are utilised as appropriate.

The level of free reserves was not considered to be sufficient as at 31 March 2020 as the balance represented around two months of budgeted base operating costs not otherwise met by restricted fund reserves. The significant depletion reflected the volatility in the market value of investments following the initial shock of the coronavirus pandemic and it was determined that significant steps would be taken to reduce base operating costs to prevent further depletion.

The level of reserve as at 31 March 2021 is considered to be in excess of the requirements of the reserves policy, with the total representing over twelve months of budgeted base operating costs not otherwise met by restricted fund reserves. This is due to the ongoing support of operating costs through restricted funds, such as the Lincoln Cathedral Connected project Activity Plan, and the significant reductions in base costs that were undertaken during the pandemic to ensure financial resilience. It is expected that base costs will substantially increase to 31 March 2023 as the new visitor centre space is opened and a full activity programme is resumed; the accepted unrestricted reserve range will increase to £0.75m - £1.5m.

Reserve levels will continue to be closely monitored to ensure an adequate level of capital is maintained to support the future work of the Cathedral.

### **Principal Risks and Uncertainties**

The Chapter keeps under review the major risks and uncertainties that the Cathedral faces and can be summarised under the following categories:

Governance: Induction and communication require strengthening for which a Nominations Committee will be further explored. Steps continue to ensure good practice is adopted ahead of the planned transition to Charity Commission regulation.

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**Operational:** Operational risks are being managed with the introduction of a revised organisational structure, regular reporting of top strategic risks and a review of policies and procedures. Efforts for the year have included the phased opening of the new visitor centre space and work continues in a number of areas to mitigate identified risk and improve processes.

**Finance:** Income and expenditure are mapped against budget on a regular basis and reports provided to Chapter. Chapter aims to provide a balanced budget and to work in line with the Reserves Policy. The property conservation deficit is being managed and reported to Masters' Committee.

The Audit and Risk Committee met three times during the year and made progress in its work plan, providing additional assurance in respect to internal controls and risk management to Chapter. The Finance Committee met six times during the period, having held additional meetings during the first period of lockdown to provide proactive advice during this turbulent period of national uncertainty.

### **Impact of the Coronavirus Pandemic**

Covid-19 required an immediate rethink of our business model. Currently, we largely support both mission and conservation work through revenue derived from donations, visitors, and events. The continued support of donors has remained strong during this difficult period however many planned events have had to be cancelled or postponed, with varying levels of restrictions on gatherings in place in line with the rise and fall of infection rates.

The loss of income in the first wave alone amounted to £770,000 and precipitated several critical actions in the early stages of the pandemic. These included:

- Undertaking crisis and scenario planning across the organisation
- Undertaking departmental reviews of staffing and activities to identify essential operations
- Ceasing, reducing or delaying non-essential activity
- Revising the works programme on the fabric and close properties to prioritise income generating assets and 'make safe' provision only.

The most difficult of these actions has been to reduce our staffing levels and say farewell to many long serving and dedicated people. It was with regret that the Cathedral Refectory, which we had planned to upscale and to move into the Old Deanery Visitor Centre in the summer of 2021, permanently closed its doors. The Refectory offered excellent hospitality and warm welcome but was unfortunately not viable to re-open from its existing location in a Covid-secure way. We recognise the difficulty in this sector across the county and wider country and are working towards re-establishing a quality offer when we are able, recognising how crucial hospitality is to our community and visitors alike.

Both Chapter and Finance Committee have met more frequently, ensuring decision-making is both well informed and able to be made quickly, in line with the rapidly changing and unprecedented environment in which we find ourselves. Senior Leadership Team has also been established to better co-ordinate operations and will remain a permanent feature going forward.

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### Plans for the future

All our activities have had to take into account the ongoing need for caution around Covid-19 and in particular those who are vulnerable or who have been impacted by the pandemic. As a Christian community, alongside the language of business leaders, we need to discern what has been learned of the Kingdom of God. Positive outcomes have been a greater care for the vulnerable, an understanding of the importance of well-being and mental health, the benefit to the planet in the reduction in carbon emissions, the recognition and value of those who serve us sacrificially on the front line, often in low paid work, and the reality of our interdependence.

We are committed to supporting greater openness, transparency and improved communication both internally and externally. We will strive to demonstrate worth and value to the contribution and expertise of our team of volunteers. Health and well-being are themes that will be at the forefront of our engagement with the wider community. We recognise the lessons of lock-down about isolation and mental health as well as the opportunities it afforded for time and space to be with family and children or to pursue new skills.

The Chapter Clerk as COO is responsible for overseeing business plans from heads of departments, to build and plan the road map, to meet Chapter's strategic objectives. Consultation and feedback have pointed to some common themes around building the confidence and capacity of our staff and providing effective performance development including embedding affirmation, KPIs and constructive challenge.

Strong themes around clarity of purpose, good communication, strong collaborative teamwork and sticking to our core objectives will be key criteria for success.

As we reassess our priorities and emerge from the immediate challenges of the pandemic, it has strengthened our commitment to ongoing learning, improvement and service of God's mission. We remain committed to:

- Developing a culture of safeguarding that embeds safe practices throughout the organisation
- Acknowledging there will be heavy competition for grant funding and that this will need continued investment and specialist staff
- Planning an effective maintenance programme as the Cathedral remains, in its entirety, on the Historic England "At Risk" Register.

The September 2021 Chapter away days identified additional priorities to achieve our mission:

- Providing confident, clear communication both internally and externally.
- Building our capacity to be "Great people, great team" through:
  - valuing our staff and volunteers,
  - providing training and development,
  - building confidence and ambition,
  - modelling our values

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- Planning our management of resources by establishing our revised organisational structure, and communicating clear and efficient lines of management and oversight.
- Being intentional in enabling people to encounter faith and worship.

We will also need to consider the implications of seeking to achieve net zero carbon emissions by 2030 and the implementation of the new Cathedrals Measure.

A focus of work will remain on the fulfilment and benefit of the *Lincoln Cathedral Connected* project. Detailed business planning and operational change will continue to ensure that the Old Deanery Visitor Centre runs smoothly and efficiently during the next financial year. There are also challenging targets to meet in respect of engagement, in line with the deliverable activity plan that underpins the project. To this end, staff roles continue to be reshaped to allocate resource to the management of change and to ensure that the Cathedral's infrastructure is "fit for purpose" as the new facilities and activities are delivered.

The future will require a reimagining of the Cathedrals operations and a "new normal". A strategic document entitled *Transform and Thrive* has been compiled to consult and communicate this vision, being central to our mission and purpose and setting a direction for "the new normal" in the context of the faithfulness of God and the abiding presence of Christ in our midst. Our building stands as testimony, despite war, earthquake, fire and plague, to the enduring faith and witness of the people of Lincolnshire and the grace of God down through the ages. The Kingdom of God remains the sustaining vision for Christians and the current situation challenges us to consider how we can participate in the life of God and reach out with God's love to those facing loss and uncertainty as we seek to contribute to God's mission in the world.

In order to be financially and operationally resilient, several issues will need consideration and Chapter's focus, for the next financial year, will be to:

- Continue to offer worship and daily prayer to God whilst meeting the challenge to
  - adapt the way we offer worship
  - reimagine our choral tradition, at least in the short to medium term, due to the concerns about singing and gathering.
  - find safe ways to gather and hold events in the cathedral and its grounds, in line with government guidance and in response to the rise and falls in infection rates
- Continue to engage with a diverse demographic of people and grow our volunteering opportunities, enhancing the Cathedral Community.
- Continue to deliver Stage 2 of *Lincoln Cathedral Connected* both in respect of its capital and conservations elements and the planned activities that are a primary purpose of the scheme.
- Deliver critical works in respect of the maintenance and restoration of the cathedral fabric and its precinct and plan for remedial actions, in line with available resources, to recover from the lockdown period and continue to meet key funding deadlines.

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- Further the strategic priority of financial sustainability, specifically by:
  - Maximising available funding; targeting core operations and infrastructure investment
  - Diversifying income streams where possible and implementing strategies for the long-term objectives of the Cathedral's property portfolio in order to manage risk and maximise yield without compromise to conservation
  - Minimising fixed and committed costs to enhance resilience and ability to respond to pressures on finite resources
  - Continuing a review of the management and organisational structure with a view to optimising efficiencies and ensuring scalable operating models.

To achieve these aims it will be necessary to reconsider the ways in which we engage people. Particularly, the outcomes of the NLHF project activity deliverables, which predicated new audiences and a growth in revenue from increased visitor numbers, will be re-envisioned to meet a changed need for digital engagement and increased focus on community outreach both as a direct response to the negative impact of the pandemic and recognising restrictions in travel and tourism activity. Education and outreach activities will continue to be developed across all age ranges and areas of Cathedral life.

The challenge to raise money for the programme of repairs and restoration of the Cathedral fabric as well as the day-to-day operations is on-going. To that end, promotion of the legacy campaign will continue in conjunction with local solicitors and estate managers as well as applications to grant and trust making bodies and the development of membership schemes, "Adopt A" programmes and congregational giving. The pandemic has highlighted the need to further develop 'regular giving' as a more reliable and predictable method of donation to support the Cathedral's core operations.

We will continue significantly to invest in IT infrastructure to enable greater remote worker and to encourage efficient working with greater accessibility to operational data.

Governance will continue to be strengthened, with early adoption of aspects of the proposed Cathedrals Measure where possible. This will include the formation of a Nomination Committee to ensure committee members are appropriately recruited and skilled for vacant roles, committee members are supported and that their induction to our eclectic organisation is robust.

### Structure, governance and management

The Cathedral is governed by a Constitution and Statutes under the Cathedrals Measure 1999 which came into force on 17th November 2000 and was amended in 2005.

Chapter, the College of Canons and the Cathedral Council continue to provide the leadership, management, and the checks and balances required by the Constitution and Statutes.

Chapter itself has undergone substantial change with all lay members having reached the end of their terms since the production of the last annual report with farewells to both the Precentor the Revd

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Canon Sally-Anne McDougall in May 2020 and Subdean the Revd Canon John Patrick in December 2020. We would like to recognise the contribution of these members who have helped to shape the vision of the Cathedral over many years, not least seeing the Lincoln Cathedral Connected project through from its early conception to its near completion. The Revd Canon Nicholas Brown, an existing non-residentiary Canon member of Chapter, was appointed Precentor with effect from 18 December 2020. Throughout these changes Chapter has continued to discharge its responsibilities.

### **Appointment and induction of new Chapter members**

New Chapter members are carefully selected to provide a balance of skills to meet both anticipated challenges ahead and strategic direction and development. All Chapter members are given appropriate induction and opportunities for relevant training. Work continues to develop formal systems of induction to ensure consistency.

### **Statement of the responsibilities of Chapter**

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

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities;
- stating that they have complied in all material respects with these regulations or describing which regulations have not been complied with and giving reasons for non-compliance;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time; and
- safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Investment Powers**

- Under the Cathedrals Measure 1999 the Chapter may invest the Cathedral's funds in any of the following:
  - Land
  - Funds administered for the Central Board of Finance of the Church of England CCLA Investment Management Ltd.
  - Investments in which trustees may invest under the general power of investment in the Trustees Act 2000
  - The improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings unless a total return approach under the Church of England (Miscellaneous Provisions) Measure 2014 has been adopted.



## THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

### Annual Report

For the year ended 31 March 2021

## Reference and Administrative details

<b>Legal title</b>	The Corporate Body of the Cathedral Church of the Blessed Virgin Mary of Lincoln	
<b>Office Address</b>	Chapter Office, 4 Priorygate, Lincoln, LN2 1PL	
<b>Chapter</b>	The Very Revd Christine Wilson, Dean The Revd Canon Nicholas Brown (Appointed 11 February 2020) The Revd Canon Sally-Anne McDougall, Precentor (Resigned 15 May 2020) The Revd Canon Dr Paul Overend, Chancellor The Revd Canon John Patrick, Subdean (Resigned 31 December 2020) Mrs Harvey Dowdy, Lay Canon (Appointed 8 November 2019) Mrs Rachel Ford, Lay Canon (Resigned 8 November 2019) Mrs Judith Lockwood, Lay Canon (Resigned 8 November 2019) Mr Simon Parkes, Lay Canon, (Appointed 7 December 2020) Air Vice-Marshal Paul Robinson OBE, Lay Canon (Resigned 1 August 2020) Mr Christopher Shelbourne, Lay Canon (Resigned 7 December 2020) Mr Mark Suthern (Appointed 12 January 2021) The Revd Canon Martyn Taylor, Non-residentiary Canon (Resigned December 2019) Mr Stuart Welch, Lay Canon (Appointed 11 February 2020)	
<b>Chapter Clerk &amp; Administrator</b>		Mr William Harrison
<b>Architect &amp; Surveyor of the Fabric</b>		Mr Nicholas Rank
<b>Consultant Archaeologist</b>		Dr Jonathan Clark
<b>Director of Music and Organist and Master of the Choristers</b>		Mr Aric Prentice
<b>Director of Works &amp; Property</b>		Mr Michael Sheppard
<b>Librarian</b>		Mrs Julie Taylor

### Finance Committee

Mr Christopher Shelbourne, Chairman (Resigned 7 December 2020)  
Mr Simon Parkes, Chairman from (Appointed 7 December 2020)  
The Very Revd Christine Wilson, Dean  
The Revd Canon John Patrick, Subdean (Resigned 31 December 2020)  
The Revd Canon Nick Brown (Appointed 10 March 2020)  
Mr Charles Coltman (Resigned 7 December 2020)  
Mr Peter Denby  
Mr William Harrison  
Mr John Lockwood MBE DL  
The Revd Canon Martyn Taylor (Resigned 10 December 2019)  
Mr Neil Rhodes  
Mr Edward Strange (Appointed 21 August 2020)

**THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN**

**Annual Report**

**For the year ended 31 March 2021**

**Fabric Advisory Committee**

Professor Clifford Price, Chairman  
Mrs Beverley Dowle, Secretary (Resigned 31 Oct 2020)  
Mrs Catherine Dyas, Secretary (Appointed 1 November 2020)  
Professor John Chilton  
The Revd Canon Jeremy Haselock  
Mr John Latham  
Mrs Deirdre Mortimer  
Mr Christopher Neville  
Ms Anne Riches  
The Venerable Mark Steadman  
Mr David Stocker  
Mr Arthur Ward

**Auditor**           BHP LLP  
Statutory Auditors  
2 Rutland Park, Sheffield, S10 2PD

**Other Professional Advisors**

**Bankers**           National Westminster Bank Plc  
225 High Street, Lincoln, LN2 1AZ

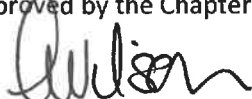
**Solicitors**       Chattertons  
1, Flavian Road, Nettleham Road, Lincoln, LN2 4GR

**Investment Managers**  
Cazenove Capital Management Limited  
12 Moorgate, London, EC2R 6DA

**Property Management Advisors**  
Savills LLP  
Olympic House, Doddington Road, Lincoln, LN6 3SE

**Insurers**  
Ecclesiastical Insurance Office Plc  
Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

Approved by the Chapter on 8 March 2022 and signed on its behalf by:



The Very Revd Christine Wilson  
Dean of Lincoln Cathedral

## **THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN**

### **Independent Auditor's Report to the Members of The Cathedral Church of the Blessed Virgin Mary of Lincoln For the year ended 31 March 2021**

#### **Opinion**

We have audited the financial statements of The Cathedral Church of the Blessed Virgin Mary of Lincoln (the 'parent entity') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the entity only balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

1. give a true and fair view of the state of the group's and parent entity's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
2. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
3. have been prepared in accordance with the requirements of the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

#### **Basis for opinion**

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

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

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

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

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

#### **Other information**

The other information comprises the information included in the Chapter's Annual Report, other than the financial statements and our auditor's report thereon. Chapter are responsible for the other

## **THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN**

### **Independent Auditor's Report to the Members of The Cathedral Church of the Blessed Virgin Mary of Lincoln For the year ended 31 March 2021**

information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

We have nothing to report in respect of the following matters in relation to which the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

1. adequate and sufficient accounting records have not been kept by the group or parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
2. the group and parent entity's financial statements are not in agreement with the accounting records and returns; or
3. certain disclosures of Chapter Members' remuneration specified by law are not made; or
4. we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Chapter**

As explained more fully in the Cathedral Chapter's responsibilities statement, Chapter 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 Chapter determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Chapter are responsible for assessing the group's and parent entity'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 Chapter either intend to liquidate the group or parent entity 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 auditor under the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999.

## THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

### Independent Auditor's Report to the Members of The Cathedral Church of the Blessed Virgin Mary of Lincoln For the year ended 31 March 2021

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent entity through discussions with Chapter and other management, and from our knowledge and experience of the Cathedral sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent entity, including the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018), safeguarding legislation, health and safety requirements including fire safety and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

## THE CATHEDRAL CHURCH OF THE BLESSED VIRGIN MARY OF LINCOLN

### Independent Auditor's Report to the Members of The Cathedral Church of the Blessed Virgin Mary of Lincoln For the year ended 31 March 2021

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to Chapter's members, as a body, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals (December 2018) specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to Chapter members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior Statutory Auditor)  
For and on behalf of BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

Date: 18 March 2022


**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Statement of Financial Activities**  
**For the year ending 31 March 2021**

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	Note	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>	<b>2</b>					
Donations and legacies		367,571	1,066,174	-	<b>1,433,745</b>	1,300,027
Grants in support of mission		373,942	3,089,883	-	<b>3,463,825</b>	6,448,273
Charges and fees arising in the course of mission		36,102	-	-	<b>36,102</b>	54,541
Trading and fundraising		485,989	23,068	-	<b>509,057</b>	1,607,672
Investments		907,345	493,678	33,352	<b>1,434,375</b>	1,545,225
Other income		676,793	-	-	<b>676,793</b>	8,998
<b>Total income</b>		<b>2,847,742</b>	<b>4,672,803</b>	<b>33,352</b>	<b>7,553,897</b>	10,964,736
<b>EXPENDITURE ON:</b>	<b>3</b>					
Raising funds		811,565	387,682	28,758	<b>1,228,005</b>	1,965,790
Ministry		441,309	153,563	-	<b>594,872</b>	864,452
Cathedral and precincts upkeep		763,580	1,637,663	-	<b>2,401,243</b>	3,215,215
Education and outreach		63,569	143,078	-	<b>206,647</b>	188,454
<b>Total expenditure</b>		<b>2,080,023</b>	<b>2,321,986</b>	<b>28,758</b>	<b>4,430,767</b>	6,233,911
<b>NET INCOME BEFORE INVESTMENT GAINS</b>		767,719	2,350,817	4,594	3,123,130	4,730,825
Net gains on investments	5, 7	153,167	1,791,277	4,873,712	6,818,156	5,750,723
<b>Net income</b>		<b>920,886</b>	<b>4,142,094</b>	<b>4,878,306</b>	<b>9,941,286</b>	10,481,548
<b>Gross transfers between funds</b>	<b>21</b>	-	-	-	-	-
<b>Net movement in funds</b>		<b>920,886</b>	<b>4,142,094</b>	<b>4,878,306</b>	<b>9,941,286</b>	10,481,548
Total funds brought forward		1,048,506	21,928,142	24,675,933	<b>47,652,581</b>	37,171,033
<b>Total funds carried forward</b>		<b>1,969,392</b>	<b>26,070,236</b>	<b>29,554,239</b>	<b>57,593,867</b>	47,652,581

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Consolidated Balance Sheet**  
**As at 31 March 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Fixed assets</b>						
Investment assets:						
Property	5	-	-	22,408,001	<b>22,408,001</b>	18,035,090
Investments	7	924,981	13,655,945	4,570,226	<b>19,151,152</b>	16,516,273
		924,981	13,655,945	26,978,227	<b>41,559,153</b>	34,551,363
<b>Tangible fixed assets</b>						
Property	6	-	9,203,439	2,141,562	<b>11,345,001</b>	11,127,284
Equipment and plant	8	40,248	115,248	-	<b>155,496</b>	74,807
		40,248	9,318,687	2,141,562	<b>11,500,497</b>	11,202,091
<b>Total fixed assets</b>		<b>965,229</b>	<b>22,974,632</b>	<b>29,119,789</b>	<b>53,059,650</b>	45,753,454
<b>Current assets</b>						
Stock		97,759	747	-	<b>98,506</b>	107,958
Debtors	9	397,200	1,795,886	1,423	<b>2,194,509</b>	1,919,893
Property held for resale	5	-	-	-	-	159,750
Cash at bank and in hand		1,118,153	2,527,074	444,867	<b>4,090,094</b>	2,040,403
Total current assets		<b>1,613,112</b>	<b>4,323,707</b>	<b>446,290</b>	<b>6,383,109</b>	4,228,004
<b>Liabilities due within one year</b>						
Loans		-	(906,100)	-	<b>(906,100)</b>	(856,100)
Creditors		(604,949)	(322,003)	(11,840)	<b>(938,792)</b>	(1,466,777)
	10	<b>(604,949)</b>	<b>(1,228,103)</b>	<b>(11,840)</b>	<b>(1,844,892)</b>	(2,322,877)
Net current assets		<b>1,008,163</b>	<b>3,095,604</b>	<b>434,450</b>	<b>4,538,217</b>	1,905,127
<b>Total assets less current liabilities</b>		<b>1,973,392</b>	<b>26,070,236</b>	<b>29,554,239</b>	<b>57,597,867</b>	47,658,581
<b>Liabilities due after one year</b>						
Defined benefit scheme liability	14	(4,000)	-	-	<b>(4,000)</b>	(6,000)
<b>Total net assets</b>		<b>1,969,392</b>	<b>26,070,236</b>	<b>29,554,239</b>	<b>57,593,867</b>	47,652,581
<b>The funds of the cathedral:</b>						
HLF Catalyst Endowment Fund		-	-	1,703,621	<b>1,703,621</b>	1,419,124
Endowment		-	-	27,850,618	<b>27,850,618</b>	23,256,809
General fund		1,584,269	-	-	<b>1,584,269</b>	551,971
Designated funds		385,123	-	-	<b>385,123</b>	496,535
Alfred Griffin Legacy fund		-	1,713,604	-	<b>1,713,604</b>	1,453,448
Fabric fund		-	12,337,935	-	<b>12,337,935</b>	10,213,062
Lincoln Cathedral Connected		-	8,540,107	-	<b>8,540,107</b>	7,388,633
Lincoln Cathedral Music Fund		-	2,419,966	-	<b>2,419,966</b>	2,005,606
Other restricted funds		-	1,058,624	-	<b>1,058,624</b>	867,393
<b>Total cathedral funds</b>	22	<b>1,969,392</b>	<b>26,070,236</b>	<b>29,554,239</b>	<b>57,593,867</b>	47,652,581

The financial statements were approved and authorised for issue by the Chapter on 8 March 2022 and signed on their behalf by

  
The Very Revd Christine Wilson  
Dean

  
Mr Simon Parkes  
Chairman, Finance Committee



**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Entity Only Balance Sheet**  
**As at 31 March 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Fixed assets</b>						
Investment assets:						
Property	5	-	-	22,408,001	22,408,001	18,035,090
Investments	7	924,981	11,504,605	4,570,226	16,999,812	14,659,305
		924,981	11,504,605	26,978,227	39,407,813	32,694,395
<b>Tangible fixed assets</b>						
Property	6	-	9,203,439	2,141,562	11,345,001	11,127,284
Equipment and plant	8	26,642	115,248	-	141,890	58,818
		26,642	9,318,687	2,141,562	11,486,891	11,186,102
<b>Total fixed assets</b>		<b>951,623</b>	<b>20,823,292</b>	<b>29,119,789</b>	<b>50,894,704</b>	<b>43,880,497</b>
<b>Current assets</b>						
Stock		59,571	-	-	59,571	59,401
Debtors	9	350,822	1,739,435	1,423	2,091,680	1,843,125
Property held for resale	5	-	-	-	-	159,750
Cash at bank and in hand		1,034,857	2,296,850	444,867	3,776,574	1,733,602
Total current assets		1,445,250	4,036,285	446,290	5,927,825	3,795,878
<b>Liabilities due within one year</b>						
Loans		-	(906,100)	-	(906,100)	(856,100)
Creditors		(550,184)	(315,924)	(11,840)	(877,948)	(1,403,032)
	10	(550,184)	(1,222,024)	(11,840)	(1,784,048)	(2,259,132)
<b>Net current assets</b>		<b>895,066</b>	<b>2,814,261</b>	<b>434,450</b>	<b>4,143,777</b>	<b>1,536,746</b>
<b>Total assets less current liabilities</b>		<b>1,846,689</b>	<b>23,637,553</b>	<b>29,554,239</b>	<b>55,038,481</b>	<b>45,417,243</b>
<b>Liabilities due after one year</b>						
Defined benefit scheme liability	14	(4,000)	-	-	(4,000)	(6,000)
<b>Total net assets</b>		<b>1,842,689</b>	<b>23,637,553</b>	<b>29,554,239</b>	<b>55,034,481</b>	<b>45,411,243</b>
<b>The funds of the cathedral:</b>						
HLF Catalyst Endowment Fund		-	-	1,703,621	1,703,621	1,419,124
Endowment		-	-	27,850,618	27,850,618	23,256,809
General fund		1,584,269	-	-	1,584,269	551,971
Designated funds		258,420	-	-	258,420	274,397
Alfred Griffin Legacy fund		-	1,713,604	-	1,713,604	1,453,448
Fabric fund		-	12,337,935	-	12,337,935	10,213,062
Lincoln Cathedral Connected		-	8,540,107	-	8,540,107	7,388,633
Other restricted funds		-	1,045,907	-	1,045,907	853,799
<b>Total cathedral funds</b>	22	<b>1,842,689</b>	<b>23,637,553</b>	<b>29,554,239</b>	<b>55,034,481</b>	<b>45,411,243</b>

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Statement of Cash Flows**  
**For the year ending 31 March 2021**

	Note	Total Funds 2021 £	Total Funds 2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	11	1,226,268	4,291,370
<b>Cash flows from investing activities</b>			
Rent received net of costs		515,103	130,480
Investment income received net of costs		599,294	782,592
Purchase of plant and equipment		(97,965)	(26,960)
Property under construction costs		(590,842)	(6,351,578)
Proceeds from sale of investments		408,014	220,923
Purchase of investments		(64,775)	(304,594)
Net cash provided by/(used in) investing activities		768,829	(5,549,137)
<b>Cash flows from financing activities</b>			
Receipt/(Repayment) of borrowing		50,000	850,000
Receipt of endowment		4,594	13,319
Net cash provided by financing activities		54,594	863,319
Change in cash and cash equivalents in the reporting period		2,049,691	(394,448)
Cash and cash equivalents at the beginning of the reporting period		2,040,403	2,434,851
Cash and cash equivalents at the end of the reporting period		4,090,094	2,040,403
<b>Analysis of cash and cash equivalents</b>		2021 £	2020 £
Cash in hand		4,019,346	1,969,942
Notice deposits (less than 3 months)		70,748	70,461
Total cash and cash equivalents		4,090,094	2,040,403
<b>Analysis of change in net debt</b>	<b>As at 1 April 2020</b>	<b>Cash flows</b>	<b>As at 31 March 2021</b>
	£	£	£
Cash in hand	2,040,403	2,049,691	4,090,094
Debt due within one year	(856,100)	(50,000)	(906,100)
	1,184,303	1,999,691	3,183,994

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**1 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are as follows:

**Basis of preparation**

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments and investment property, in accordance with the Accounting and Reporting Regulations for English Anglican Cathedrals, dated December 2018, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

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

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

**Consolidation**

The accounts consolidate the results of the cathedral and its subsidiaries. Further details are provided at Note 18. The results of the subsidiaries are consolidated on a line by line basis.

In addition, the cathedral is connected with various entities that do not meet the criteria for consolidation. Further details are provided at Note 19.

**Going concern**

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

**Judgements and key sources of estimation uncertainty**

Chapter makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are property valuations and allocation of support costs to restricted and endowment funds.

The useful life and residual value of an asset is subject to judgement. Property values are also subject to judgement on their state of repair, future rental yield and estimated costs to sell. Allocation of support costs are subject to estimated splits of staff time per the expenditure accounting policy.

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**1 Accounting Policies (cont..)**

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds which Chapter have decided, at their discretion, to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Cathedral's work or for specific projects. This would include monies raised for specific campaigns.

Endowment funds are restricted in that there is no power to convert the capital into income. They must be held permanently (unless they become expendable by petition or prior design) and cannot be disposed of, although the constituent assets may change over time.

**Income recognition**

Income is recognised when there is entitlement to the funds, any performance conditions have been met, it is probable that income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as when notification has been made by the executor(s) that a distribution will be made, when a distribution is received from the estate or when probate has been granted depending on which is earlier. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified but cannot be reliably measured the legacy is treated as a contingent asset and disclosed if material. Where a legacy is subject to the interest of a life tenant the legacy would not be recognised as income until the death of the life tenant.

Income received in advance of events or services is deferred until the criteria for income recognition is met. Coronavirus Job Retention Scheme (CJRS) income is recognised in the period to which the claim relates.

**Donated goods and services**

Donated professional services and donated facilities are recognised as income when control exists over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Cathedral which is quantified as the amount the Cathedral would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**1 Accounting Policies (cont..)**

**Third party receipts and payments**

In line with the above, where funding is provided by third parties (e.g. the funding by the Church Commissioners of stipends and associated payroll costs of the Dean, the Commissioners' canons or other clerical or lay staff) these are shown as both income and expenditure.

**Expenditure**

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

Cost of raising funds comprise the cost of trading activities, investment property costs, visitor facilities, fundraising event costs and the cost of the development phase of the Lincoln Cathedral Connected project in so far as they relate to the proposed improvements to visitor facilities.

Ministry includes costs associated within the cathedral clergy as well as services and music Cathedral and precincts upkeep consists of the major projects and restoration of the Cathedral's fabric as well as the Cathedral's maintenance and upkeep.

Education and outreach includes relevant costs as well as the maintenance and running costs of the Wren Library.

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

Support costs (Note 4) are those functions that assist the work of the cathedral but do not directly undertake either charitable or fundraising activities. Indirect support cost allocation is based on an approximate split of staff time being

Raising funds	35%
Ministry	30%
Cathedral & precincts upkeep	30%
Education & outreach	5%

**Cathedral and inventory**

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

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

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**1 Accounting Policies (cont..)**

**Tangible fixed assets**

With the exception of Lincoln Minster Shops Limited, purchases of tools and equipment (including office equipment) of less than £10,000 are written off in the year of purchase within the fund to which they relate.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful economic lives on the following bases:

Fixtures, fitting and equipment	18 - 50% straight line
Freehold buildings	0%

**Property**

The endowment property, which excludes the Cathedral itself, includes both investment and non-investment property. Investment property is included at fair value as at 31 March 2021. Chapter considers that appropriate professional guidance has been sought to recommend reasonable estimates of fair value.

Non-investment property is carried at cost.

The Quarry is stated at the cost to acquire access which was obtained in 2008. The access is the land known as 51 Riseholme Road. In the opinion of the Cathedral's administrative body the residual value of the land is such that no write down is deemed necessary.

Depreciation is not charged on the basis of immateriality. The Cathedral has a policy of regular maintenance to maintain properties at their existing value and, given the locale of the Cathedral Close, high residual values are expected.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Investments**

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

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

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

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**1 Accounting Policies (cont..)**

**Investments (cont...)**

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

**Debtors**

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

**Stock**

Stock is stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

**Cash at bank and in hand**

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

**Creditors and provisions**

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

**Employment benefits**

When employees have rendered service to the Cathedral, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The entity contributes to a defined benefit plan (CEFPS) for the benefit of some of its employees. A liability for the entity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Further details are provided at Note 14.

Contributions under defined contribution plans are expensed as they become payable.

**Corporation tax**

The Cathedral is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable entity for UK corporation tax purposes. Accordingly, the Cathedral is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**2 Income and Endowments**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Donations and legacies</b>					
Congregational giving	16,002	-	-	16,002	79,780
Donations	165,128	135,897	-	301,025	544,604
Tax recoverable under Gift Aid on voluntary contributions	11,040	14,304	-	25,344	45,638
Income from Friends	13,000	7,500	-	20,500	32,148
Legacies	162,401	908,473	-	1,070,874	597,857
	<b>367,571</b>	<b>1,066,174</b>	-	<b>1,433,745</b>	<b>1,300,027</b>
<b>Grants in support of mission</b>					
Church Commissioners' grants	260,399	57,545	-	317,944	209,266
Heritage Lottery Fund grants	-	2,666,847	-	2,666,847	6,041,785
Other revenue and capital grants	113,543	365,491	-	479,034	197,222
	<b>373,942</b>	<b>3,089,883</b>	-	<b>3,463,825</b>	<b>6,448,273</b>
<b>Charges and fees arising in the course of mission</b>					
Facilities and other fees	12,861	-	-	12,861	31,733
Magna Carta	23,241	-	-	23,241	22,808
	<b>36,102</b>	-	-	<b>36,102</b>	<b>54,541</b>
<b>Trading and fundraising</b>					
Charges to visitors	100,405	10,000	-	110,405	504,246
Gift Aid on entrance charges	5,889	-	-	5,889	24,096
Income from lettings of cathedral and other buildings	-	-	-	-	93,532
Income from fundraising events	380	8,170	-	8,550	353,515
Gross income cathedral shop, restaurant and conferencing centre	310,202	-	-	310,202	596,647
Cathedral Quarry	-	4,898	-	4,898	16,322
Cathedral publications	1,767	-	-	1,767	9,461
Outside contracts - Close property maintenance	67,346	-	-	67,346	9,853
	<b>485,989</b>	<b>23,068</b>	-	<b>509,057</b>	<b>1,607,672</b>
<b>Investments</b>					
Income from investment property	763,162	584	-	763,746	704,129
Income from other investments	143,930	493,014	33,352	670,296	839,447
Interest receivable on short-term deposits	253	80	-	333	1,649
	<b>907,345</b>	<b>493,678</b>	<b>33,352</b>	<b>1,434,375</b>	<b>1,545,225</b>
<b>Other income</b>					
Coronavirus Job Retention Scheme	672,632	-	-	672,632	-
Other items	4,161	-	-	4,161	8,998
	<b>676,793</b>	-	-	<b>676,793</b>	<b>8,998</b>
<b>Total income</b>	<b>2,847,742</b>	<b>4,672,803</b>	<b>33,352</b>	<b>7,553,897</b>	<b>10,964,736</b>

Of the £10,964,736 received for the year ended 31 March 2020, £3,204,883 related to unrestricted income, £7,742,871 to restricted income and £16,982 was received in to endowment (See Note 24).



**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**3 Expenditure**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Raising funds</b>					
Cost of facilities for visitors	81,966	109,696	-	191,662	126,406
General marketing costs	45,113	49,973	-	95,086	43,413
Investment property costs	192,546	30,784	25,313	248,643	573,650
Investment management costs	6,676	27,531	3,445	37,652	43,536
Cost of fundraising	58,211	81,283	-	139,494	414,719
Gross costs of cathedral shop, restaurant and conferencing centre	262,057	23,507	-	285,564	548,403
Cathedral Quarry	-	6,018	-	6,018	3,470
Cathedral publications	987	-	-	987	5,046
Lincoln Cathedral Connected	-	-	-	-	-
Outside contracts - Close property maintenance	67,346	-	-	67,346	9,853
Allocated support costs (note 4)	96,663	58,890	-	155,553	197,294
	<b>811,565</b>	<b>387,682</b>	<b>28,758</b>	<b>1,228,005</b>	<b>1,965,790</b>
<b>Ministry</b>					
Clergy stipends and working expenses	142,458	-	-	142,458	164,375
Clergy housing costs	24,799	4,500	-	29,299	33,920
Clergy support costs	12,828	8,372	-	21,200	40,114
Services and music	184,233	92,527	-	276,760	460,586
Allocated support costs (note 4)	76,991	48,164	-	125,155	165,457
	<b>441,309</b>	<b>153,563</b>	<b>-</b>	<b>594,872</b>	<b>864,452</b>
<b>Cathedral and precincts upkeep</b>					
Major repairs and restoration	47,447	1,092,487	-	1,139,934	2,484,129
Maintenance and interior upkeep	635,539	356,762	-	992,301	450,063
Cathedral insurance	52,349	52,349	-	104,698	109,794
Allocated support costs (note 4)	28,245	136,065	-	164,310	171,229
	<b>763,580</b>	<b>1,637,663</b>	<b>-</b>	<b>2,401,243</b>	<b>3,215,215</b>
<b>Education and outreach</b>					
Library and archives	20,049	23,626	-	43,675	77,171
Educational activities	35,021	84,237	-	119,258	58,063
Charitable giving	1,305	22,000	-	23,305	24,425
Magna Carta	-	-	-	-	1,688
Allocated support costs (note 4)	7,194	13,215	-	20,409	27,107
	<b>63,569</b>	<b>143,078</b>	<b>-</b>	<b>206,647</b>	<b>188,454</b>
<b>Total expenditure</b>	<b>2,080,023</b>	<b>2,321,986</b>	<b>28,758</b>	<b>4,430,767</b>	<b>6,233,911</b>

Of the £6,233,911 amount expended for the year ended 31 March 2020, £3,095,469 related to unrestricted income, £23,134,779 to restricted income and £3,663 was expended from endowment (See Note 24).

The Cathedral Church of the Blessed Virgin Mary of Lincoln  
Notes to the Financial Statements  
For the year ending 31 March 2021

**4 Allocated support costs**

	Raising funds	Ministry	Cathedral & precincts upkeep	Education & outreach	Total 2021	Total 2020
	£	£	£	£	£	£
Human Resources	92,816	79,557	112,057	13,259	297,689	346,009
Office costs	25,245	21,639	21,639	3,606	72,129	101,628
Finance	11,974	1,671	2,152	258	16,055	11,804
Governance	25,518	22,288	28,462	3,286	79,554	101,646
Total cost for year ended 31 March 2021	155,553	125,155	164,310	20,409	465,427	561,087
Total cost for year ended 31 March 2020	197,294	165,457	171,229	27,107	561,087	

Human Resources are allocated on the basis of staff time, the remaining elements are allocated on a basis of direct cost and attributable staff time.

**5 Investment property**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Balance Sheet value at 1 April 2020	-	-	18,194,840	18,194,840	9,572,554
Transferred from non-investment property	-	-	580,125	580,125	-
Transferred to non-investment property	-	-	(207,000)	(207,000)	(82,500)
Disposal proceeds	-	-	(395,259)	(395,259)	(211,741)
Revaluation adjustment	-	-	4,235,295	4,235,295	8,916,527
Balance Sheet value at 31 March 2021	-	-	22,408,001	22,408,001	18,194,840
<b>Of which</b>					
Current Asset Held for Sale	-	-	-	-	159,750
Fixed Asset	-	-	22,408,001	22,408,001	18,035,090
	-	-	22,408,001	22,408,001	18,194,840

**6 Non-investment property**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Balance Sheet value at 1 April	-	8,612,597	2,514,687	11,127,284	4,693,206
Transferred from investment property	-	-	207,000	207,000	82,500
Transferred to investment property	-	-	(580,125)	(580,125)	-
Acquisitions	-	590,842	-	590,842	6,351,578
Balance Sheet value at 31 March	-	9,203,439	2,141,562	11,345,001	11,127,284

All non investment properties are held on a freehold basis and are used as follows:

	Quarry	Cathedral Use	Trading	Total
	£	£	£	£
Balance Sheet value at 1 April 2020	170,477	10,600,057	356,750	11,127,284
Transferred from investment property	-	207,000	-	207,000
Transferred to investment property	-	(580,125)	-	(580,125)
Additions - Asset under Construction	-	590,842	-	590,842
Revaluation	-	-	-	-
Valuation as at 31 March 2021	170,477	10,817,774	356,750	11,345,001

Of the above Cathedral Use non-investment property £9,032,962 relates to assets under construction; £490,389 of this relates to landscaping.

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**7 Investments**

<b>Consolidated</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds 2021 £</b>
Investments at market value 1 April	765,294	11,848,371	3,902,608	<b>16,516,273</b>
Disposal proceeds	-	(8,838)	(3,918)	<b>(12,755)</b>
Additions at cost	6,520	25,135	33,120	<b>64,775</b>
Revaluation adjustment	153,167	1,791,277	638,416	<b>2,582,859</b>
Transfers	-	-	-	-
Investments at market value 31 March	<b>924,981</b>	<b>13,655,945</b>	<b>4,570,226</b>	<b>19,151,152</b>

**Investments at 31 March comprise the following**

(Market Values):

Charities Property Fund	29,539	1,682,414	702,030	<b>2,413,983</b>
Cazenove Investment	544,039	1,781,771	219,050	<b>2,544,860</b>
M & G Charifund:				-
- Income units	36,275	2,393,352	526,995	<b>2,956,622</b>
- Accumulation units	156,559	191,416	264,380	<b>612,355</b>
- Global Dividend Units	-	2,042,287	846,309	<b>2,888,596</b>
- Opt Income I	-	-	-	-
COIF Charities Fixed Interest Fund	6,932	-	8,124	<b>15,056</b>
Trojan	-	530,668	248,856	<b>779,524</b>
Fidelity	151,637	939,035	392,785	<b>1,483,457</b>
Blackrock	-	354,580	-	<b>354,580</b>
Vontobel 24 Abs	-	107,886	-	<b>107,886</b>
PIMCO	-	108,284	-	<b>108,284</b>
Atlas GI	-	226,023	98,575	<b>324,598</b>
Schroder Asian Income	-	668,690	291,324	<b>960,014</b>
RMAF - Acc. Units	-	2,266,783	932,575	<b>3,199,358</b>
Charity Bond Fund	-	106,306	-	<b>106,306</b>
Other Holdings < £50,000	-	152,221	-	<b>152,221</b>
Investors in Lincoln	-	-	14,000	<b>14,000</b>
Capital Account	-	104,229	25,224	<b>129,453</b>
	<b>924,981</b>	<b>13,655,945</b>	<b>4,570,226</b>	<b>19,151,152</b>

All investments are held within the UK.

<b>Entity Only</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds 2021 £</b>
Investments at market value 1 April	765,294	9,991,403	3,902,608	<b>14,659,305</b>
Disposal proceeds	-	(3,964)	(3,918)	<b>(7,882)</b>
Additions at cost	6,520	25,135	33,120	<b>64,775</b>
Revaluation adjustment	153,167	1,492,031	638,416	<b>2,283,614</b>
Transfers	-	-	-	-
Investments at market value 31 March	<b>924,981</b>	<b>11,504,605</b>	<b>4,570,226</b>	<b>16,999,812</b>

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**8 Equipment and plant**

<b>Consolidated</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds 2021 £</b>
Cost at 1 April	198,548	79,301	-	277,849
Additions	19,683	78,282	-	97,965
Disposals	-	(17,506)	-	(17,506)
Cost at 31 March	218,231	140,077	-	358,308
Depreciation at 1 April	171,318	31,724	-	203,042
Depreciation for the year	6,665	10,611	-	17,276
On disposals	-	(17,506)	-	(17,506)
Depreciation at 31 March	177,983	24,829	-	202,812
<b>Net book value at 31 March 2021</b>	<b>40,248</b>	<b>115,248</b>	<b>-</b>	<b>155,496</b>
<b>Net book value at 31 March 2020</b>	<b>27,230</b>	<b>47,577</b>	<b>-</b>	<b>74,807</b>

<b>Entity Only</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds 2021 £</b>
Cost at 1 April	17,129	79,301	-	96,430
Additions	19,683	78,282	-	97,965
Disposals	-	(17,506)	-	(17,506)
Cost at 31 March	36,812	140,077	-	176,889
Depreciation at 1 April	5,888	31,724	-	37,612
Depreciation for the year	4,282	10,611	-	14,893
On disposals	-	(17,506)	-	(17,506)
Depreciation at 31 March	10,170	24,829	-	34,999
<b>Net book value at 31 March 2021</b>	<b>26,642</b>	<b>115,248</b>	<b>-</b>	<b>141,890</b>
<b>Net book value at 31 March 2020</b>	<b>11,241</b>	<b>47,577</b>	<b>-</b>	<b>58,818</b>

**The Cathedral Church of the Blessed Virgin Mary of Lincoln**  
**Notes to the Financial Statements**  
**For the year ending 31 March 2021**

**9 Debtors due within one year**

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Entity</b>	<b>Group</b>	<b>Entity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	54,722	52,569	49,444	17,297
Amounts due from connected entities	-	13,848	-	36,951
Taxation		1,563	113,808	127,610
Other debtors	-	-	(66)	(66)
Legacy debtors	851,284	851,284	332,250	332,250
Prepayments and accrued income	1,288,503	1,172,416	1,424,457	1,329,083
	<b>2,194,509</b>	<b>2,091,680</b>	<b>1,919,893</b>	<b>1,843,125</b>

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Entity</b>	<b>Group</b>	<b>Entity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	335,065	307,765	736,925	712,030
Amounts owed to connected entities	-	6,210	-	777
Accruals and deferred income	304,902	275,202	240,917	204,816
Taxation and social security	52,522	42,468	63,071	59,545
Other creditors	246,303	246,303	425,864	425,864
Loans	906,100	906,100	856,100	856,100
	<b>1,844,892</b>	<b>1,784,048</b>	<b>2,322,877</b>	<b>2,259,132</b>

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

	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Net income before investment gains for the reporting period	3,123,130	4,730,825
Adjustments for:		
Depreciation charges	17,276	14,829
Income added to Endowment capital	(4,594)	(13,319)
Income from property and investments	(1,400,690)	(1,526,594)
Investment property costs & management fees	286,295	613,523
Decrease/(increase) in stock	9,452	23,579
(Increase)/decrease in debtors	(274,616)	568,008
(Decrease)/increase in creditors	(529,985)	(119,481)
<b>Net cash provided by operating activities</b>	<b>1,226,268</b>	<b>4,291,370</b>

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**12 Staff numbers**

The average number of paid employees during the year to 31 March were as follows:

			<b>2021</b>	<b>2020</b>
	<b>Full time</b>	<b>Part time</b>	<b>FTE</b>	<b>FTE</b>
Residentiary Canons	3	-	3.0	4.0
Chapter Office	5	6	8.0	9.3
Raising funds (exc. trading)	5	-	5.0	6.0
Connected Project Team	4	2	5.4	4.6
Trading	3	13	3.7	10.4
Visitor Services	1	10	2.4	6.5
Vergers & interior upkeep	5	2	6.1	7.5
Music & Services	4	7	6.8	10.2
Library & Education	2	-	2.0	2.0
Works Department	15	6	19.3	34.0
	<b>47</b>	<b>46</b>	<b>61.7</b>	<b>94.5</b>

During the year to 31 March 2021 the average number of staff was 93 (2020: 127).

The number of unpaid volunteers during the year was approximately 600 (2020: 600). A reliable estimate of the monetary value of their work cannot be made.

**13 Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Salaries and stipends	1,899,776	2,379,605
Apprenticeship Levy	331	450
Employer's national insurance	146,146	189,436
Contribution to defined contribution schemes	92,577	114,236
Operating costs of defined benefit pension schemes	31,645	28,101
	<b>2,170,475</b>	<b>2,711,828</b>
Termination payments	32,500	-
Redundancy payments	154,662	-
<b>Total cost of paid staff</b>	<b>2,357,637</b>	<b>2,711,828</b>

No employees had employee benefits in excess of £60,000 (2020: Nil). Pension costs are allocated to activities in proportion to the related staffing cost.

Termination and redundancy payments are recognised when, by legislation or by contractual or other agreements with employees or their representatives, a commitment is made to make such a payment. During the year 27 redundancy payments had been committed to and 1 termination payments were made (2020: Nil).

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**14 Pensions**

**Church of England Funded Pension Scheme (CEFPS)**

Lincoln 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 schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the 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 FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to 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 SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £33,645, 2020: £41,101), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £31,645 for 2021 (2020: £28,101).

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 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2%pa;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S2NMA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below

% of pensionable stipends	January 2018 to 31 December 2020	January 2021 to 31 December 2022
Deficit repair contributions	11.90%	7.10%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

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Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2019 is set out in the table below.

	2020 £	2019 £
Balance sheet liability at 1 January	6,000	19,000
Deficit contribution paid	(3,000)	(3,000)
Interest cost (recognised in SoFA)		
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000	(10,000)
<b>Balance sheet liability at 31 December</b>	<b>4,000</b>	<b>6,000</b>

\* Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

**Church Workers Pension Fund - Pension Builder 2014**

This scheme is accounted for as a defined contribution scheme. The amounts recognised within the Statement of Financial Activities are the amount of contributions payable for the financial year (See Note 13).



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**15 Related party disclosures**

**Indemnity Insurance:**

Insurance is in place to protect the cathedral from loss arising from the neglect or default of members of the Council, Chapter or College of Canons and to indemnify those persons against the consequences of any neglect or default on their part. This is at no incremental cost to the Cathedral.

The Chapter is considered to be key management (See Notes 16 and 17 for relevant disclosure).

Transactions with consolidated entities can be found at Note 18. There were no other related party transactions in either year.

**16 Remuneration of members of the Chapter**

The remuneration of, and pension provision for, clerical members of the Chapter are paid in accordance with scales laid down annually by the Church Commissioners, the Archbishops' Council and the Church of England Pensions Board. Such payments are made under the authority of the Cathedrals Measure 1999 and the Cathedral constitution.

	<b>Stipend</b>	<b>Pension</b>
	<b>£</b>	<b>£</b>
The Very Revd Christine Wilson	37,670	12,354
The Revd Canon Nicholas Brown	8,351	2,847
The Revd Canon John Patrick	21,775	7,412
The Revd Canon Sally-Anne McDougall	3,590	1,223
The Revd Canon Dr Paul Overend	32,636	7,809

**17 Expenses of members of the Chapter**

In respect of the year ended 31 March 2021 the following aggregate expenses were incurred by the Cathedral in respect of 6 (2020: 6) members of the Chapter:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Clergy housing expenses reimbursed	7,394	7,465
Relocation expenses reimbursed	6,606	-
Travel, hospitality and conference costs	78	4,160
Books, equipment and sundry services costs	1,124	3,133
	<b>15,202</b>	<b>14,758</b>

These expenses include those reimbursed to members of the Chapter as well as similar payments made direct to third parties.

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**18 Consolidated entities**

The following entities have been consolidated within these financial statements:

<i>Control</i>	<i>Entity</i>	<i>Purpose</i>
100%	Lincoln Minster Shops Ltd	To operate the trading activities of Lincoln Cathedral and contribute surpluses in support of its objectives
100%	Lincoln Cathedral Quarry Limited	To operate the trading activities of Lincoln Cathedral's quarry and contribute surpluses in support of fabric maintenance and restoration
100%	Lincoln Cathedral Music Fund	To support the provision of music at Lincoln Cathedral
	Lincoln Cathedral Learning Arts	To support the mission and wider charitable purposes of Lincoln Cathedral
100%	Culture and Events CIO ("Lincoln Cathedral CIO")	

The Cathedral provides administrative services to and receives donations from its trading subsidiaries.

During the year, an administrative fee of £10,600 (2020: £12,000) was charged to Lincoln Minster Shops Limited. The Cathedral received the following gift aid donations from its trading subsidiaries:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Lincoln Minster Shops Ltd	141,744	113,824
Lincoln Cathedral Quarry Limited	12,167	-

Lincoln Cathedral Music Fund contributed £76,204 (2020: £129,106 ) towards the cost of the Cathedral's music provision. Of this, £5,830 (2020: £34,000 ) specifically relates to the funding of choral scholars.

Lincoln Cathedral CIO contributed £Nil (2020: £50,000 ) towards the Cathedral's mission and £Nil (2020: £3,562 ) toward the cost of the Cathedral's fabric restoration. These reduced levels were a direct result of paused fundraising activities during the coronavirus pandemic.

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**19 Non-controlled entities**

The following entities are not controlled by the Cathedral but are principally for its financial benefit and have been summarised for information.

**The Association of Friends of Lincoln Cathedral**

The Association of Friends of Lincoln Cathedral makes grants as funds permit to the Dean and Chapter of Lincoln Cathedral towards the worship, maintenance, preservation, improvement or repairs of the fittings, ornaments, furniture and monuments in Lincoln Cathedral, and the furthering of schemes to set forward its beauty, safety or utility.

	31 December 2020 £	31 December 2019 £
Gross income	57,782	58,256
Expenditure:		
Fundraising events	354	6,792
Contribution to Lincoln Cathedral	3,000	34,457
Other grants	(36,976)	62,026
Administrative and miscellaneous expenditure	2,539	3,947
	(31,083)	107,222
Net income/(expenditure)	88,865	(48,966)
Net assets	415,897	327,032

The above is extracted from independently examined accounts for the years ended 31 December.

**20 Auditor's remuneration**

The financial statements include the following amounts in relation to auditor's remuneration.

	2021 £	2020 £
Audit services	32,840	24,288
Other assurance services	-	5,202
Other financial services		
Advisory	-	333
	32,840	29,823
Funded by:		
Restricted funds	14,250	14,793
Unrestricted & designated funds	18,590	15,030

**21 Transfer between funds**

In line with Note 22, the following transfers were made between connected entities in order to support the Cathedral's mission:

	Corporate Body of Lincoln Cathedral: Fund	
	Unrestricted £	Fabric £
<b>Gift aid payment, in line with taxable profits:</b>		
Lincoln Minster Shop	141,774	-
Lincoln Cathedral Quarry Ltd	-	243
<b>Donation:</b>		
Lincoln Cathedral LACE CIO	-	-

Additionally a transfer of £74,800 was made from the from the Fabric Fund to the Lincoln Cathedral Connected fund, being the penultimate installment of a five year matched-funding commitment to the £17m National Lottery Heritage Fund (NLHF) Connected project. The funding specifically relates to the extensive fabric conservation works to the Cathedral's West Front.

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**22 Funds**

	Brought forward 1 April 2020	Income	Expenditure	Gains/(losses)	Transfers	Carried forward 31 March 2021
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Unrestricted fund	551,971	2,516,747	(1,779,390)	153,167	141,774	1,584,269
Lincoln Minster Shops Ltd	172,660	310,202	(262,057)	-	(141,774)	79,031
Lincoln Cathedral CIO	49,478	1,023	(2,829)	-	-	47,672
<b>Designated funds</b>						
Dean's Discretionary Fund	181,586	18,000	(34,760)	-	-	164,826
Theological Society	2,811	-	-	-	-	2,811
Lincoln Cathedral Publications	81,427	1,770	(987)	-	-	82,210
Organists Recital Fund	3,178	-	-	-	-	3,178
Charities	2,880	-	-	-	-	2,880
Other designated funds	2,515	-	-	-	-	2,515
	<b>1,048,506</b>	<b>2,847,742</b>	<b>(2,080,023)</b>	<b>153,167</b>	<b>-</b>	<b>1,969,392</b>
<b>Restricted</b>						
Fabric Fund	10,213,062	1,235,382	(371,095)	1,335,629	(75,043)	12,337,935
Library	570,460	16,384	(16,670)	52,589	-	622,763
Library Manuscript	3,178	-	-	-	-	3,178
Lincoln Cathedral Choir Association	10,391	200	(20)	-	-	10,571
Lincoln Cathedral Community Association	13,792	17,119	(22,042)	-	-	8,869
Seamen's Chapel	6,458	400	-	1,804	-	8,662
Airmen's Chapel	54,137	2,944	-	13,283	-	70,364
St John the Baptist Chapel	4,833	1,714	-	7,733	-	14,280
St. Anne's Chapel	13,404	724	-	3,264	-	17,392
Cathedral Choir Visits Fund	4,834	754	-	-	-	5,588
Soldiers' Chapel	21,181	1,143	-	5,158	-	27,482
George Skelton Memorial Fund	29,611	167	-	5,434	-	35,212
Fleming Day Trust Fund	19,232	1,038	-	4,683	-	24,953
Harries Legacy	100,496	861	(1,725)	18,249	-	117,881
Silverware and Chalices Fund	1,663	-	-	-	-	1,663
Scholar Furniture	129	-	-	-	-	129
Alfred Griffin Legacy Fund	1,453,448	218,336	(2,384)	44,204	-	1,713,604
Lincoln Cathedral Connected	7,388,633	1,978,871	(902,197)	-	74,800	8,540,107
Heritage Emergency Fund	-	250,000	(250,000)	-	-	-
Culture Recovery Fund	-	743,089	(666,169)	-	-	76,920
<b>Entity only subtotal</b>	<b>19,908,942</b>	<b>4,469,126</b>	<b>(2,232,302)</b>	<b>1,492,030</b>	<b>(243)</b>	<b>23,637,553</b>
Music Fund	2,005,606	198,778	(83,665)	299,247	-	2,419,966
Lincoln Cathedral Quarry Ltd	13,594	4,899	(6,019)	-	243	12,717
	<b>21,928,142</b>	<b>4,672,803</b>	<b>(2,321,986)</b>	<b>1,791,277</b>	<b>-</b>	<b>26,070,236</b>
<b>Endowment funds</b>						
Endowment Fund	23,152,809	3,542	(25,313)	4,615,580	-	27,746,618
HLF Catalyst Endowment Fund	1,419,124	29,810	(3,445)	258,132	-	1,703,621
Music Endowment	104,000	-	-	-	-	104,000
	<b>24,675,933</b>	<b>33,352</b>	<b>(28,758)</b>	<b>4,873,712</b>	<b>-</b>	<b>29,554,239</b>
<b>Consolidated total</b>	<b>47,652,581</b>	<b>7,553,897</b>	<b>(4,430,767)</b>	<b>6,818,156</b>	<b>-</b>	<b>57,593,867</b>
<b>Entity only total</b>	<b>45,411,243</b>	<b>7,038,995</b>	<b>(4,076,197)</b>	<b>6,518,909</b>	<b>141,531</b>	<b>55,034,481</b>

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22 Funds (cont...)

	Brought forward 1 April 2019	Income	Expenditure	Gains/(losses)	Transfers	Carried forward 31 March 2020
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Unrestricted fund	778,956	2,077,029	(2,287,457)	(180,382)	163,825	551,971
Lincoln Minster Shops Ltd	144,710	690,178	(548,403)	-	(113,825)	172,660
Lincoln Cathedral CIO	23,481	313,403	(233,844)	-	(53,562)	49,478
<b>Designated funds</b>						
Dean's Discretionary Fund	88,282	114,022	(20,718)	-	-	181,586
Theological Society	2,811	-	-	-	-	2,811
Lincoln Cathedral Publications	76,999	9,475	(5,047)	-	-	81,427
Organists Recital Fund	3,178	-	-	-	-	3,178
Charities	2,880	-	-	-	-	2,880
Other designated funds	1,739	776	-	-	-	2,515
	<b>1,123,036</b>	<b>3,204,883</b>	<b>(3,095,469)</b>	<b>(180,382)</b>	<b>(3,562)</b>	<b>1,048,506</b>
<b>Restricted</b>						
Fabric Fund	12,421,366	1,163,683	(1,576,882)	(1,767,924)	(27,181)	10,213,062
Library	590,393	44,176	(24,689)	(7,773)	(31,647)	570,460
Library Manuscript	3,178	-	-	-	-	3,178
Lincoln Cathedral Choir Association	6,099	7,678	(3,386)	-	-	10,391
Lincoln Cathedral Community Association	11,491	25,335	(23,034)	-	-	13,792
Seamen's Chapel	8,097	469	-	(2,108)	-	6,458
Airmen's Chapel	66,204	3,450	-	(15,517)	-	54,137
St John the Baptist Chapel	11,855	3,715	(1,703)	(9,034)	-	4,833
St. Anne's Chapel	16,369	848	-	(3,813)	-	13,404
Cathedral Choir Visits Fund	4,834	-	-	-	-	4,834
Soldiers' Chapel	25,867	1,340	-	(6,026)	-	21,181
George Skelton Memorial Fund	34,683	1,668	-	(6,740)	-	29,611
Fleming Day Trust Fund	23,487	1,216	-	(5,471)	-	19,232
Harries Legacy	119,031	5,602	(1,500)	(22,637)	-	100,496
Silverware and Chalices Fund	7,993	-	(6,330)	-	-	1,663
Scholar Furniture	129	-	-	-	-	129
Alfred Griffin Legacy Fund	1,693,322	29,481	(238,908)	(30,447)	-	1,453,448
Lincoln Cathedral Connected	2,302,813	6,125,018	(1,113,998)	-	74,800	7,388,633
<b>Entity only subtotal</b>	<b>17,347,211</b>	<b>7,413,679</b>	<b>(2,990,430)</b>	<b>(1,877,490)</b>	<b>15,972</b>	<b>19,908,942</b>
Music Fund	2,194,134	312,870	(140,879)	(360,519)	-	2,005,606
Lincoln Cathedral Quarry Ltd	13,152	16,322	(3,470)	-	(12,410)	13,594
	<b>19,554,497</b>	<b>7,742,871</b>	<b>(3,134,779)</b>	<b>(2,238,009)</b>	<b>3,562</b>	<b>21,928,142</b>
<b>Endowment funds</b>						
Endowment Fund	14,779,254	4,150	-	8,369,405	-	23,152,809
HLF Catalyst Endowment Fund	1,610,246	12,832	(3,663)	(200,291)	-	1,419,124
Music Endowment	104,000	-	-	-	-	104,000
	<b>16,493,500</b>	<b>16,982</b>	<b>(3,663)</b>	<b>8,169,114</b>	<b>-</b>	<b>24,675,933</b>
<b>Consolidated total</b>	<b>37,171,033</b>	<b>10,964,736</b>	<b>(6,233,911)</b>	<b>5,750,723</b>	<b>-</b>	<b>47,652,581</b>
<b>Entity only total</b>	<b>34,795,556</b>	<b>9,631,963</b>	<b>(5,307,315)</b>	<b>6,111,242</b>	<b>179,797</b>	<b>45,411,243</b>

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**22 Funds cont...**

<b>Unrestricted funds</b>	<b>Description, nature and purposes of the fund</b>
Unrestricted Fund	the unrestricted reserves after allowing for designated funds
Lincoln Minster Shops Ltd	the shareholder funds held within the trading subsidiary
Lincoln Cathedral CIO	the funds held within the charitable organisation
Dean's Discretionary Fund	to support welfare, mission and infrastructure investment
Theological Society	to support educational lectures
Lincoln Cathedral Publications	a working capital account for publications projects
Organists Recital Fund	a working capital account for organ recital events
Charities fund	to support third party charity works
Other designated funds	immaterial amounts sets aside for specific purposes in the future
<b>Restricted funds</b>	<b>Description, nature and purposes of the fund</b>
Fabric Fund	for the purpose of maintaining and preserving the fabric of Lincoln Cathedral
Library	for use in connection with the running and maintenance of the Lincoln Cathedral Wren Library
Library Manuscript	restricted income for use in respect to specific manuscripts
Lincoln Cathedral Choir Association	monies received in support of the Lincoln Cathedral Choir
Lincoln Cathedral Community Association	formed under Section 9(3) of the Cathedrals Measure 1999 the association supports the mission of the Cathedral as well as giving c.25% of its income to the diocese and other charities
Seamen's Chapel	for use against costs incurred in respect of the Seamen's Chapel
Airmen's Chapel	for use against costs incurred in respect of the Airmen's Chapel
St John the Baptist Chapel	for use against costs incurred in respect of the St John the Baptist Chapel and specifically for the Retro Choir Reordering project
St. Anne's Chapel	for use against costs incurred in respect of the St Anne's Chapel
Cathedral Choir Visits Fund	monies raised to support Cathedral choir visits and tours
Soldiers' Chapel	for use against costs incurred in respect of the Soldiers' Chapel
George Skelton Memorial Fund	for use against music department costs incurred in respect to choir school fees
Fleming Day Trust Fund	for use against costs incurred in respect of the Fleming Day Chapel
Harries Legacy	is for the benefit of clergy widows and orphans of the Diocese
Silverware and Chalices Fund	the provision of silverware in the sanctuary
Scholar Furniture	monies given to furnish the choral scholarly
Alfred Griffin Legacy Fund	for the preservation of cathedral buildings
Lincoln Cathedral Connected	a project to improve the Cathedral's setting and visitor experience match funded by the National Lottery Heritage Fund (NLHF)
Heritage Emergency Fund	NLHF funding to support emergency costs in response to the covid-19 pandemic
Culture Recovery Fund	funding to support cultural organisations through the impact of the covid-19 pandemic
Music Fund	funds held to create a permanent foundation to support Lincoln Cathedral's choir, organists and organ
Lincoln Cathedral Quarry Ltd	the shareholder funds held within the trading subsidiary, for support of the Fabric Fund.
<b>Endowment Funds</b>	<b>Description, nature and purposes of the fund</b>
Endowment Fund	the income from this endowment fund is applied to support the unrestricted fund
HLF Catalyst Endowment Fund	for the purposes of funding repair work necessary for the conservation of the Western and Central Towers as planned for 2037 when the fund will become expendable
Music Endowment	the income from this endowment fund may be applied in support of music at Lincoln Cathedral

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**23 Donations from Charitable Trusts**

We note with gratitude support provided from the following Trusts during the year:

Allchurches Trust	Lincoln Economic Action Partnership
Ancaster Trust	National Lottery Heritage Fund
Association of Friends of Lincoln Cathedral	Pilgrim Trust
Bergne-Coupland Charity	Rothwell Lee Charity and Grantham Castlegate
Cathedral Choirs Emergency Fund	Chapel Trust
Cathedrals' Workshop Fellowship	A H Worth Charitable Trust
Church Commissioners	
M P Cooper Charitable Trust	
David Ross Foundation	
Department of Culture, Media and Sport	

**24 Statement of Financial Activities Comparative Summary**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
<b>INCOME AND ENDOWMENTS FROM:</b>				
Donations and legacies	469,115	830,912	-	<b>1,300,027</b>
Grants in support of mission	246,953	6,201,320	-	<b>6,448,273</b>
Charges and fees arising in the course of mission	54,541	-	-	<b>54,541</b>
Trading and fundraising	1,540,959	66,713	-	<b>1,607,672</b>
Investments	884,317	643,926	16,982	<b>1,545,225</b>
Other Income	8,998	-	-	<b>8,998</b>
<b>Total income</b>	<b>3,204,883</b>	<b>7,742,871</b>	<b>16,982</b>	<b>10,964,736</b>
<b>EXPENDITURE ON:</b>				
Raising funds	1,627,279	334,848	3,663	<b>1,965,790</b>
Ministry	735,346	129,106	-	<b>864,452</b>
Cathedral and precincts upkeep	609,000	2,606,215	-	<b>3,215,215</b>
Education and outreach	123,844	64,610	-	<b>188,454</b>
<b>Total expenditure</b>	<b>3,095,469</b>	<b>3,134,779</b>	<b>3,663</b>	<b>6,233,911</b>
Net gains/(losses) on investments	(180,382)	(2,238,009)	8,169,114	<b>5,750,723</b>
<b>Net income/(expenditure)</b>	<b>(70,968)</b>	<b>2,370,083</b>	<b>8,182,433</b>	<b>10,481,548</b>
<b>Gross transfers between funds</b>	<b>(3,562)</b>	<b>3,562</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(74,530)</b>	<b>2,373,645</b>	<b>8,182,433</b>	<b>10,481,548</b>
Total funds brought forward	1,123,036	19,554,497	16,493,500	<b>37,171,033</b>
Total funds carried forward	1,048,506	21,928,142	24,675,933	<b>47,652,581</b>

**25 Commitments**

There were no commitments outstanding at the year end that are not recognised as liabilities.

