

# **THE CHAPTER OF DERBY CATHEDRAL**



## **ANNUAL REPORT AND ACCOUNTS**

**for the year ended 31 DECEMBER 2020**

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ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 December 2020**

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**THE CHAPTER OF DERBY CATHEDRAL  
ADMINISTRATIVE INFORMATION  
FOR THE YEAR ENDED 31 December 2020**

**Constitution:**

The Cathedral is governed by the Constitution and Statutes for the Cathedral Church of All Saints drawn up in accordance with the Cathedrals Measure 1999 and confirmed by the Archbishops of Canterbury and York on 27 January 2000.

**Title:** The Corporation of the Cathedral of All Saints in Derby

**Address:** The Cathedral Office, Derby Cathedral Centre, 18-19 Iron Gate, Derby, DE1 3GP

**Auditors:** BHP LLP, 57-59 Saltergate, Chesterfield, S40 1UL

**Solicitors:** Freeth Cartwright LLP, 80 Mount Street, Nottingham, NG1 6HH

**Bankers:** The Co-Operative Bank, Delf House, Southway, Skelmersdale, WN8 6WT

**Visitor:** The Lord Bishop of Derby, The Right Reverend Libby Lane.

**Chapter:**

The Reverend Dr Elizabeth Thomson (chair – until 4<sup>th</sup> July 2020)

The Very Reverend Dr Peter Robinson (chair - from 4<sup>th</sup> July 2020)

The Reverend Canon Richard Andrews

The Venerable Christopher Cunliffe (until 30<sup>th</sup> November 2020)

Mrs Valerie Grahl

The Honourable David Legh DL

Canon Mark Titterton

**Administrator and Chapter Steward:** Mrs Rachel Morris

**Acting Chapter Steward (September 2020):** Mrs Carol Thomas

**Cathedral Architect:** Mr Robert Kilgour

**Cathedral Archaeological Consultant:** Mr Richard Morriss

**Director of Music:** Mr Alexander Binns

**Fabric Advisory Committee:**

Professor Janet Spencer (chair – until 3<sup>rd</sup> December 2020)

Mr Andrew Barber (chair – from 3<sup>rd</sup> December 2020)

Mr Terry Bennett

Dr Maxwell Craven

Mr James Darwin

Mr Clive England

Ms Debbie Russell (until 31<sup>st</sup> December 2020)

Mrs Liz Walker

Mr Peter Rogan (from 29<sup>th</sup> October 2020)

**Finance Committee:**

Canon Mark Titterton (chair)

The Very Reverend Dr Peter Robinson (from 4<sup>th</sup> July 2020)

The Reverend Canon Dr Elizabeth Thomson

The Reverend Canon Richard Andrews

Dr Stephen Lamont

Mr Martyn Marples

Mrs Rachel Morris

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**The Purpose of the Cathedral:**

The purposes of the Cathedral, as set out in the Preamble to its Constitution, are these:

- to maintain a daily pattern of corporate prayer and worship, giving glory to God and holding before him the needs of the church and the world, and particularly of the Diocese of Derby, the City of Derby and the County of Derbyshire;
- to be a focus for the Bishop's ministry, a resource to her and a place where prayer is offered for her;
- to preach the gospel of Christ and nurture Christian learning, in collaboration with other churches and traditions and with sensitivity to other faiths;
- to extend hospitality to pilgrims and visitors of every kind;
- to demonstrate the concern of Christ for the poor;
- to engage with the city and the county, with corporate life and institutions, in the complexities of contemporary society and culture, and to explore spiritual values with all people of goodwill;
- to share, as the mother church, with the parishes of the diocese in every aspect of the Church's vocation.

These purposes are all taken seriously and acted upon. They are summed up in the Cathedral's Mission Statement:

***“Derby Cathedral - serving City, County and Diocese, through worship and mission.”***

**The Chapter**

The Chapter is the Cathedral's governing body. It has the responsibility for the good governance and strategic direction of the Cathedral's life. Key decisions are made by Chapter but the day to day management of the Cathedral is entrusted to a range of groups including the Management Committee, the Finance Committee and the Safeguarding Committee. The Chapter is advised in its thinking by the College of Canons and by the Cathedral Council. The Chapter of Derby Cathedral met eleven times during 2020.

**Chapter's Report**

The Chapter is pleased to offer you this report. As well as fulfilling a legal requirement, this gives the Chapter an opportunity to reflect on the past year and to give thanks for all that has taken place.

2020 was a challenging year for all, including Derby Cathedral. As the nation went into lockdown and the Cathedral closed its doors in March, the majority of Cathedral staff were put onto the Government's Employment Retention Scheme. The Clergy reacted quickly to a new way of worshipping and on line streaming of Morning Prayer and Eucharist services commenced. The Chapter are grateful to the Canon Missioner and Canon Precentor for implementing this and allowing the Cathedral to stay connected with its congregation.

In July 2020, we officially welcomed the Very Reverend Dr Peter Robinson as Dean of Derby Cathedral who previously served as the Archdeacon of Lindisfarne in the Diocese of Newcastle. A first for the Cathedral, with a live streamed Installation Service watched and enjoyed by many in July. The Dean is committed to partnership working and the impact of his role is already started to be seen in the City and Diocese. During the first 3 months, the Dean has focused on getting to know the faith communities of Derby and gave emphasis to the development with colleagues of a new communications strategy.

**Chapter**

The Chapter continue to meet monthly. The Chapter has a strong identity and works well together. The Chapter is committed to the life of the Cathedral and is ably assisted by Rachel Morris as Chapter Steward, Carol Thomas, Head of Operations and Reverend Dr Alan Flintham as Secretary to Chapter.

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With the passing of the new Cathedral's Measure in November's meeting of General Synod, there are new proposals for the governance and leadership of cathedrals and Chapter remains supportive of the main principles of this report and is planning for its implementation.

***Aims and strategic priorities***

Chapter remain committed to the six strategic priorities previously agreed in 2018.

Derby Cathedral seeks to be a place of transformation for our city, county, and diocese, to the glory of God.

***Our aims:***

- Change
- Continuity
- Growth
- Sustainability
- Sharing

***Our strategic priorities:***

- To be a place for all people
- To be a place of learning
- To be a place of innovation
- To be a place of mission in the city
- To renew our liturgy
- To sustain and develop the resources to make all this sustainable.

Chapter recognises the need for a different vision that reflects the present and the future impact of the pandemic and at the time of writing is engaging in a process of strategic reflection.

***Lay staff***

In May, the Cathedral welcomed a new Business Development Manager, on a fixed three year contract, funded through the Cathedral Sustainability Fund. Catriona Munn brings a wealth of fundraising experience and has already made an impact, successfully helping to secure funding from the National Lottery Heritage Fund and the Cathedral Choir's Emergency Fund.

The year saw a number of changes in lay staff. Sadly with the impact of the coronavirus pandemic, a number of positions were made redundant. The Finance Assistant and Education Officer posts were a casualty of the pandemic, resulting in redundancy. In addition, the Chapter made the very difficult decision to formally close its trading subsidiary (DCEL) and as a result, 7 staff were made redundant in September 2020.

***Funding and Visitors***

2020 saw a significant reduction in visitor numbers. The Cathedral was closed in March, reopening for private prayer in July. Online services continued throughout the year, with the re-introduction of gathered worship in September, with a limited congregation due to social distancing measures. As a result, the overall number of people visiting the Cathedral was 7,600 during the year.

Concerts and Cathedral hires were severely impacted during 2020. The majority of concerts and events were either cancelled or rearranged for 2021. We did hold a small amount of lunchtime organ recitals during the period when restrictions were slightly lifted. There were a number of 'firsts' in the life of the Cathedral, including a virtual Christmas Fair, organised and ably managed by the Events & Diary Officer. This generated in excess of two thousand pounds, using the stock from the previous retail establishment, The Sanctuary at Derby Cathedral.

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External funding has been significant during 2020. A successful bid to the National Lottery Heritage Fund in September 2020 resulted in two hundred and seventy thousand pounds for the Cathedral to support a number of new projects as well as covering operating and staffing costs. Two significant projects as a result of this funding are a new website and bringing fibre optic broadband into the Cathedral and the Centre in 2021.

A second successful funding application to Historic England resulted in one hundred and twenty thousand pounds for a new fire alarm system. Work is programmed to commence early January 2021.

The Music Department also secured funding for Lay Clerk and Choir costs, with a total of just under thirty thousand pounds for 2020/21.

### **Derby Cathedral School**

Derby Cathedral School is the first and so far only secondary school in the Derby Diocesan Multi Academy Trust. In September 2020, the school entered its third academic year and now has Y7s, 8s and 9s on the roll. Admissions remained strong. Work continues towards the permanent building on what was Friar Gate Goods Yard. In the meantime, the school remains in Midland House.

### **The Verging Team**

The verging team has worked well under challenging conditions. The Head Verger returned to work in July, after a period of furlough, and assisted the Head of Operations in re-opening the Cathedral. The remaining team returned to work in August. One part-time verger retired in September.

### **The Music Team**

The Music Team has given outstanding service to the Cathedral throughout this difficult year. Significant risk assessments were completed to ensure we could welcome the choir back, with screens at socially distant intervals, a one-way system in place to ensure the choristers and their parents felt safe whilst in the building. When it was not possible for the choristers to sing in person, on-line rehearsals were implemented, ably supported by the Assistant Director of Music and two choir supervisors. Lay Clerks continue to provide an excellent singing contribution to Eucharist services, rehearsing whenever possible and singing, socially distanced, in the Cathedral.

### **Support for the homeless**

The Cathedral's involvement in social outreach in the city and further afield continued during early 2020, however, as a result of the pandemic, this was temporarily stopped in March. We look forward to working with Derby Churches during the winter of 2021.

### **Contributions to charity**

The Cathedral sets aside 5% of congregational giving to pass on to other charities. The Justice and Peace in Creation Committee meets to decide which charities to support and allocations in 2020 included Tearfund Yemen Appeal, Derby City Food Bank, the Bishop of Derby's Harvest Appeal and various local charities. The JPICC is delighted to make these allocations thanks to the generosity of the congregation.

### **Work with the Diocese of Derby**

The Cathedral has strong links with the Diocese as the Chapter Steward is also Diocesan Secretary and the Chair of Finance on Chapter is also the Executive Chair of the Diocesan Board of Finance. They have actively looked at ways for the two organisations to work more closely together. The Cathedral has been assisted by the Diocesan Safeguarding Officer in the development of its procedures in the year.

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**Safeguarding**

The Chapter follows the House of Bishops guidance on Safeguarding. In doing so, it adopted the Diocese of Derby's Safeguarding Policy as its own in December 2016 and re-adopted this in February 2020. A Safeguarding Committee, chaired by a member of Chapter, meets four times a year and reports to Chapter. Derby Cathedral continues to work to ensure the Cathedral is a safe space for all and is actively implementing the recommendations from the Social Care Institute of Excellent (SCIE) audit conducted in 2019.

The Cathedral and the Safeguarding Committee have welcomed the new Diocesan Safeguarding Advisor who has attended two Safeguarding Committee meetings thus far.

We aim to work towards a Partnership Agreement between the Cathedral and the Diocesan Safeguarding Team to ensure collaborative working is in place.

Chapter would like to thank all those involved in the work with children, young people and vulnerable adults in the Cathedral for their care and hard work and also the members of the Safeguarding Committee who aid Chapter in their oversight of Safeguarding and the Diocesan Safeguarding Team for their support over the past year.

**Appreciation**

There is much to be grateful for in the Cathedral and there are so many people to thank – our host of volunteers; the cathedral officers; paid and voluntary; our friends and supporters; the College of Canons; the Cathedral Council; the Cathedral Friends; those who support the Cathedral prayerfully and financially; the Café and Bookshop staff; the Cathedral Wardens, Stewards, and the serving team and the team of additional chaplains. All give of their time and talents so willingly and generously. On behalf of the Chapter, thank you.

We are thankful for the support and advice received from the Fabric Advisory Committee, with particular appreciation for working remotely and responding pro-actively when advice has been sought for particular projects, for instance the fire alarm installation.

The Chapter extends their appreciation to the Chair of the FAC, Dr Janet Spencer, who retired from this position in December 2020. Janet's expertise and support has been invaluable throughout her reign as Chair. We look forward to working with Andrew Barber who has taken over this position.

**Risk Register**

The Chapter maintains a Risk Register that details all of the principal risks the Cathedral faces in its day to day activities. This is reviewed in detail on a regular basis at both Management and Chapter meetings. The Chapter has started to review the structure of the Risk Register together with the Financial Risk Register to ensure it is fit for purpose. The Financial Risk Register, which reviews the major financial risks faced will be reviewed on a regular basis at the Finance Committee meeting, which is a sub-committee of Chapter.

Chapter believes that maintaining reserves at current levels, combined with regular reviews of controls over key financial systems will provide sufficient resources in the event of adverse conditions. The Chapter has also examined other operational and business risks faced and confirm that they have established systems to mitigate any significant risks.

**Principal Risks and Uncertainties**

Careful consideration is given to the major risks to which the Cathedral is exposed. Chapter is responsible for ensuring effective risk management and that internal controls are in place to appropriately manage the organisation's risk exposure. The Cathedral recognises that any risk management system can only manage risks and not eliminate them and can provide only reasonable, and not absolute, assurance against material misstatement and loss.

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Risks are considered in a broad context and Chapter focuses on the significant matters that might prevent the Cathedral from achieving its vision.

The Cathedral's insurance cover is reviewed annually and as and when special circumstances arise. Cover is provided by Ecclesiastical Insurance, who conduct a comprehensive survey every five years (with such a survey being completed in 2018) and an annual visit to review relevant matters. The health and safety of visitors, staff and volunteers is very important and responsibilities to all are taken seriously. Any incidents are reviewed at Chapter meetings and actions taken straightaway, as appropriate.

The financial risks arising from the coronavirus pandemic (COVID-19) are the highest risk affecting the Chapter since the end of the reporting period. A significant reduction in net income has impacted the financial performance in 2020.

Following the development of COVID-19, new risks are outlined below:

- **Overall income impact and cashflow:** *'physical and economic market conditions severely affect cash inflow and the ability to achieve the approved budget position'*
- **Government restrictions on working:** *'restrictions affect service delivery, with uncertainty of the length of impact'*
- **Managing a remote workforce:** *'remote working creates complexity, in an organisation predominantly unfamiliar with such practises'*
- **Maintaining services to key stakeholders:** *'the timing of support to visitors and the congregation may be delayed'*

### **Management & Mitigation**

*The Management and mitigation of these new risks are considered weekly by key management and reported regularly to Chapter.*

- **Cashflow** – *the 2020 budget was reviewed to minimise monthly and year-end impact including; freezing non-essential spend, maximising government funding support where appropriate, and advance receipts from Church Commissioners*
- **Restrictions on Working and Maintaining Service** – *Management meet remotely on a regular basis to review service delivery and adjust as necessary*
- **Remote Working** – *Use of remote video facilities supports continued delivery where possible, and staff wellbeing*

Outline financial scenario planning has been undertaken to manage the impact and financing of the risks arising from COVID-19 across 2020 and 2021.

### **Public Benefit Statement**

Although the Cathedral is not regulated by the Charity Commission, Chapter has regard to the Public Benefit Guidance published by the Commission. Derby Cathedral serves the community every day in its religious and charitable work. The Cathedral is a resource of national importance in the promotion of religion, music, education, history and architecture.

### **Policies and Procedures**

The Church Commissioners carry out training sessions for new members of Chapter and provide recommended procedures for their induction and the Cathedral follows these requirements. In 2020, preparatory work commenced for a Peer Review, scheduled to take place in 2021. The Chapter met on two separate occasions to work through the Peer Review action plan, including looking at policies and procedures.

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**Pay & Remuneration**

Pay and remuneration of new staff is set by reference to pay rates of equivalent members of staff at other cathedrals of similar nature. Annual reviews for existing staff are generally made at a set percentage for all staff, usually at the same rate as used for clergy stipends. The Cathedral continues to be a Living Wage Employer, which is the appropriate action as a responsible employer, but it has had an impact on salary costs.

**Investment Policy**

The investment powers of the Cathedral Chapter in relation to its general funds are those prescribed by the Trustee Investments Act 1961 as varied by the Charities Act 1993. In the case of the Cathedral's endowment, the powers are governed by Section 16 of the Cathedrals Measure 1999.

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

The investment objectives given to our principal fund managers, CCLA Investment Management Ltd, are to protect the capital value of the funds, to provide an increasing income and to maximise the overall growth of the funds.

This should be achieved by investing in a portfolio of Investment Funds. The selection of the Funds will be made to reflect the benchmarks established for asset classes. Investments in property are in the form of a managed property fund managed by CCLA Investment Management Ltd on behalf of the Central Board of Finance of the Church of England.

Chapter, in its stewardship of charitable funds, aims to achieve appropriate levels of investment return within an ethical framework. Its investments are chosen according to a policy of Socially Responsible Investment (SRI). The Chapter's SRI policy is based in turn on the social, environmental and ethical policies that are adopted by the Cathedral's principal Investment Managers, CCLA. Responsibility for the management of this policy rests with the Chapter, following advice from the Finance Committee.

**Reserves Policy**

Reserves are needed both to maintain the level of the Cathedral's current activities and to enable the completion of long-term projects. Maintaining unrestricted reserves protects the Cathedral against a sudden deterioration in its financial results. It is acknowledged that the great majority of the Cathedral's unrestricted reserves are tied up in property and so could not be realised into cash in the event of urgent need or a downturn in income. The Chapter's aim is that Free Reserves (being unrestricted reserves excluding property) should equate to not less than three months of ordinary expenditure (unrestricted expenditure other than that on raising funds, as shown in these accounts) to afford protection to the Cathedral's operations. At 31 December 2020 such reserves were £116,637 and ordinary expenditure excluding the cost of raising funds was £201,417 so this represented 7.1 months of such expenditure. This is in line with the Reserves Policy.

The unrestricted reserves of the Cathedral chiefly comprise the land and buildings necessary for the Cathedral to fulfil its functions. These comprise; the Cathedral Centre for the mission work of the Retail Shop, Education Centre and Treasury and offices for lay staff and clergy, the houses of the Dean and Commissioner Canons and the Car Park, which is a major source of income generation to finance the missionary work of the Cathedral.

Restricted reserves represent specific funds for specific projects and general funds for maintenance of the Cathedral fabric and for the support of music. The Chapter has a long-term view of work required to the building and seeks to maintain sufficient reserves to cover anticipated projects. The music fund is maintained to cover specific projects for the year ahead. Designated funds, where such exist, are regarded in the same way as restricted funds.

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**Financial Review of the Year**

2020 was a difficult year with operations significantly impacted due to Covid-19. This led to major reductions in non-core giving and fundraising activity income, offset in part by savings in operational costs. The picture would have been significantly worse without the support from business disruption grants and the receipt of additional funding from the Culture Recovery Fund (CRF) to cover some of the core 2020 costs. This support totalled £197,000, of which; business rate relief and business grant £29,000, Coronavirus Job Retention Scheme (CJRS) grant £65,000, and CRF £103,000. The final position resulted in **net outgoing resources on the unrestricted account of £31,973** (2019 net outgoings on £54,086).

Congregational giving decreased compared to the prior year. Standing orders and Parish Giving Scheme giving remained stable, but due to the Cathedral being closed for a good part of 2020, and the restrictions on people numbers when open, there has been a significant decline in giving during services.

The card donation machine, installed in October 2018, continues to perform well and has been used more heavily in 2020 due to the emphasis on not handling cash during the pandemic.

The Car Park on St Michaels Lane has been greatly impacted by the pandemic, because of less people coming into the city centre. We have also lost several contract customers because of the increase in businesses having their employees working from home, and therefore not requiring their car park spaces. The Cathedral did allow customers with contract spaces to freeze their spaces for the first lockdown period as well, which whilst negatively impacting the income for 2020, will hopefully have maintained good customer relationships and has resulted in fewer customers giving up the spaces altogether.

The Enterprise Company (DCEL) experienced a difficult year and reported an operating deficit of £73,248 (2019 £57,023). The shop/café closed at the end of March with the first lockdown and has not reopened. The deficit can be attributed to ongoing staff costs, redundancies, writing down the remaining stock, and writing off the assets. Trading conditions for a high street retailer have become increasingly challenging and the shop/café cease to trade during 2020.

Restricted income in 2020 included the regular grants received from the Church Commissioners for clergy and lay salaries. Further donations were received in support of our Organ Appeal. A large legacy from the Harpur Crewe estate was received. 50% of the Culture Recovery grant was received. The support of all our benefactors and of all those who remember the Cathedral in their will, is gratefully acknowledged.

Within restricted costs, the Church Commissioners section 23 grant continues to cover most of the lay salary costs and another grant from the Commissioners pays for the cost of the Dean and Commissioners' Canons.

2020 was a mixed year for stock markets. Some of the investment funds such as the Property fund did experience a loss in the year, but this was outweighed by the gains made in the other investments, so therefore overall, there was a total gain in investments of £29,237. The investment income received in the year was £23,920.

Our budget for 2021 anticipates a deficit of £65,000. The grant received from the Commissioners has been increased for 2021. The Cathedral will also receive some funding from the Culture Recovery Fund, and ongoing work is being done to secure further funding opportunities. However, there is an ongoing threat to external funding and the Cathedral is increasingly required to be self-sustaining and this means finding new ways of generating income. With little in the way of historical endowments, this is a challenge. Control of costs remains of key importance. Quarterly accounts are produced that highlight any cost variances and these are examined closely. Imaginative ways of utilising our resources are being sought to generate the

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income needed to fund future maintenance of the Cathedral. A great deal of care is put into ensuring that the best possible use is made of our resources.

The Cathedral continues to be free of debt, but the financial position remains tight. The balance sheet shows net assets of approximately £2.1 million on the unrestricted account but all but £116,637 of this is tied up in property and fixed assets. The mission of the Cathedral remains reliant on tight financial management, creative ideas to generate income, the support of the Church Commissioners and the support of worshippers and benefactors in the City and Diocese.

There were no financial transactions with members of Chapter in the year. The stipends of the Dean and Commissioners' Canons are paid direct by the Church Commissioners and are disclosed in note 6. Mark Titterton, who is a member of Chapter, is also Executive Chair of the Derby Diocesan Board of Finance.

**Plans for the Future – as at 31 December 2020**

Derby Cathedral faces challenges common with many other cathedrals. The Church Commissioners have given indication that their funding will be more closely directed to mission and specific initiatives rather than financial need. Derby Cathedral needs to remain relevant to serving the needs of the City and Diocese.

We have the opportunity to provide a place for prayer and reflection for all the people of our city, as we do day by day as we have done during most of the pandemic crisis. We have the opportunity to gather people, to offer what still seems like a neutral space to many, for dialogue and discussion, for learning and education.

With the support of the Business Development Manager, the Cathedral will aim to achieve one of its objective to be a cultural hub in the city by working with cultural partners to bring a large Installation called 'Peace Doves' which will be a spectacular art installation of 8,000 paper doves suspended in the nave. This will be a community project, engaging with local communities, schools, multi-faith agencies and encourage these groups, as well as the general public, into the Cathedral to experience this cultural event.

We also aim to seek further external funding to support a project to repair and improve the tower roof together with maintaining the tower and the retro-choir roof. The objective is to submit a bid into the National Lottery Heritage Fund during 2021.

2021 is also an exciting opportunity to start planning for change for the Cathedral and in consultation with the Diocese. One of the Dean's priorities is to prepare the ground for a diocesan wide conversation about Derby Cathedral and its future development. The aim is to engage Chapter to start its thinking about how we engage our partners, stakeholders in the city, county, diocese and beyond. The 'big conversation' will start to look at the question 'what is the Cathedral for?' and will unlock the energy and the drivers for change as we reimagine a re-shaped Cathedral and embark on a significant project to support a new vision.

This report captures what has been a busy year with lots challenges, and the promise of more to come, in the service of this city, county, and diocese, and most of all, in the service of the God who made us, who loves us, and who has revealed himself to us in Jesus.

## **THE CHAPTER OF DERBY CATHEDRAL**

### **CATHEDRAL STRUCTURE – THE CHAPTER**

The Cathedral is an ecclesiastical corporation established for charitable purposes, with perpetual succession and a common seal, consisting of the members for the time being of the Cathedral Chapter, Cathedral Council and the College of Canons.

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that the Chapter shall govern the Cathedral and that membership shall, subject to the provisions of Section 4 of the Cathedrals Measure 1999, consist of:

- (a) The Dean;
- (b) All the Canons Residentiary of the Cathedral;
- (c) 4 other persons appointed by the Bishop after consultation with the Dean and the Bishop's Council subject always to the following provisos:
  - i. 3 of such persons must be lay people;
  - ii. 1 of the 4 shall represent the Cathedral community (being appointed from such community) and being either a past or present churchwarden of the Cathedral;
  - iii. 2 of such 4 persons shall represent the wider community of the City and County;
  - iv. 1 of such persons must have particular expertise in financial matters.

Provided always that such lay persons must be actual communicant members of the Church of England or of a church in communion with the Church of England and shall be resident in the diocese or have their names on the Church Electoral Roll of a parish in the diocese.

Such persons shall hold office for 3 years but shall be eligible for membership for further terms of office.

The Administrator of the Cathedral (who shall act as Clerk to the Chapter) shall be entitled to be present at any meeting of the Chapter (except during any discussion concerning the Administrator) and to speak but not vote.

The Dean shall be the Chairman and shall have a second or casting vote. In the absence of the Dean or of any person appointed to exercise the functions of the Dean under Article 2.6 of the Statutes, the Chapter shall elect one of its members to preside over it, but such person shall not have a second or casting vote. The Chapter shall meet on at least 9 occasions in each calendar year.

Meetings of the Chapter shall be called by the Dean in accordance with a resolution of the Chapter, on his own motion, or on the written requisition of at least four members of the Chapter. Two week notice of meetings shall be given to members of the Chapter.

The quorum for the transaction of business at a meeting of the Chapter shall be 50% of its members of whom at least one must be a Lay person.

It shall be the duty of the Chapter to direct and oversee the administration of the Cathedral and in particular, to:

- (a) order the worship and promote the mission of the Cathedral;
- (b) formulate, after consultation with the Bishop, proposals in connection with the general direction and mission of the Cathedral and submit them to the Council for its advice;
- (c) provide for the pastoral care of the Cathedral congregation;
- (d) manage all property vested in the Cathedral and the income accruing from it and, in particular, ensure that necessary repairs and maintenance in respect of the Cathedral and its contents and other buildings and monuments are carried out;
- (e) prepare an annual budget for the Cathedral and submit it to the Council;
- (f) prepare in accordance with Section 27 of the Measure an annual report and audited accounts, and submit them to the Council and the College of Canons;
- (g) submit to the Council such other reports as may be requested by the Council on any matter concerning the Cathedral;
- (h) keep under review the Constitution and Statutes of the Cathedral and submit any proposals for their revision to the Council;
- (i) hold the common seal of the Cathedral and affix it when required;
- (j) exercise patronage where the Cathedral has the right to present to benefices.

## **THE CHAPTER OF DERBY CATHEDRAL CATHEDRAL STRUCTURE – THE COUNCIL**

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a Cathedral Council and that membership shall consist of:

- (a) The Chairman appointed by the Bishop
- (b) The Dean
- (c) 3 further members of the Chapter chosen by it
- (d) 2 members of the College of Canons not being a member of the Chapter or an Archdeacon chosen by the College
- (e) 4 Lay persons from the Cathedral Community (who shall not be a member of the Chapter) elected at their Annual meeting (from Rolls as hereinafter defined) as follows:
  - i. 2 from Part 1 of the Cathedral Community Roll
  - ii. 1 from Part 2 of the Cathedral Community Roll
  - iii. 1 from Part 3 of the Cathedral Community Roll
- (f) 10 persons as follows:
  - i. The Archdeacons of Chesterfield and Derby
  - ii. The 2 Cathedral Churchwardens
  - iii. 1 Lay person from each Archdeaconry appointed by the Bishop's Council
  - iv. 1 Ecumenical Representative
  - v. 1 Representative of the City
  - vi. 1 Representative of the County
  - vii. 1 Representative from the University of Derby.

These last four persons representing the wider community shall be appointed by the Bishop in consultation with the Dean.

The Chairman shall be a Lay person, not being a member of the Chapter, appointed by the Bishop, who shall before making an appointment afford the Chapter an opportunity to express views both in general as to the appointment and as to any specific person proposed by the Bishop for appointment, and who shall in deciding whom to appoint have regard to those views.

The Bishop shall be entitled to be present and speak but cannot vote.

All persons who are not "ex officio" shall serve for three years and shall be eligible for re-appointment or re-election (as the case may be).

In the absence of the Chairman members shall choose a Chairman for the meeting who shall be a Lay person (other than a member of the Chapter).

The Council shall appoint its own Secretary from inside or outside its membership. If the latter, the Secretary (who may be the Cathedral Administrator) shall not thereby become a member of the Council.

The Council shall meet on at least two occasions in each calendar year.

Meetings of the Council shall be called by the Chairman, in accordance with a resolution of the Council, on his own motion, or on the written requisition of at least eight members of the Council.

The quorum for the transaction of business at a meeting of the Council shall be two fifths of its members.

It shall be the duty of the Council to further and support the work of the Cathedral, spiritual, pastoral, evangelical, social and ecumenical, reviewing and advising upon the direction and oversight of that work by the Chapter and in particular, without prejudice to the generality of the foregoing to:

- (a) consider proposals submitted by the Chapter in connection with the general direction and mission of the Cathedral and to give advice on them to the Chapter
- (b) receive and consider the annual budget of the Cathedral
- (c) receive and consider the annual report and audited accounts and financial projections
- (d) consider proposals submitted by the Chapter in connection with the Constitution and Statutes of the Cathedral with a view to their revision under Part II of the Measure.

The Council may:

- (a) request reports from the Chapter on any matter concerning the Cathedral
- (b) discuss and declare its opinion on any such matter
- (c) draw any matter to the attention of the Visitor or the Church Commissioners.

## **THE CHAPTER OF DERBY CATHEDRAL CATHEDRAL STRUCTURE – THE COLLEGE OF CANONS**

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a College of Canons and that membership shall consist of:

- (a) The Dean (who shall be Chairman)
- (b) Every Bishop Suffragan in the Diocese
- (c) Every full-time stipendiary assistant Bishop in the Diocese
- (d) Every Canon as provided for in Clauses 5 & 6 of the Constitution
- (e) Every Archdeacon in the Diocese.

In the event of a vacancy in the See, the College of Canons shall be summoned by the Dean to meet, and on receiving from Her Majesty a licence under the Great Seal with a letter missive as provided by the Appointment of Bishops Act 1533 shall proceed to the election of a Bishop in the manner laid down by that Act.

The College of Canons shall meet not less than twice a year and at least on one such occasion with the Bishop.

The College of Canons shall:

- (a) consider such matters relating to the Diocese or the Cathedral as the Bishop may determine
- (b) have a special care for the promotion of sound theological learning in the Cathedral and the Diocese
- (c) receive and consider the annual report, the audited accounts of the Cathedral and any financial projection relating to future policy of the Cathedral as determined by the Chapter
- (d) discuss such matters concerning the Cathedral as may be raised by any of its members
- (e) discuss such other matters as the Dean or the Chapter may refer to the College of Canons.

Members of the College of Canons shall seek to contribute to the corporate life of the Cathedral and to promote its mission and service in the diocese.

## **THE FINANCE COMMITTEE**

The Constitution and Statutes of Derby Cathedral, which came into operation on 19 March 2000, define that there shall be a Finance Committee having the function of advising the Chapter in connection with its responsibilities in the field of financial and investment management (and the management of property belonging to the Cathedral).

The Finance Committee shall consist of:

- (a) The Member of Chapter appointed by the Bishop for financial expertise, who shall be Chairman of the Finance Committee
- (b) The Dean
- (c) The Administrator
- (d) 1 other Member of the Chapter who shall hold office for a term of 3 years but shall be eligible for membership for further terms of office
- (e) 3 other persons, not being Members of the Chapter, but appointed by the Chapter for their expertise and experience in the field of financial and investment management who shall hold office for a term of 3 years but shall be eligible for membership for further terms of office.

**THE CHAPTER OF DERBY CATHEDRAL  
STATEMENT OF RESPONSIBILITIES OF THE CHAPTER  
FOR THE YEAR ENDED 31 December 2020**

The Cathedral Chapter is responsible for compliance with the provisions laid down by the Church Commissioners under the powers given them by Section 27 of the Cathedrals Measure 1999 for;

- (a) 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 related entities. The report and accounts should comply in all material respects with the guidelines on the subject prepared by the Association of English Cathedrals
- (b) Stating that they have complied in all material respects with the guidelines or describing which recommendations have not been complied with and giving reasons for the non-compliance;
- (c) Selecting suitable accounting policies and then applying them consistently
- (d) Making judgements and estimates that are reasonable and prudent
- (e) Keeping proper accounting records, from which the financial position of the Cathedral can be ascertained at any time
- (f) Safeguarding the assets of the Cathedral and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Chapter on 20<sup>th</sup> April 2021

and signed on their behalf:

**The Very Reverend Dr Peter Robinson**  
**Dean of Derby**



**Carol Thomas**  
**Head of Operations & Acting Chapter Steward**



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

**Opinion**

We have audited the financial statements of The Chapter of Derby Cathedral (the 'parent entity') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Cathedral 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 December 2020, 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 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 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.

## **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 parent entity, or returns adequate for our audit have not been received from branches not visited by us; or
2. the 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 groups 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.

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:

1. we gained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk.
2. we focused on laws and regulations relevant to the entity which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, Chapter, and those staff with direct responsibility for the compliance of laws and regulations. We also reviewed legal expenses.
3. we addressed the risk of management override of internal controls, including the testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by management or Chapter that represented a risk of material misstatement due to fraud.

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

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

### **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  
57 – 59 Saltergate  
Chesterfield  
S40 1UL

Date:

**THE CHAPTER OF DERBY CATHEDRAL  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted £	Restricted £	Endowment £	2020 £	Unrestricted £	Restricted £	Endowment £	2019 £
<b>INCOME AND ENDOWMENTS FROM:</b>	2								
Donations and legacies		121,198	345,463	-	466,661	211,659	29,845	-	241,504
Grants in support of mission		18,275	565,397	-	583,672	17,844	394,964	-	412,808
Charges and fees arising in the course of mission		579	-	-	579	24,881	-	-	24,881
Trading and fundraising		132,938	-	-	132,938	323,019	-	-	323,019
Investments		23,920	-	-	23,920	24,660	153	-	24,813
Other income		64,557	-	-	64,557	-	-	-	-
<b>Total Income</b>		<b>361,467</b>	<b>910,860</b>	<b>-</b>	<b>1,272,327</b>	<b>602,063</b>	<b>424,962</b>	<b>-</b>	<b>1,027,025</b>
<b>EXPENDITURE ON:</b>	3								
Raising funds		192,023	-	-	192,023	342,349	-	-	342,349
Ministry		43,964	307,942	-	351,906	39,821	319,905	-	359,726
Cathedral and precincts upkeep		79,064	40,782	-	119,846	47,036	42,498	-	89,534
Education and outreach		4,958	14,196	-	19,154	9,146	15,024	-	24,170
Community, parish and congregation		36,660	-	-	36,660	35,688	-	-	35,688
Cathedral building alterations		-	-	-	-	-	-	-	-
Administrative services		21,890	165,142	-	187,032	162,660	78,414	-	241,074
Other expenditure		14,881	-	-	14,881	19,449	-	-	19,449
<b>Total Expenditure</b>		<b>393,440</b>	<b>528,062</b>	<b>-</b>	<b>921,502</b>	<b>656,149</b>	<b>455,841</b>	<b>-</b>	<b>1,111,990</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE INVESTMENT GAINS</b>		<b>(31,973)</b>	<b>382,798</b>	<b>-</b>	<b>350,825</b>	<b>(54,086)</b>	<b>(30,879)</b>	<b>-</b>	<b>(84,965)</b>
Net gains / (losses) on investments	9	-	19,356	9,881	29,237	8,252	61,474	22,641	92,367
<b>Net income / (expenditure)</b>		<b>(31,973)</b>	<b>402,154</b>	<b>9,881</b>	<b>380,062</b>	<b>(45,834)</b>	<b>30,595</b>	<b>22,641</b>	<b>7,402</b>
<b>Gross transfers between funds</b>	7	-	-	-	-	-	-	-	-
<b>Other recognised gains / (losses);</b>									
Gain/loss on revaluation of fixed assets	11	(15,901)	-	-	(15,901)	25,901	-	-	25,901
<b>Net movement in funds</b>		<b>(47,874)</b>	<b>402,154</b>	<b>9,881</b>	<b>364,161</b>	<b>(19,933)</b>	<b>30,595</b>	<b>22,641</b>	<b>33,303</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		2,194,212	601,056	143,683	2,938,951	2,214,145	570,461	121,042	2,905,648
<b>Total funds carried forward</b>		<b>2,146,338</b>	<b>1,003,210</b>	<b>153,564</b>	<b>3,303,112</b>	<b>2,194,212</b>	<b>601,056</b>	<b>143,683</b>	<b>2,938,951</b>

**THE CHAPTER OF DERBY CATHEDRAL  
CONSOLIDATED BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted £	Restricted £	Endowment £	2020 £	Unrestricted £	Restricted £	Endowment £	2019 £
<b>Fixed Assets</b>									
<b>Investment assets</b>									
Investments	9	-	596,628	153,564	750,192	83,475	493,798	143,683	720,956
		-	596,628	153,564	750,192	83,475	493,798	143,683	720,956
<b>Non investment assets</b>									
Property	11	2,025,000	-	-	2,025,000	2,040,901	-	-	2,040,901
Equipment and plant	13	4,701	-	-	4,701	64,244	-	-	64,244
		2,029,701	-	-	2,029,701	2,105,145	-	-	2,105,145
<b>Total fixed assets</b>		<b>2,029,701</b>	<b>596,628</b>	<b>153,564</b>	<b>2,779,893</b>	<b>2,188,620</b>	<b>493,798</b>	<b>143,683</b>	<b>2,826,101</b>
<b>Current assets</b>									
Stocks		4,217	-	-	4,217	7,918	-	-	7,918
Debtors	14	17,352	36,402	-	53,754	61,124	49,929	-	111,053
Short term deposits		-	-	-	-	-	-	-	-
Cash at bank and in hand		183,545	375,777	-	559,322	86,101	57,329	-	143,430
		205,114	412,179	-	617,293	155,143	107,258	-	262,401
<b>Liabilities due within one year</b>									
Creditors	15	88,477	5,597	-	94,074	149,551	-	-	149,551
		88,477	5,597	-	94,074	149,551	-	-	149,551
<b>Net current assets</b>		<b>116,637</b>	<b>406,582</b>	<b>-</b>	<b>523,219</b>	<b>5,592</b>	<b>107,258</b>	<b>-</b>	<b>112,850</b>
<b>Total assets less current liabilities</b>		<b>2,146,338</b>	<b>1,003,210</b>	<b>153,564</b>	<b>3,303,112</b>	<b>2,194,212</b>	<b>601,056</b>	<b>143,683</b>	<b>2,938,951</b>
<b>Liabilities due after one year</b>									
Loans		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
<b>Net assets</b>		<b>2,146,338</b>	<b>1,003,210</b>	<b>153,564</b>	<b>3,303,112</b>	<b>2,194,212</b>	<b>601,056</b>	<b>143,683</b>	<b>2,938,951</b>
<b>Funds</b>									
General fund	22	2,142,280	-	-	2,142,280	2,249,733	-	-	2,249,733
Revaluation Reserve		77,306	-	-	77,306	93,207	-	-	93,207
Derby Cathedral Enterprises Ltd (DCEL)		(73,248)	-	-	(73,248)	(148,728)	-	-	(148,728)
Restricted		-	1,003,210	-	1,003,210	-	601,056	-	601,056
Endowment		-	-	153,564	153,564	-	-	143,683	143,683
		2,146,338	1,003,210	153,564	3,303,112	2,194,212	601,056	143,683	2,938,951

The Cathedral Chapter approved the Annual Accounts for the year ended 31 December 2020 at its meeting held on 20 April 2021.

*Pete Robinson*

The Very Reverend Dr Peter Robinson

*Mark Titterton*

Canon Mark Titterton, Chapter Member

**THE CHAPTER OF DERBY CATHEDRAL  
CHAPTER ONLY BALANCE SHEET  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted £	Restricted £	Endowment £	2020 £	Unrestricted £	Restricted £	Endowment £	2019 £
<b>Fixed Assets</b>									
<b>Investment assets</b>									
Investments	9	-	596,628	153,564	750,192	83,475	493,798	143,683	720,956
		-	596,628	153,564	750,192	83,475	493,798	143,683	720,956
<b>Non investment assets</b>									
Property	11	2,025,000	-	-	2,025,000	2,040,901	-	-	2,040,901
Equipment and plant	13	4,701	-	-	4,701	5,689	-	-	5,689
		2,029,701	-	-	2,029,701	2,046,590	-	-	2,046,590
<b>Total fixed assets</b>		<b>2,029,701</b>	<b>596,628</b>	<b>153,564</b>	<b>2,779,893</b>	<b>2,130,065</b>	<b>493,798</b>	<b>143,683</b>	<b>2,767,546</b>
<b>Current assets</b>									
Stocks		-	-	-	-	-	-	-	-
Debtors	14	16,716	36,402	-	53,118	57,727	49,928	-	107,655
Short term deposits		-	-	-	-	-	-	-	-
Cash at bank and in hand		165,055	375,777	-	540,832	51,488	57,330	-	108,818
		181,771	412,179	-	593,950	109,215	107,258	-	216,473
<b>Liabilities due within one year</b>									
Creditors	15	84,140	5,597	-	89,737	121,775	-	-	121,775
		84,140	5,597	-	89,737	121,775	-	-	121,775
<b>Net current assets</b>		<b>97,631</b>	<b>406,582</b>	<b>-</b>	<b>504,213</b>	<b>(12,560)</b>	<b>107,258</b>	<b>-</b>	<b>94,698</b>
<b>Total assets less current liabilities</b>		<b>2,127,332</b>	<b>1,003,210</b>	<b>153,564</b>	<b>3,284,106</b>	<b>2,117,505</b>	<b>601,056</b>	<b>143,683</b>	<b>2,862,244</b>
<b>Liabilities due after one year</b>									
Loans		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
<b>Net assets</b>		<b>2,127,332</b>	<b>1,003,210</b>	<b>153,564</b>	<b>3,284,106</b>	<b>2,117,505</b>	<b>601,056</b>	<b>143,683</b>	<b>2,862,244</b>
<b>Funds</b>									
General fund	22	2,050,026	-	-	2,050,026	2,050,199	-	-	2,050,199
Revaluation Reserve		77,306	-	-	77,306	67,306	-	-	67,306
Derby Cathedral Enterprises Ltd		-	-	-	-	-	-	-	-
Restricted		-	1,003,210	-	1,003,210	-	601,056	-	601,056
Endowment		-	-	153,564	153,564	-	-	143,683	143,683
		2,127,332	1,003,210	153,564	3,284,106	2,117,505	601,056	143,683	2,862,244

The Cathedral Chapter approved the Annual Accounts for the year ended 31 December 2020 at its meeting held on 20 April 2020

*Pete Robinson*

The Very Reverend Dr Peter Robinson

*Mark Titterton*

Canon Mark Titterton, Chapter Member

**THE CHAPTER OF DERBY CATHEDRAL  
CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
<b>Cash flows from operating activities</b>								
Net cash provided by / (used in) operating activities	(6,491)	401,922	-	395,431	(8,794)	(37,174)	-	(45,968)
<b>Cash flows from investing activities</b>								
Investment income received net of costs	23,920	-	-	23,920	24,660	153	-	24,813
Transfer of investments between funds	83,474	(83,474)	-	-	-	-	-	-
Purchase of property, plant and equipment	(3,459)	-	-	(3,459)	(37,584)	-	-	(37,584)
Proceeds from sale of investments	-	-	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-	-	-
Net cash provided by / (used on) investing activities	103,935	(83,474)	-	20,461	(12,924)	153	-	(12,771)
<b>Cash flows from financing activities:</b>								
Repayments of borrowing	-	-	-	-	-	-	-	-
Cash inflows from new borrowing	-	-	-	-	-	-	-	-
Receipt of endowment	-	-	-	-	-	-	-	-
Net cash provided by / (used in) financing activities	-	-	-	-	-	-	-	-
Change in cash and cash equivalents in the reporting period	97,444	318,448	-	415,892	(21,718)	(37,021)	-	(58,739)
Cash and cash equivalents at the beginning of the reporting period (restated)	86,101	57,329	-	143,430	107,819	94,350	-	202,169
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	<b>183,545</b>	<b>375,777</b>	<b>-</b>	<b>559,322</b>	<b>86,101</b>	<b>57,329</b>	<b>-</b>	<b>143,430</b>
<b>Reconciliation of net income / (expenditure) to net cash</b>								
Net incoming / (outgoing) resources before investment gains (as per the SOFA)	(31,973)	382,798	-	350,825	(54,086)	(30,879)	-	(84,965)
Adjustments for :								
Depreciation charges	63,003	-	-	63,003	12,567	-	-	12,567
Transfers between funds	-	-	-	-	-	-	-	-
Income added to Endowment capital	-	-	-	-	-	-	-	-
Income from property and investments	(23,920)	-	-	(23,920)	(24,660)	(153)	-	(24,813)
Decrease / (increase) in stocks	3,701	-	-	3,701	22,043	-	-	22,043
Decrease / (increase) in debtors	43,772	13,527	-	57,299	(27,641)	(6,142)	-	(33,783)
Increase / (decrease) in creditors	(61,074)	5,597	-	(55,477)	62,983	-	-	62,983
Net cash provided by / (used in) operating activities	(6,491)	401,922	-	395,431	(8,794)	(37,174)	-	(45,968)
<b>Analysis of cash and cash equivalents</b>								
Cash in hand	183,545	375,777	-	559,322	86,101	57,329	-	143,430
<b>Total cash and cash equivalents</b>	<b>183,545</b>	<b>375,777</b>	<b>-</b>	<b>559,322</b>	<b>86,101</b>	<b>57,329</b>	<b>-</b>	<b>143,430</b>

**THE CHAPTER OF DERBY CATHEDRAL  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**I. ACCOUNTING POLICIES**

**(a) Accounting convention**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the December 2018 guidelines on accounting and reporting by English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999, the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. There are no critical accounting estimates or assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year.

The Chapter constitutes a public benefit entity as defined by FRS 102.

**(b) Group financial statements**

The financial statements consolidate the results of the Chapter and its wholly owned subsidiary Derby Cathedral Enterprises Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Chapter has not been presented because the Chapter has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. A summary of the Chapter and subsidiary results can be found in notes 24 and 25.

**(c) Income recognition**

Income is recognised when the Chapter has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Chapter has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the Chapter is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Chapter has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Chapter, or the Chapter is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations are recognised when the Chapter has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Chapter is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Chapter; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

CJRS Income is recognised in the month it relates to.

**(d) Expenditure recognition**

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.

Overheads have not been allocated against separate activities in these financial statements as it is considered that this would be an arbitrary and time-consuming exercise. Overheads are shown within Administrative costs. Irrecoverable VAT is shown separately under Other Expenditure.

**(e) Repairs, restoration and maintenance**

Expenditure on repairs, restoration and maintenance of the Cathedral is charged as incurred.

**(f) Governance and support costs**

Governance costs are not separately identified, and Support costs are not apportioned between department as it is considered that no useful purpose would be served by this. Information technology costs are shown as a separate figure under Administrative Services and Governance costs, together with the cost of telephones, office upkeep and stationery are shown in Administration and finance costs.

**(g) Pensions**

The Church of England Church Workers Pension Scheme, which is controlled by the Church of England Pensions Board is operated to provide benefits relating to final earning and service. Contributions are charged as expenditure in the year in which they are paid. The Church of England Pensions Board is satisfied that conditions of FRS102 are met in relation to this scheme. Lay employees of the Chapter are eligible to join the Church of England Church Workers Defined Contributions Scheme. Contributions are charged as expenditure in the year in which they are paid.

**(h) Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives, less residual value, on a straight line basis as follows:

- Building Fixtures (where relevant) 2% per annum
- Office equipment 25% per annum
- Computer equipment 33% per annum
- Kitchen equipment, shop fixtures & fittings 20% per annum

Property is valued at existing use value. In line with FRS 102, properties will be revalued on the basis of a full valuation at least every five years. In years with no full valuation, the Cathedral bases any valuation on the previous year's valuation adjusted for the average property price movement during the period.

**THE CHAPTER OF DERBY CATHEDRAL  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**I. ACCOUNTING POLICIES (continued)**

**(i) Cathedral building**

No value is attributed in the balance sheet to either the Cathedral building (including fixtures therein) or to items included in the inventory which is being prepared under s13 (1) of the Care of Cathedrals Measure 1990. The Cathedral is insured at a value agreed with the Ecclesiastical Insurance Group.

**(j) 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.

**(k) Financial instruments**

The Chapter 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.

**(l) Stock**

Stock is included at the lower of cost or net realisable value.

**(m) Debtors**

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

**(n) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term investments with a short maturity of three months or less.

**(o) Creditors and provisions**

Creditors and provisions are recognised where the Chapter 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.

**(p) Fund accounting**

Unrestricted funds are funds which are available for use at the discretion of Chapter in furtherance of the general objectives of the Cathedral and which have not been designated for other purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Cathedral for particular purposes. The cost of raising and administering such funds are charges against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements. Endowment funds represent those assets which must be held permanently by the Cathedral, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the Cathedral and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

**(q) Going concern**

For the year ended 31 December 2020 the Cathedral made an operating loss of £31,973 on unrestricted funds. At the year end the entity had net current assets and free reserves of £116,637.

Chapter have considered the ongoing impact of COVID-19 on the entity's income and operating cost base. They recognise that whilst the government has set out its roadmap to recovery, it is still not considered practical to accurately assess the duration and extent of the disruption.

Chapter have prepared forecasts of income and expenditure for the period to 31 December 2022 that show deficit budgets. Due to the level of free reserves and cash resources held they are confident that they have in place plans to deal with the deficit budgets and will continue to monitor actual results against forecast and take appropriate action to implement cost savings if necessary.

Chapter therefore continue to adopt the going concern basis of preparation for these financial statements.

**(r) Judgements and key sources of estimation uncertainty**

There are no judgements (apart from those involving estimates) that have been made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the

**THE CHAPTER OF DERBY CATHEDRAL  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. INCOMING RESOURCES**

	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
<b>Donations and legacies</b>								
Congregational collections and giving	85,718	-	-	85,718	151,540	-	-	151,540
Donations	16,219	-	-	16,219	6,499	-	-	6,499
Income from appeals	-	19,325	-	19,325	-	28,845	-	28,845
Income from fund raising	600	-	-	600	30,743	-	-	30,743
Tax recoverable under Gift Aid	18,661	-	-	18,661	22,877	-	-	22,877
Income from Friends and local trusts	-	117	-	117	-	-	-	-
Legacies	-	326,021	-	326,021	-	1,000	-	1,000
	121,198	345,463	-	466,661	211,659	29,845	-	241,504
<b>Grants in support of mission</b>								
Church Commissioners	-	372,816	-	372,816	-	331,307	-	331,307
English Heritage	-	-	-	-	-	-	-	-
Derby Diocese	18,275	-	-	18,275	17,844	-	-	17,844
Allchurches Trust	-	25,000	-	25,000	-	25,000	-	25,000
Other revenue and capital grants	-	167,581	-	167,581	-	38,657	-	38,657
	18,275	565,397	-	583,672	17,844	394,964	-	412,808
<b>Charges and fees arising in the course of mission</b>								
Facility and other fees	579	-	-	579	24,881	-	-	24,881
Gross income of choir school	-	-	-	-	-	-	-	-
	579	-	-	579	24,881	-	-	24,881
<b>Trading and fundraising</b>								
Charges to visitors	4,489	-	-	4,489	26,011	-	-	26,011
Gross income from shops	27,305	-	-	27,305	200,692	-	-	200,692
Gross income from other activities	48,316	-	-	48,316	96,316	-	-	96,316
Other Income	52,828	-	-	52,828	-	-	-	-
	132,938	-	-	132,938	323,019	-	-	323,019
<b>Investments</b>								
Property	-	-	-	-	-	-	-	-
Investments	23,920	-	-	23,920	24,660	153	-	24,813
	23,920	-	-	23,920	24,660	153	-	24,813
<b>Other income</b>								
Interest receivable on short term deposits	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	-
Gains on disposal of operating assets	-	-	-	-	-	-	-	-
Other items	64,557	-	-	64,557	-	-	-	-
	64,557	-	-	64,557	-	-	-	-
<b>Total incoming resources</b>	<b>361,467</b>	<b>910,860</b>	<b>-</b>	<b>1,272,327</b>	<b>602,063</b>	<b>424,962</b>	<b>-</b>	<b>1,027,025</b>

**THE CHAPTER OF DERBY CATHEDRAL  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. EXPENDITURE**

	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
<b>Raising funds</b>								
Costs of services directly recoverable	4,119	-	-	4,119	10,504	-	-	10,504
Gross costs of shops	153,381	-	-	153,381	257,715	-	-	257,715
General marketing costs	4,379	-	-	4,379	8,257	-	-	8,257
Costs of appeals	-	-	-	-	-	-	-	-
Costs of fund raising	-	-	-	-	6,147	-	-	6,147
Cost of other income generating activities	30,144	-	-	30,144	59,726	-	-	59,726
Investment management costs	-	-	-	-	-	-	-	-
	<u>192,023</u>	<u>-</u>	<u>-</u>	<u>192,023</u>	<u>342,349</u>	<u>-</u>	<u>-</u>	<u>342,349</u>
	£	£	£	£	£	£	£	£
<b>Ministry</b>								
Clergy stipends and working expenses	4,328	109,592	-	113,920	8,479	120,512	-	128,991
Clergy housing costs	12,551	3,020	-	15,571	11,266	961	-	12,227
Clergy support costs	-	-	-	-	-	-	-	-
Services, music and congregational costs	27,085	195,330	-	222,415	20,076	198,432	-	218,508
	<u>43,964</u>	<u>307,942</u>	<u>-</u>	<u>351,906</u>	<u>39,821</u>	<u>319,905</u>	<u>-</u>	<u>359,726</u>
<b>Cathedral and precincts upkeep</b>								
Major repairs and renovation	-	-	-	-	-	-	-	-
Maintenance and interior upkeep	48,513	40,782	-	89,295	25,212	33,708	-	58,920
Cathedral insurance	22,494	-	-	22,494	21,824	-	-	21,824
Precincts, security and gardens upkeep	-	-	-	-	-	-	-	-
Support costs	8,057	-	-	8,057	-	8,790	-	8,790
	<u>79,064</u>	<u>40,782</u>	<u>-</u>	<u>119,846</u>	<u>47,036</u>	<u>42,498</u>	<u>-</u>	<u>89,534</u>
<b>Education and outreach</b>								
Choir school costs	-	-	-	-	-	-	-	-
Grants and scholarships	-	-	-	-	-	-	-	-
Educational activities	350	14,076	-	14,426	1,777	15,000	-	16,777
Archives and library	-	120	-	120	-	24	-	24
Charitable and other giving	4,608	-	-	4,608	7,369	-	-	7,369
	<u>4,958</u>	<u>14,196</u>	<u>-</u>	<u>19,154</u>	<u>9,146</u>	<u>15,024</u>	<u>-</u>	<u>24,170</u>
<b>Community, parish and congregation</b>								
Contribution to Diocese	36,660	-	-	36,660	35,688	-	-	35,688
Community, parish and congregation	-	-	-	-	-	-	-	-
	<u>36,660</u>	<u>-</u>	<u>-</u>	<u>36,660</u>	<u>35,688</u>	<u>-</u>	<u>-</u>	<u>35,688</u>
<b>Cathedral building alterations</b>								
Cathedral building alterations	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Administrative services</b>								
Administration and finance	13,225	59,685	-	72,910	95,983	43,538	-	139,521
Information technology	7,009	-	-	7,009	6,514	-	-	6,514
Personnel and training	1,656	105,457	-	107,113	60,163	34,876	-	95,039
	<u>21,890</u>	<u>165,142</u>	<u>-</u>	<u>187,032</u>	<u>162,660</u>	<u>78,414</u>	<u>-</u>	<u>241,074</u>
<b>Other expenditure</b>								
Interest and similar charges payable	696	-	-	696	1,310	-	-	1,310
Other items	14,185	-	-	14,185	18,139	-	-	18,139
	<u>14,881</u>	<u>-</u>	<u>-</u>	<u>14,881</u>	<u>19,449</u>	<u>-</u>	<u>-</u>	<u>19,449</u>
<b>Total expenditure</b>	<b>393,440</b>	<b>528,062</b>	<b>-</b>	<b>921,502</b>	<b>656,149</b>	<b>455,841</b>	<b>-</b>	<b>1,111,990</b>

**THE CHAPTER OF DERBY CATHEDRAL  
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**4. NET INCOME / (EXPENDITURE) FOR THE YEAR**

	2020	2019
This is stated after charging:	£	£
Operating leases – equipment	-	-
Depreciation	63,003	12,567
Auditor's remuneration	7,725	7,500

**5. AUDITOR'S REMUNERATION**

	2020	2019
Services	£	£
Audit Services	7,725	7,500
Non audit services	-	-
	<b>7,725</b>	<b>7,500</b>

**6. EMPLOYEES**

**STAFF NUMBERS**

	2020	2019
<i>Average number of paid employees working for the Cathedral during the year;</i>		
Chapter Full time	5	5
Chapter Part time	14	21
Enterprise company full time	-	2
Enterprise company part time	6	3
	<b>25</b>	<b>31</b>

**STAFF COSTS**

	2020	2019
	£	£
Salaries, stipends and pensions	426,518	482,966
Employer national insurance	29,077	29,852
Employer pension contributions	39,165	41,339
	<b>494,760</b>	<b>554,157</b>

No employee or member of the Cathedral clergy received emoluments in excess of £60,000 (2019: nil).

The full time equivalent number of employees for the Chapter was 12 (2019: 16) and for the Enterprise company 3 (2019: 4).

**REMUNERATION OF MEMBERS OF THE CHAPTER**

<b>Clerical members</b>	Gross	App. Levy	N.I.	Pension	Total
	£	£	£	£	£
The Very Reverend Dr Peter Robinson	18,531	82	1,660	6,076	26,349
Reverend Canon Dr Elizabeth Thomson	29,041	139	2,627	9,834	41,641
Reverend Canon Richard Andrews	29,041	138	2,589	9,834	41,602

The remuneration and pension provision for the above clerical members are not a cost to the Chapter. They are paid direct by the Church Commissioners in accordance with the scales laid down annually by the Archbishops' Council, the Church of England Pensions Board and the Church Commissioners.

The aggregate amount of expenses reimbursed by the Cathedral for travel and entertainment of the clerical members of chapter amounted to £718 (2019 - £6,695)

**Lay members**

No lay members of the Chapter received remuneration or expense allowances. Canon Titterton is also Executive Chair of the Derby Diocesan Board of Finance.

No Chapter member received payment for professional or other services to the charity (2019: nil).

**Key Management**

The key management personnel of the Group, comprise the Head of Operations, the Director of Music, the Head Verger and the Business Development Officer (part year). The total employee benefits of the key management personnel of the Chapter were £135,779 (2019: £96,404 - including the Finance Manager part year).

Redundancy costs in 2020 were £17,625 (2019: £11,600)

**7. TRANSFERS**

	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
Transfers between funds	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

**8. INVESTMENT IN SUBSIDIARY**

	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
At cost 1 January	50,000	-	-	50,000	50,000	-	-	50,000
Provision made against value of investment	(50,000)	-	-	(50,000)	(50,000)	-	-	(50,000)
At cost 31 December	-	-	-	-	-	-	-	-

The subsidiary company is Derby Cathedral Enterprises Ltd a company incorporated in England & Wales and is wholly owned by the Chapter.

In light of the deficit in reserves in the subsidiary it has been considered prudent to make full provision against the value of this investment in these accounts.

**THE CHAPTER OF DERBY CATHEDRAL  
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9. INVESTMENTS Group and Chapter	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
Market value brought forward at 1 January 2020	83,474	493,798	143,683	720,955	75,223	432,324	121,042	628,589
Add: additions to investments at cost	-	-	-	-	-	-	-	-
Transfers between funds	(83,474)	83,474	-	-	-	-	-	-
Disposals at carrying value	-	-	-	-	-	-	-	-
Add net gain on revaluation	-	19,356	9,881	29,237	8,252	61,474	22,641	92,367
<b>Market value as at 31 December 2020</b>	<b>-</b>	<b>596,628</b>	<b>153,564</b>	<b>750,192</b>	<b>83,475</b>	<b>493,798</b>	<b>143,683</b>	<b>720,956</b>

Net cash released from investments in the year was £nil (2019 £nil).

The transfer between unrestricted investments and restricted investments of £83,474 was done to allow for the opposite entry to be done on cash held. This allowed £83,474 of restricted cash to be made unrestricted, and avoided the costs and time of selling investments.

<u>INVESTMENTS (at market value) – Group and Chapter</u>	2020	2019
	£	£
M&G Charifund	23,828	28,829
CBF Investment Fund	619,224	579,382
CBF Property Fund	107,140	112,745
	<b>750,192</b>	<b>720,956</b>

  

<u>Investments at fair value Comprised:</u>	2020	2019
	£	£
Equities	-	-
General investment funds	643,052	608,211
Fixed interest securities	-	-
Property fund	107,140	112,745
<b>Total</b>	<b>750,192</b>	<b>720,956</b>

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the market price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Chapter is considered in the financial review and investment policy and performance sections of the Chapter's Annual Report.

**10. INVESTMENT INCOME**

	2020	2019
	£	£
Dividends receivable	18,509	18,282
Property income distribution	5,406	6,151
Interest receivable	5	380
	<b>23,920</b>	<b>24,813</b>

**11. NON INVESTMENT PROPERTY**

Group and Chapter	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
At cost 1 January	2,040,901	-	-	2,040,901	2,015,000	-	-	2,015,000
Additions	-	-	-	-	-	-	-	-
Net increase / (decrease) on disposals and revaluation	(15,901)	-	-	(15,901)	25,901	-	-	25,901
At 31 December (valuation 2020)	<b>2,025,000</b>	<b>-</b>	<b>-</b>	<b>2,025,000</b>	<b>2,040,901</b>	<b>-</b>	<b>-</b>	<b>2,040,901</b>

Properties – Group and Chapter

The Cathedral Centre at 18 – 19 Iron Gate and the Car Park on St Michaels's Lane were valued at an effective date of 31 December 2020 by David Brown Commercial at open market value for existing use basis. Clergy properties were valued at an effective date of 31 December 2020 by Graham Webster DipSurv MRICS at open market value for existing use basis.

If the properties had been carried under the historical cost convention then the amount in the accounts would be £1,947,694.

Schedule of Properties

Clergy houses:

22 Kedleston Road, Derby, DE22 1GU  
24 Kedleston Road, Derby, DE22 1GU  
27a Penny Long Lane, Derby, DE22 1AX

Other properties:

Derby Cathedral Centre, 18/19 Iron Gate, Derby, DE1 3GP  
Derby Cathedral Car Park, St Michael's Lane, Derby, DE1 3DT

**12. ALLOCATION OF PROPERTY & INVESTMENT INCOME**

	Property		Investments	
	2020	2019	2020	2019
	£	£	£	£
<b>Earned &amp; Allocated</b>				
Unrestricted	-	-	23,920	24,660
Restricted	-	-	-	153
	<b>-</b>	<b>-</b>	<b>23,920</b>	<b>24,813</b>

**THE CHAPTER OF DERBY CATHEDRAL  
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**13. EQUIPMENT & PLANT - Group**

Unrestricted	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
Cost	234,852	-	-	<b>234,852</b>	197,268	-	-	<b>197,268</b>
Depreciation	(170,608)	-	-	<b>(170,608)</b>	(158,041)	-	-	<b>(158,041)</b>
Net book value at 1 January	64,244	-	-	<b>64,244</b>	<b>39,227</b>	-	-	<b>39,227</b>
Additions	3,460	-	-	<b>3,460</b>	37,584	-	-	<b>37,584</b>
Depreciation for year	(63,003)	-	-	<b>(63,003)</b>	(12,567)	-	-	<b>(12,567)</b>
Cost of disposals	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-
<b>Net book value at 31 December</b>	<b>4,701</b>	-	-	<b>4,701</b>	<b>64,244</b>	-	-	<b>64,244</b>
Cost	238,312	-	-	<b>238,312</b>	234,852	-	-	<b>234,852</b>
Depreciation	(233,611)	-	-	<b>(233,611)</b>	(170,608)	-	-	<b>(170,608)</b>
<b>Net book value at 31 December</b>	<b>4,701</b>	-	-	<b>4,701</b>	<b>64,244</b>	-	-	<b>64,244</b>

**EQUIPMENT & PLANT - Chapter**

Unrestricted	Unrestricted	Restricted	Endowment	2020	Unrestricted	Restricted	Endowment	2019
	£	£	£	£	£	£	£	£
Cost	45,749	-	-	<b>45,749</b>	41,738	-	-	<b>41,738</b>
Depreciation	(40,060)	-	-	<b>(40,060)</b>	(35,870)	-	-	<b>(35,870)</b>
Net book value at 1 January	5,689	-	-	<b>5,689</b>	5,868	-	-	<b>5,868</b>
Additions	3,460	-	-	<b>3,460</b>	4,011	-	-	<b>4,011</b>
Depreciation for year	(4,448)	-	-	<b>(4,448)</b>	(4,190)	-	-	<b>(4,190)</b>
Cost of disposals	-	-	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-	-	-
<b>Net book value at 31 December</b>	<b>4,701</b>	-	-	<b>4,701</b>	<b>5,689</b>	-	-	<b>5,689</b>
Cost	49,209	-	-	<b>49,209</b>	45,749	-	-	<b>45,749</b>
Depreciation	(44,508)	-	-	<b>(44,508)</b>	(40,060)	-	-	<b>(40,060)</b>
<b>Net book value at 31 December</b>	<b>4,701</b>	-	-	<b>4,701</b>	<b>5,689</b>	-	-	<b>5,689</b>

**14. DEBTORS - Group**

	2020	2019
	£	£
Trade debtors	6,104	48,337
Other debtors	42,297	57,058
Prepayments and accrued income	5,353	5,658
	<b>53,754</b>	<b>111,053</b>

**DEBTORS - Chapter**

	2020	2019
	£	£
Trade debtors	5,468	46,527
Amounts owed from group undertakings	-	-
Other debtors	42,297	55,470
Prepayments and accrued income	5,353	5,658
	<b>53,118</b>	<b>107,655</b>

**15. CREDITORS (amounts falling due within one year) - Group**

	2020	2019
	£	£
Trade creditors	8,490	51,759
Other creditors	52,171	46,663
Accruals and deferred income	33,413	51,129
	<b>94,074</b>	<b>149,551</b>

**CREDITORS (amounts falling due within one year) - Chapter**

	2020	2019
	£	£
Trade creditors	8,030	34,495
Other creditors	48,294	38,356
Accruals and deferred income	33,413	48,924
Amounts owed to group undertakings	-	-
	<b>89,737</b>	<b>121,775</b>

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**16. OPERATING LEASES – Group and Chapter**

	2020	2019
Minimum lease payments under operating leases recognised as an expense for the year	-	-
	-	-

At 31 December there were no outstanding commitments for minimum lease payments under non-cancellable operating leases.

	2020	2019
Within one year	-	-
Within two to five years	-	-
After five years	-	-
	-	-

**17. CONTINGENT LIABILITIES**

There were no known contingent liabilities at the balance sheet date (2019 – None)

**18. CAPITAL COMMITMENTS**

	2020	2019
Fire Alarm	133,212	-
	133,212	-

**19. CONNECTED ENTITIES**

Derby Cathedral Endowment Fund is a trust that stands separate to the Cathedral and which is not consolidated in these accounts. The Trust Deed requires the trustees to pay the income of the trust to the Cathedral for the maintenance and ministry of the Cathedral Church. The assets of the Fund at 31 December 2020 were £450,472 (2019 - £497,581) and the income for the year was £13,754 (2019 - £14,106). The amount paid to the Cathedral in the year was £8,000 (2019 - £20,000) and this is shown in Other Revenue and Capital Grants in note 2.

**20. CORPORATION TAXATION**

The Chapter is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**21. PENSIONS**

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

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

**Pension Builder Scheme**

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (2020: £20,362, 2019: £13,070).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

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**22. FUNDS**

**Summary of Fund Movements**

	Balance b/f 1 January 2020 (restated)	Income	Expenditure	Unrealised Gain / (loss) on Revaluation	Transfer	Balance c/f 31 December 2020
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General Fund	2,249,733	281,334	(240,059)	(148,728)	-	2,142,280
Revaluation Reserve	93,207	-	-	(15,901)	-	77,306
DCEL	(148,728)	80,133	(153,381)	148,728	-	(73,248)
	<b>2,194,212</b>	<b>361,467</b>	<b>(393,440)</b>	<b>(15,901)</b>	-	<b>2,146,338</b>
<b>Restricted Funds</b>						
Harpur Crewe Fund	-	323,021	-	-	-	323,021
Leonard Childs Fund	224,447	-	-	-	-	224,447
Cathedral Fabric Funds	135,184	28,437	(32,252)	-	-	131,369
Choir & Music	47,306	21,737	-	-	-	69,043
Church Commissioners	62,028	372,816	(361,064)	-	-	73,780
Culture Recovery Fund	-	135,400	(103,950)	-	-	31,450
Other funds	36,279	29,450	(30,797)	-	-	34,932
Accumulated Rise/Fall in Investments	95,812	-	-	19,356	-	115,168
	<b>601,056</b>	<b>910,861</b>	<b>(528,063)</b>	<b>19,356</b>	-	<b>1,003,210</b>
<b>Endowment Funds</b>						
Choir Fund	12,000	-	-	-	-	12,000
Friends of Cathedral Music	61,000	-	-	-	-	61,000
Other funds	70,683	-	-	9,881	-	80,564
	<b>143,683</b>	-	-	<b>9,881</b>	-	<b>153,564</b>
<b>Total Funds</b>	<b>2,938,951</b>	<b>1,272,328</b>	<b>(921,503)</b>	<b>13,336</b>	-	<b>3,303,112</b>

**Summary of Assets Per Fund**

	Tangible Fixed Assets	Fixed Asset Investments	Current Assets	Creditors	Net Assets 31 December 2020
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General Fund	2,029,701	-	196,719	(84,140)	2,142,280
Revaluation Reserve	-	-	77,306	-	77,306
DCEL	-	-	(68,911)	(4,337)	(73,248)
	<b>2,029,701</b>	-	<b>205,114</b>	<b>(88,477)</b>	<b>2,146,338</b>
<b>Restricted Funds</b>					
Harpur Crewe Fund	-	83,475	239,546	-	323,021
Leonard Childs Fund	-	224,447	-	-	224,447
Cathedral Fabric Funds	-	107,609	28,000	(4,240)	131,369
Choir & Music	-	46,575	22,468	-	69,043
Church Commissioners	-	-	75,137	(1,357)	73,780
Culture Recovery Fund	-	-	31,450	-	31,450
Other funds	-	19,355	15,577	-	34,932
Accumulated Rise/Fall in Investments	-	115,168	-	-	115,168
	-	<b>596,629</b>	<b>412,178</b>	<b>(5,597)</b>	<b>1,003,210</b>
<b>Endowment Funds</b>					
Choir Fund	-	12,000	-	-	12,000
Friends of Cathedral Music	-	61,000	-	-	61,000
Other funds	-	80,564	-	-	80,564
	-	<b>153,564</b>	-	-	<b>153,564</b>
<b>Total Funds</b>	<b>2,029,701</b>	<b>750,193</b>	<b>617,292</b>	<b>(94,074)</b>	<b>3,303,112</b>

**Restricted Funds**

Leonard Childs Fund  
Cathedral Fabric Fund  
Choir & Music  
Church Commissioners  
Other funds

**Purpose**

A legacy was received during 2013 from the Estate of Revd Canon Leonard Childs. This money was left for the maintenance of the Cathedral building.

The Fabric Fund exists to support major maintenance projects in the Cathedral building.

The Choir & Music Funds exist to support the provision of choir education and music within the Cathedral

The funds held against Church Commissioners relate to S21 grant received or due at the balance sheet date for use by Chapter

Various amounts have been donated to the Cathedral for restricted purposes. This includes grants from the Church Commissioners for the stipends of clergy and lay salary costs, which were expended during the year.

A legacy was received during 2020 from the Estate of Harpur Crewe. The money was left to support the fabric costs of the Cathedral building.

The Culture Recovery Fund was awarded during 2020 and is to support the core operations of the Cathedral and improvements.

Harpur Crewe

Culture Recovery Fund

**Endowment Funds**

Choir Fund  
  
Friends of Cathedral Music  
  
Other funds

**Purpose**

This fund is for the provision of singing lessons for members of the choir.

The initial £21,000 of this fund is for the provision of music lessons to the choir girls and boys. The Friends of Cathedral Music made a further endowment grant of £40,000 in 2013 for the general support of the choir.

Various smaller funds have been endowed to the Cathedral in past years for a variety of purposes.

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**22. FUNDS (Prior Year)**

**Summary of Fund Movements**

	Balance b/f 1 January 2019 (restated) £	Income £	Expenditure £	Unrealised Gain / (loss) on Revaluation £	Transfer £	Balance c/f 31 December 2019 £
<b>Unrestricted Funds</b>						
General Fund	2,238,544	401,371	(398,434)	8,252	-	2,249,733
Revaluation Reserve	67,306	-	-	25,901	-	93,207
DCEL	(91,705)	200,692	(257,715)	-	-	(148,728)
	<b>2,214,145</b>	<b>602,063</b>	<b>(656,149)</b>	<b>34,153</b>	-	<b>2,194,212</b>
<b>Restricted Funds</b>						
Leonard Childs Fund	224,447	-	-	-	-	224,447
Cathedral Fabric Funds	140,170	44,422	(49,408)	-	-	135,184
Choir & Music	46,575	6,529	(5,798)	-	-	47,306
Church Commissioners	47,150	331,307	(316,429)	-	-	62,028
Other funds	46,403	42,704	(52,828)	-	-	36,279
Accumulated Rise/Fall in Investments	65,716	-	(31,378)	61,474	-	95,812
	<b>570,461</b>	<b>424,962</b>	<b>(455,841)</b>	<b>61,474</b>	-	<b>601,056</b>
<b>Endowment Funds</b>						
Choir Fund	12,000	-	-	-	-	12,000
Friends of Cathedral Music	61,000	-	-	-	-	61,000
Other funds	48,042	-	-	22,641	-	70,683
	<b>121,042</b>	-	-	<b>22,641</b>	-	<b>143,683</b>
<b>Total Funds</b>	<b>2,905,648</b>	<b>1,027,025</b>	<b>(1,111,990)</b>	<b>118,268</b>	-	<b>2,938,951</b>

**Summary of Assets Per Fund**

	Tangible Fixed Assets £	Fixed Asset Investments £	Current Assets £	Creditors £	Net Assets 31 December 2019 £
<b>Unrestricted Funds</b>					
General Fund	2,046,590	83,475	241,443	(121,775)	2,249,733
Revaluation Reserve	-	-	93,207	-	93,207
DCEL	58,555	-	(179,507)	(27,776)	(148,728)
	<b>2,105,145</b>	<b>83,475</b>	<b>155,143</b>	<b>(149,551)</b>	<b>2,194,212</b>
<b>Restricted Funds</b>					
Leonard Childs Fund	-	224,447	-	-	224,447
Cathedral Fabric Funds	-	115,184	20,000	-	135,184
Choir & Music	-	46,575	731	-	47,306
Church Commissioners	-	-	62,028	-	62,028
Other funds	-	11,780	24,499	-	36,279
Accumulated Rise/Fall in Investments	-	95,812	-	-	95,812
	-	<b>493,798</b>	<b>107,258</b>	-	<b>601,056</b>
<b>Endowment Funds</b>					
Choir Fund	-	12,000	-	-	12,000
Friends of Cathedral Music	-	61,000	-	-	61,000
Other funds	-	70,683	-	-	70,683
	-	<b>143,683</b>	-	-	<b>143,683</b>
<b>Total Funds</b>	<b>2,105,145</b>	<b>720,956</b>	<b>262,401</b>	<b>(149,551)</b>	<b>2,938,951</b>

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**23. FIVE YEAR SUMMARY**

Key figures for the last five years are as follows:

Year Ending 31 December	2020	2019	(restated) 2018	(restated) 2017	2016
	£	£	£	£	£
<u>Total Incoming Resources</u>					
Unrestricted	361,467	602,063	647,489	672,742	693,634
Restricted	910,860	424,962	464,306	1,169,833	407,248
Endowment	-	-	-	-	-
<u>Net Incoming / (Outgoing) Resources</u>					
Unrestricted	(31,973)	(54,086)	(4,687)	1,887	8,366
Restricted	382,798	(30,879)	925	108,859	12,338
Endowment	-	-	-	-	-
<b>At 31 December</b>	<b>2020</b>	<b>2019</b>	<b>(restated) 2018</b>	<b>(restated) 2017</b>	<b>2016</b>
	£	£	£	£	£
<u>Net Current Assets</u>					
Unrestricted	116,637	5,592	84,695	119,589	109,877
Restricted	406,582	107,258	138,137	224,129	115,270
Endowment	-	-	-	-	40,000
<u>Total Funds</u>					
Unrestricted	2,146,338	2,194,212	2,214,145	2,123,060	2,116,692
Restricted	1,003,210	601,056	570,461	568,228	437,479
Endowment	153,564	143,683	121,042	121,234	114,779

**24. FINANCIAL PERFORMANCE OF THE CHAPTER**

The consolidated statement of financial activities includes the results of the Chapter's wholly owned subsidiary, which operates a bookshop and café.

The summary financial performance of the Chapter alone is:

<u>Statement of Financial Activities</u>	2020	2019
	£	£
Income	1,192,194	826,333
Gift aid from subsidiary company	-	-
Expenditure on charitable activities	(768,121)	(854,275)
<b>Net income / (expenditure) before Investment Gains/(Losses)</b>	<b>424,073</b>	<b>(27,942)</b>
Gain / (Losses) on investments in year	29,237	92,367
Gain / (Losses) on revaluation of fixed assets	(15,901)	25,901
Provision against balance owed by subsidiary	(42,255)	(185,545)
<b>Net income / (expenditure)</b>	<b>395,154</b>	<b>(95,219)</b>

**FUNDS**

Unrestricted income funds (adjusted)	2,127,332	2,117,505
Restricted income funds	1,003,210	601,056
Endowment income funds	153,564	143,683
	<b>3,284,106</b>	<b>2,862,244</b>

**25. INCOME EARNED FROM OTHER ACTIVITIES**

The wholly owned trading subsidiary Derby Cathedral Enterprises Limited is incorporated in the United Kingdom (company number 1860220) and pays any profits to the Chapter under the gift aid scheme. A summary of the trading results is shown below.

<u>The summary financial performance of the subsidiary alone is:</u>	2020	2019
	£	£
Turnover	80,133	200,692
Cost of sales and administration costs	(153,381)	(257,715)
Interest receivable	-	-
<b>Net (loss) / profit</b>	<b>(73,248)</b>	<b>(57,023)</b>
Amount gift aided to the charity	-	-
<b>Retained in subsidiary</b>	<b>(73,248)</b>	<b>(57,023)</b>

The assets and liabilities of the subsidiary were:

Fixed assets	-	58,557
Current assets	23,343	45,927
Current liabilities	(46,591)	(203,212)
<b>Total net assets / (liabilities)</b>	<b>(23,248)</b>	<b>(98,728)</b>
<b>Aggregate share capital and reserves</b>	<b>(23,248)</b>	<b>(98,728)</b>

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**26. PRIOR YEAR ADJUSTMENT**

The following adjustments have been made to the prior year comparative figures:

- an adjustment between the General fund and Revaluation Reserve.

The revaluation figure had been accounted for within the General fund in 2019 rather than the revaluation reserve. In 2020 this was adjusted for.

The above adjustment had an effect on overall net movement in funds and fund balances. A reconciliation between previously reported results and restated results is shown below.

	General Fund	Revaluation Reserve
	<b>2019</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Total funds as at 31 December 2019 as previously reported		
Add: Revaluation reserve adjustment	2,275,634	67,306
Less: Adjustment to General fund	-	25,901
<b>Total funds as at 31 December 2019 as revised</b>	<u>(25,901)</u>	<u>-</u>
	<b><u>2,249,733</u></b>	<b><u>93,207</u></b>