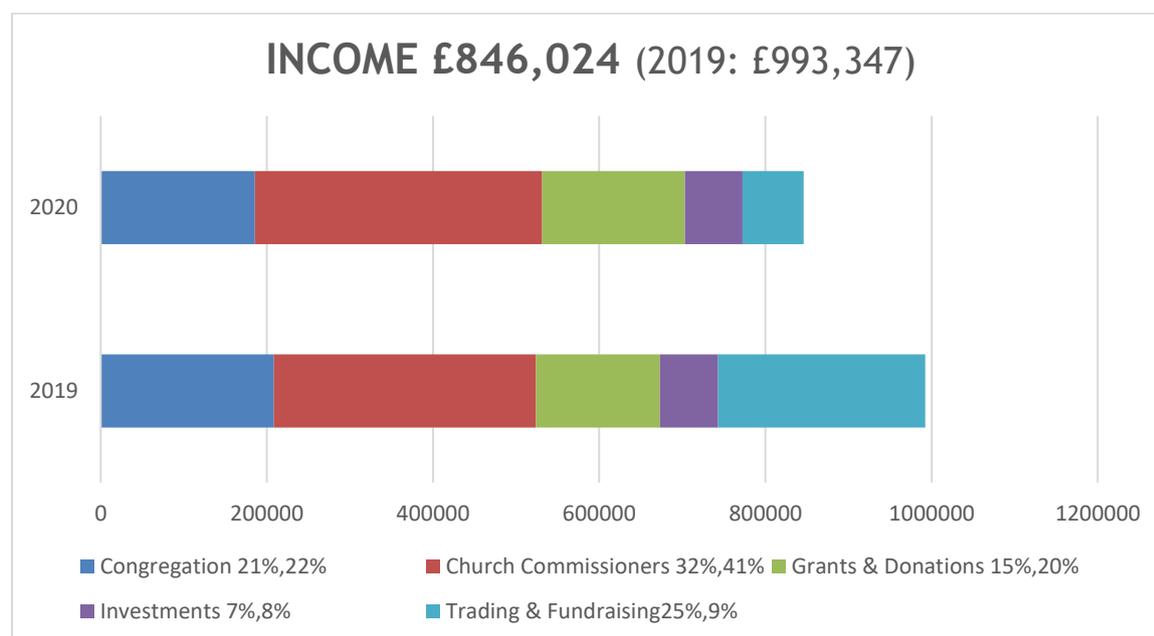


# CATHEDRAL TREASURER'S REPORT

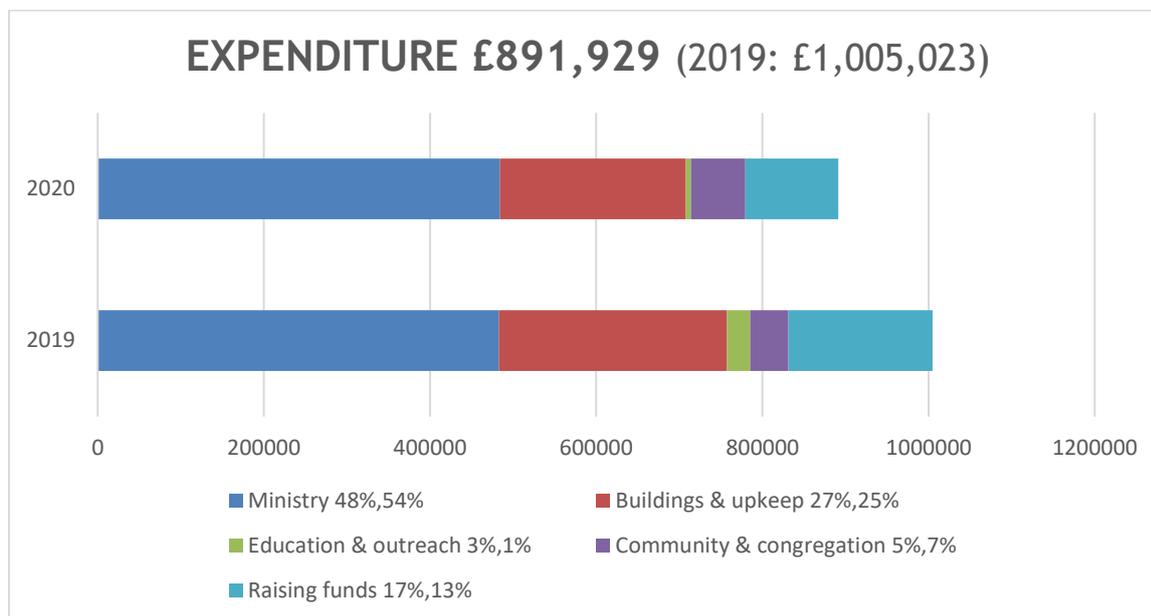
## FINANCIAL YEAR 2020

This is my 25<sup>th</sup> annual report on the Cathedral's finances. 2020 proved to be very different to any of the others. Over the last quarter century, the Cathedral has become a very much busier place: a more diverse range of activities, occupying more of the diary; and more reliance on income generation. Suddenly, all that stopped when the pandemic struck, and the first lockdown began. We had to adapt very quickly to furlough or working from home. There were new grants to apply for and surveys to complete. There was loss of income, expenditure savings, and extra expenditure. The charts below show the stark effect of the pandemic on the Cathedral's finances.



The chart above shows very clearly how our income shrank during 2020:

- Regular giving by the congregation through the bank remained about the same but collections at services ceased after the middle of March. We introduced online giving through the website and made contactless donations possible in the Cathedral. These measures helped to mitigate the loss of collections.
- The Church Commissioners increased their grants to all cathedrals. Our salary grant (which pays about 50% of lay salaries) had been increased with inflation. Exceptionally, the Commissioners also paid the salary cost of the back row of all cathedral choirs for the autumn term.
- Our financial position was greatly improved by the Government's Coronavirus Job Retention Scheme grant. Two thirds of our staff were furloughed during the first lockdown and some are still on flexible furlough. They continued to receive their usual salary, but we claimed amounts up to 80% of their salary before the pandemic for the hours which they did not work. We have also received grants from Chelmsford City Council because the Chapter House had to close.
- Despite the dramatic drop in stock market values at the end of March, most of our investments ended the year with higher values than at the end of 2019. The income from our investments was slightly up on 2019.
- Clearly, trading and fundraising were worst affected by the pandemic. Events in the Cathedral and letting of the Chapter House ended abruptly in March. The Bookstall just broke even, and Social Committee activities and Lunchtime Concerts could not take place.



#### Expenditure also shrank:

- Stipends and salaries account for most of the cost of ministry. There were some savings in service costs (music, wine, wafers, and orders of service) but these are relatively small.
- Repairs to the nave floor were made whilst there was little footfall. Work to install the Mansafe system on the roof continued. However, other planned projects on the Cathedral and houses were put on hold to conserve reserves.
- The loss of income from trading was offset to some extent by the savings in providing for lettings and fundraising costs.
- There were extra costs relating to Covid. We had to purchase sanitising stations and PPE. The IT costs of working from home are continuing.
- When it became clear that services would not return to normal for some time and that streaming would be a long term proposition, a restricted fund was used to purchase specialist equipment. A grant of £3,300 from Allchurches Trust helped towards the cost.

#### DEFICIT

The unrestricted funds had a deficit of £72,600. Some of this was planned expenditure on capital projects begun before the pandemic which was met from income in previous years. However, normal running costs exceeded income by £26,500. This has been met from funds arising from previous legacies which had been earmarked for capital projects. Therefore, some planned projects have now been delayed.

Unusually, the Choral Fund made a surplus of £33,000. Most of its income comes from investments, which held up. In the summer term, the back row was furloughed, and no bursaries were paid to choristers. Because of the threat of redundancy hanging over some Cathedral choirs, which would have affected choral music for years to come, specific support for choirs reduced our outgoings in the autumn term.

#### OUTLOOK

The prospect for 2021 is still poor and a further deficit is expected. The extension of the furlough scheme is welcome, but it is only making a small contribution since all staff are now working full time or close to their normal hours. We have benefitted from continuing grants from the City Council because of the closure of the Chapter House. The greatest unknown is if and when letting business will pick up. It remains to be seen what the demand for events in the Cathedral will be.

*The full Annual Report and Accounts for the year ending 31 December 2020 are available to download from the website (but note that it is 40 pages long before you press print).*