



ANNUAL REPORT AND
CONSOLIDATED FINANCIAL
STATEMENTS

For the year ended 31 December 2021

Blackburn Cathedral Chapter

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Legal and Administrative Information

Full Name: The Cathedral Church of Saint Mary the Virgin, Blackburn

Address: Cathedral Office
Cathedral Close
Blackburn
BB1 5AA

The Chapter: Dean of Blackburn, The Very Revd P Howell-Jones
Vice Dean, Canon Dr R Pailing
Canon A D Hindley (Retired April 2021)
Canon G O'Neill
Bishop Philip North
Lady Alton
Canon A S Horsfall
Mr P Mason
Mrs M McClintock
Mr K Roberts
Canon A S Sage

Chapter Clerk Mr Stuart Jones (Resigned April 2022)
Mr C N Jones (Appointed April 2022)

Chief Financial & Operating Officer: Mr C N Jones (Appointed January 2021)

Director of Music: Mr J Robinson

Minutes Secretary: Mrs P Rowe

Finance Manager: Mr G Bullock (Resigned January 2021)

Finance Committee: Mr J Wood (Chair)
The Very Revd P Howell-Jones
Mr D Kay
Mrs M Wood
Mr S Adams
Mr K Roberts

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Fabric Advisory
Committee:

Mr R Prest (Chair)
Canon P Cavanagh
Canon R McCullough
Prof A Ballantyne
Mr A Croston
Mr M Millward (Resigned April 2022)
Mr M Berry (Clerk) (Retired March 2021)

Cathedral Architect:

Mr J Sanderson
Sanderson Borland
5 Grindlay Street
Edinburgh
EH3 9AT

Cathedral Archaeologist:

Mr G Keevill

Bankers:

National Westminster Bank plc
PO Box No. 33
35 King William Street
Blackburn
BB1 7DL

Auditors:

Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London
EC4R 1AG

Investment Manager:

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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Chapter Report

STRUCTURE, GOVERNANCE AND MANAGEMENT

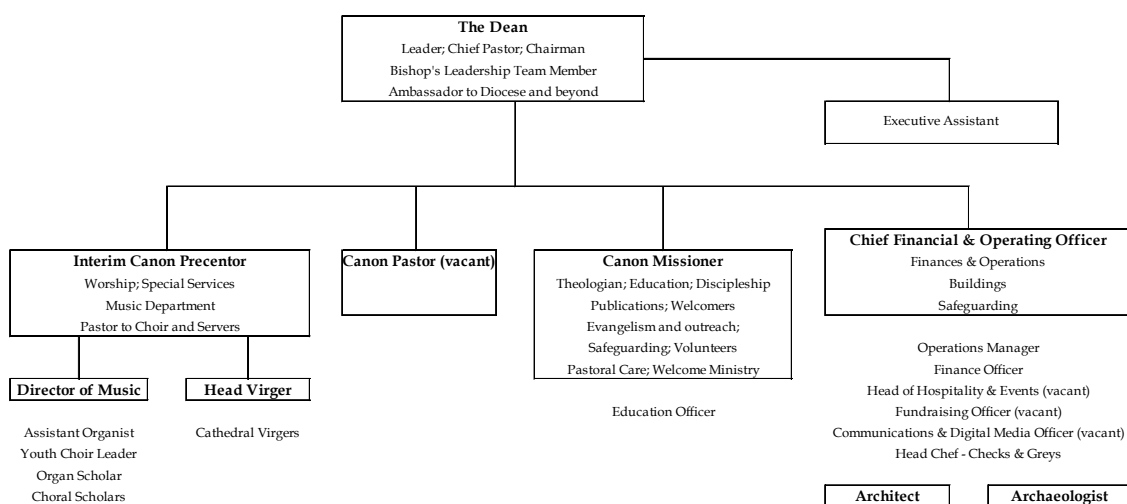
Governing Statute

The Constitution and Statutes of the Cathedral Church of St Mary the Virgin, Blackburn, which came into effect on 20 May 2018.

The Cathedral's Role within the Diocese

The Cathedral is the Seat of the Bishop, supporting him in his mission and ministry in the Diocese and beyond, and offering welcome and hospitality at diocesan services and other events to all the parishes of the Diocese.

The Cathedral's Organisational Structure



The Chapter

The management of the Cathedral is executed by the Cathedral Chapter. The Chapter is responsible for the oversight and administration of Cathedral affairs, specifically the ordering of worship and the promotion of the Cathedral's mission; the management, repair and maintenance of its properties; the preparation of an annual budget, an annual report and audited accounts; keeping under review the Constitution and Statutes of the Cathedral; and keeping the Cathedral Council informed of planned developments. The Bishop as Visitor is kept informed of developments by the Chapter.

Details of the members of Chapter, the Executives and the Minute Secretary that served during the year and subsequent to the year-end are noted as part of the legal and administrative information.

The Council

The Cathedral Council's function is to further and support the work of the Cathedral, to review and advise on the work of the Chapter, especially in terms of its direction and mission, the annual report and any other such matters which the Chapter wishes to submit to the Council.

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Chapter Report (cont'd)

The members of the Council, and the bodies they represent are:

Canon A Pratt	Chair
The Lord Bishop of Blackburn	
The Dean of Blackburn	
Mrs J Eatwell	Cathedral Lay Employee
Canon F Green	College of Canons
Mr E Haythornwhite	Cathedral Congregation
Mrs L Hicks	Cathedral Congregation
Canon A Holliday	College of Canons
Councillor S Liddle	Blackburn with Darwen Borough Council
Professor I Marshall	Churches Together in Lancashire
Mrs M McClintock	Cathedral Chapter
Canon Dr R Pailing	Cathedral Chapter
Mr D Peat CBE	Bishop's Appointee
Mr R Prest	Fabric Advisory Committee
Councillor J Rear	Lancashire County Council
Mr A Reid MBE	Bishop's Appointee
Mr B Rowe	Bishop's Appointee
Mr R Smith	Cathedral Congregation (Resigned September 2020)
Canon J Venn	Bishop's Appointee
Mrs K Brooke	Honorary Minutes Secretary

The College of Canons

The College of Canons consists of:

- The Dean
- The Bishops Suffragan
- The Archdeacons
- The Residentiary Canons
- The Honorary Lay and Ecumenical Canons

Blackburn Cathedral Developments

This company has been established to handle the acquisition and development of property on behalf of the Chapter. Its sole member is the Cathedral.

Blackburn Cathedral Enterprises Limited

This company has been established to handle the trading and commercial activities on behalf of Chapter and is 100% owned by the Cathedral.

Blackburn Cathedral Trust (the 'Appeal')

This company was incorporated on 15 October 2009, is limited by guarantee and is a registered charity. The company has been established to administer and run the general appeal on behalf of the Cathedral. The company operates under a separate trust but is wholly for the benefit of the Cathedral.

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Chapter Report (cont'd)

Relationship with other organisations

The Cathedral works closely with:

The Church Commissioners

The Association of English Cathedrals

The Bishop and Diocesan officials

Blackburn with Darwen Borough Council

Lancashire County Council

The Homes and Community Authority

Representatives of other Christian denominations and Faith groups

Induction and Training of New Members of Chapter

New members meet with the Dean for a general briefing about the role of the Chapter and the key issues that it is currently, and in the future, to deal with. Training is offered by The Association of English Cathedrals (AEC).

Changes in Appointments

The following changes in appointments occurred during the year and subsequent to the year-end:

Mr C N Jones Chief Financial & Operating Officer – appointed January 2021

Mr G Bullock Finance Manager – resigned January 2021

Mrs G Fourie Music Administrator – redundancy January 2021

Mr M Baldwin Choral Scholar – end of contract July 2021

Mr M Hillesdon Choral Scholar – end of contract July 2021

Mr S Turnbull Assistant Organist – end of contract August 2021

Ms R Fielding Part-time Virger – resigned September 2021

Mr J Addy Virger – appointed November 2021

Investment Powers

Under the Cathedrals Measure 1999, the Chapter may invest the Cathedral's funds in any of the following:

- Land;
- Funds administered for the Central Board of Finance of the Church of England by CCLA Investment Management Limited;
- Investments in which the trustees may invest under the general power of Investment in the Trustee Act 2000;
- The improvement or development of property belonging to the Cathedral, except that endowment funds may not be used to improve or develop the Cathedral itself and its ancillary buildings.

Risk Management

Risk assessments are the responsibility of the Chapter and are built into its annual schedule of business. The Finance Committee will implement a risk register and policy in the coming year.

Volunteers

The lifeblood of any cathedral is the dedicated service of the many volunteers across many areas of cathedral life. Here at Blackburn Cathedral we are blessed with an amazing group of friends and other members of our Welcoming Team gathered from across the Diocese who tirelessly staff the Welcome Desk and the Shop. We are very grateful also to our Cathedral Wardens, servers, stewards, singers, flower arrangers, bell ringers, Sunday School assistants and Pastoral Care Team who visit the sick and housebound.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Chapter Report (cont'd)

OUR VISION

During 2019 we launched our Cathedral Strategic Plan, celebrating almost 1500 years of Christian worship on this site. It's a story of faith lived out in the lives of Lancashire people who have chosen to put Jesus at the heart of their community.

Our purpose is clear: in telling the story of Jesus Christ, we seek to help people encounter God through worship and service to the community.

Our key areas of focus reflect our commitment to the Diocesan 2026 Vision of making disciples, being witnesses and growing leaders.

Being Witnesses of Jesus Christ

- Mission and Engagement
- Welcome and Hospitality
- Buildings and Heritage

Making Disciples of Jesus Christ

- Worship and Prayer
- Finance and Stewardship

Growing Leaders for Jesus Christ

- Our Bishop and Diocese
- Growth in Faith

We continue to work at both being a healthy congregation and at being a resource for other churches.

The work with children and young people remains a high priority within the Cathedral's mission through its choirs; the music outreach programme; curriculum-related school visits; a growing Sunday School and preparation for Confirmation and Holy Communion. We continue to see growth in the number of school visits to the Cathedral and a closer working relationship with the Diocesan Board of Education.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Governance

The Chapter warmly welcomed Mr Colin Jones as the Chief Financial & Operating Officer when he took up his post at the beginning of January. The Chapter membership remained constant throughout the year, and monthly meetings took place except for July, with in person meetings becoming possible from September. Ms Carol Fletcher of the Church Commissioners was in attendance. The Finance and Risk Assurance Committee met regularly and its minutes underpinned the regular financial management reports prepared for the Chapter. The Council met on 1 July and 15 November to receive and discuss reports on the work and mission of the Cathedral. Chapter members have been deeply grateful to The Dean for his strong and decisive leadership of its affairs during a challenging year.

The Cathedrals Measure 2021 received Royal Assent on 29 April, and the process of cathedrals' registration with the Charity Commission has begun. The timing of Blackburn's transfer is not yet known but may be during 2023. Meanwhile, the Chapter at each of its meetings has been considering the principles of governance, as well as updating its policies and procedures, prior to a further revision of its Constitution and Statutes.

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Chapter Report (cont'd)

Chapter members took part in an away-day of bright sunshine at Whalley Abbey on 7 July. The principal purpose was to prepare for the peer review of the Cathedral under the auspices of the Association of English Cathedrals that took place in September. The visit and preparation for the review was helpful in causing the Chapter to think afresh about the Cathedral's governance and finance. The subsequent report was positive, particularly in the well-earned endorsement of the resilience, courage and dedication of the Cathedral's staff team.

The Safeguarding Management Group met regularly and used the Social Care Institute for Excellence ('SCIE') audit report as its framework for embedding best practice. The role of the Cathedral Safeguarding Officer, Ms Jenny Price, has evolved, with a particular emphasis on quality assurance and its strategic development. Casework was managed locally by the safeguarding coordinators and the Revd Canon Dr Rowena Pailing. Policy documents have been updated, including role descriptions for volunteers. A training matrix was developed and it is a pleasure to report that on-line training at several levels has been almost wholly completed in the year, with more to follow in 2022. The Cathedral was also elected to be part of the National Pathfinder Pilot that is to review the structure of safeguarding in the Church of England, especially its effectiveness and accountability.

A special meeting of the Chapter took place early in January 2021, to consider the position of the Canon Sacrist, Revd Andrew Hindley, under the Church Dignitaries (Retirement) Measure 1949, and led to a recommendation to the Bishop of Blackburn that Revd Hindley be retired on the grounds that he was unable, through disability arising from ill health, to discharge adequately the duties attaching to his office. The Bishop accepted the recommendation and declared the office of Canon Sacrist vacant on 30 April. Discussions took place thereafter about detailed terms of an agreement between Revd Hindley and the Bishop of Blackburn, with the Chapter as an interested party, and were continuing at the end of the year.

Worship and Mission

The Cathedral worked to Government guidelines and moved gradually towards services open to physically present congregations as the Covid pandemic eased. In addition to marking the great festivals of the Liturgical Year, a special Evensong took place on 18 April to mark the death and to give thanks for the life of HRH Prince Philip, Duke of Edinburgh, at which the Lord Lieutenant reminisced about visits by the prince. Another special occasion was the collation and installation of honorary canons at Choral Evensong on 9 September, including the Cathedral's second honorary Canon Theologian, the Revd Dr Anderson Jeremiah.

The Revd Canon Gary O'Neill as Interim Precentor undertook a review of liturgical practice as part of a larger re-evaluation of the Cathedral's worship. This is a process that will progress incrementally and in small steps, while seeking to further the Cathedral's commitment to equality, diversity, and inclusion in its worshipping life. The liturgical arrangements for the Chancel were provisionally re-ordered, including for lighting and sound equipment (see below), and discussions will continue.

Mr John Robinson, Director of Music, was fully involved in the discussions with liturgical change. He welcomed the increased visibility of both boy and girl choristers, as well as the strengthening of the back row, including female altos for the first time in the Cathedral's history. Much thought has been given to enabling the boy and girl choristers to take an equal share in the choir, and there is clear evidence that the new arrangements are working well for all concerned, underpinned by pastoral support. A new Cathedral voluntary choir, St Paul's Voices, sing on the first Sunday of choir holidays: some very experienced members take part, including three men who between them have been singing for the Cathedral for over 160 years. The Cathedral Youth Choir goes from strength to strength under the leadership of Ms Helen Davies, including out and about in the Diocese.

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Chapter Report (cont'd)

With Bishop Philip North and Mr John Robinson, Ms Davies has also taken a leading role on the design of graded chorister awards that combine a sound musical education with Christian teaching and understanding. Additionally, the Director of Music reports that the Cathedral Organ is in excellent shape and has benefited from a return to J W Walker, the original builders of the instrument, for its maintenance.

The Chapter in October received and discussed an overview of the Cathedral's mission presented by the Canon Missioner. She also led the planning for the highly successful installation of the Knife Angel outside the east end of the Cathedral from 4 to 30 November. Months of developing and drawing on multi-agency partnerships – statutory, educational and charitable – across Lancashire resulted in a level of engagement from the public that exceeded expectations. There were more than 700 entries in a photographic competition, all the workshops were booked out as soon as advertised, and extensive media coverage resulted. Over one hundred knives were surrendered into a secure box near the installation, and the legacy work from the project continues.

The Cathedral continues to offer and develop opportunities for those who worship at the Cathedral to deepen their Christian faith. Three already established house groups continued throughout the year, to which were added two standalone study courses in the Autumn. The Lent programme took place online, with about fifty weekly participants. Confirmations were delayed because of the pandemic, but took place at Michaelmas, when the Cathedral's young and adult candidates were joined by others from St Jude's in Blackburn.

The continuation of lockdown and restricted movement during most of the year, and the increased risk of social isolation, meant that the work of the Pastoral Care Team was particularly significant in enabling those unable to attend the Cathedral to feel part of a community. This activity continues for the housebound, while at the same time work is underway to allow individual members of the congregations to flourish within the different Sunday and midweek worshipping communities, and to create spaces and relationships where pastoral care can be offered more effectively. Welcome and Christmas cards, and an Advent sermon series on the theme of welcome were part of a developing programme.

The Sunday School has been particularly affected by the pandemic, partly because of the national guidance but also because of the high incidence of Covid infection amongst young people, leading to the cancellation of some planned sessions. However, the Sunday School team, directed by Ruth Watton, has been keeping in touch with the young people and their families, and the intention is to resume gatherings early in 2022.

Education is a key element of the Cathedral's mission. While the constraints of the pandemic and a two-day a week appointment limited what could be provided during the year, the evaluations received from participating organisations from across the Diocese were highly positive. Offerings included an on-line resource pack, a trail round the Cathedral's main features, Cathedral Mosque days, and Knife Angel workshops. The concluding months of the year were particularly busy, with nineteen visits between October and December that represented 86% of the total for the year.

Ringling of the bells was inevitably severely affected by the pandemic. A suspension from September 2020 was not fully lifted until May 2021, although two tollings on 10 and 17 April took place to mark the death and funeral of HRH Prince Philip, the Duke of Edinburgh. Ringings thereafter included one for the 200th anniversary of the first Ellacombe chiming apparatus, two each for ordinations and weddings, and a special one on 7 July for cyclists, including The Dean, who took part in the inaugural Cathedrals Cycle Route Challenge as they left Blackburn en route to Carlisle.

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Chapter Report (cont'd)

Flowers were brought into the Cathedral for its beautification every week except for Lent and Advent, by a team well versed in their arrangement. Contributions to their cost are always welcomed, and the Friends of Blackburn Cathedral help in this way. This support is one of many ways in which the Friends help the worship and mission of the Cathedral, with the gift of eighteen pew Bibles being another donation during the year. A further important project was the installation of high-resolution cameras and sound equipment for the live streaming and recording of services and other events in the Cathedral. In consultation with Canon O'Neill as project manager, two contributions totalling £25,000 from the Friends of Blackburn Cathedral were agreed, and just ten days before Christmas five cameras were out into position. The location of the equipment is temporary at present, so that decisions that might impinge on the fabric can be taken in the light of experience of use.

Sustainability

The Cathedral has faced some difficult financial issues in recent years, and the arrival of Mr Colin Jones as Chief Financial & Operating Officer ('CFOO') allowed for a thorough examination of income and expenditure, as well as of the underlying financial position of the Cathedral. The priorities are to reduce and remove historical indebtedness, and to generate revenue streams that are sustainable for the future. The Church Commissioners have been strongly supportive of the Cathedral in their funding of four posts for three years each, including that of Mr Jones, and the Chapter is committed to filling the other three as quickly as possible. The purposes of all three relate to income generation and sustainability, and so are strategic appointments for the Cathedral.

Steps to bring about income generation from increased deployment of the Cathedral's own premises is important for the Cathedral. The NHS Covid vaccination service functioned in the Crypt from late January onwards and has been an important source of income. The intention is to ring fence it as a reserve fund against future commitments, to the extent possible. Some residential spaces were let out to local hospital doctors, thanks to the work of Revd Canon Andrew Horsfall and Mrs Pauline Rowe. Discussions also took place during the year about the use of Church House, resulting in a proposal to let out space to a charitable organization. The details of a long-term lease were continuing at the close of the year.

Blackburn Cathedral Developments ('BCD'), under the chairmanship of Mr Keith Roberts, made good progress on outstanding matters relating to Cathedral Court. Extensive work took place by John Turner Constructions Limited, in conjunction with Purcell (Architects) to correct the installation of the damp course at eaves level, at no cost to BCD. Some outstanding snagging issues remain for final resolution, as well as additional ones that have come to light. A conclusion was also reached with Civic Engineering on the long-standing claim against them. After the legal processes reported for 2020, a meeting took place in April 2021 where an initial failure to agree a suitable figure was followed by an acceptable offer a few days later. On the advice of our legal advisers, this was accepted. The settlement makes a reasonable contribution to the project delays and potential future costs, and covers the professional expenses already incurred.

Last year's report from BCD paid tribute to the contributions made by Mr Kevin Smith to the satisfactory outcomes indicated above. It was with much sadness that notification of his death was received in January 2022 after a brief period of illness.

The work on high level repairs to parts of the fabric, funded by the Cultural Recovery Fund and supplemented by the Friends of Blackburn Cathedral, was completed to time and to cost by 31 March 2021. Although some longer-term projects have had to be put on hold, the Cathedral is fortunate to move forward with fabric of an overall level of soundness that would be the envy of most places of worship.

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Chapter Report (cont'd)

Trading activities within Blackburn Cathedral Enterprises Limited ('BCE') were necessarily curtailed as a result of the pandemic. Checks & Greys, the Cathedral café, closed its doors and furloughed its staff in March 2020, and did not reopen until 20 July 2021. By then both the Commercial Manager and the Catering Manager had chosen not to return once furlough ended, however, the Head Chef, Laura Palmer, led a core team to welcome customers back. She and the CFOO refined and simplified the menu, produced a special offering to support Cathedral conferences and events, and introduced low-cost advertising and social media interactions to promote the venue.

Careful control of resources has been key to maintaining the trading position, especially the match of staff to demand, but also with a watchful application of special offers on the weekly menu. Day to day trading has grown slowly, while alongside a number of special events have taken place, including the launch of the Emmanuel Theological College, a wedding reception, supper for the College of Canons, and a formal lunch for Bishop's Council.

Catering provision has also been evident in the support of activities marking the return of Cathedral life. The financial targets for the café remain ambitious and continued close monitoring of its range and scope and a focus on promoting the service remain key priorities. Growth is expected to be slow and challenging, particularly as the pandemic has changed behaviours for many, and the hospitality sector remains fragile.

Cathedra Gin, also under BCE auspices, fared reasonably well, with existing stock being replenished as a result of continuing demand. The challenge is to find other special initiatives that will generate both interest and additional income.

FINANCIAL REVIEW

The results for the year are shown in the Consolidated Statement of Financial Activities. During the year there were net unrestricted incoming resources of £19,028 (2020: £158,252). Positive steps continue to be made in attracting greater use of the Cathedral for events, tours and visits which has increased income in these areas. Despite a tight control being made over expenditure the underlying fixed costs of running the Cathedral continue to exceed the income received. At the 31 December 2021 total unrestricted funds were £917,693 (2020: £922,506).

The restricted funds showed net incoming resources of £32,179 (2020: incoming £15,205) with income largely consisting of grants from the Church Commissioners. With investment gains and transfers between funds total restricted funds were £477,030 (2020: £371,844).

Endowment funds show net incoming resources of £359 (2020: £Nil) as no further substantive trading income was received in relation to Cathedral Court. At 31 December 2021, endowment funds totalled £2,182,145 (2020: £2,166,747).

Gains recognised on the revaluation of investments across all funds amounted to £64,205 (2020: £17,982).

The cash outflow from operating activities was £27,745 (2020: outflow £74,679). Cash reserves at the year-end were £174,810 (2020: £188,586), the Cathedral had net current assets of £30,686 (2020: liabilities of £41,771). A number of plans are underway to improve the cash flow position of the Cathedral as part of the financial improvement project.

Blackburn Cathedral Chapter

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For the year ended 31 December 2021

Chapter Report (cont'd)

Going Concern

The restrictions put in place by the UK Government in response to the Covid-19 pandemic continued to have their impact on the ability of the Cathedral to deliver the financial improvements planned. The actions taken by the Cathedral have sought to both ensure the safety of our worshipping community, visitors and staff and also to maintain financial stability of the Cathedral whilst the restrictions are in force. These actions have been planned in conjunction and with the support of The Church of England, The Local Authorities and The Association of English Cathedrals and the UK Government Support schemes.

The Church Commissioners paid all 2021 grants in full in January 2021, with payment of the 2022 full year grant being made in January 2022. Just under 80% of the lay staff were furloughed under the Coronavirus Job Retention Scheme. Note 24 provides a further statement on the impact of the pandemic on investment valuation after the year-end.

The accelerated receipt of grant income and the Job Retention Scheme provided financial stability of the Cathedral during the period of lockdown and allowed for a retention of key capabilities necessary for the Cathedral to resume its normal activities as restrictions gradually eased.

In November 2020, an agreement was reached with East Lancashire Hospitals NHS Trust to host a Covid 19 Vaccination Centre in the Crypt area of the Cathedral, which officially opened to the public in mid- January 2021. The agreement was extended beyond the initial period of twelve months and continues as at the date of signing these financial statements.

In consideration of all of the above, Chapter do not consider there to be a material uncertainty relating to going concern in particular due to having general funds of £460,285 (2020: £413,382), including investments of £228,249 (2020: £202,812) in the general fund that can be drawn down if required, to support operations.

Blackburn Cathedral Chapter

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Chapter Report (cont'd)

Five year summary of key figures

	2017	2018	2019	2020	2021
	£	£	£	£	£
Incoming resources:					
Unrestricted	617,615	339,964	441,601	756,369	611,922
Total	1,422,689	1,089,822	1,002,058	1,277,938	1,327,682
Net movement in funds including gains and losses before transfers:					
Unrestricted	204,213	(97,846)	(18,874)	171,118	44,465
Total	370,108	(114,157)	(300,380)	191,439	115,771
Funds carried forward					
Unrestricted – General funds	467,905	426,516	486,743	672,958	917,693
Total	3,684,195	3,570,038	3,269,658	3,461,097	3,576,868

Reserves Policy

Determining the level of free reserves and designated reserves the Cathedral needs to hold is an important part of Chapter's financial management and forward financial planning. Reserves levels that are too high may tie up money unnecessarily and limit the amount spent on charitable activities, reducing the potential benefit the Cathedral can provide. Reserve levels that are too low not only could impact the Cathedral's long-term solvency, but also the Cathedral could face difficulty in meeting its day-to-day expenditure commitments. Chapter's aim is to build all its funds, including its reserves held in unrestricted funds, to levels sufficient to address the Cathedral's long-term sustainability and perpetual need to maintain and preserve the Cathedral's heritage and fabric.

This aim is set in the context of the Cathedral's stated vision and priorities. This means establishing sufficient funds to develop and grow the Cathedral of the future, alongside retaining sufficient readily accessible reserves to meet the financial liabilities inherent in running and maintaining an historic Cathedral, as well as other Cathedral properties. The Cathedral's reserves not only need to cover short-term financial volatility and ongoing financial liabilities, but also act as a funding source for specific projects or development activity that is considered likely to generate long-term strategic and financial benefit.

The nature of the Cathedral's long-term financial commitments and its related income profile means it invests part of both its unrestricted and restricted funds to generate a financial return, in essence holding income as quasi-capital. Chapter is confident this is in the Cathedral's best interests.

Chapter have considered an appropriate level of unrestricted reserves in the short term as at 31 December 2021 to be at least £450,000. This is based on an estimate of ongoing unrestricted expenditure for a minimum one year period. The current value of the unrestricted general funds as at 31 December 2021 is £688,534 with an additional £229,159 in designated funds relating to the Cathedral and Cathedral Court fixtures and fittings.

Investment Policy

During 2019, Chapter transferred investment funds from St James' Place to CCLA. Chapter's policy is to hold these funds to generate income and long term capital growth.

Any investment funds held by Chapter that may be required in the foreseeable future are held in UK Bank Deposit funds with immediate access to the capital.

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Chapter Report (cont'd)

Total Return on Investment Property

	£
Rents receivable	43,005

No major expenditure has been incurred during the year in respect of the existing investment property.

Total Return on Investments

	Equities	Variable Interest	Total
	£	£	£
Gross income from investments:			
Investment funds	15,253	-	15,253
UK Bank Cash Deposits	-	19	19
	<hr/>	<hr/>	<hr/>
	15,253	19	15,272
Gain on investment revaluation	64,205	-	64,205
	<hr/>	<hr/>	<hr/>
	79,458	19	79,477
	=====	=====	=====

Investment Performance (Capital Growth)

CCLA Funds and Equities	18.0%
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For comparison purposes:

FTSE 100	14.30%
FTSE All Share	5.19%

The FTSE Indices are unrestricted in relation to income requirements, risk and socially responsible investment.

Forecast of cost of maintaining and conserving the Cathedral and its Precincts

A quinquennial survey was undertaken during 2019 by Mr James Sanderson, the Cathedral Architect, and a report presented to Chapter. What is clear from the report is that the general fabric of the Cathedral building is in a good state of repair. As part of the report a priority rating has been given for each action identified and we are pleased that there are no category 'A' actions required. There are seven category 'B' actions required but nothing of significance. Chapter will endeavour to work through identified actions during the next five years.

Public Benefit

The Chapter confirms that they have voluntarily complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance and have referred to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

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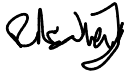
Chapter Report (cont'd)

PLANS FOR FUTURE PERIODS

Within the next twelve months, the Chapter plans are as follows:

- To proceed with the delivery structure for the Strategic Plan 2019-2024
- To proceed with an amended financial recovery plan and set in place a strategy for delivery
- To continue working closely with Blackburn Cathedral Trust to develop income streams to enable us to maintain and expand our highly successful community programmes including the music outreach programme and community cohesion work. We will continue to deliver a first-class music offering which includes concerts, events, excellent musical education for both the children and young people in our choirs and our choral and organ scholars
- To re-establish the café operations following closure during the pandemic and to develop new areas of income through Blackburn Cathedral Enterprises Ltd
- To continue to review options for the future use of Church House and Crypt development.

On behalf of the Chapter:



The Very Revd P Howell-Jones
Dean of Blackburn

Date: 13 May 2022

Blackburn Cathedral Chapter

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Report of the Fabric Advisory Committee

The Committee met twice in the previous twelve months. The March meeting being by ZOOM.

The COVID restrictions on singing had necessitated a temporary re-ordering of the choir stalls to the rear of the Sanctuary immediately in front of the ambulatory screen.

The Fabric Advisory Committee was pleased to note that this resulted in a significant improvement and reflected more accurately the original architect's concept of the immediate post Second World War Cathedral extension. Detailed issues were still under consideration and this topic was very much one of work in progress.

Other issues discussed included the live streaming of services and the likelihood that these would become a permanent and improved feature of the Cathedral's offering. Discussion papers were circulated on the revised Crypt refurbishment plan and proposals to improve the Jesus Chapel. There was success reported in progressing the remediation of defects discovered in the precinct development and further work has been funded under the COVID Recovery Fund in terms of external work and re-pointing particular to the South Transept external walls.

The October Fabric Advisory Committee meeting was our first face to face opportunity since the March 2020 COVID lockdown and we were pleased to note remedial work progressing on the defective precinct, copings and other defects which are largely being funded by the original contractor but with contributions from the development's architect in relation to some minor design issues.

The final remedial treatment of the external rendered works was weather dependent and likely to be progressed in the Spring/early Summer of 2022. There was further discussion on the re-ordering of the choir stalls and the need to consider the future of the ambulatory screen and the positioning of the Bishop and Suffragan Bishops' seating positions. It was also noted that there was real progress on the proposal to install sophisticated camera equipment to progress live streaming and the services over Christmas were a good opportunity for trialling. In general, the Cathedral fabric is in good condition, slight concerns over electrical installations but generally a building in good condition. There was no discussion on Fabric Advisory Committee membership, but suggestions had been raised by Cathedrals Fabric Commission for England ('CFCE').

Richard Prest

Fabric Advisory Committee Chair

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Statement of the Responsibilities of the Chapter

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

- 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 connected entities;
- b) Stating that they have complied in all material respects with the regulations on the subject prepared by the Association of English Cathedrals 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 with reasonable accuracy at any time;
- f) Safeguarding the assets of the Cathedral and taking reasonable steps for the prevention of fraud and other irregularities.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Independent Auditors' Report

To the members of Chapter of Blackburn Cathedral

Opinion

We have audited the financial statements of Blackburn Cathedral for the year-ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Chapter Balance Sheets, the Consolidated Statement of Cashflows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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:

- give a true and fair view of the state of the group's and of the Cathedral's affairs as at 31 December 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the regulations specified by the Church Commissioners under the powers given to them by 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chapter'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 Cathedral's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The members of the Chapter are responsible for the other information. The other information comprises the information included in the Annual Report of the Chapter. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Independent Auditors' Report (cont'd)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Cathedral and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Chapter.

We have nothing to report in respect of the following matters in relation to which we report to you if, in our opinion:

- sufficient accounting records have not been kept by the Cathedral; or
- the Cathedral's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the members of the Chapter for the financial statements

As explained more fully in the responsibilities statement set out on page 11, the members of the 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Cathedral and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Cathedral's Measure 1999 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered other factors such as income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and concluded that the risk was low. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Independent Auditors' Report (cont'd)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Cathedral Chapter, as a body, in accordance with section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken so that we might state to the Chapter 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 Cathedral Chapter as a body, for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London EC4R 1AG

13 May 2022

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Consolidated Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:	2					
(i) Donations and legacies		138,200	7,862	250	146,312	141,362
(ii) Grants in support of mission		126,509	693,543	-	820,052	677,302
(iii) Charges and fees arising in the course of mission		189,330	1,560	-	190,890	24,227
(iv) Trading and fundraising		79,090	7,383	-	86,473	70,217
(v) Investments		60,482	4,812	-	65,294	61,050
(vi) Other income		18,311	350	-	18,661	303,780
Total income		611,922	715,510	250	1,327,682	1,277,938
Expenditure on:	3					
(i) Raising funds		178,321	5,771	-	184,092	242,049
(ii) Ministry		116,630	339,628	-	456,258	494,496
(iii) Cathedral and precincts upkeep		265,388	312,965	-	578,353	232,255
(iv) Education and outreach		4,955	17,956	-	22,911	22,937
(v) Community, parish and congregation		-	395	(109)	286	81,835
(vi) Other expenditure		27,600	6,616	-	34,216	30,909
Total expenditure		592,894	683,331	(109)	1,276,116	1,104,481
Net incoming/(outgoing) resources before investment gains		19,028	32,179	359	51,566	173,457
Gains/(Losses) on investments and Property revaluations	10, 11, 13	25,437	23,729	15,039	64,205	17,982
Net income/(expenditure)		44,465	55,908	15,398	115,771	191,439
Gross transfers between funds	20, 21	(49,278)	49,278	-	-	-
Net movement in funds		(4,813)	105,186	15,398	115,771	191,439
Reconciliation of funds:						
Total funds brought forward		922,506	371,844	2,166,747	3,461,097	3,269,658
Total funds carried forward		917,693	477,030	2,182,145	3,576,868	3,461,097

Total Incoming resources for the Chapter are £983,971 (2020: £778,977) and the net movement in funds is a decrease of £215,936 (2020: £78,524).

Blackburn Cathedral Chapter

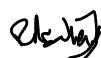
Annual Report

For the year ended 31 December 2021

Consolidated Balance Sheet at 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets						
Investment assets						
Property	10	-	-	483,400	483,400	483,400
Investments	11	228,249	189,597	124,458	542,304	478,099
		<u>228,249</u>	<u>189,597</u>	<u>607,858</u>	<u>1,025,704</u>	<u>961,499</u>
Tangible fixed assets						
Property	13	-	-	3,050,600	3,050,600	3,050,600
Equipment and plant	14	229,675	-	-	229,675	250,566
		<u>229,675</u>	<u>-</u>	<u>3,050,600</u>	<u>3,280,275</u>	<u>3,301,166</u>
Total fixed assets		457,924	189,597	3,658,458	4,305,979	4,262,665
Current assets						
Stocks	15	11,372	-	-	11,372	8,907
Debtors	16	487,736	131,956	-	619,692	335,087
Cash at bank and in hand		191,801	387,283	(404,274)	174,810	188,586
		<u>690,909</u>	<u>519,239</u>	<u>(404,274))</u>	<u>805,874</u>	<u>532,580</u>
Liabilities due within one year						
Creditors	17	(231,140)	(231,806)	(312,242)	(775,188)	(574,351)
Net current assets/(liabilities)		459,769	287,433	(716,516)	30,686	(41,771)
Total assets less current liabilities		917,693	477,030	2,941,942	4,336,665	4,220,894
Liabilities due after more than one year						
Loans from third parties	18	-	-	(759,797)	(759,797)	(759,797)
Total net assets		917,693	477,030	2,182,145	3,576,868	3,461,097
Funds						
Endowment funds	19	-	-	2,182,145	2,182,145	2,166,747
Restricted funds	20	-	477,030	-	395,368	371,844
Unrestricted funds	21					
General funds		688,534	-	-	688,534	672,958
Designated funds		229,159	-	-	229,159	249,548
Total Cathedral funds		917,693	477,030	2,182,145	3,576,868	3,461,097
<i>Revaluation reserve included above</i>					362,990	362,990

The financial statements were approved by Chapter and authorised for issue on 13 May 2023



The Very Revd P Howell-Jones
The Dean



Mr K Roberts

Blackburn Cathedral Chapter

Annual Report

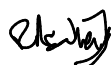
For the year ended 31 December 2021

Chapter Balance Sheet at 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets						
Investment assets						
Property	10	-	-	483,400	483,400	483,400
Investments	11	228,249	189,597	124,458	542,304	478,099
		<u>228,249</u>	<u>189,597</u>	<u>607,858</u>	<u>1,025,704</u>	<u>961,499</u>
Tangible fixed assets						
Property	13	-	-	3,050,600	3,050,600	3,050,600
Equipment and plant	14	229,159	-	-	229,159	249,548
		<u>229,159</u>	<u>-</u>	<u>3,050,600</u>	<u>3,279,759</u>	<u>3,300,148</u>
Total fixed assets		457,408	189,597	3,658,458	4,305,463	4,261,647
Current assets						
Stocks	15	7,262	-	-	7,262	7,887
Debtors	16	116,537	2,550	-	119,087	90,922
Cash at bank and in hand		167,037	267,920	(213,919)	221,038	348,154
		<u>290,836</u>	<u>270,470</u>	<u>(213,919)</u>	<u>347,387</u>	<u>446,963</u>
Liabilities due within one year						
Creditors	17	31,597	(2,220)	(474,597)	(445,220)	(716,916)
Net current assets/(liabilities)		322,433	268,250	(688,516)	(97,833)	(269,953)
Total assets less current liabilities		779,841	457,847	2,969,942	4,207,630	3,991,694
Liabilities due after more than one year						
Loans from third parties	18	-	-	(759,797)	(759,797)	(759,797)
Total net assets		779,841	457,847	2,210,145	3,447,833	3,231,897
Funds						
Endowment funds	19	-	-	2,210,145	2,210,145	2,194,747
Restricted funds	20	-	457,847	-	457,847	331,420
Unrestricted funds	21					
General funds		550,682	-	-	550,682	456,182
Designated funds		229,159	-	-	229,159	249,548
Total Cathedral funds		779,841	457,847	2,210,145	3,447,833	3,231,897
<i>Revaluation reserve included above</i>					362,990	362,990

The financial statements were approved by Chapter and authorised for issue on

13 May 2022



The Very Revd P Howell-Jones
The Dean



Mr K Roberts

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Consolidated Statement of Cashflows

	2021		2020
	£	£	£
Reconciliation from net income to net cashflow from operating activities:			
Net incoming/(outgoing) resources before investment gains for the year	51,566		173,457
Adjustments for:			
Income from property	(43,005)		(39,513)
Investment income	(15,271)		(16,749)
Interest and similar charges	20,994		18,425
Depreciation	54,553		58,501
(Increase)/Decrease in stock	(2,465)		1,872
Increase in debtors	(284,605)		(236,181)
Increase/(Decrease) in creditors	200,838		(34,491)
	-----		-----
Net cash outflow from operating activities	(17,395)		(74,679)
Cashflows from/(used in) investing activities			
Purchase of fixed assets	(33,663)	(1,530)	
Proceeds from sale of investments	-	45,000	
Rents received	43,005	39,513	
Investment income received	15,252	16,663	
Interest received	19	86	
	-----	-----	
Net cash from/(used in) investing activities	24,613		99,732
Cashflows used in financing activities			
Repayment of borrowings	-	-	
Interest paid	(20,994)	(22,566)	
	-----	-----	
Net cash used in financing activities	(20,994)		(22,566)
	-----		-----
Change in cash and cash equivalents in the year	(13,776)		2,487
Cash and cash equivalents at the beginning of the year	188,586		186,099
	-----		-----
Cash and cash equivalents at the end of the year	174,810		188,586
	=====		=====
Analysis of cash and cash equivalents			
Cash in hand	174,810		188,586
	-----		-----
Total cash and cash equivalents	174,810		188,586
	=====		=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts

1. Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Cathedral and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Cathedral also prepared its financial statements in accordance with the Accounting and Reporting by English Anglican Cathedrals as specified by the Church Commissioners in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of property and investments. The consolidated financial statements incorporate all assets and liabilities and income and expenditure of Blackburn Cathedral Developments, as per that company's unaudited financial statements.

The consolidated financial statements have been prepared on a going concern basis.

The Covid 19 pandemic developed rapidly since December 2019, resulting in a number of national lock down periods being imposed. The resulting actions and measures taken by the UK Government to contain the virus inevitably impacted on the activities of the Cathedral:

- The planned financial improvement plans set for 2020 had to be deferred as the Cathedral responded to the impact of the Covid 19 pandemic;
- The actions taken by the Cathedral have sought to both ensure the safety of the Cathedral whilst the restrictions are in force. These actions have been planned in conjunction and with the support of The Church; the Local Authorities and the Association of English Cathedrals and the UK Government Support Scheme;
- The Church Commissioners have paid the balance of the 2020 grant in full in April 2020, and all 2021 grants in full in January 2021;
- All Churches Trust brought forward the first half of their grant funding by 3 months;
- Just under 80% of the lay staff were furloughed under the Coronavirus Job Retention Scheme;
- VAT payments for Quarter 2 have been deferred for Blackburn Cathedral Enterprises Limited.

Note 24 Post Balance Sheet events provide a statement on the impact of the pandemic on investment valuation after the year-end.

The accelerated receipt of grant income and the Job Retention Scheme have provided financial stability of the Cathedral in the period to date of lock-down within the UK and is allowing the retention of the capabilities the Cathedral needs to resume its normal activities as the lock-down restrictions ease.

The timing and extent of the relaxation of lock down restrictions is still subject to some uncertainty and this will affect when the full implementation of the financial improvement plan can be resumed.

In consideration of all of the above, Chapter do not consider there to be a material uncertainty relating to going concern in particular due to having general funds of £688,534 (2020: £672,958), including investments of £228,249 (2020: £202,812) in the general fund that can be drawn down if required, to support operations.

1.2. Funds

Funds are split between endowment, restricted and unrestricted funds. Movements on these funds are summarized in Notes 19, 20 and 21.

Endowment funds are those where there is no power to convert the capital to income.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

1. Accounting policies (cont'd)

1.2. Funds (cont'd)

Restricted funds are funds subject to specific conditions imposed by the donor or by specific terms of a trust deed or other legal measure.

1.3. Property and investments

Investment property and Investments are included in the financial statements at market value. Realised and unrealised gains and losses are reported in the Consolidated Statement of Financial Activities.

1.4. Non-Investment property and Equipment and plant

Property for Cathedral use is included at latest valuation and, after considering the residual value, is depreciated at 2% straight line over its expected useful life. The Cathedral Court is not depreciated as the residual value in 50 years is expected to be at least that of its current market value as the Chapter will be running a strict capital maintenance programme on the property.

Property in the course of construction was included at cost and no depreciation has been charged. The cost has been transferred to the appropriate asset categories upon the completion of the project.

Equipment and plant are included at cost and are depreciated at 10% or 20% straight line over their expected useful lives. The Chapter has adopted a capitalisation limit of £1,000 per separately identifiable asset.

1.5. Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for slow moving items.

1.6. Incoming resources

Donations, legacies and grants are included in the financial statements on a receivable basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. A debtor is included for Gift Aid reclaimable.

1.7. Grants receivable

Grants receivable which are subject to conditions or restrictions are credited to the restricted fund in the Consolidated Statement of Financial Activities, depending on the category of expenditure incurred to which they relate, as soon as they are received or become receivable. The related expenditure incurred is charged to the restricted fund in the Consolidated Statement of Financial Activities as appropriate.

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

1.8. Costs of raising funds

Costs of raising funds comprises costs of attracting voluntary income and costs of trading for fundraising purposes.

1.9. Expenditure on mission

Expenditure on mission comprise costs of the Cathedral's ministry, upkeep of the Cathedral fabric and precincts, education and outreach, and community, parish and congregation costs.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

1. Accounting policies (cont'd)

1.10. Support costs

Support costs are allocated to expense categories on the basis of the direct costs incurred in that expense category.

1.11. Repairs

Repairs, restoration and maintenance are written off as incurred within Cathedral and precincts upkeep.

1.12. Pensions

The Chapter contributes to a pension scheme for the clergy staff administered by the Church of England Pension Scheme. This scheme operates as an occupational pension scheme and contributions, at a rate determined having regard to actuarial advice, are paid into a separate fund in the trusteeship of the Church of England Pensions Board. Benefits arising from pensionable service are provided from that fund. The contributions to the fund by the Cathedral are charged to the Consolidated Statement of Financial Activities as incurred, as the scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities relating to the Cathedral. These contributions are funded by a grant from The Church of England Church Commissioners.

The Chapter also contributes to personal pension schemes for selected employees, these costs are charged to the Consolidated Statement of Financial Activities as incurred.

From 1 January 2016 Chapter operated an auto-enrolment pension scheme, in addition to those previously mentioned, for all eligible employees. The costs of this scheme are charged to the Consolidated Statement of Financial Activities as incurred.

1.13. Third party and non-cash receipts and payments

Where amounts are payable on behalf of the Cathedral by third parties, for example, the Church Commissioners, these are disclosed under both income and expenditure in the Consolidated Statement of Financial Activities.

1.14. Taxation

The Cathedral Chapter is a statutory exempt charity under the Charities Act 2011 and, as such, is entitled to claim exemption from the charge to tax on income and capital gains as stated in section 258 TCGA 1992. Accordingly, with the exception of Value Added Tax and Employer's National Insurance, no liability to taxation arises.

Income is shown net of value added tax. Input value added tax is reclaimable on a percentage basis subject to partial exemption rules. All irrecoverable value added tax is included under the appropriate classification of expenditure, irrecoverable VAT on fixed asset purchases is capitalised within the cost of the asset.

1.15. Donated assets and services

As stated in the Annual Report, the Cathedral very much appreciates the donation of time and services by Friends and other volunteers. It has not proved possible, however, to provide a monetary valuation on these services not to incorporate the same into these accounts.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

1. Accounting policies (cont'd)

1.16. Heritage Assets

The Cathedral holds a number of heritage assets with historic and artistic value. The nature and scale of the collection and inventory belonging to the Chapter of Blackburn include:

- The Medieval Pax
- Blackburn Cathedral Archives
- Blackburn Cathedral wall monuments
- Blackburn Cathedral 20th Century Art works
- Mark Jalland's 'The Healing of the Nations'
- The Whalley Seals and Misericords
- Other artefacts, including the Saxon Hammer and ancient manuscripts

The Cathedral's policy for the acquisition, preservation, management and disposal of heritage assets is described in Section 24(1) of the Care of Cathedrals Measure 2011.

Note 12 of these financial statements gives further details regarding the age and history of the Cathedral, together with the insured value of the Cathedral buildings and its content.

The Cathedral inventory comprises of purchased and donated items over several centuries and these are retained by the Cathedral for religious, architectural, archaeological, artistic and historic interest.

Valuation of the Cathedral Inventory is not deemed necessary for the day to day operation of the Cathedral. The quantity of items and the diverse nature of the collection would make valuation prohibitively expensive compared with the additional benefits derived by the Cathedral and users of the financial statements. As a result, no value is reported for these assets in the Balance Sheet.

Expenditure which is required to preserve or prevent further deterioration of individual items, is recognised in the Statement of Financial Activities when it is incurred.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

2. Income and endowments

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £
(i) Donations and legacies				
Congregational collections and giving	74,804	-	-	74,804
Donations and fundraising appeals	40,012	3,362	250	43,624
Tax recoverable under Gift Aid	21,291	-	-	21,291
Income from Blackburn Cathedral Trust	-	4,500	-	4,500
Music Outreach Project takings and Contributions	-	-	-	-
Legacies	2,093	-	-	2,093
	<u>138,200</u>	<u>7,862</u>	<u>250</u>	<u>146,312</u>
(ii) Grants in support of mission				
Church Commissioners' grants	-	553,253	-	553,253
Heritage Lottery Fund	-	57,542	-	57,542
Other revenue and capital grants	25,000	71,982	-	96,982
Job retention scheme grants	101,509	10,766	-	112,275
	<u>126,509</u>	<u>693,543</u>	<u>-</u>	<u>820,052</u>
(iii) Charges and fees arising in the course of mission				
Facility and other fees	189,330	-	-	189,330
Educational visits	-	1,560	-	1,560
	<u>189,330</u>	<u>1,560</u>	<u>-</u>	<u>190,890</u>
(iv) Trading and fundraising activities				
Votive candles	1,865	-	-	1,865
Guidebooks	-	-	-	-
Friends of Blackburn Cathedral Music	-	7,383	-	7,383
Gross income of shop and refectory	77,225	-	-	77,225
Other income	-	-	-	-
	<u>79,090</u>	<u>7,383</u>	<u>-</u>	<u>86,473</u>
(v) Investments				
Income from investment property	43,005	-	-	43,005
Car park income	7,017	-	-	7,017
Income from other investments	10,460	4,812	-	15,272
	<u>60,482</u>	<u>4,812</u>	<u>-</u>	<u>65,294</u>
(vi) Other income				
Other income	18,311	350	-	18,661
	<u>18,311</u>	<u>350</u>	<u>-</u>	<u>18,661</u>
	<u>611,922</u>	<u>715,510</u>	<u>250</u>	<u>1,327,682</u>
	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

2. Income and endowments (cont'd)

	Unrestricted funds £	Restricted funds £	Endowment funds £	2020 Total £
(vii) Donations and legacies				
Congregational collections and giving	72,347	-	-	72,347
Donations and fundraising appeals	21,279	1,250	-	22,529
Tax recoverable under Gift Aid	23,767	-	-	23,767
Income from Blackburn Cathedral Trust	-	7,288	-	7,288
Music Outreach Project takings and Contributions	-	14,431	-	14,431
Legacies	1,000	-	-	1,000
	<u>118,393</u>	<u>22,969</u>	<u>-</u>	<u>141,362</u>
(viii) Grants in support of mission				
Church Commissioners' grants	-	394,261	-	394,261
Heritage Lottery Fund	-	-	-	-
Other revenue and capital grants	53,639	-	-	53,639
Job retention scheme grants	142,799	86,603	-	229,402
	<u>196,438</u>	<u>480,864</u>	<u>-</u>	<u>677,302</u>
(ix) Charges and fees arising in the course of mission				
Facility and other fees	21,815	-	-	21,815
Educational visits	-	2,412	-	2,412
	<u>21,815</u>	<u>2,412</u>	<u>-</u>	<u>24,227</u>
(x) Trading and fundraising activities				
Votive candles	1,666	-	-	1,666
Guidebooks	16	-	-	16
Friends of Blackburn Cathedral Music	-	6,928	-	6,928
Gross income of shop and refectory	61,607	-	-	61,607
Other income	-	-	-	-
	<u>63,289</u>	<u>6,928</u>	<u>-</u>	<u>70,217</u>
(xi) Investments				
Income from investment property	39,513	-	-	39,513
Car park income	4,788	-	-	4,788
Income from other investments	12,103	4,646	-	16,749
	<u>56,404</u>	<u>4,646</u>	<u>-</u>	<u>61,050</u>
(xii) Other income				
Other income	300,030	3,750	-	303,780
	<u>300,030</u>	<u>3,750</u>	<u>-</u>	<u>303,780</u>
	<u>756,369</u>	<u>521,569</u>	<u>-</u>	<u>1,277,938</u>
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Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

3. Expenditure on:

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £
(i) Raising funds				
Votive candles	673	-	-	673
Friends of Blackburn Cathedral Music	-	4,117	-	4,117
Drama group	-	-	-	-
Gross costs of shop and refectory	175,996	-	-	175,996
Costs of appeals and fundraising	-	-	-	-
Support costs	1,652	1,654	-	3,306
	<u>178,321</u>	<u>5,771</u>	<u>-</u>	<u>184,092</u>
(ii) Ministry				
Clergy stipends and working expenses	2,836	170,172	-	173,008
Clergy housing costs	-	-	-	-
Services, music and congregational costs	55,986	111,570	-	167,556
Support costs	57,808	57,886	-	115,694
	<u>116,630</u>	<u>339,628</u>	<u>-</u>	<u>456,258</u>
(iii) Cathedral and precincts upkeep				
Major repairs and restoration	12,800	72,150	-	84,950
Maintenance and interior upkeep	124,583	149,851	-	274,434
Cathedral insurance	37,164	-	-	37,164
Support costs	90,841	90,964	-	181,805
	<u>265,388</u>	<u>312,965</u>	<u>-</u>	<u>578,353</u>
(iv) Education and outreach				
Education officer	-	12,994	-	12,994
Charitable and other giving	-	-	-	-
Support costs	4,955	4,962	-	9,917
	<u>4,955</u>	<u>17,956</u>	<u>-</u>	<u>22,911</u>
(v) Community, parish and congregation				
Music outreach project	-	395	-	395
Other costs	-	-	(109)	(109)
Support costs	-	-	-	-
	<u>-</u>	<u>395</u>	<u>(109)</u>	<u>286</u>
(vi) Other expenditure				
Interest and similar charges payable	20,994	-	-	20,994
Support costs	6,606	6,616	-	13,222
	<u>27,600</u>	<u>6,616</u>	<u>-</u>	<u>34,216</u>
	<u>592,894</u>	<u>683,331</u>	<u>(109)</u>	<u>1,276,116</u>
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Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

3. Expenditure on: (cont'd)

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total
(vii) Raising funds				
Votive candles	121	-	-	121
Friends of Blackburn Cathedral Music	-	-	-	-
Drama group	-	-	-	-
Gross costs of shop and refectory	234,307	-	-	234,307
Costs of appeals and fundraising	-	4,500	-	4,500
Support costs	2,267	854	-	3,121
	<u>236,695</u>	<u>5,354</u>	<u>-</u>	<u>242,049</u>
(viii) Ministry				
Clergy stipends and working expenses	2,389	167,013	-	169,402
Clergy housing costs	-	-	-	-
Services, music and congregational costs	2,734	138,216	-	140,950
Support costs	133,779	50,365	-	184,144
	<u>138,902</u>	<u>355,594</u>	<u>-</u>	<u>494,496</u>
(ix) Cathedral and precincts upkeep				
Major repairs and restoration	7,099	41,473	-	48,572
Maintenance and interior upkeep	70,012	5,600	-	75,612
Cathedral insurance	36,286	-	-	36,286
Support costs	52,151	19,634	-	71,785
	<u>165,548</u>	<u>66,707</u>	<u>-</u>	<u>232,255</u>
(x) Education and outreach				
Education officer	-	13,574	-	13,574
Charitable and other giving	-	-	-	-
Support costs	6,802	2,561	-	9,363
	<u>6,802</u>	<u>16,135</u>	<u>-</u>	<u>22,937</u>
(xi) Community, parish and congregation				
Music outreach project	-	50,625	-	50,625
Other costs	-	-	-	-
Support costs	22,675	8,535	-	31,210
	<u>22,675</u>	<u>59,160</u>	<u>-</u>	<u>81,835</u>
(xii) Other expenditure				
Interest and similar charges payable	18,425	-	-	18,425
Support costs	9,070	3,414	-	12,484
	<u>27,495</u>	<u>3,414</u>	<u>-</u>	<u>30,909</u>
	<u>598,117</u>	<u>506,364</u>	<u>-</u>	<u>1,104,481</u>
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Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

4. Support costs

Support costs are allocated to expenditure as follows:

	Direct costs	Support costs	2021 Total	Direct costs	Support costs	2020 Total
	£	£	£	£	£	£
Raising funds	180,786	3,306	184,092	238,928	3,121	242,049
Ministry	170,392	115,694	286,086	310,352	184,144	494,496
Cathedral and precincts upkeep	396,548	181,805	578,353	160,470	71,785	232,255
Education and outreach	12,994	9,917	22,911	13,574	9,363	22,937
Community, parish and congregation	286	-	286	50,624	31,211	81,835
Other expenditure on mission	20,994	13,222	34,216	18,425	12,484	30,909
	<u>782,000</u>	<u>323,944</u>	<u>1,105,944</u>	<u>792,373</u>	<u>312,108</u>	<u>1,104,481</u>
	=====	=====	=====	=====	=====	=====

The support costs are made up as follows:

	Unrestricted funds	Restricted funds	2021 Total	Unrestricted funds	Restricted funds	2020 Total
	£	£	£	£	£	£
Administration and finance	161,862	43,400	205,262	226,101	-	226,101
Personnel and training	-	118,682	118,682	643	85,364	86,007
	<u>161,862</u>	<u>162,082</u>	<u>323,944</u>	<u>226,744</u>	<u>85,364</u>	<u>312,108</u>
	=====	=====	=====	=====	=====	=====

5. Investment income

	Equities	Fixed interest	Variable interest	2021 Total
	£	£	£	£
Dividends receivable	15,253	-	-	15,253
Interest receivable	-	-	19	19
	<u>15,253</u>	<u>-</u>	<u>19</u>	<u>15,272</u>
	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

5. Investment income (cont'd)

	Equities	Fixed interest	Variable interest	2020 Total
	£	£	£	£
Dividends receivable	16,663	-	-	16,663
Interest receivable	-	-	86	86
	<u>16,663</u>	<u>-</u>	<u>86</u>	<u>16,749</u>
	=====	=====	=====	=====

6. Shop and refectory

	Shop	Cathedral catering	2021 Total	Shop	Cathedral catering	2020 Total
	£	£	£	£	£	£
Gross income	-	77,225	77,225	3,803	57,804	61,607
	<u>-</u>	<u>77,225</u>	<u>77,225</u>	<u>3,803</u>	<u>57,804</u>	<u>61,607</u>
Opening stock	1,020	-	1,020	2,892	625	3,517
Purchases	-	28,033	28,033	2,244	35,366	37,610
	<u>1,020</u>	<u>28,033</u>	<u>29,053</u>	<u>5,136</u>	<u>35,991</u>	<u>41,127</u>
Closing stock	-	(4,110)	(4,110)	(1,020)	-	(1,020)
	<u>1,020</u>	<u>23,923</u>	<u>24,943</u>	<u>4,116</u>	<u>35,991</u>	<u>40,107</u>
Gross costs	-	129,724	129,724	-	167,210	167,210
Salaries	-	18,570	18,570	-	26,990	26,990
Administrative expenses	<u>1,020</u>	<u>172,217</u>	<u>173,237</u>	<u>4,116</u>	<u>230,191</u>	<u>234,307</u>
Other income	-	101,509	101,509	-	142,799	142,799
Net (deficit)/surplus	<u>(1,020)</u>	<u>6,517</u>	<u>5,497</u>	<u>(313)</u>	<u>(29,588)</u>	<u>(29,901)</u>
	=====	=====	=====	=====	=====	=====

7. Staff costs

The average number of paid employees during the year was as follows:

	2021 Number	2020 Number
Clerical - full time	3	4
Lay - full time	11	14
Lay - part time	17	21
	<u>31</u>	<u>39</u>
	=====	=====
Part time employees equivalent FTE's	6	8
	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

7. Staff costs (cont'd)

	2021	2020
	£	£
Salaries and stipends	459,276	491,252
Redundancy payments	2,082	15,472
Employer's national insurance	34,151	33,595
Employer's contributions to defined contribution pension schemes	8,897	9,084
Operating costs of defined benefit pension schemes	37,593	36,903
	<u>541,999</u>	<u>586,306</u>
	=====	=====

There are no employees receiving remuneration in excess of £60,000 per annum.

The Church Commissioners funded £37,593 (2020: £36,903) of pension contributions for members of Chapter. The Cathedral also contributed £8,897 (2020: £9,084) into money purchase pension arrangements for employees.

8. Chapter costs (key management personnel)

Four members of Chapter are remunerated for their services as authorised by the Cathedrals Measure 1999 and the Cathedral constitution, the remuneration (including pension contributions are paid in accordance with scales laid down annually by the Church Commissioners and the Church of England Pensions Board).

The four members received emoluments during the year as follows:

	2021	2020
	£	£
Stipends		
The Very Revd P Howell-Jones	37,670	37,485
Revd Canon Dr R Pailing	27,889	27,752
Revd Canon A D Hindley	10,377	30,977
Revd Canon G O'Neill	45,000	22,500
	<u>120,936</u>	<u>118,714</u>
	=====	=====
Employer's pension contributions		
The Very Revd P Howell-Jones	12,539	12,293
Revd Canon Dr R Pailing	10,031	9,834
Revd Canon A D Hindley	4,991	9,834
Revd Canon G O'Neill	10,031	4,942
	<u>37,592</u>	<u>36,903</u>
	=====	=====
Employer's national insurance	11,644	11,396
	<u>170,172</u>	<u>167,013</u>
	=====	=====

In addition these members received reimbursed expenses of £2,836 (2020: £874).

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

9. Auditors' remuneration

	2021 £	2020 £
Audit	14,500	13,750
Non-audit services	-	-
	<u>14,500</u>	<u>13,750</u>
	=====	=====

10. Investment property

Consolidated and Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Valuation	-	-	483,400	483,400	483,400
Transfer to non-investment	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>483,400</u>	<u>483,400</u>	<u>483,400</u>
At 31 December 2021	-	-	483,400	483,400	483,400
	=====	=====	=====	=====	=====

Church House was valued as at 31 December 2018 by the Chairman of the Fabric Advisory Committee. As the property is now empty and the property is expected to be used for rental the whole property has been revalued to market value and is recognised as an investment property.

11. Investments

Consolidated and Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Market value at 1-1-21	202,812	165,868	109,419	478,099	505,117
Disposals	-	-	-	-	(70,000)
Transfer	-	-	-	-	25,000
Net increase on revaluation	25,437	23,729	15,039	64,205	17,982
	<u>228,249</u>	<u>189,597</u>	<u>124,458</u>	<u>542,304</u>	<u>478,099</u>
	=====	=====	=====	=====	=====
	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
CCLA Investment funds	228,249	189,597	121,350	539,196	474,882
UK listed	-	-	3,108	3,108	3,217
	<u>228,249</u>	<u>189,597</u>	<u>124,458</u>	<u>542,304</u>	<u>478,099</u>
	=====	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

12. Cathedral building and Inventory

In accordance with the guidelines for Accounting and Reporting Regulations for English Anglican Cathedrals, the Cathedral building and Inventory are not included in the financial statements.

The building dates from 1824 and was extended in the twentieth century.

The Cathedral building and its contents have an insured value of £27,100,000 (2020: £27,100,000).

13. Non-Investment Property

Consolidated

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Net book value at 1-1-21	-	-	3,050,600	3,050,600	3,050,600
Additions	-	-	-	-	-
Transfer from investment properties	-	-	-	-	-
Revaluation of properties	-	-	-	-	-
	-----	-----	-----	-----	-----
Net book value at 31-12-21	-	-	3,050,600	3,050,600	3,050,600
	=====	=====	=====	=====	=====

Non-investment freehold properties are held and used as follows:

	2021 Total £	2020 Total £
For Cathedral activities	971,600	971,600
For clergy and staff housing	2,079,000	2,079,000
	-----	-----
	3,050,600	3,050,600
	=====	=====

Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Net book value at 1-1-21	-	-	3,050,600	3,050,600	3,050,600
Additions	-	-	-	-	-
Transfer from investment properties	-	-	-	-	-
Revaluation of properties	-	-	-	-	-
	-----	-----	-----	-----	-----
Net book value at 31-12-21	-	-	3,050,600	3,050,600	3,050,600
	=====	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

13. Non-Investment Property (cont'd)

Non-investment freehold properties are held and used as follows:

	2021	2020
	Total	Total
	£	£
Currently vacant	255,000	255,000
For Cathedral activities	716,600	716,600
For clergy and staff housing	2,079,000	2,079,000
	-----	-----
	3,050,600	3,050,600
	=====	=====

The Cathedral Court project was completed in 2017. As the project was funded from various sources including the sale of endowed property and Government grants, and the sale of the property or part thereof, would require the permission of the Church Commissioners the Chapter have treated the whole property as endowed. Part of the property is leased to tenants and this element is included within investment property. Chapter have elected to reflect the property at market value in accordance with the Cathedral Measure and as such the property was valued by Mr R Prest, Chairman of the Fabric Advisory Committee at 31 December 2018 on an open market basis.

On completion of the project the existing Cathedral offices (within Church House) were vacated and remain vacant and the Chapter are still considering the future use of the whole property for rental purposes. This property was also valued by Mr R Prest, Chairman of the Fabric Advisory Committee at 31 December 2018 on an open market basis.

The Cathedral shop is in the Cathedral itself and no value has been attributed to it. The shop space has been repurposed during the year following the decision not to reopen the shop following the impact of the global pandemic.

14. Equipment and plant

Consolidated

	Unrestricted	Restricted Endowment		2021	2020
	funds	funds	funds	Total	Total
	£	£	£	£	£
Net book value at 1-1-21	250,566	-	-	250,566	307,537
Additions	33,663	-	-	33,663	1,530
Depreciation for the year	(54,553)	-	-	(54,553)	(58,501)
	-----	-----	-----	-----	-----
Net book value at 31-12-21	229,676	-	-	229,676	250,566
	=====	=====	=====	=====	=====
Cost	554,071	-	-	554,071	520,408
Depreciation	(324,395)	-	-	(324,395)	(269,842)
	-----	-----	-----	-----	-----
Net book value at 31-12-21	229,676	-	-	229,676	250,566
	=====	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

14. Equipment and plant (cont'd)

Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Net book value at 1-1-21	249,548	-	-	249,548	306,017
Additions	33,663	-	-	33,663	1,530
Depreciation for the year	(54,051)	-	-	(54,051)	(57,999)
	-----	-----	-----	-----	-----
Net book value at 31-12-21	229,160	-	-	229,160	249,548
	=====	=====	=====	=====	=====
Cost	552,551	-	-	552,551	518,888
Depreciation	(323,391)	-	-	(323,391)	(269,340)
	-----	-----	-----	-----	-----
Net book value at 31-12-21	229,160	-	-	229,160	249,548
	=====	=====	=====	=====	=====

15. Stocks

Consolidated

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Goods for sale in shop and catering	11,372	-	-	11,372	8,907
	-----	-----	-----	-----	-----
	11,372	-	-	11,372	8,907
	=====	=====	=====	=====	=====

Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Goods for sale in shop and catering	7,262	-	-	7,262	7,887
	-----	-----	-----	-----	-----
	7,262	-	-	7,262	7,887
	=====	=====	=====	=====	=====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

16. Debtors

Consolidated

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Accounts receivable	14,824	-	-	14,824	855
Income tax refunds	1,995	25,816	-	27,811	3,509
Listed Placed of Worship Scheme	-	-	-	-	4,562
Prepayments	41,958	76,584	-	118,542	9,180
Other debtors	428,959	29,556	-	458,515	316,981
	<u>487,736</u> =====	<u>131,956</u> =====	<u>-</u> =====	<u>619,692</u> =====	<u>335,087</u> =====

Chapter

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Accounts receivable	14,578	-	-	14,578	573
Amounts due from group Companies	55,135	-	-	55,135	56,117
Income tax refunds	1,995	-	-	1,995	3,509
Listed Placed of Worship Scheme	-	-	-	-	4,562
Prepayments	39,017	-	-	39,017	9,180
Other debtors	5,812	2,550	-	8,362	16,981
	<u>116,537</u> =====	<u>2,550</u> =====	<u>-</u> =====	<u>119,087</u> =====	<u>90,922</u> =====

17. Creditors

Consolidated

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Accounts payable	79,943	49,281	-	129,224	97,698
Tax and social security	20,176	-	149,887	170,063	9,604
Accruals and deferred income	131,021	182,525	162,355	475,901	467,049
	<u>231,140</u> =====	<u>231,806</u> =====	<u>312,242</u> =====	<u>775,188</u> =====	<u>574,351</u> =====

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

17. Creditors (cont'd)

Chapter	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Accounts payable	75,167	-	-	75,167	48,349
Amounts due to group companies	(165,616)	-	364,728	199,112	363,491
Tax and social security	11,756	-	-	11,756	4,872
Accruals and deferred income	47,096	2,220	109,869	159,185	300,204
	<u>(31,597)</u>	<u>2,220</u>	<u>474,597</u>	<u>445,220</u>	<u>716,916</u>
	=====	=====	=====	=====	=====

Amounts due to Blackburn Cathedral Developments relate to amounts owed from Chapter for the final settlement reached with the main contractor. The balance is shown as due less than one year due to no formal agreement being in place between Blackburn Cathedral Developments and Blackburn Cathedral Chapter for the repayment of these amounts.

18. Creditors due after more than one year

Consolidated and Chapter	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total £	2020 Total £
Loans from Church Commissioners	-	-	91,797	91,797	91,797
Other loans	-	-	250,000	250,000	250,000
Loans from Diocesan Board of Finance	-	-	418,000	418,000	418,000
	<u>-</u>	<u>-</u>	<u>759,797</u>	<u>759,797</u>	<u>759,797</u>
	=====	=====	=====	=====	=====
Loan maturity analysis					
Between one and two years	-	-	250,000	250,000	250,000
Between two and five years	-	-	509,797	509,797	509,797
	<u>-</u>	<u>-</u>	<u>759,797</u>	<u>759,797</u>	<u>759,797</u>
	=====	=====	=====	=====	=====

The other loan from a donor is repayable in full on demand and interest is charged on the loan at 3% over the Bank of England base rate.

Blackburn Cathedral Chapter

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For the year ended 31 December 2021

Notes to the Accounts (cont'd)

18. Creditors due after more than one year (cont'd)

The Diocesan Board of Finance loan of £418,000 is repayable over a maximum period of 10 years from July 2014. Interest is charged on the loan at 0.5% above the rate charged by CCLA.

The Church Commissioners value linked loan is repayable in July 2023, together with the entitlement of the Church Commissioners to 22.5% of the proceeds from the sale of the underlying property, the property having been disposed of in 2016 to facilitate the funding of Cathedral Court. The sum repayable to the Church Commissioners will be the redemption sum as at the point of sale of the underlying property plus RPI from that time until the date of redemption. Interest is charged on the loan at 6.84% per annum.

19. Endowment funds

Consolidated	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Investment Movement & transfers £	At 31 December 2021 £
Property Funds					
- Property fund	2,038,002	-	-	-	2,038,002
Property Maintenance Funds					
- H C Haworth fund	70,929	-	-	9,042	79,971
Choral Funds					
- The Chadwick Memorial fund	481	-	-	-	481
- Choristers' endowment fund	27,816	-	-	4,037	31,853
General Purposes Funds					
- St Paul's School fund	1,365	-	-	195	1,560
- General Purposes fund	28,154	250	109	1,765	30,278
	<u>2,166,747</u> =====	<u>250</u> =====	<u>109</u> =====	<u>15,039</u> =====	<u>2,182,145</u> =====
Chapter	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Investment Movement & transfers £	At 31 December 2021 £
Property Funds					
- Property fund	2,066,002	-	-	-	2,066,002
Property Maintenance Funds					
- H C Haworth fund	70,929	-	-	9,042	79,971
Choral Funds					
- The Chadwick Memorial fund	481	-	-	-	481
- Choristers' endowment fund	27,816	-	-	4,037	31,853
General Purposes Funds					
- St Paul's School fund	1,365	-	-	195	1,560
- General Purposes fund	28,154	250	109	1,765	30,278
	<u>2,194,747</u> =====	<u>250</u> =====	<u>109</u> =====	<u>15,039</u> =====	<u>2,210,145</u> =====

Blackburn Cathedral Chapter

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For the year ended 31 December 2021

Notes to the Accounts (cont'd)

20. Restricted funds

Consolidated & Chapter

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Investment Movement & transfers £	At 31 December 2021 £
Property Funds					
- Columbarium fund	-	350	-	-	350
- 'The Journey' fund	6,429	-	-	-	6,429
- WW1 memorial fund	8,313	-	-	-	8,313
- Duchy of Lancaster	8,436	-	-	-	8,436
Property Maintenance Funds					
- Repair fund	167,046	3,593	-	17,721	188,360
- Building fund	320	-	-	-	320
- Heritage lottery fund	-	-	-	-	-
- Culture Recovery fund	6,706	93,011	(77,019)	(20,666)	2,032
- Clergy house fund	32,803	-	-	-	32,803
Choral Funds					
- J Smethurst fund	175	-	-	-	175
- Choral scholars fund	14,800	-	(10,604)	-	4,196
- Walmsley Legacy	4,000	-	-	-	4,000
General Funds					
- Vestments fund	1,634	46	-	225	1,905
- FOBCM fund	27,833	7,383	(4,117)	-	31,099
- Music Outreach Project	504	-	(395)	-	109
- Thornber Music fund	55,235	1,020	-	5,029	61,284
- Blackburn Cathedral Trust	-	-	-	-	-
- Jackson legacy fund	6,178	153	-	754	7,085
- The Education Officer fund	14,255	17,084	(12,994)	-	18,345
- D Barker Memorial bench fund	1,120	-	-	-	1,120
- M Emery memorial fund	1,403	-	-	-	1,403
- Margaret Kay Gift	7,064	-	-	-	7,064
- Other restricted funds	7,590	592,870	(578,202)	69,944	92,202
	<u>371,844</u> =====	<u>715,510</u> =====	<u>(683,331)</u> =====	<u>73,007</u> =====	<u>477,030</u> =====

The Music Outreach Project is a programme run to ensure that singing is at the heart of every primary school child's life.

The Thornber Music Fund is being applied towards various musical objectives, including the promotion and performance of music to the highest attainable standard.

The Walmsley Legacy was provided in memory of Keith and Barbara Walmsley, to be used for Chorister education.

The Blackburn Cathedral Trust Refurbishment fund is funded by Blackburn Cathedral Trust towards a number of improvement programmes in the Cathedral. During the current year the fund has assisted in the renovation of the Cathedral chairs, the promotion of the Appeal fund and the professional fees in respect of a Heritage Lottery fund application.

The Education Officer position is funded by Blackburn Cathedral Trust.

Blackburn Cathedral Chapter

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For the year ended 31 December 2021

Notes to the Accounts (cont'd)

20. Restricted funds (cont'd)

The Jackson legacy fund is provided to fund a memorial plaque and annual prizes for the choir and servers.

The D Barker memorial bench fund was donated to provide benches for the Cathedral.

The M Emery memorial fund was donated to provide benches for the Cathedral.

The Margaret Kay Gift is to be used for items contributing to the adornment of Blackburn Cathedral, particularly furniture. As part of this work a refurbishment of the Bromsgrove Guild War Memorial has been undertaken.

Other restricted funds principally represent the grant received from the Church Commissioners which funds stipends and salaries.

21. Unrestricted funds

Consolidated

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Investment Movement & transfers £	At 31 December 2021 £
General funds	672,958	611,922	(538,843)	(57,504)	688,533
Designated funds					
- Fixed asset funds	249,548	-	(54,052)	33,663	229,159
	<u>922,506</u>	<u>611,922</u>	<u>(592,895)</u>	<u>(23,841)</u>	<u>917,692</u>
	=====	=====	=====	=====	=====

Chapter

	At 1 January 2021 £	Incoming resources £	Outgoing resources £	Investment Movement & transfers £	At 31 December 2021 £
General funds	456,182	608,805	(491,802)	(22,503)	550,682
Designated funds					
- Fixed asset funds	249,548	-	(54,052)	33,663	229,159
	<u>705,730</u>	<u>608,805</u>	<u>(545,854)</u>	<u>11,160</u>	<u>779,841</u>
	=====	=====	=====	=====	=====

22. Pension schemes

The Chapter also contributes to defined contribution stakeholder pension schemes for selected employees. The contributions for the year totaled £5,285 (2020: £5,690) and there were no contributions outstanding at the year end.

Blackburn Cathedral Chapter

Annual Report

For the year ended 31 December 2021

Notes to the Accounts (cont'd)

23. Related entities

Blackburn Cathedral Developments, a company limited by guarantee, is controlled by the Chapter. The results and balance sheet of the company are consolidated in these accounts. The company made a deficit of £102,903 (2020: surplus of £300,000) during the year, and had net assets of £197,097 (2020: £300,000) at 31 December 2021. The accounts of the company include income from the Cathedral of £20,904 (2020: £40,424). Included within creditors on the Chapter's own balance sheet is £308,160 (2020: £363,491 owed to Blackburn Cathedral Developments).

Blackburn Cathedral Enterprises Limited is a company limited by shares and is controlled by the Chapter. The results and balance sheet of the company are consolidated in these accounts. The company made a surplus of £5,497 (2020: deficit of £29,901) during the year, and had net liabilities of £37,303 (2020: £42,800) at 31 December 2021. The accounts of the company include income from the Cathedral of £7,012 (2020: £3,532). Included within debtors on the Chapter's own balance sheet is £51,165 (2020: £56,117) owed from Blackburn Cathedral Enterprises Limited.

The Friends of Blackburn Cathedral and Blackburn Cathedral Trust operate independently of the Chapter, but are wholly for the benefit of the Cathedral. Income receivable from these entities in the financial statements.

	The Friends of Blackburn Cathedral			Blackburn Cathedral Trust		
	2021	2020	2019	2021	2020	2019
	£	£	£	£	£	£
Gross income	2,505	26,734	20,261	40,141	43,753	97,565
Legacy donations	-	38,028	136,000	-	-	-
Net income before payments to Cathedral	307	4,743	45,779	25,532	48,757	76,633
Paid to Cathedral	25,250	30,000	3,000	17,524	37,190	51,285
Gross assets	162,465	183,558	205,815	151,965	142,981	145,711
Net assets	158,615	183,558	205,815	148,388	140,981	129,414
Amounts owed (to)/from Blackburn Cathedral Chapter	-	-	-	(1,125)	-	(44)

The financial statements of the Friends of Blackburn Cathedral, for which these figures are extracted, are unaudited but did receive an independent examination. The examiner found no matters to which he wished to draw attention.

The financial statements of the Blackburn Cathedral Trust, from which these figures are extracted are unaudited but did receive an independent examination in 2020. The examiner found no matters to which they wished to draw attention. The 2021 figures are extracted from draft accounts yet to be subject to Independent Examination.

During the year the subsidiary company, Blackburn Cathedral Developments made purchases of £6,000 (2020: £4,375) from a company connected to one of the directors.