



GLOUCESTER
CATHEDRAL

Annual Report
July 2011



ANNUAL REPORT 2011

CONTENTS

Review of the Year	2
The Treasurer's Financial Review	13
Summary Accounts for Year Ended 31st March 2011	17
Comments on the Accounts	19
Governance	20
Vision and Strategy	21



HIGHLIGHTS OF THE YEAR:

- Over 1,000 services of worship
- Crucible exhibition brings 50,000 additional people to the Cathedral
- Launch of the Cathedral Junior Choir
- Successful Three Choirs Festival
- 5 new gargoyles raised onto South Aisle
- New nave altar
- Switching on of Christmas lights culminating in a celebration in the Cathedral for the City of Gloucester
- £14,676 surplus for the year (0.65% of turnover)

REVIEW OF THE YEAR



I always think that a review of the year in the life of Gloucester Cathedral is next to impossible. As I write we are greatly looking forward to working with Stephen Lake as our new Dean, but of course in the past year we have acknowledged with gratitude the

ministry of Nick Bury, who came here as Dean in March 1997. We are all deeply conscious of everything that Nick gave us during his time here. Jennifer and Nick made their home a place of hospitality to all. His generous, life-giving spirit was always grounded in the daily prayer and worship offered here and pervaded the life and mission of our cathedral church.

In this report we give you an idea of what has happened during the past year and provide an account of our stewardship, but inevitably it really can only be a snapshot. So much happens behind the scenes. We rely heavily on so many volunteers and the small group of very hard-working staff. It is they who enable the sustaining of our life. Little could happen here, either, without the financial support of the faithful and strong group of Christian people from all walks of life.

We are nearly half way through our 2009 - 2014 Vision and Strategy, and the arrival of our new Dean marks the start of our planning to make sure our strategy is fit for the challenges ahead.

Canon Neil Heavisides

Acting Dean October 2010 to May 2011



From the New Dean

In a year's time Gloucester will have become very much our home and it will be good to look back then, and to share this in our Annual Report. But for now, for me, this is all about looking forward.

As the new Dean of Gloucester, I can only do this because of the dedicated and able team we have here of both lay and ordained staff and volunteers. So thank you for all that so many have done to make the last year a success and just as Deans need cathedrals, cathedrals need Deans and so we can now indeed move forward with renewed confidence and hope.

My Installation was a great occasion on the Feast of Pentecost (12th June 2011). The gift of the Holy Spirit means that the church can never stand still or rest on its heritage, valuable as that is. We are all part of a story, the Gospel story, and inspired by the Spirit we constantly strive to be even more effective in ministry and mission. In the sermon, I spoke about my vision that Gloucester Cathedral can, in everything it does, 'be in tune with heaven and in touch with practical life'. We exist to make a difference and through our many activities, but especially through our prayer and worship, this is what I want to commit us to. The Chapter has a clear strategic vision (see the last page of this document) and this can be unfolded with even greater clarity and connectivity. As Dean I will want to 'listen and learn and love and lead' this worshipping community. The Spirit will guide us and enable us.

Please continue to support the Cathedral in every way you can, and thank you for doing so. We have a precious gift that is given to be shared and like the Holy Spirit, it is in this sharing that we find our common language and our common mission.

May God bless us all and bless the work of Gloucester Cathedral.

The Very Reverend Stephen Lake
Dean of Gloucester



WORSHIP AND SERVICES

To offer worship and prayer to God and to maintain the quality of our worship and services, developing their range and accessibility.

We learnt last year through a national survey that the more time people spend in the Cathedral, particularly when they are able to worship with us, the more they value what we can offer. Many who enter this building simply to look around end up by the candle-stand offering a prayer, prayers that we offer day by day. We cannot overestimate the value of this hidden life of prayer in our Cathedral Church. The Chapter has sought during the year to use this understanding to further its mission. The first line of the Cathedral's Vision Statement is:

"Gloucester Cathedral exists to give glory to God and to invite all people into its life."

It is essential that everything we do here remains focussed on this objective. As always during the year, there have been well over a thousand services of worship. The attendance at these is around 70,000. On all these occasions, the people of God gathered to be the Church, to pray for the coming of the Kingdom, and to give thanks. Many thousands more came to pray individually, or in more informal groupings.

In addition to the daily round of Matins, the Eucharist, and Evensong, there were, as usual, a variety of special services:

for the Diocese, for example ordinations, confirmations, licensings, and synods; for schools; and, of course, for HMS Gloucester, for the 1 Rifles, for Road Peace, for Animal Welfare, and the round of carol services, baptisms, weddings, and funerals. The priority continues to be the task of inviting people to be part of the Cathedral's life, making them welcome, and sharing with them a glimpse of heaven. So, during the year the focus has been on:

- sustaining the high quality of liturgy and music
- advertising special services, including the Church's major festivals - there has been good coverage in our local Citizen newspaper and on BBC Radio Gloucestershire
- new furniture for the nave: the altar and lectern are now in place, and the Choir and clergy seats are on order.

"Teach me the value of the hidden-ness of prayer in my public life; its wastefulness in the world's eyes; its disregard for eloquence if my spirit can only groan." -

John Bell of the Iona Community



MISSION AND OUTREACH



To engage in mission and outreach, demonstrably promoting justice for all.



During the year, the Chapter continued to develop the mission of the Cathedral to the City of Gloucester, as well as to the County and to the Diocese. The *Crucible* exhibition in Autumn 2010 was a huge success, and enticed over 50,000 additional visitors to the Cathedral, many of whom lived locally and had not visited before. Overall the exhibition was seen by over 140,000 people. Many remarked on the wonders of the building and returned several times, often ending their visit by attending Choral Evensong.

The Junior Voices Project had a successful year, as described in the music section below.

Gloucester turned its Christmas lights on in style with a unique festive procession which made its way to the Cathedral. The parade was based around the classic Christmas song 'The 12 Days of Christmas', and featured 12 large scale, illuminated creations which were designed and built by local schoolchildren working with professional artists. Over 1,000 people packed into the Cathedral to sing their favourite carols.

The Chapter is looking at how it can best support *Discover de Crypt*, an initiative led by Canon Nikki Arthy to regenerate St Mary de Crypt and the Old Crypt Schoolroom on Southgate Street as a place where children, young people and families can discover Christian spirituality and heritage in innovative and creative ways.

The Chapter was also delighted to support the Cathedral Pioneer Minister in his exciting work with FEIG (Fresh Expressions in Gloucester). It was good to link with the Peace on Earth initiative in Westgate Street throughout Advent and over the Christmas period.

The Breakfast Club for the homeless has continued to be a success with the average number of people attending increasing to 38.



WELCOME AND VISITORS

To make the Cathedral a place of gracious hospitality, welcoming all who come.

In the year over 426,000 people visited the Cathedral - a significant increase due to the 2010 Three Choirs' Festival and the *Crucible* Exhibition. The glass doors installed in the Porch in April 2010 have helped make the entrance to the Cathedral more welcoming.

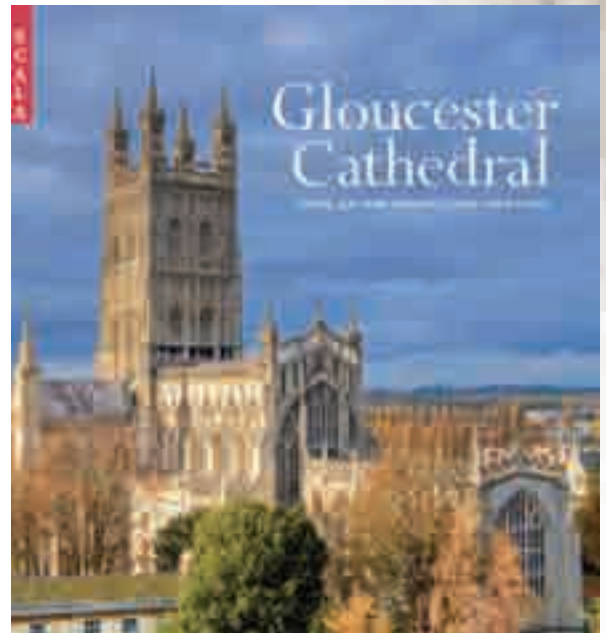
A priority shared by all Cathedral staff and volunteers is to offer a warm welcome and the Chapter is very grateful to all those involved in the meeting and greeting of visitors. The extreme weather conditions of December and early January 2011 meant far fewer visitors than normal, and this affected Shop and Coffee Shop sales in that period. No services or concerts were cancelled but, understandably with the temperature at -12 degrees, there were fewer people at Midnight Mass than usual.

The Artist-in-Residence, James Wright, held his end of year exhibition in June 2010, working on a small scale with his meticulous miniature paintings. David Behar-Perahia began his residence slightly later in the year and his installations are, by contrast, on a large scale. His mid-term exhibition focussed on the philosophy of building medieval cathedrals. The performance event in February involved both stone-masons and musicians making music. It is not yet certain whether there will be funding in the future for the Artist-in-Residence scheme to continue.

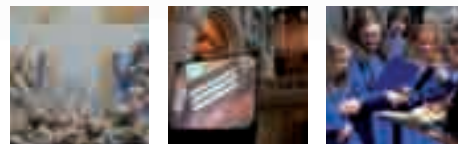
The Cathedral hosted a major exhibition of the religious art of Greg Tricker in March and April 2011. This was opened by Sister Wendy Beckett and enhanced both the building and worship during Lent and Eastertide. Other smaller exhibitions were held throughout the year.

The e-newsletter, sent out each month to everyone who has registered on the website, became an increasingly important marketing tool during the year.

A new, beautifully illustrated book with specifically commissioned photos and text written by a Cathedral team was prepared during the year, supported by a Friends' grant in celebration of their 75th anniversary. The book is now on sale in the Cathedral shop.



MUSIC



To sustain the quality of music offered, seeking new ways to share the gift of music.

The heart of all the music-making in this glorious place remains the singing of services in the Cathedral, which have continued throughout this year with great distinction.

The Cathedral has also made significant progress in widening access to the joys of music, including:

- The launch of the Cathedral Junior Choir for 7 to 13 year olds
- Securing the long term future of the Junior Voices Project, which involves choristers singing with primary school children throughout the County
- Free organ recitals now taking place on a frequent basis
- Regular concerts and services in parish churches throughout the Diocese involving the Cathedral and Youth Choirs

The Cathedral now runs 3 choirs: the Cathedral Choir, Youth Choir and Junior Choir. In addition, there are many affiliated groups who also perform at the Cathedral, including the Gloucester Choral Society, the St Cecilia Singers and the Capella Singers.

The musical highlight of the year for the Cathedral Choir was the Gloucester Three Choirs Festival in August 2010. This was a vintage year with national newspapers writing very positive reviews on each day of the Festival.

Later in the year, the boy choristers took part in a performance of Mahler's 3rd Symphony with the BBC National Orchestra of Wales broadcast live on Radio 3, Holst's Hymn of Jesus with the Bournemouth Symphony Orchestra, and a BBC broadcast of Choral Evensong in February. The Choir also gave concerts at Deerhurst Priory, Northleach and Stow Parish Churches, and performed at Tom Walkinshaw's Memorial Service (the owner of Gloucester Rugby Club). Preparations were made for the Choir's tour of South Africa in October 2011, which will include visits to congregations in some of the struggling township communities of the Cape.

The Cathedral Youth Choir continues to flourish, and many more teenagers joined during the year. The Choir sang a memorable Evensong on the first Sunday of the 2010 Three Choirs Festival, and participated in the inaugural concert of the Three Choirs Festival Youth Chorus in Tewkesbury





At Christmas Midnight Mass, they were joined by a number of enthusiastic former members, singing Haydn's *Missa Sancti Nicolai* to a full congregation. They have given concerts for the Pied Piper Appeal, Painswick Church and the Gloucestershire Province of Freemasons who support their work generously. In summer 2011 the choir will spend a week in London, singing services at St Paul's Cathedral and Westminster Abbey.

The Cathedral Junior Choir was launched at Highnam Court Spring Fair in May 2011. Following the end of Government funding for the 'Sing up' project, the Cathedral, with the assistance of generous sponsors, has been able to continue the scheme under its own auspices.

The Organ Recitals and 'Coffee Concerts' during the year were very successful. The latter are now in their third

year, taking place monthly on Saturday mornings in the Chapter House, and the performers give of their time and talents freely in support of the Cathedral Choir tour fund. Performances this year have included Songs from the Shows, Classical Guitar and Jazz, as well as concerts given by the Cathedral Choristers and Choral Scholars.

Thanks to the generosity of an individual sponsor, all of the Organ Recitals were free of charge, and the popular monthly lunchtime and Bank Holiday recitals regularly attracted audiences in excess of 150 people.

EDUCATION



To promote the educational mission of the Cathedral, encouraging lifelong exploration of faith.



Over the three terms of the year 7,477 children and young people either visited the Cathedral as part of a school visit guided by our Education Officers or took part in organised holiday activities. Another 530 came on informal visits during the *Crucible* exhibition. Special events included another popular Medieval Day, World Book Day and a new Science Day which will be repeated next year. In February the Education Department hosted 'King's Quest', where *Scene Change Theatre Company* provided a day of drama workshops linked to the 400th Anniversary of the King James' Bible. All activities offered are carefully developed and linked into the National Curriculum.


The Education Officers have worked with the Diocesan Children and Young People's department in piloting the

Experience Pentecost trail and again ran Experience Easter. Both of these gave pupils an opportunity to experience the events of these Christian Festivals in a thought provoking and interactive way.

The Sixth Form Conference on 'Right to Fight?' in October was attended by 130 students who heard presentations from Bishop Stephen Venner, Bishop to HM Forces; Jane Mace, a local Quaker, with experience of working with peace groups in the Middle East; and Neil Willatt, a former officer on nuclear submarines. Lively discussion followed the presentations and the students had the opportunity to question the panel.

In September the Cathedral hosted the Cathedrals Plus Annual Conference (formerly called the Pilgrims' Association). The 3-day conference is the major training event for Education and Visitors' Officers from all over the country. The theme this year, because of the sculpture exhibition, was *Fostering the Arts* and over 70 delegates attended. Rungwe Kingdon, director of Pangolin Editions and responsible for curating the *Crucible* exhibition, spoke with great enthusiasm about it, telling delegates that all the exhibits had been sculpted with passion, love, belief and integrity.



The background of the page is a photograph of two women in historical costumes standing in front of a large Gothic cathedral entrance. The woman on the left is wearing a black dress with a yellow headband and a yellow sash. The woman on the right is wearing a white blouse with a red vest and a blue hat. They are both smiling and holding hands. The cathedral's architecture is highly detailed with arches and carvings.

The Study Day programme has been developed further. Days based on the Benedictines, Stained Glass and Arts & Crafts have been run by Cathedral Guides, and another group has developed a day on the Cathedral monuments, Cherubs and Chancies. Over the summer of 2010 a new venture was to focus on a particular window or monument for a short talk once a week. Window of the Week and Monument of the Week proved popular with both regular and occasional visitors and will be repeated. The 15-week Guides' Training Course was run again over the winter after a year's gap and 6 new Guides have joined the rota.

Volunteers have played an important role in cleaning and sorting books in the Library under the supervision of the Cathedral Archivist.

The library will be open to the public on Heritage Open Day in September 2011.

Throughout the year preaching and teaching on Christian discipleship and stewardship has taken place. The Lent lectures on the King James Bible were very well attended and a small exhibition is planned for the autumn with concurrent educational activities.

COMMUNITY



“To build the community, valuing the skills each person offers and equipping them for their work.”

The farewells to Dean Nick Bury during September 2010 demonstrated the affection that he and Jennifer had created and the huge debt of gratitude the Cathedral owes to them.

During the *Crucible* exhibition the Chapter became very aware of the extra burden placed on staff and volunteers involved in an event of such size and such length (11 weeks), and it has been one of the lessons learnt. The goodwill amongst those involved is enormous, and the Chapter is very grateful for it and would not want to impose upon it or take it for granted. The annual Evensong and Party for volunteers, usually in June, is one way the Chapter tries to thank them as is the Christmas Party (this year in February!) for the staff.

Staff and volunteer training has continued where needs have been identified. Training has focussed on health and safety and technical skill development (eg singing and trade skills). For the second year running the Cathedral welcomed a new Trainee Stonemason, supported by a Heritage Lottery Fund bursary. Involvement as a Founder Member of the Cathedral Workshop Fellowship deepened during the year as our Master Mason was involved in delivering training to apprentice stonemasons from a number of Cathedrals.

The Residents' Association Committee has worked with the Chapter on security and green issues.

The Community mourned the departing of several long standing supporters including Dilys Morgan and Tom Fenton.

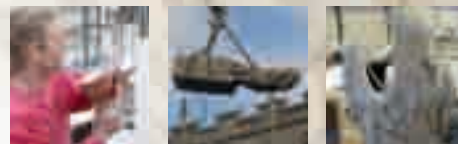
There were difficulties in late 2010 over the issue of CRB checks, including negative coverage in the national press. One of the Chapter's primary objectives remains the protection of children in its care, and CRB checks are just one aspect of this. The Chapter continues to keep its policy under review, based on best practice, assessment of risk and future changes in legislation.

Canon John Witcombe, the Diocese's Director of Discipleship and Ministry, joined the Chapter in October 2010, in order to help the Cathedral community develop its discipleship.

There are many whose hidden work enables the Cathedral to function in all sorts of ways and the Chapter is grateful to them all.



STEWARDSHIP



To sustain the Cathedral, securing and managing effectively the resources entrusted to us.



Congregational Giving

The Chapter believes that congregational stewardship is a vital part of Christian discipleship. During the year it set up a Stewardship Committee involving members of the congregation, clergy and staff to help support this discipleship. In late 2010, there had been 97 regular givers through standing orders or planned giving. Since the launch of this initiative at a Community Meeting during the year, 18 more people had joined scheme.

Repair and Conservation

The major repair project on the Cathedral during the year was the South Aisle. This project is likely to finish towards the end of 2012. The Cathedral Architect has identified the next priorities as the Lady Chapel, the north elevation and the Cloisters. In addition the roof of the South Aisle will need extensive repair in 2013 or 2014.

The dropping of the scaffolding from Phase V of the South Aisle project in July 2011 will reveal the outstanding quality of the masons' work on pinnacles, niches, canopies and buttresses. Also visible will be the 5 new gargoyles, lifted in spectacular fashion in October. The two surviving late medieval statues of kings have been carefully conserved, with some limited restoration: one has a replacement beard; the other holds a new sceptre, and repairs have been made to his face and the model church he holds. Preparations are now being made for work to begin on Phase VI, the two bays immediately to the east of the south porch.

The south aisle window depicting the coronation of Henry III in the abbey in 1216 was removed for restoration by Graham Dowding, based in Nailsworth. In the 150 years since its installation the leading has inevitably deteriorated and it was bowing badly.

Less immediately obvious matters have demanded the attention of architect, masons and maintenance team: frost damage to the infirmary arches and in Little Cloister; vandalism damage to other stained glass windows; safe maintenance access to the Cloister roof; a failing wall in Miller's Green; humidity levels in the Lady Chapel; and repair work on the Cathedral wiring. The Cathedral clock suffered two burnt out motors during the year, and is now silent pending extensive repairs.

Maintenance of Properties

During the year major refurbishment of two of the Cathedral's largest properties was needed following the departure of the previous occupants: the Deanery and 6 College Green. Both properties required extensive interior work, following decades of minimal intervention. Other significant refurbishments during the year were: 6a Miller's Green and 9 College Green.





The Environment

The Chapter, with the keen support of members of staff and the Community, made a major effort during the year to promote sustainability in the Cathedral's life and reduce its carbon footprint. This included:

- The introduction of composting of green waste, available to all residents
- A new recycling arrangement for most of the Cathedral's recyclable waste
- A reduction by 40% of the number of skips used
- A new contract with green company Ecotricity for the supply of all the Cathedral's electricity needs
- The replacement of the old diesel Lister truck with a new electric vehicle ("Maureen"), partly funded by the generosity of the Friends
- A new, much more efficient boiler in the Coffee Shop

These efforts continue in the coming year.

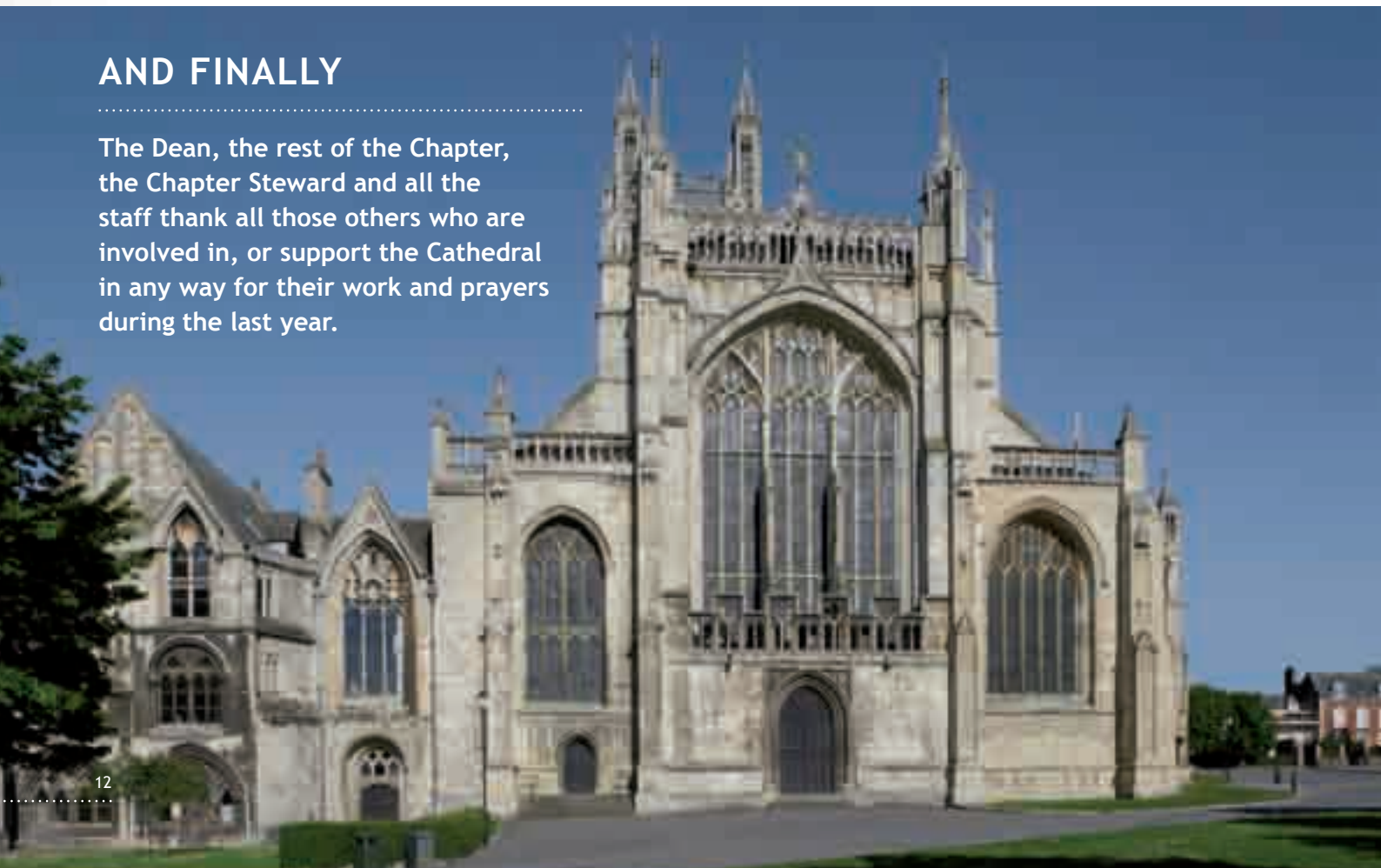
Health and Safety

Following the completion of a new Emergency Plan, a test evacuation of the Cathedral was attempted at the end of a Sunday morning Eucharist in February 2011. There were a number of important lessons learnt from the exercise which are now being incorporated.

There were numerous minor visitor accidents, mostly involving slips, trips or falls. To reduce the risk, additional handrails were provided in the Cathedral and many broken pavers were replaced in the nave and transepts. The safety of the car park continues to give the Chapter some cause for concern, and the options to improve the situation will be kept under constant review.

AND FINALLY

The Dean, the rest of the Chapter, the Chapter Steward and all the staff thank all those others who are involved in, or support the Cathedral in any way for their work and prayers during the last year.





THE TREASURER'S FINANCIAL REVIEW

Financial Highlights:

- Surplus for the year £14,676 (0.65% of turnover)
- Total income including legacies down 2.7%
- Underlying income up 15.0%
- Costs up 2.4%
- Expendable funds £1.25m

Introduction

Whilst sound finance lies at the heart of good stewardship, our financial goals are not pursued in a moral vacuum. We must manage money shrewdly, for the Cathedral's endowment is small compared to the importance of the structure and the mission it represents, but the ethical dimension must be heeded. Five important principles underpin the Chapter's financial strategy:

- Ethical investment as prescribed by the Church
- Conservation of the Cathedral and its environs
- Balanced budgeting, using a rolling five year average
- Maintaining the real value of assets
- Increasing regular income to support the Vision Statement

Tensions sometimes arise between these principles, so the Chapter constantly reviews and re-examines both strategy and its application.

The 2010/11 Year in Perspective

The year yielded a net surplus of just £14,676, compared with £127,943 in the prior year. Although this result met both the budget and our requirement for financial prudence, the remarkable artistic and financial success of the Crucible exhibition led us to hope for a bigger margin, particularly in a Three Choirs Festival year. This illustrates the central dilemma of cathedral finance - over-dependence on irregular sources of income, a subject to which I will return later.

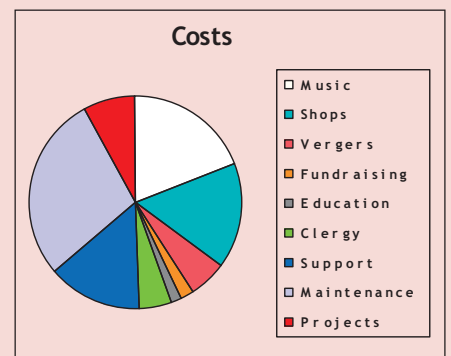
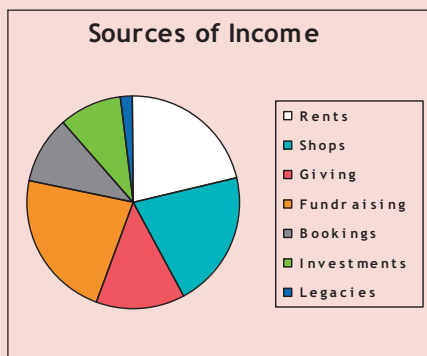
The Cathedral's gross income fell by 2.7% to £2,256,458 due to the impact of a £355,390 legacy in the prior year. Adjusting for this factor, the underlying income grew by 15.0%, with the Crucible as a key factor, leading to enhanced activity levels in the Cathedral's retail operations.

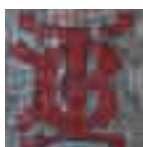
Predicting and controlling costs in an environment mainly comprising ancient buildings and embracing many disparate activities calls for exceptional managerial skills. I record with pleasure the progress made in changing from "top-down" budgeting to a devolved process whereby middle managers share ownership of the budget for their sector.

Total expenditure rose by 2.4 % to £2,241,782 and would have been static but for some unexpected clergy housing costs and ancillary expenditure associated with an increase in commercial activity. An important element in cost containment this year was the salary freeze reluctantly imposed by the Chapter and loyally accepted by the staff. The Chapter follows rather than leads local and national remuneration trends and, in thanking staff for their forbearance in difficult times, recognizes the desirability of maintaining the value of salaries in real terms wherever possible.

Financial Dynamics

The diagrams below show the diverse nature of the Cathedral's income and expenditure. Caution should be exercised with the cost analysis, because no separate heading has been included for worship, the cathedral's prime purpose, of which music is an integral part.





Stock Market Investments

The Chapter's ethical commitment is met by channelling investment through the Church of England fund managers CCLA. Moreover, CCLA operates on a competitive cost base (very relevant to total return on equity funds), has a good long term track record and is responsive to the income needs of the Chapter.

The 2011 investment return is shown below. Total income was £193,123, a growth of 18.3%, thus re-establishing the steady growth trend over the previous quinquennium. The income yield was 4.9% and, due to the long term nature of the fund, the portfolio is predominantly invested in equities.

	Equities	Fixed Interest	Deposits	Total 2011	Total 2010
Dividends	146,443	-	-	146,443	113,611
Interest	-	45,711	969	46,680	49,608
Total Income	146,443	45,711	969	193,123	161,219
Unrealised Capital Gains/(Losses)	119,897	(8727)	-	111,170	557,354
Total Return	266,340	36,984	969	304,293	720,573

In capital terms, unrealized capital gains amounted to £111,170, thus completing the capital recovery after the market falls of 2008. This recovery has been helped by the Chapter's decision to build up substantial cash deposits in 2008, subsequently reinvested in the market. Current investment policy is to remain fully invested, predominantly in equities, retaining cash only for operational reasons. The Total Return on the portfolio for 2010/11, on a mean funds basis, was 7.8%.

The figures are summarized below. It is important to realize that the restoration of capital values in the last two years, though symptomatic of good stewardship and necessary to maintain the real value of assets, does not translate into an increase in net spending power.

Property

The Cathedral's property portfolio is a dominant feature of its physical and financial environment. Setting finance aside, preservation of the character of the Cathedral precincts and adjacent properties is a major social benefit bestowed on the general public by the Chapter. Maintaining this area of historic beauty in the centre of a modern city inevitably involves financial strain due to the continuous high cost of upkeep and repair.

For statutory accounting purposes the property portfolio is divided between tenanted buildings (the investment portfolio) and those used for cathedral purposes, whether administration or habitation. This year the entire portfolio has been professionally re-valued, resulting in an overall

increase of 27.0% to £8,940,000. Within that total we were not surprised to find that "owner-occupied" property had shrunk in value by 12.9% to £2,150,000, in current market conditions.

The investment property portfolio, by contrast, was re-valued at £6,790,000, an increase of 48.6%. Over the past few years a major effort has been made to modernise leases and charge rents which, though fair, better reflect market rates. This has sometimes involved making commercial leases more responsive to clients' needs and relocating offices to release more marketable space. As with the stock market investments, capital gains in property do not increase distributable resources.



The gross income from tenanted properties was £440,657, an increase of 10.1%. After allowing for maintenance costs, however, the net income was £266,891, representing a net yield of 3.9% on the revised capital values, or 4.7 % on a mean funds basis.

As at the time of writing, the Cathedral’s tenanted estate is fully let.

The Financial Strategy Review

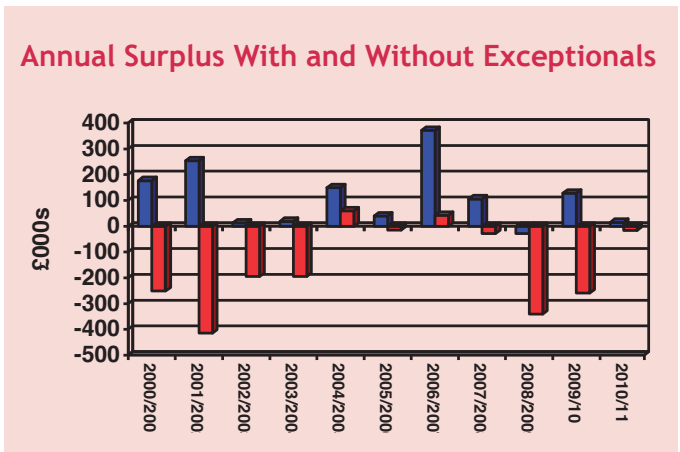
Readers of earlier reports are aware that the Chapter’s financial officers advocate a rolling five year break-even strategy. Deficits in some years must be balanced by surpluses in others. Annual outcomes for the last 10 years are shown diagrammatically in the accompanying bar chart. The net surplus or deficit each year is shown in blue. The red bars show how the cathedral would have fared if irregular, and less reliable, sources of income, like legacies, film-making and special one-off trust grants, were unavailable. At the request of the cathedral’s finance officers, the Chapter commissioned a strategic review in Summer 2010 from an independent Financial Review Group, chaired by Mr. Edward Gillespie and comprising members with wide business experience.

The Review Group strongly approved the Chapter’s record of balancing annual budgets and remaining debt-free but considered the strategy had inherent dangers, because of over-reliance on non-regular income. Moreover, the policy

implied long term restraints on expenditure which might handicap necessary development projects. The report stated that regular income needed to increase by about £200,000 annually. The sources might be:

- Increases in stewardship from regular givers
- More intensive fundraising
- Redeveloping the “visitor relationship”
- Extending and remarketing the potential uses of the Cathedral.

The Chapter accepts that the report clearly indicates the “direction of travel” needed for success and has already taken steps to augment the fundraising team.





The Friends

Over many years the Friends of Gloucester Cathedral have supported the Cathedral by grants for selected projects and the Chapter acknowledges a great and ongoing debt of gratitude for that support. The "Friends" operates as an independent but connected charity, so the Chapter welcomes the steps being taken to review its governance and the historic allocations between endowed and open funds. I am particularly pleased that Tim Watkins, the Friends' Honorary Treasurer and a partner in Randall and Payne, has agreed to join the Chapter's Finance Committee, which will benefit greatly from his professional expertise and business experience.

Conclusion and Outlook

The 2010/11 accounts represent another year of endeavour. We have paid our way, despite some cost setbacks and

helped by the financial and artistic success of the Crucible exhibition. Below the financial surface we have continued to improve management and cost-effectiveness.

For 2011/12 we have modestly departed from break-even budgeting, to meet some urgent needs for additional property repair and maintenance. Delay would inevitably increase the ultimate cost.

Going forward, we have lessons to learn from the Financial Review Group Report and important decisions to take but the report is neither a cure-all nor an end in itself. Increased financial resources are needed to serve the Cathedral's mission. All successful enterprises create a virtuous circle, committing resources to reach and inspire more people, who in turn strengthen the enterprise. There are no exceptions to this rule.

Bernard Day
Treasurer

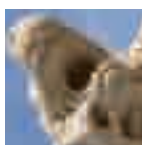


SUMMARY ACCOUNTS



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2011

	Unrestricted funds			Total 2011	Total 2010
	General	Restricted funds	Endowment funds		
Incoming resources	£	£	£	£	£
Voluntary income	382,821	408,089	-	790,910	962,338
Grants receivable	-	170,612	-	170,612	262,588
Charges and fees arising in the course of mission	98,523	-	-	98,523	68,296
Income from activities generating funds	545,320	17,284	-	562,604	461,319
Income from investments	482,921	46,099	104,789	633,809	563,407
Total incoming resources	1,509,585	642,084	104,789	2,256,458	2,317,948
Costs of generating funds	641,446	32,742	-	674,188	511,397
Net incoming resources available for mission	868,139	609,342	104,789	1,582,270	1,806,551
Resources expended on mission					
Ministry	265,116	235,180	104,789	605,085	573,762
Cathedral & precincts upkeep	268,523	285,540	-	554,063	684,729
Education & outreach	13,270	72,230	-	85,500	78,890
Community & congregation	11,757	13,860	-	25,617	17,345
Other expenditure on mission	221,247	66,516	-	287,763	315,375
Total resources expended on mission	779,913	673,326	104,789	1,558,028	1,670,101
Governance costs	9,566	-	-	9,566	8,507
Total expenditure on generating funds, mission and governance	1,430,925	706,068	104,789	2,241,782	2,190,005
Net incoming/(outgoing) resources	78,660	(63,984)	-	14,676	127,943
Other recognised gains/(losses)					
Investment property	-	-	2,220,395	2,220,395	372,708
Investments	-	40,191	70,979	111,170	557,354
Non investment property	-	-	(320,787)	(320,787)	201,523
Actuarial gains/(losses) on defined benefit pension schemes	7,000	-	-	7,000	(67,000)
	7,000	40,191	1,970,587	2,017,778	1,064,585
Net movement in funds	85,660	(23,793)	1,970,587	2,032,454	1,192,528



CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2011

	Notes	Unrestricted funds General	Restricted funds	Endowment funds	Total 2011	Total 2010
		£	£	£	£	£
Fixed assets						
Investment assets						
Property	1	-	-	6,790,000	6,790,000	4,569,605
Investments	2	4,044	1,143,339	2,818,136	3,965,519	3,865,291
		4,044	1,143,339	9,608,136	10,755,519	8,434,896
Non investment assets						
Property	3	-	-	2,150,000	2,150,000	2,470,787
Total fixed assets		4,044	1,143,339	11,758,136	12,905,519	10,905,683
Current Assets						
Stocks		51,389	-	-	51,389	58,851
Debtors	6	167,413	-	-	167,413	90,976
Cash at bank and in hand		223,031	-	-	223,031	192,918
		441,833	-	-	441,833	342,745
Liabilities due within one year						
Creditors	7	217,357	90,552	-	307,909	225,439
Net Current Assets		224,476	(90,552)	-	133,924	117,306
Net assets excluding pension liability		228,520	1,052,787	11,758,136	13,039,443	11,022,989
Pension liability	16	(29,000)	-	-	(29,000)	(45,000)
Net Assets including pension liability		199,520	1,052,787	11,758,136	13,010,443	10,977,989
Represented by:						
Funds						
Endowment funds	8	-	-	11,758,136	11,758,136	9,787,549
General funds	9	199,520	-	-	199,520	113,860
Restricted funds:						
Fabric	10	-	721,511	-	721,511	717,721
Music	10	-	303,303	-	303,303	325,393
Other	10	-	27,973	-	27,973	33,466
		199,520	1,052,787	11,758,136	13,010,443	10,977,989

COMMENTS ON THE ACCOUNTS



The following notes are designed to be helpful in interpreting the extracts from the Statutory Accounts on the previous pages, and in explaining why some of the figures are significantly different from those in 2009/10. References are to the circled items.

Statement of Financial Activities (Page 17)

Note Comment

- 1 General Funds are those available for all purposes. Restricted Funds are those given (eg by grant) which must be used for the purposes specified by the donor. Endowment Funds are those where the capital cannot be spent, but the income can be.
- 2 Voluntary income, which includes congregational giving, alms box, general donations and legacies, was so much higher in 2010 because it included a legacy of £350,000. Voluntary income and Grants receivable need to be considered together, as some types of grants are classed as voluntary income. Total fundraising and grants in 2011 was in fact similar to that in 2010, at £477,000.
- 3 This figure - £2,256,458 - is the total income received by the Cathedral from all sources during the year.
- 4 The cost of generating funds - £674,188 - includes the cost of running the shops, fundraising, and maintenance of the rented properties.
- 5 The cost of ministry - £605,085 - includes the cost of clergy stipends, housing and the choirs.
- 6 The cost of Cathedral and precincts upkeep - £554,063 - includes repair and restoration of the Cathedral, insurance and the vergers. It was lower in the year because fewer projects were carried out on the Cathedral.
- 7 Other expenditure on mission - £287,763 - is the cost of support functions, and was 9% lower than in the previous year.

8 This figure - £2,241,781 - is the total of all costs incurred by the Cathedral in 2010/11.

9 This is the most important line. It shows the surplus of £14,676 for the year.

10 These figures show the changes in valuations of the Cathedral's properties and an increase of £111,760 in the value of the Cathedral's stock market investments.

11 The Net movement in funds - £2,032,454 - is the increase in the value of the Cathedral's assets during the year. Most of this is attributable to the revaluation of property, and is not available to spend, as the Chapter does not want to sell its property and even if it did the proceeds would be classed as an endowment.

Balance Sheet (Page 18)

Note Comment

- 12 These figures show the value of the Cathedral's property following the revaluation.
- 13 This is the value of the Cathedral's stock market investments - £3,965,519 - of which £2,818,136 is in endowment funds and cannot be spent.
- 14 These figures show the available, spendable resources of the Cathedral at the end of the year. The General Fund, at £199,520, represents circa one month's expenditure. The Fabric, Music and Other restricted funds total £1,052,787.

GOVERNANCE

The Cathedral's governing body is the Chapter. It consists of the Dean, the Residentiary Canons and three lay people.

The Chapter of the Cathedral Church of St. Peter and the Holy and Indivisible Trinity, Gloucester, is an unincorporated charity. Its Constitution and Statutes are by Act of Parliament.

The membership of the Chapter during the 2010/11 financial year was:

The Dean	The Very Reverend Nick Bury (retired 1st October 2010)
The Precentor	The Reverend Canon Neil Heavisides (Acting Dean from 1st October 2010)
The Canon Pastor	The Reverend Canon Celia Thomson
Diocesan Residentiary Canon	The Reverend Canon Dr David Hoyle (resigned 26th May 2010)
Diocesan Residentiary Canon	The Venerable Canon Geoffrey Sidaway
Diocesan Residentiary Canon	The Reverend Canon Nikki Arthy
Diocesan Residentiary Canon	The Reverend Canon John Witcombe (joined 10th October 2010)
The Treasurer	Mr Bernard Day
Lay Member	Dame Janet Trotter
Lay Member	Mr Robin Lunn

Lay Officers of the Cathedral during the year were:

The Chapter Steward	Mr Mark Beckett
The Director of Music	Mr Adrian Partington

The Architect was Mr Antony Feltham-King, and the Archaeologist was Mr Richard Morriss.

The Cathedral's Auditors are Pitt Godden and Taylor of Brunel House, George Street, Gloucester GL1 1BZ

Members of the Chapter and Officers can be contacted on 01452 528095 or 01452 874960 or by post to The Cathedral Office, 12 College Green, Gloucester GL1 2LX.

Website: www.gloucestercathedral.org.uk



STATEMENT OF VISION

Gloucester Cathedral exists to give glory to God and to invite all people into its life. It has done so for nine hundred years, for almost five hundred as the seat of the mission and ministry of the Bishop of Gloucester.

Christ invites all of us into the Kingdom that we see revealed in his life, death and resurrection. Our invitation depends on a building that speaks of the glory of God: through worship and prayer; through music, education and the arts; and through the skills of craftspeople through the ages.

We will make every effort to welcome all into the cathedral. This includes the way we greet people, whether they come to worship, to pray, to attend a community event or to visit for leisure. To do this we will ensure that the building is well interpreted, that there is gracious hospitality, and that it is clean, uncluttered and safe.

We do not aim just to inform but to transform. We will seek to teach about the nature of God, drawing people closer to Him through the beauty of our services, our music and our fabric. We will offer care to the broken-hearted, promote social justice, provide an exciting environment for children, and pray with the distressed, building a community that is generous of spirit, attractive and full of hope.

The cathedral must never be regarded simply as a sanctuary, but as a centre for mission: of sending. We will support individuals in going out into the world strengthened and renewed to live and work to Christ's praise and glory.

We will use all of the resources available to us to achieve this vision - the skills of our staff and volunteers and the finances that have been entrusted to us.

The Chapter of Gloucester Cathedral
December 2008

Gloucester Cathedral is most grateful to the following individuals and trusts for their generous financial contribution to our work:

The Allchurches Trust, The D G Albright Trust, The Arts Council, South West Arts, Avie Records, Margaret Austen, Roger Head, The Lord Beaufort, The Bevan Bequest, The Alan Cadbury Trust, The Choir Schools Association, CHK Charities, The Ernest Cook Trust, Ian & Stephanie Crowe, Bernard & Angela Day, Ecclesiastical Insurance, Gloucester City Council, Cotswold Male Voice Choir, Robin & Gillian Lunn, Anne Cadbury, David Acland, George Marchant, Frank Norville, David Wessex, Edward Gillespie, Richard Barclay, Mark & Julia Hurrell, John Thorne, Diana Lee-Browne, Pangolin Editions and Gallery Pangolin, Charles Russell Transport, Steve Russell Studios, Peter Petrie, Jennifer Tann, Nick's Timber, Phil McCormick, The Rococo Players, The D'Oyly Carte Charitable Trust, English Heritage, Friends of Cathedral Music, The Grace Fry Trust, Gloucester Cathedral Trust, Gloucestershire Environmental Trust, The Heritage Lottery Fund, ePowerTrucks, Severnprint, Alec Hamilton & Susan Hamilton, The Edward & Diana Hornby Charitable Trust, The George Cadbury Charitable Trust, The Sinclair Charitable Trust, The late Roger Higgins, PF Charitable Trust, Martine Walkinshaw, The Lord Vestey, Garfield Weston Foundation, Mark Heywood, M V Hillhouse Charitable Trust, The Honourable Company of Gloucestershire, Jean Jackson, The late Margaret Jones, The Kirby Laing Foundation, The Jack Lane Charitable Trust, The Langtree Trust, Philip Smith's Charitable Trust, The Miss E M Lidbury Charitable Trust, Hilda Lockwood, Sylvanus Lysons Charity, The Royal Masonic Trust for Girls & Boys, Frank Norville, The Notgrove Trust, The PF Charitable Trust, Helena Oldacre Trust, The Ouseley Trust, The Prichard Trust, The Purcell Club, The Thompson Educational Trust, Dame Janet Trotter, The Radcliffe Trust, The Summerfield Trust, Trinity College Cambridge, Tom Wills, Francis Witts, The Friends of Gloucester Cathedral

And all those who wish to remain anonymous

