

THE FRIENDS OF ELY CATHEDRAL CIO

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

THE FRIENDS OF ELY CATHEDRAL CIO
PARTICULARS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2018

1.

TRUSTEES

The Very Reverend M P J Bonney, Dean of Ely (Chairman)

Mr E J Gifford (Chair of Council)

Mr R O Setchell (Honorary Treasurer)

Mrs A L Bishop

Mrs C Bushnell

Mrs J Chamberlain

Mrs J Davie

Mr G Diss

Mrs S Farmer

Mr R H G Mason

Mrs H Merrick

Mr G Mizen

Mrs M Rone

FRIENDS' OFFICER: Mrs S M Hunting

PRINCIPAL BANKERS: Lloyds Bank plc, Minster Place, Ely.

INDEPENDENT EXAMINER: Mrs Helena Wilkinson, Price Bailey LLP.

REGISTERED ADDRESS: The Chapter Office, The College, Ely, Cambs, CB7 4DL.

CHARITY REGISTRATION NO: 1157705

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and independently examined financial statements for the year ended 31 December 2018.

Objects of the Charity

The objects of the charity are to assist the Dean and Chapter of Ely in the advancement of the religious, pastoral, musical and educational work of the Cathedral including the preservation of its fabric and the ornaments and furnishings thereof.

The Trustees have considered the Charity Commission's guidance on public benefit, and they consider that the charity is fulfilling its obligations in this respect by achieving the above objectives.

Governing Document

The Charity is regulated by its Constitution dated 29 April 2014.

Organisation

There can be a maximum of 14 Trustees (there are 13 at present) comprising no more than 7 trustees elected at the annual general meeting of the members, 1 ex officio trustee (the Dean of Ely) and 6 trustees nominated by the Chapter of Ely Cathedral. Trustees shall hold office for three years but shall be eligible for re-election or nomination for up to three consecutive occasions.

The day to day administration is handled by the Friends' Officer, Mrs S M Hunting.

Gifts to Ely Cathedral up to a value of £40,000 are approved by the Trustees (Council) and those in excess of £40,000 must be approved by the members at the Annual General Meeting. This limit was changed from £25,000 at the annual general meeting on 22 September 2018.

Trustee induction and training

New Trustees are selected from the local community, only if they have relevant experience, skills and enthusiasm to enable them to make a contribution to the administration of the charity. They are interviewed and, if they are willing to be appointed, they are formally proposed and seconded for appointment either at an Annual General Meeting or, if elected by the Dean and Chapter, by a meeting of that body. No formal training is given to new Trustees but they are briefed thoroughly as to the charity's activities.

Charity Governance Code

The seven principles that make up this code: organisational purpose, leadership, integrity, decision making risk and control, board effectiveness, diversity, openness and accountability, have all been considered by the Trustees who are satisfied that the charity meets these principles.

Development, Activities and Achievements

The Trustees approved gifts to Ely Cathedral during the period totalling £38,829. Gifts previously agreed and not taken up in full and now written back totalled £139, making a net charge in the financial statements of £38,690. A further £19,300 has been agreed since the year end and remains unpaid at the date of this report

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

Review of the Financial Position and Transactions

The financial position of the Charity is strong and it is well able to meet the agreed gifts from funds which are readily available. In 2018 the total income of the Friends was £186,593 (2017 - £105,829), expenditure excluding gifts was £27,857 (2017 - £36,386). The value of the investments decreased by £23,674. As stated in the previous paragraph, gifts totalled £38,690 leaving a surplus for the year of £96,372.

We are very grateful to have received in the year legacies totalling £103,048.

Reserves Policy

Normal recurring expenditure can be met by the expected income of the charity. Reserves are required to enable the charity to assist Ely Cathedral with projects as and when required and the Trustees have agreed that reserves should not be allowed to fall below £50,000.

Fundraising

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year.

Risk management

The Trustees have examined the charity's operations and considered the risks faced. In the opinion of the Trustees the charity has established the resources and review systems which, under normal circumstances, should allow any risks to be mitigated to an acceptable level in its day to day operations.

Investment Policy

Apart from the Johnson Bequest (see below), the trustees do not envisage holding funds for the long term. As referred to above, it is intended that reserves will not fall below £50,000 and this is covered by cash deposits and an investment in M&G Charifund income units which cost £15,245 several years ago and at 31 December 2018 had a value of £36,327. With regard to the Johnson Bequest, the fund is invested in the CBF Church of England Investment Fund with dividends received held in a deposit account pending re-investment. This has a balanced investment objective with low or medium risk.

On Behalf of the Trustees

Ed Gifford (Chair of Council)

30 April 2019

I report on the accounts of the charity for the period ended 31 December 2018 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Acthave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Helena Wilkinson BSc FCA DChA
Price Bailey LLP
Chartered Accountants
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ*

20 May 2019

THE FRIENDS OF ELY CATHEDRAL CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

5.

	<u>Note</u>	2018 Unrestricted Funds £	2017 Total £
Income:			
Subscriptions, donations and legacies	2	137,826	46,478
Fund raising	3	13,671	23,711
Investments	4	35,096	35,640
Total income		186,593	105,829
Expenditure:			
Raising funds	3	6,273	15,012
Charitable activities	5	60,274	225,745
Total expenditure		66,547	240,757
(Decrease) / Increase in value of Investments	6	(23,674)	85,191
Net income / (expenditure) for the year being net movement in funds		96,372	(49,737)
Reconciliation of funds:			
Total funds brought forward		1,020,951	1,070,688
Total funds carried forward		1,117,323	1,020,951

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

BALANCE SHEET AT 31 DECEMBER 2018

	Note	2018		2017	
		£	£	£	£
Fixed Asset					
Investments	6		925,179		1,027,658
Current assets					
Debtors	7	2,142		13,534	
Stock of bags & cards		2,325		2,761	
Bank current account		8,630		12,388	
Cash		6		18	
Deposit accounts		263,967		187,543	
		277,070		216,244	
Current liabilities					
Creditors (amounts falling due within one year)	8	84,926		222,951	
Net current assets / (liabilities)			192,144		(6,707)
Total net assets			1,117,323		1,020,951
Funds	10				
Unrestricted funds			1,117,323		1,020,951

The financial statements on pages 5 to 13 were approved by the Council on 30 April 2019 and signed on its behalf by:

Ed Gifford (Chair of Council)

Richard Setchell (Honorary Treasurer)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES**a. Basis of Accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b. Going concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year. This is covered in more detail in the performance and risk sections of the Trustees' annual report for more information.

c. Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (continued)**d. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes support costs for the management of the investment portfolio, fund- raising and event organisation;
- Expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

e. Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment income, gains and losses are allocated to the appropriate fund.

f. Tangible Fixed Assets

Equipment, furniture and fittings owned by the Charity are written off when acquired. It is considered that the realisable value of these items is not significant.

g. Funds

Restricted Funds are funds which have been given for particular purposes or projects.

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide.

h. Stocks

Stock consists of purchased goods for resale. Stock is valued at the lower of cost and net realisable value.

i. Cash at bank and in hand

Cash at bank includes cash held in current and deposit accounts.

j. Debtors

Other debtors are recognised at the settlement amount due

k. Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in a payment to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

l. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at cost and subsequently measured at their settlement value. At the balance sheet date, fixed assets are recorded at market value and all other assets and liabilities are recorded at cost (which is their fair value).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

2. Income from subscriptions, donations and legacies

	2018	2017	
	Unrestricted Funds	Unrestricted Funds	Restricted Funds
Subscriptions including gift aid claims	33,132	31,062	-
Donations	1,646	1,851	50
Legacies	103,048	13,515	-
	137,826	46,428	50

3. Income from Fund Raising Activities

	2018			2017		
	Income	Expenses	Net	Income	Expenses	Net
Outings	1,534	1,115	419	870	821	49
Friends' day	1,267	1,227	40	1,143	825	318
Friends' social events	1,985	795	1,190	903	307	596
New Friends evening	-	22	(22)	-	88	(88)
Christmas cards	7,229	2,603	4,626	6,065	1,955	4,110
Friends' National						
Conference	-	-	-	10,757	10,450	307
Book sales, "Interpreting Ely Cathedral"	-	-	-	2,621	-	2621
Shopping Bags	462	227	235	1,152	516	636
Notecards & badges	1,194	284	910	200	50	150
	13,671	6,273	7,498	23,711	15,012	8,699

4. Income from Investments

	2018	2017
Investment fund - dividends	33,098	34,208
Interest – deposits	1,998	1,432
	35,096	35,640

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Charitable Activities

Gifts to Ely Cathedral	2018	2017
Unrestricted Funds		
Balances of gifts previously agreed and not taken up in full :		
Scapulars for Cathedral guides	-	(2,000)
Storage cupboards for education materials	-	(2,500)
Dean's Cope	(139)	-
New gifts:		
Filming at Easter & Christmas of choristers	4,000	3,000
Laser lightshow sponsorship	-	3,728
Signage for Cathedral Centre	-	1,887
Processional Way courtyard paving	-	40,000
2018 flower festival sponsorship	-	5,000
Health & Safety Walkway	25,000	-
Christmas tree Sponsorship	5,000	-
Drone Survey of Lantern	4,799	-
	38,660	49,115
Designated Funds		
Choirstalls (part of Octagon furniture project)	-	150,000
	38,660	199,115
Restricted Funds		
Dean's Cope	-	5,206
	38,660	204,321
Choristers prize	30	50
Governance costs		
Printing, stationery, postage & telephone	2,516	2,110
Salaries	16,726	16,318
National insurance	1,115	1,087
Pension contributions	1,087	1,061
Sundry expenses & bank charges	(100)	288
Accountancy fees	240	510
	21,584	21,374
Total	60,274	225,745

The average number of employees (part-time) during the period was 1 (2017 – 1)

No employee received emoluments of more than £60,000 during the year (2017 – None)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

6. Investments

	Cost		Open market value	
	2018	2017	2018	2017
At beginning of year	866,806	863,884	1,027,658	943,049
Further investment	16,444	22,254	16,444	22,253
Investments sold	(83,509)	(19,332)	(95,249)	(22,835)
(Decrease) /Increase in value in year	-	-	(23,674)	85,191
At 31 December 2018	799,741	866,806	925,179	1,027,658
Comprising:				
2,551 M&G Charifund income units	38,614	38,614	36,327	41,905
55,042 CBF Church of England investment fund income shares	761,127	828,192	888,852	985,753
	799,741	866,806	925,179	1,027,658

	2018	2017
7. Debtors		
Income tax recoverable	632	465
Legacies receivable	1,000	12,515
Other debtors	510	554
	2,142	13,534

8. Creditors		
Ely Cathedral – re-imburement of expenses	4,808	5,274
Ely Cathedral – gifts	79,931	216,760
Other creditors	187	917
	84,926	222,951

9. Commitments approved since December 2018

Easter 2018 videos	-	4,000
Health & safety walkway	-	25,000
Christmas tree sponsorship (£1,000 pa over 5 years)	-	5,000
Resurfacing pathways at east end of Cathedral	18,200	-
Grant to Broderers Group (vestments)	1,100	-
	19,300	34,000

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Fund Reconciliation

Current Year	At 31 December 2017	Income	Expenditure	Investment Losses	Transfer	At 31 December 2018
Unrestricted Funds						
General fund	145,137	155,510	(66,547)	(5,578)		228,522
Designated fund	875,814	31,083	-	(18,096)		888,801
Total Funds	1,020,951	186,593	(66,547)	(23,674)		1,117,323
Prior Year	At 31 December 2016	Income	Expenditure	Investment Gains	Transfer	At 31 December 2017
Unrestricted Funds						
General fund	157,811	73,478	(85,551)	2,736	(3,337)	145,137
Designated fund	911,058	32,301	(150,000)	82,455	-	875,814
	1,068,869	105,779	(235,551)	85,191	(3,337)	1,020,951
Restricted Fund	1,819	50	(5,206)	-	3,337	-
Total Funds	1,070,688	105,829	(240,757)	85,191	-	1,020,951

The designated fund is the Stanley Johnson Bequest which has been set aside to provide funds for major projects. During 2017 £150,000 was committed for expenditure on Choirstalls as part of the Octagon furniture project (note 5).

The restricted fund comprised donations received from members as a result of an appeal to provide a gift to the cathedral to mark the 80th anniversary of the founding of the Friends. This fund has now been fully utilised.

11. Analysis of Fund Assets and Liabilities

	Unrestricted Funds	Designated Fund	Total Funds
2018			
Investments	36,327	888,852	925,179
Bank current account & cash	8,636	-	8,636
Deposit accounts	256,850	7,117	263,967
Other current assets	4,467	-	4,467
Current liabilities	(77,758)	(7,168)	(84,926)
	228,522	888,801	1,117,323
2017			
Investments	41,905	985,753	1,027,658
Bank current account & cash	12,406	-	12,406
Deposit accounts	179,852	7,693	187,545
Other current assets	16,294	-	16,294
Current liabilities	(105,320)	(117,632)	(222,952)
	145,137	875,814	1,020,951

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

12. Comparative Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Income:			
Subscriptions, donations and legacies	46,428	50	46,478
Fund raising	23,711	-	23,711
Investments	35,640	-	35,640
	<hr/>	<hr/>	<hr/>
Total income	105,779	50	105,829
Expenditure:			
Raising funds	15,012	-	15,012
Charitable activities	220,539	5,206	225,745
	<hr/>	<hr/>	<hr/>
Total expenditure	235,551	5,206	240,757
Net gains on Investments	85,191	-	85,191
	<hr/>	<hr/>	<hr/>
Net expenditure for the year being net movement in funds	(44,581)	(5,156)	(49,737)
Transfer between funds	(3,337)	3,337	-
Reconciliation of funds:			
Total funds brought forward	1,068,869	1,819	1,070,688
	<hr/>	<hr/>	<hr/>
Total funds carried forward	1,020,951	-	1,020,951
	<hr/>	<hr/>	<hr/>

13. Trustees' Remuneration

During the period, no Trustee received nor waived any remuneration (2017 – nil). Expenses reimbursed to the Trustees in the year were Nil (2017 – Nil).