

THE FRIENDS OF ELY CATHEDRAL CIO

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE FRIENDS OF ELY CATHEDRAL CIO
PARTICULARS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2019

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 (retired 28 September 2019)

Mrs J Davie

Mr G Diss (retired 28 September 2019)

Mrs S Farmer

Ms J I Fenton (appointed 28 September 2019)

Prof V Lewis (appointed 28 September 2019)

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 2019

The Trustees present their report and independently examined financial statements for the year ended 31 December 2019.

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.

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 £128,850. Gifts previously agreed and not taken up in full and now written back totalled £7,169, making a net charge in the financial statements of £121,681. A further £22,000 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 2019

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 2019 the total income of the Friends was £80,364 (2018 - £186,593), expenditure excluding gifts was £27,126 (2018 - £27,857). The value of the investments increased by £174,375. As stated in the previous paragraph gifts totalled £121,681 leaving a surplus for the year of £105,932 (2018 - £96,372)

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 2019 had a value of £42,364. 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)

28 April 2020

I report on the accounts of the charity for the period ended 31 December 2019 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*

26/05/2020

THE FRIENDS OF ELY CATHEDRAL CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

5.

	2019	2018
	Unrestricted	Unrestricted
	Funds	Funds
<u>Note</u>	<u>£</u>	<u>£</u>
Income:		
Subscriptions, donations and legacies	32,701	137,826
2		
Fund raising	11,811	13,671
3		
Investments	35,852	35,096
4		
Total income	80,364	186,593
Expenditure:		
Raising funds	5,387	6,273
3		
Charitable activities	143,420	60,274
5		
Total expenditure	148,807	66,547
Increase / (decrease) in value of Investments	174,375	(23,674)
6		
Net income / (expenditure) for the year being net movement in funds	105,932	96,372
Reconciliation of funds:		
Total funds brought forward	1,117,323	1,020,951
Total funds carried forward	1,223,255	1,117,323

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 2019

	Note	2019		2018	
		£	£	£	£
Fixed Asset					
Investments	6		1,121,842		925,179
Current assets					
Debtors	7	1,017		2,142	
Stock of bags & cards		1,991		2,325	
Bank account & cash		7,650		8,636	
Deposit accounts		250,412		263,967	
		261,070		277,070	
Current liabilities					
Creditors (amounts falling due within one year)	8	159,657		84,926	
Net current assets / (liabilities)			101,413		192,144
Total net assets			1,223,255		1,117,323
Funds					
Unrestricted funds	10		1,223,255		1,117,323

The financial statements on pages 5 to 13 were approved by the Council on 28 April 2020 and signed on its behalf by:

Ed Gifford (Chair of Council)

Richard Setchell (Honorary Treasurer)

The notes on pages 7 to 13 form part of these accounts

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice.

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: 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 issued in October 2019 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.

The trustees have considered the effects of the Covid-19 pandemic and have concluded that it will not affect the going concern status of the charity.

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.

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: (continued on next page)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

d. Expenditure (continued)

- 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 bid 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 asset investments are recorded at market value and all other assets and liabilities are recorded at cost (which is their fair value). The investment note 6 details the original cost of the investments and their fair value (market value) recorded in the accounts.

m. Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustees' best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The trustees do not consider there to be any material estimates and judgements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. Income from subscriptions, donations and legacies

	2019	2018
Subscriptions including gift aid claims	32,060	33,132
Donations	641	1,646
Legacies	-	103,048
	32,701	137,826

All relate to unrestricted funds in both years

3. Income from Fund Raising Activities

	2019			2018		
	Income	Expenses	Net	Income	Expenses	Net
Outings	1,316	1,046	270	1,534	1,115	419
Friends' day	1,216	1,214	2	1,267	1,227	40
Friends' social events	2,067	568	1,499	1,985	795	1,190
New Friends evening	-	88	(88)	-	22	(22)
Christmas cards	6,093	2,007	4,086	7,229	2,603	4,626
Shopping Bags	309	165	144	462	227	235
Notecards & badges	810	299	511	1,194	284	910
	11,811	5,387	6,424	13,671	6,273	7,398

All relate to unrestricted funds in both years

4. Income from Investments

	2019	2018
Investment fund - dividends	33,147	33,098
Interest – deposits	2,705	1,998
	35,852	35,096

All relate to unrestricted funds in both years

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5. Charitable Activities

Gifts to Ely Cathedral	2019	2018
Balance of gifts previously agreed and not taken up in full :		
Designated Funds		
Choirstalls (part of Octagon furniture project)	(7,169)	-
Unrestricted Funds		
Dean's Cope	-	(139)
New gifts:		
Unrestricted Funds		
Filming at Easter & Christmas of choristers	-	4,000
Health & Safety Walkway	-	25,000
Christmas tree Sponsorship	-	5,000
Lantern repairs	25,000	4,799
Choristers prize	50	30
Resurfacing pathway at east end	18,200	-
Grant to Broderers group	1,100	-
Asbestos removal in vestry	12,000	-
Folding lectern & music stand	12,500	-
Sponsorship of the earth display	10,000	-
Cathedral lighting project (preparatory work)	10,000	-
Lady chapel sound system	40,000	-
	121,681	38,690
Governance costs		
Printing, stationery, postage & telephone	2,008	2,516
Salaries	17,061	16,726
National insurance	1,131	1,115
Pension contributions	1,109	1,087
Sundry expenses & bank charges	430	(100)
Accountancy fees	-	240
	21,739	21,584
Total	143,420	60,274

The average number of employees (part-time) during the period was 1 (2018 – 1)

No employee received emoluments of more than £60,000 during the year (2018 – None)

No employee benefits were received by key management personnel during the year (2018 – Nil)

The key management personnel were: Mrs S M Hunting (Friends Officer), Mr E J Gifford (Chair of Council) and Mr R O Setchell (Honorary Treasurer)

All relate to unrestricted funds in both years

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

6. Investments

	Cost		Open market value	
	2019	2018	2019	2018
At beginning of year	799,741	866,806	925,179	1,027,658
Further investment	22,288	16,444	22,288	16,444
Investments sold	-	(83,509)	-	(95,249)
Increase / (decrease) in value in year	-	-	174,375	(23,674)
At 31 December 2019	822,029	799,741	1,121,842	925,179
Comprising:				
2,551 M&G Charifund income units	38,614	38,614	42,364	36,327
56,313 CBF Church of England investment fund income shares	783,415	761,127	1,079,478	888,852
	822,029	799,741	1,121,842	925,179

	2019	2018
7. Debtors		
Income tax recoverable	549	632
Legacies receivable	-	1,000
Other debtors	468	510
	1,017	2,142

8. Creditors		
Ely Cathedral – re-imburement of expenses	5,875	4,808
Ely Cathedral – gifts	153,782	79,931
Other creditors	-	187
	159,657	84,926

9. Commitments approved since December 2019

Resurfacing pathways at east end of Cathedral	-	18,200
Grant to Broderers Group (vestments)	-	1,100
Piano & Clavinova for Music Department	22,000	-
	22,000	19,300

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

10. Fund Reconciliation

Current Year	At 31 December 2018	Income	Expenditure	Investment Gains	At 31 December 2019
Unrestricted Funds					
General fund	228,522	49,334	(155,976)	6,037	127,917
Designated fund	888,801	31,030	7,169	168,338	1,095,338
Total Funds	1,117,323	80,364	(148,807)	174,375	1,223,255
Prior Year	At 31 December 2017	Income	Expenditure	Investment Losses	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

The designated fund is the Stanley Johnson Bequest which has been set aside to provide funds for major projects.

11. Analysis of Fund Assets and Liabilities

	Unrestricted Funds	Designated Fund	Total Funds
2019			
Investments	42,364	1,079,478	1,121,842
Bank current account & cash	7,650	-	7,650
Deposit accounts	234,552	15,860	250,412
Other current assets	3,008	-	3,008
Current liabilities	(159,657)	-	(159,657)
	127,917	1,095,338	1,223,255
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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12. Trustees' Remuneration

During the period, no Trustee received nor waived any remuneration (2018 – nil). Expenses reimbursed to the Trustees in the year were Nil (2018 – Nil)

13. Post Balance Sheet Events

Following the Coronavirus pandemic Fixed Asset Investments have fallen in value by £104,470 to £1,017,372.

14. Related Parties

There were no related party transactions (2018 – nil)