

ELY CATHEDRAL

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**



ELY CATHEDRAL

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ADMINISTRATIVE DETAILS

Chapter

The Very Reverend M Bonney (Dean)
 The Reverend Canon Dr V Johnson
 The Reverend Canon Dr J Garrard
 The Reverend Canon Dr J Martin
 The Reverend Canon H Shilson-Thomas (retired 28 January 2019)
 Canon T Green (retired 1 March 2018)
 Canon T Bellis
 Canon T Walters (joined 26 March 2018)
 Canon Dr V Avery
 The Reverend Canon T Buchanan (joined 28 January 2019)

Cathedral Administrator

Canon S Bourne FCA

Director of Music

Mr P Trepte

Finance Director

Mrs A Binstead FCA

Address

The Chapter House
 The College
 Ely Cambs
 CB7 4DL

Chapter Solicitor

Taylor Vinters
 Merlin Place
 Milton Road
 Cambridge, CB4 0DP

Auditors

Price Bailey LLP
 Chartered Accountants & Statutory Auditors
 6 High Street
 Ely Cambs, CB7 4JU

Bankers

Barclays Bank Plc
 28 High Street
 Cambs, CB7 4LA

Investment Managers - Chapter

Quilter Cheviot
 One Kingsway
 London
 WC2B 6AN

Surveyor to the Fabric

Clive England, RIBA

Investment Managers – Ely Cathedral Trust

CCLA
 80 Cheapside
 London
 EC2V 6DZ

Cathedral Archaeologist

Dr Roland B Harris, FSA

Finance and Investment Committee

Mr W C M Dastur -Chairman
 Mr R P Slogrove (retired 15 October 2018)
 Mr A Kyndt
 Mr G Lynn
 Mr T Walters (joined 26 March 2018)

Fabric Advisory Committee

Mr D A H Richmond - Chairman
 Mr P Orchard
 Dr J Litten
 Mr J Musson
 Mr G Harrison
 Mrs S Latham
 The Rt Reverend S Platten
 Mr R Halsey

Trustees – Ely Cathedral Trust

Mr R P Slogrove –Chairman (retired 15 October 2018)
 The Very Reverend M Bonney
 Mr C F M Rawlinson MBE
 Mrs J Lewin-Smith DL
 Mr I Pattinson
 Canon Paul Evans
 Rev Canon Dr J Martin
 Canon T Bellis
 Mr David Green (appointed 15 October 2018)

ADMINISTRATIVE DETAILS – Cathedral Council

Chair

The Rt. Hon. The Lord Wilson of Dinton GCB

The Dean

The Very Reverend M Bonney

Bishop's Council Representative

VACANT

Appointments Committee of the Church of England Representative

Mr G Lynn

Bishop's Representative for Education Representative

Mr A Read

Bishop's Nominee

Mrs J Pearson DL

Cathedral Congregation Representative

Mrs M Rone

Mr R Skelton

Mr E Gifford

Cambridgeshire Ecumenical Council Representative

The Reverend P Whittle

College of Canons Representative

The Reverend Canon F Brampton

Chapter Representative

The Reverend Canon Dr J Garrard

The Reverend Canon Dr J Martin

Diocesan Synod Representative

Mr I Mackellar

Mr S Kershaw

Cathedral Employee Representative

VACANT

Local Government Representative

Mr F Burkitt

Lord Lieutenant

Mrs Julie Spence OBE QPM

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

The Chapter of Ely Cathedral is a corporation with its own seal, charged with the government of Ely Cathedral. Its functions are regulated by the Constitution and Statutes of the Cathedral which date from 1541, with some later amendments, the latest of which comply with the Cathedrals Measure 1999. As expressed in Section 1 of the Cathedrals Measure, the mission, activities and achievements of the Cathedral stem from its role as "The Seat of the Bishop and a centre of Worship and Mission".

The Cathedral's Vision and Mission

Chapter has a vision of Ely Cathedral as an outward looking community, **engaging** and responding to the challenges of the world around; bringing people to faith, making new disciples and **growing** the congregation numerically and **deepening** them spiritually; and doing so through inspiring and transformative worship, engaging and challenging preaching, and a warm welcome and generous hospitality. Chapter would like to see everyone who engages with Ely Cathedral saying "**Ely Cathedral makes a difference**".

Chapter fully aligns itself with the Diocesan Vision statement "**We pray to be generous and visible people of Jesus Christ**" and its critical imperatives to **engage, grow and deepen**.

This is all encapsulated in the Cathedral's Mission Statement to be a community "**Joyfully proclaiming the love of God in worship, outreach, welcome and care**".

The Cathedral Strategic Plan, available on the Cathedral website, continues to be reviewed and updated.

Chapter's primary goal is to grow and deepen the spiritual experience of all with whom Chapter engages, with an immediate aim to develop and grow the regular worshipping congregation. To achieve this, Chapter has developed a series of programmes that have resulted in a more proactive, themed and forward-looking approach to worship, preaching, teaching lectures and study groups through the seasons of the year. Well produced booklets have promoted the Cathedral's offering and the response has been very positive. We have enjoyed a wide range of visiting preachers and lecturers.

Chapter met 10 times during the year. As well as routine governance work, Chapter receives a report from and has a discussion with each of the Senior Managers at one of the Chapter meetings. The Director of Finance reports to the Chapter every month. Within the Strategic Plan, Chapter are focusing on four particular goals: congregational growth and development; offering inclusive, generous and high quality hospitality and care; being a place of prophetic outreach and engagement; and having a financially secure base to support its mission. Part of that secure base continues to be the need to keep the fabric of the Cathedral in good repair and ensuring that its commercial activities are sound and well managed. Chapter is committed to ensuring that their Safeguarding policies are up-to-date, and that training of staff and volunteers is in place, and Canon Johnson has oversight of this.

Particular achievements in relation to the Strategic Plan have been: the completion of the South Nave Aisle Repair Project, which was made more complicated and expensive due to the main contractor going into Administration early in the year; the paving of the Processional Way courtyard, which has turned this outdoor piece of land into a very useful area; and a successful Flower Festival which attracted around 15,000 visitors and was a beautiful event.

There has not been any further development of the Cathedral's Masterplan in the year. As can be seen in these accounts, 2018 has been a challenging year financially and so a cautiousness in respect of the general financial climate and our own financial capacity is a sensible approach at the moment.

As stated in the 1999 Cathedrals Measure, the purpose of the Cathedral is to be "the seat of the Bishop and a centre for worship and mission", so Chapter is particularly aware of its role as mother church of the Diocese, which comprises over 300 parishes. Chapter's aim is that the Cathedral should be a spiritual, educational and cultural resource for the Bishop and the Diocese.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

The Cathedral has been used by the Diocese for a number of special services, ordinations, licensings, baptisms and confirmations. Parishes visit the Cathedral, and the clergy preach around the diocese and beyond on a regular basis. We are most supportive of the Diocesan Strategy and ensure that Chapter's vision and mission is in tune with the developing work there.

Chapter is assisted in the running and organisation of the Cathedral by a small professional staff and by specialist advisory committees. These committees cover The Fabric, Education, Finance and Investment, Risk and Compliance, Health and Safety, safeguarding, Marketing, Mission and Outreach, Pastoral Care and Cultural Events.

Cathedrals Measure

Pursuant to the Cathedrals Measure, Chapter has eight members: the Dean, three residentiary Canons, one non-residentiary Canon and three Lay members. The Dean is appointed by the Crown, while the residentiary Canons and other members are appointed by the Bishop of Ely after consultation with Chapter. Changes in these appointments are handled similarly. All new members are provided with appropriate information and induction upon joining. Also provided for in the Cathedrals Measure is a Cathedral Council, with representation from the Bishop's Council, the Diocesan Synod, the Cathedral congregation, the Cathedral Chapter and the Honorary Canons, as well as from the wider community. The Council's brief is to consider proposals submitted by Chapter regarding the mission and general direction of the Cathedral, as well as to consider the annual budget and accounts.

The College of Canons' brief is to consider the annual accounts, wider interests of the Cathedral and to be summoned by the Dean to elect a bishop in the event of a vacancy.

Safeguarding**(a) Review of 2018**

- Ely Cathedral is committed to safeguarding all those who attend the worship and other activities that we offer.
- Ely Cathedral accepts the prime duty of care for children and vulnerable adults.
- Ely Cathedral follows recommended safeguarding practice in recruiting, training and supporting our ordained and lay ministers, our employees and our volunteers.
- Ely Cathedral follows the advice, guidance, policy and practice of the Church of England in promoting a Safer Church. The Church of England Safeguarding Policy Statement for children, young people and adults is available on the Cathedral Website on the Safeguarding page as well as the current Cathedral Safeguarding Policy Document.

In the past year the Cathedral has been implementing and embedding Safeguarding Policy and Practice issued by the National Church and under the Guidance of the Diocese of Ely Safeguarding Advisor.

(b) Chapter Roles and Responsibilities

Safeguarding is a standard agenda item at Chapter Meetings and Chapter receive updates of ongoing policy and practice in this area. Chapter have identified Safeguarding as a 'red risk' in the current cathedral risk register, in recognition of the importance it attaches to the safety and well-being of the Cathedral's community, and of the serious consequences of any failure. In 2018, Chapter received the recommended roles and responsibilities document and discussed them accordingly. Chapter accepted the Church of England Practice Guidance on Safeguarding Training and Development (2018) and the Church of England Policy Statement on Safeguarding.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

(c) DBS Applications

There were 20 new DBS applications in 2018. Many of these were due to the new Overseas Student Guide Group that was formed in the Cathedral. We also had a number of new education guides, which also contributed to that number. We have a system for tracking those who need to update their DBS, Confidential Declarations and undertake Safeguarding Training. All volunteers who need a DBS have a valid one, although some are coming up for renewal. All DBS Applications are mediated through the Diocesan Safeguarding Team.

(d) Confidential Declarations

A recent renewal exercise has started for all volunteers where a confidential declaration has expired. Every new member of staff and every new volunteer has to complete Confidential Declarations prior to starting in their role. All active volunteers have their own file for correspondence and the Cathedral is finalising a volunteers audit to ensure everyone active has safeguarding compliance.

(e) Safeguarding Training

The Cathedral has taken the decision that all new volunteers and staff members will be required to complete the basic "C0" online training before starting work. Depending on their position they could be required to complete higher level training. The Cathedral has implemented the Church of England Safeguarding Training and every new volunteer and each member of staff has to complete C0 Safeguarding Module. Those working in regulated or supervisory activities are required to complete C0 plus additional modules as required. Most new volunteers and staff complete their training online which seems to have been well received. In 2018, 64 people completed C0 Safeguarding training. All volunteer training events in 2017 included a short section on current Safeguarding Policy and Practice in the Cathedral.

(f) Cathedral Safeguarding Group

In 2018, there was one meeting of the Cathedral Safeguarding Group. The group was set up in 2016 to discuss all aspects of Safeguarding Policy and Practice across the Cathedral. In 2019 there will be two meetings, which the Dean will attend.

(g) DSLG

The Chapter Safeguarding Lead is also a member of The Diocesan Safeguarding Liaison Group.

(h) Relations with King's Ely

The Chapter Safeguarding Lead has termly meetings with KE Safeguarding Leads to discuss issues relating to Choristers specifically. In addition, KE now recognise Church of England Safeguarding Training as something which fulfils their compliance requirements.

(i) Casework

The Chapter Safeguarding Lead and Diocesan Safeguarding Advisor have attended one multi-agency Strategy Meeting with the Cambridgeshire Local Authority Designated Officer in relation to a specific case relating to a former member of Cathedral Staff.

(j) Review of Archives

Chapter commissioned the Cathedral Archivist to examine archive material for any information relating to what would now be considered a Safeguarding issue. Information found was deposited in Safeguarding Files accordingly.

(k) Safer Recruitment

The appointment of an HR and Compliance Officer has helped embed Safer Recruitment in the life of the Cathedral. In January 2018, the Cathedral organised a Safer Recruitment Training module for those directly involved in the recruitment and training of staff and volunteers across the cathedral.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

(l) Internal Independent Audit

In 2018, an independent audit of a 'high risk' department (Music) was led by an Independent Safeguarding Professional, Katherine Jeary, formally Chair of the Diocesan Safeguarding Liaison Group. This exercise was commissioned by Chapter in anticipation of an independent Safeguarding Audit commissioned by the Church of England and carried out by SCIE in 2019, and as a means of preparing for that. The outcome of the music department audit was that the Safeguarding culture in the music department was good and moving in the right direction with solid drivers in place for the improvement of safeguarding. There was already a lot of good practice. Some further improvements and considerations were suggested and these are currently being worked through in preparation for the National SCIE Audit.

(m) Cathedral Safeguarding Advisor

Currently Rebecca Boswell acts as Cathedral Safeguarding Advisor by arrangement with the Diocese. This arrangement has worked very well.

Other Entities

Chapter is closely linked to two other entities, whose activities are reflected in the Cathedral Accounts. **The Ely Cathedral Trust** is constituted under a Trust Deed dated 16 October 1972 and is a registered charity no. 264803. The objective of the Trust is to apply the Trust Funds to the repair and maintenance of the Cathedral fabric; the repair and maintenance of the organ and other appurtenances of the Cathedral; the support and advancement of the Cathedral Choirs; the repair and maintenance of secular buildings occupied or used for purposes connected with the Cathedral; and in other ways to support the work of the Cathedral. Trustees are appointed by the Cathedral Chapter, but the Trustees exercise full control over the affairs of the Trust. An Annual Report and Financial Statements are published separately. **Ely Cathedral Enterprises Ltd** is responsible for the trading activity of the Cathedral. Its directors during the year under review were the Dean, the Cathedral Administrator, Mr Adrian Kyndt and Mrs Lesley Ann Thompson and its affairs were conducted in accordance with the Companies Act 2006. An Annual Report and Financial Statements are published separately. It should be noted that the **Friends of Ely Cathedral** is not consolidated into the accounts of Ely Cathedral, as it is an organisation that is independent of Chapter. Its accounts are published separately.

Worship

The primary purpose of the Cathedral is to offer worship to God. This may currently be divided into six categories:-

- a) Daily worship. The offices of Morning and Evening Prayer and the Eucharist are offered in the Cathedral every day. Compline is sung once a week in Lent and Advent. During the summer months prayers are offered in the Cathedral every hour by a team of Chaplains.
- b) The Sunday Holy Communion, the Sung Eucharist (which attracts 200-300 people each week) and Choral Evensong.
- c) Diocesan worship in the form of confirmations, ordinations and other special diocesan gatherings.
- d) Services with laying on of hands for healing; and other occasional services.
- e) Major acts of worship for local, county and national organizations, including services for the military, local authorities and to mark national occasions. The Cathedral is the centre for King's School Ely services.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Music

The music and liturgical worship offered in the Cathedral in 2018 continued to maintain the highest of standards. Girl and Boy Choristers and Men sing in a developed pattern where all voices are heard on their own and at other times all together. The Cathedral's voluntary choir Ely Cathedral Octagon Singers have continued to be very strong and an essential part of our rota of Cathedral choirs, along with the Community Choir for all staff and volunteers, under the directorship of the Reverend Canon Dr V Johnson.

Warm thanks are extended to Paul Trepte, Sarah MacDonald, the Director of the Girls' Choir, Aaron Shilson, the Girls' Choir's Assistant Organist, and Edmund Aldhouse for all that they do, especially in the light of the challenges of chorister recruitment. Edmund Aldhouse, Rebecca Duckworth and Anne Mizen also deserve many thanks for their roles in the work of the Ely Imps, which, despite other choirs for similar age groups springing up, have maintained good numbers and been involved with several concerts on their own and in collaboration with other Cathedral choirs, to much acclaim and pleasure.

After more than 28 years, Paul Trepte will retire from his role as Director of Music, at Easter 2019. He will be succeeded by Edmund Aldhouse. We wish to thank Paul for all that he has done for music at Ely Cathedral and we congratulate Edmund on his promotion.

Cathedral Links

Ely Cathedral has strong links with Zanzibar Cathedral. With the help of a grant from the EU/World Monument Fund, Zanzibar Cathedral has been able to restore the important heritage site on which it stands and has set up an anti-slavery education centre. We are delighted that the Ely Cathedral community has contributed generously to the restoration of Zanzibar Cathedral and it has been our privilege to send an occasional delegation from Ely to Zanzibar, to witness the development works and the progress of the Christian mission on Zanzibar Island. The Cathedral also supports the Diocese of Ely's links with Vellore in India, the Nordkirche in Germany and the Diocese of Kigali in Rwanda.

Our links with other churches in Ely remain healthy and dynamic, demonstrated by a number of annual joint services and other activities. Working with our local ecumenical partners and other agencies, Ely Foodbank and CAP debt centre continue to provide a valuable service within a 15-mile radius of Ely. The demand for the Foodbank and debt advice illustrates the very real poverty and the growing wealth gap that exists within our area.

The Ely Cathedral Centre

The Cathedral Conference Centre continues to welcome a diverse range of commercial, community and Cathedral-based groups, with bookings reaching a healthy 770 in 2018. Our regular users include the K9 Cafe, Ely Milks, WEA supporting job seekers plus away days for the County Council and various training organisations.

The past year has seen a significant increase in 'support type groups' with a focus on counselling, mental health and wellbeing via groups such as yoga, mindfulness, meditation group therapy and CHUMS Mental Health and Emotional Wellbeing Service.

Working with Children and Young People

The Learning Team at the Cathedral continues to work with around 10,000 children and young people each year. The team began a revision of the Cathedral's school programmes to meet the changing needs of pupils and the school curriculum in 2018. This has already led to an increase in the number of visits from special schools and a change to more interactive and targeted activities across the school age range, which have been welcomed by visiting teachers.

The team is now responsible for the organisation of the annual Cathedral Schools' Days in October and around 2200 children commemorated the 100th anniversary of the end of the First World War with a play, workshops and a memorable remembrance service with a poppy drop from the Octagon tower.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Working with Children and Young People (continued)

The school holiday family drop in sessions with themed craft activities continue to be popular with up to 130 children attending each session.

The Cathedral also runs regular activities for young children through Junior Church and Edward Bear Club.

Mission to Adults

Thanks to our excellent marketing department and increased use of social media in a number of forms, the Cathedral continues to increase its visitor footfall despite difficult economic circumstances. Every day, through the tremendous work our Welcome team, Day Chaplains, and Guides (alongside leaflets, notices and the many 'spiritual opportunities' around the cathedral) people who come into the Cathedral as Tourists leave as Pilgrims, having encountered Christ among us. We simply could not achieve this without our dedicated teams of volunteers.

Pastoral Care

The Canon for Congregation and Community has oversight of the pastoral needs of the Cathedral congregation and community, both volunteers and staff, as well as working to develop and deepen the spiritual life of the congregation and a programme for congregational growth. Pastoral work is a team effort and is supported by lay and ordained colleagues to ensure all known needs are met. The Canon for Congregation and Community oversees safeguarding in the cathedral, and is 'first port of call' for the Occasional Offices (Baptisms, Weddings, Funerals/Memorial Services) and is assisted by the Cathedral Pastoral Team (CPT) consisting of twelve members of the congregation. Set up in 2006 the CPT's purpose is to 'enhance the provision of pastoral care for the Cathedral community.' The number of people being supported by the CPT can often be up in the region of eighty. Valuable priestly pastoral support is given by the team of seven Priest Vicars. The Ministry of Healing is available every Sunday at the 10.30 Sung Eucharist and is valued by both the Cathedral community and visiting worshippers. This ministry now involves lay members of the Cathedral community.

Caring permeates every area of Cathedral life. The congregations, Cathedral staff and volunteers support each other and the weekly Coffee Mornings in the Cathedral Centre offer another opportunity for mutual support. Every aspect of Cathedral life is included in the monthly cycle of prayer, which is used at daily morning and evening offices.

The Mothers' Union (MU) is the largest branch in the diocese and is held in high regard for its work with its members and with pre-school children (Edward Bear Club). A member of the branch attends every Cathedral baptism service. The MU has an active ministry outside the Cathedral by providing family support in homes and prisons.

Statistics for 2018 (2017):

Baptisms – 24 (21)

Confirmations – 14 (5)

Weddings/Blessings/Anniversaries – 14 (10)

Funerals/Memorial Services/Interment of Ashes – 12 (1)

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Concerts and Events

Ely Cathedral is a popular local venue for concerts and events. In 2018 there were some 30 major events which included concerts, a flower festival, filming, exhibitions, theatre productions, evening functions and our Christmas Gift Fair. The planning of all concerts and events is overseen by the Events Management Group. The total revenue raised for Cathedral funds in 2018 was some £201,670 (2017: £186,000). The largest single contribution to this income was from our Flower Festival, which attracted around 15,000 visitors over four days.

Fabric

The Fabric Advisory Committee is a statutory committee whose remit is to:

1. Act as advisers to Chapter, to ensure that the fabric of the Cathedral and its precinct is maintained, preserved and fit for purpose.
2. Work with the Cathedral Fabric Committee for England (CFCE) to ensure that all work complies with heritage and planning restrictions.

The expertise and advice that the Committee brings is invaluable to Chapter when planning repairs and new projects within the Cathedral.

Essential repairs and maintenance continued throughout the year at a cost of circa £127,000 (2017 £144,000). In addition to this day-to-day spend, extensive work continued to repair the South Nave Aisle Roof and finish off the rewiring repairs. Chapter is extremely grateful for grants from the Government's World War 1 Centenary Fund and other benefactors, which have permitted us to undertake the unexciting but very necessary work to the South Nave Aisle roof, windows and masonry.

Finance

Pursuant to the Cathedrals Measure 1999, the Cathedral has a Finance and Investment Committee whose role is to look at overall financial performance and results and advise Chapter on its responsibilities in the field of Finance and Investment. It meets three times a year to discuss management accounts, budgets and the performance of the investment properties and portfolio.

The Cathedral is obliged to present accounts which conform to the Guidelines introduced by the Church Commissioners under Section 27 of the Cathedrals Measure 1999. The major difficulty arising from this format stems from the requirement to aggregate and consolidate the Cathedral Accounts not only with those of the Cathedral's trading company, Ely Cathedral Enterprises Ltd, but also those of the Ely Cathedral Trust. The resulting Consolidated Accounts, while arguably illustrative of the broader financial picture, afford even the practised reader a less than clear picture of the Cathedral's day-to-day operations. For this reason, Chapter has felt it prudent to supplement the Accounts with an additional Statement of Financial Activities and corresponding Balance Sheet confined exclusively to the affairs of the Cathedral, marked 'Cathedral Only'. The 'Cathedral Only' SOFA can be found on page 14 with the corresponding balance sheet on page 16. The accompanying Notes to the Financial Statements between pages 18 and 45 relate to both the Consolidated and Cathedral Only SOFAs and are marked accordingly.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Results

The Cathedral Only Statement of Financial Activities showed a Deficit of £99,000 (2017 surplus £170,000).

The cost of upkeep of the Cathedral and precinct rose from £1,169,000 in 2017 to £1,385,000 in 2018. This is due to the large cost of the South Nave Aisle Project.

Five year summary of key financial data

	Cathedral Only £'000				
	2018	2017	2016	2015	2014
Net Resources from operating activities	608	700	395	442	298
Exceptional costs – major repairs and restorations	(712)	(509)	(497)	(601)	(169)
	(104)	191	(102)	(159)	129
Donated asset	-	-	812	-	-
Exceptional income – legacy income	-	11	20	213	10
	(104)	202	730	54	139
Gains/(losses) on revaluations and disposals of property and investments	5	(32)	704	(62)	(8)
Net movement in funds for year	(99)	170	1,434	(8)	131
	Consolidated £'000				
	2018	2017	2016	2015	2014
Net Resources from operating activities	469	630	505	814	516
Exceptional costs – major repairs and restorations	(712)	(509)	(497)	(601)	(169)
	(243)	121	8	213	347
Donated asset	-	-	812	-	-
Exceptional income – legacy income	-	66	577	213	10
	(243)	187	1,397	426	357
Gains/(losses) on revaluations and disposals of property and investments	(113)	615	1,387	15	273
Net movement in funds for year	(356)	802	2,784	441	630

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Volunteers and Visitors

The quality of welcome and care shown to visitors is a key element of the Cathedral's ethos and strategy and we are very grateful for the part played by our volunteers – more than 300 of them – in delivering this. On arrival, visitors are greeted by members of the Welcome Team and Admissions Staff. Cathedral Guides provide regular ground floor tours and, for the more adventurous visitors, tours of the Octagon and West Towers. The Cathedral Stewards play an essential role at all events, concerts and services and support the work of the Operations Team and the Cathedral Vergers. Other volunteers serve as Day Chaplains, intercessors, servers, readers, schools' guides, helpers for the young, Marthas, Flower Guild members, shop assistants, refectory assistants and gardeners. In all, the volunteers assist the Cathedral in some 20 realms of activity. Accordingly, we put considerable resource into training and organising our volunteers.

Paying visitors make a major contribution to the Cathedral's well-being. Chapter regrets the need for an admission charge and has policies in place to enable local residents and regular visitors to enter the Cathedral free of charge, and to ensure that no one is refused admission on grounds of affordability. Charges for 'Concessions' have been lowered in recent years, and lost revenues are being replaced with new sources of income from enterprise activities. All Cambridgeshire students – in schools and full-time higher education- are eligible for free passes, and Church members throughout the Diocese may also apply for free passes, as may those living within the local CB6 and CB7 postcodes. At the end of 2018, there were 7,181 parish passes (up 2.5% on 2017) and 5,894 local residents' passes in circulation (down 1.7%). In addition, 1,613 Friends of Ely Cathedral and 175 members of the Order of St Etheldreda enter without charge. No admission charges are made on Sundays or for attendance at any act of worship.

Future planning

Chapter continues to monitor spending carefully and plan prudently for the future. Day to day activities are planned so as to at least break even, but there is little room for complacency as far as the routine budget is concerned. Chapter monitors the work programme arising from recent Quinquennial Inspections, which continues relentlessly, as does the routine maintenance. Ely Cathedral Trust continues to raise funds in support of these activities, for education and for the music that represents such an important component of worship in our Cathedral.

The Cathedral saw a reduction in paying visitors in 2018 which we can probably be put down to economic factors as well as the very poor weather we had during Q1 of the year. This is a trend that may continue and Chapter are now working with a rolling five year budget, with the aim of making decisions which reduce the reliance of the Cathedral on admissions income. This will be done in conjunction with Chapter's Masterplan project, which covers the next 10-15 years, with a particular focus on fundraising areas of the Masterplan.

Reserves and investments

It is Chapter policy to build up sufficient unrestricted reserves which can be invested to generate income for ongoing operational costs of the Cathedral and Chapter. We have achieved this over the last few years, as the anticipated annual investment income forms a part of our break-even budget at the operating level each year. These unrestricted reserves could also form a financial cushion in the event of fluctuations in budgeted income or anticipated costs, although we have been fortunate over the last few years to be able to accommodate any such fluctuations via our cash reserves rather than having to deplete our investment portfolio. With more challenging times ahead, this may not always be possible.

Chapter aims to hold three months' worth of operating costs as cash reserves so that essential costs, such as staff, suppliers and tax, can be covered without the need to liquidate assets from our investment portfolio, should there be a short-term funding issue. Over the last few years this has been important as we have had to fund several major repair costs in advance of receiving the grants for these projects. The recent South Nave Aisle Roof repair project went significantly over budget due to the main contractor going into administration, which has led to a depletion of cash reserves.

The cash reserves fluctuate throughout the year, as much of our income is seasonal, so at various times during the year (mainly during the winter months) we do not hold three months of cash reserves.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

For Ely Cathedral this three month target is in the region of £600,000. We produce a monthly cashflow forecast which is reviewed by Chapter and the Finance and Investment Committee, as well as holding regular discussions between the Finance Director and the Administrator. At 31 December 2018, the Cathedral cash reserves were £159,000, but group cash reserves were £351,000. This falls short of our cash reserves target partly due to the fact that autumn visitor numbers (and thus income from all associated group activities) are not as high as in the summer period and also the fact that we have paid some large amounts of money out on large fabric projects, most of which were South Nave Aisle Roof repair costs.

The current unrestricted reserves of £5,365,000 have been generated by a combination of several consecutive years of operational surpluses, combined with the very generous unrestricted donations and legacy income that we received. Despite 2018 being a challenging year, we have managed to maintain good but slightly lower reserves. The combination of lower visitor numbers, the large cost of the South Nave Aisle Roof Repair Project and the year end unrealised reduction in the value of our investments means that both the Cathedral and the group ended the year slightly lower than they started. Our policy is, wherever possible, to invest large donations and legacies so that they are not used for day to-day operational costs.

Ely Cathedral Chapter currently holds total funds of £6,500,000 (2017 £6,599,000) represented by:

	2018	2017
Non investment assets	£793,000	£748,000
Unrestricted funds held as a property investment	£3,270,000	£3,050,000
Unrestricted funds held as investment portfolio	£2,417,000	£2,721,000
Net current assets	£476,000	£562,000
Long term liabilities and provisions	£456,000	£482,000

Ely Cathedral Trust holds invested funds of £7,900,000 (2017 £8,157,000) most of which are either endowed or restricted to support the music or the fabric of the Cathedral. These reserves have been built up from a number of sources comprising mainly donations and legacies.

At the year end Chapter held cash balances of £159,000 (2017 £196,000) to support the smooth management of expenditure, which is relatively consistent throughout the year, whereas income has significant seasonal components. It also facilitates the management of major maintenance and repair projects to both the Cathedral and precinct properties. The cash balance of £159,000 includes £97,258 held in the investment portfolio.

Chapter aims to work actively with Ely Cathedral Trust to build up funds to:

1. support the ongoing mission of the Cathedral
2. maintain the choral tradition of the Cathedral
3. proactively maintain the Cathedral and its precincts

Chapter is aiming to build up reserves by:

1. working actively to increase trading and other income
2. allocating any surplus of income over expenditure to reserves
3. being proactive about legacy development and allocating legacy income when possible to our unrestricted reserve

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Investment Policy

The investment powers of the Cathedral are held under the Cathedrals Measure 1999. Under the Measure Chapter may invest the Cathedrals funds in:

1. land
2. funds administered by CCLA.
3. investments which fall within the powers of the Trustee Act 2000
4. the improvement or development of land belonging to the Cathedral

Apart from the £159,000 (2017 £196,000) held as a cash reserve and the investment property, the remainder of the Cathedral's funds are held as an investment portfolio. The investment policy was reviewed in January 2018 and is monitored for performance on a regular basis by the Finance and Investment Committee.

The overall objectives are to:

1. create sufficient income and capital growth to enable the Cathedral to carry out its mission
2. maintain its heritage buildings consistently year by year with due and proper consideration for future needs
3. maintain and, if possible, enhance the investment funds while they are retained

Unrestricted income and capital may be used at any time for the furtherance of the Cathedral's aims. The investment parameters for the funds are as follows:-

Performance in 2017 (total Return)	5.3%
Benchmark	Charities Composite Benchmark 0.3%
Financial Background	Moderate risk profile, balanced mandate.
Investment Strategy	Reasonable diversification through a balanced fund.
Ethical Policy	No investment in arms, or tobacco. Alcohol in moderation.

Risk management

Chapter holds under constant review the major strategic, business and operational risks faced by the Cathedral. The Director of each area of the Cathedral (be that Music, Fabric, Finance or Volunteer management, etc.) is in charge of maintaining and reviewing their particular areas of risk. These are then discussed and reviewed formally each year in conjunction with the residential Clergy. Each Director will also discuss their principal risks and uncertainties and their methods of monitoring them and strategies to mitigate risks at least once a year with full Chapter. A new version of The Risk Register is currently being created, to help both the managers and Chapter to pursue and monitor.

REVIEW OF ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Risk management (continued)

A brief summary of our main risks along with the important strategies for mitigating these risks are:

Major Risk	Mitigation Strategy
Site, fire safety and staff security	In the past three years, we have invested significantly in CCTV systems and in staff training to optimise security. We are also in regular communication with the police. Our fire system is extensive and linked to the fire service. Our wiring has all be recently replaced and our risk assessments identify and mitigate for any potentially higher risk work or events.
Safeguarding and safer recruitment processes	The Structure of Safeguarding responsibilities across the cathedral has been reviewed with additional departmental safeguarding officers and our lead professional in this area is the Diocesan Safeguarding Advisor and the Diocesan Safeguarding Team with whom we have a service level agreement. All staff and volunteers are recruited following the Safer Recruitment Guidance and we now have a centralised HR and Compliance Team in the Cathedral who oversee this. All staff and volunteers must undergo training and checks before they are able to work or volunteer in the Cathedral or in any associated building or business. Senior Leadership and Management undergo regular training and there is an independently chaired Cathedral Safeguarding Group.
Dependency on income from tourists thus potential over-reliance	Our offering to tourists is improving all the time with new exhibitions, new events (such as our Science Festival in 2019 and Flower Festival 2018) and a new digital modelling project of the Cathedral for visitors to interact with. We are working on a number of ideas to: improve the profitability of our business; generate new property income; create new visitor attractions; seek pre-funding of major property works; and introduce cost effectiveness.

Statement of the Responsibilities of Chapter

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

- preparing and publishing an annual report and audited accounts which give a true and fair view of the financial activities for each financial year and of the assets, liabilities and funds at the end of each financial year of the Cathedral and its connected entities, stating that they have complied in all material respects with the guidelines prepared by the Association of English Cathedrals or describing which recommendations have not been complied with and giving reasons for non compliance;
- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- keeping proper accounting records from which the financial position of the Cathedral can be ascertained with reasonable accuracy at any time and safeguarding the assets of the Cathedral and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

- (a) so far as the Chapter is aware, there is no relevant audit information of which the Cathedral's auditors are unaware, and
- (b) they have taken all the steps they ought to have taken as Chapter in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by Chapter on 29/4/19

and signed on their behalf by:

The Very Reverend M Bonney

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2017 £000's
Income and Endowments from:	5					
(i) Donations and legacies		384	81	55	520	650
(ii) Grants in support of missions		68	659	-	727	634
(iii) Charges and fees arising in the course of mission		285	-	-	285	287
(iv) Trading and fundraising		1,793	-	-	1,793	1,943
(v) Investments		507	90	163	760	712
Total Income		<u>3,037</u>	<u>830</u>	<u>218</u>	<u>4,085</u>	<u>4,226</u>
Expenditure on:						
Raising funds	6					
Trading activities		1,084	-	-	1,084	1,113
Cost of facilities		388	-	-	388	370
Other commercial and property costs		188	-	-	188	210
(i) Ministry	7	818	130	-	948	868
(ii) Cathedral and precincts upkeep	7	705	680	-	1,385	1,170
(iii) Education and outreach	7	240	-	-	240	217
(iv) Community, parish and congregation	7	89	-	-	89	85
Other expenditure		6	-	-	6	6
Total Expenditure		<u>3,518</u>	<u>810</u>	<u>-</u>	<u>4,328</u>	<u>4,039</u>
Net (expenditure)/income before investment gains		(481)	20	218	(243)	187
Net realised and unrealised gains on investments	9	(193)	(64)	(76)	(333)	796
Revaluation		220	-	-	220	(181)
Net (expenditure)/income		<u>(454)</u>	<u>(44)</u>	<u>142</u>	<u>(356)</u>	<u>802</u>
Gross transfer between funds		392	15	(407)	-	-
Net movement in funds		<u>(62)</u>	<u>(29)</u>	<u>(265)</u>	<u>(356)</u>	<u>802</u>
Reconciliation to funds:						
Total funds brought forward		5,900	3,890	4,965	14,755	13,953
Total funds carried forward		<u><u>5,838</u></u>	<u><u>3,861</u></u>	<u><u>4,700</u></u>	<u><u>14,399</u></u>	<u><u>14,755</u></u>

The notes on pages 20 to 47 form part of these accounts

**STATEMENT OF FINANCIAL ACTIVITIES – CATHEDRAL ONLY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2017 £000's
Income and Endowments from:	5					
(i) Donations and legacies		321	175	-	496	519
(ii) Grants in support of missions		68	957	-	1,025	1,021
(iii) Charges and fees arising in the course of mission		475	-	-	475	452
(iv) Trading and fundraising		570	-	-	570	594
(v) Investments		491	-	-	491	453
(vi) Other income		74	-	-	74	74
Total income		<u>1,999</u>	<u>1,132</u>	<u>-</u>	<u>3,131</u>	<u>3,113</u>
Expenditure on:						
Raising funds	6					
Cost of facilities		388	-	-	388	368
Other commercial and property costs		188	-	-	188	209
(i) Ministry	7	818	130	-	948	864
(ii) Cathedral and precincts upkeep	7	705	680	-	1,385	1,169
(iii) Education and outreach	7	239	-	-	239	216
(iv) Community, parish and congregation	7	87	-	-	87	85
Total Expenditure		<u>2,425</u>	<u>810</u>	<u>-</u>	<u>3,235</u>	<u>2,911</u>
Net (expenditure)/income before investment gains		(426)	322	-	(104)	202
Net gains/ (losses) on investments	9	(215)	-	-	(215)	149
Revaluation		220	-	-	220	(181)
Net income/(expenditure)		<u>(421)</u>	<u>322</u>	<u>-</u>	<u>(99)</u>	<u>170</u>
Gross transfer between funds	15	337	(337)	-	-	-
Net movement in funds		<u>(83)</u>	<u>(16)</u>	<u>-</u>	<u>(99)</u>	<u>170</u>
Reconciliation to funds:						
Total funds brought forward		5,448	1,151	-	6,599	6,429
Total funds carried forward		<u>5,365</u>	<u>1,135</u>	<u>-</u>	<u>6,500</u>	<u>6,599</u>

The notes on pages 20 to 47 form part of these accounts

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2017 £000's
Fixed assets						
Investment assets						
Property	8	2,470	800	-	3,270	3,050
Investments	9	2,881	2,670	4,602	10,153	10,575
		<u>5,351</u>	<u>3,470</u>	<u>4,602</u>	<u>13,423</u>	<u>13,625</u>
Non investment assets						
Equipment and plant	10	620	232	-	852	807
Property		-	-	-	-	-
		<u>620</u>	<u>232</u>	<u>-</u>	<u>852</u>	<u>807</u>
Total fixed assets		<u>5,971</u>	<u>3,702</u>	<u>4,602</u>	<u>14,275</u>	<u>14,432</u>
Current assets						
Stocks	11	146	-	-	146	167
Debtors	12	237	25	44	306	272
Cash at bank and in hand	13	154	137	60	351	587
		<u>537</u>	<u>162</u>	<u>104</u>	<u>803</u>	<u>1,026</u>
Liabilities due within one year						
Creditors	14	181	3	6	190	188
Bank loan	14	33	-	-	33	33
		<u>323</u>	<u>159</u>	<u>98</u>	<u>580</u>	<u>805</u>
Liabilities due after one year						
Bank loan		428	-	-	428	454
Provision for liabilities and charges						
Multi-Employer Defined Benefit scheme liability	3	28	-	-	28	28
		<u>5,838</u>	<u>3,861</u>	<u>4,700</u>	<u>14,399</u>	<u>14,755</u>
Total net assets		<u>5,838</u>	<u>3,861</u>	<u>4,700</u>	<u>14,399</u>	<u>14,755</u>
The funds of the Cathedral:						
General fund		4,905	-	-	4,905	5,050
Fabric fund		-	-	3,479	3,479	3,769
Music fund	9	2,938	2,938	1,221	4,168	4,181
Other funds	2	923	923	-	925	1,053
Revaluation reserve		922	-	-	922	702
		<u>5,838</u>	<u>3,861</u>	<u>4,700</u>	<u>14,399</u>	<u>14,755</u>
Total Cathedral funds	15	<u>5,838</u>	<u>3,861</u>	<u>4,700</u>	<u>14,399</u>	<u>14,755</u>

Approved by Chapter on 29/4/19

and signed on their behalf by:

The Very Reverend M Bonney

BALANCE SHEET AT 31 DECEMBER 2018 – CATHEDRAL ONLY

	Notes	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's	2017 £000's
Fixed assets						
Investment assets						
Property	8	2,470	800	-	3,270	3,050
Investments	9	2,417	-	-	2,417	2,721
		<u>4,887</u>	<u>800</u>	<u>-</u>	<u>5,687</u>	<u>5,771</u>
Non investment assets						
Equipment and plant	10	561	232	-	793	748
Property		-	-	-	-	-
		<u>561</u>	<u>232</u>	<u>-</u>	<u>793</u>	<u>748</u>
Total fixed assets		<u>5,448</u>	<u>1,032</u>		<u>6,480</u>	<u>6,519</u>
Current assets						
Stocks	11	7	-	-	7	4
Debtors	12	496	-	-	496	539
Cash at bank and in hand	13	56	103	-	159	196
		<u>559</u>	<u>103</u>	<u>-</u>	<u>662</u>	<u>739</u>
Liabilities due within one year						
Creditors	14	153	-	-	153	144
Bank loan	14	33	-	-	33	33
		<u>373</u>	<u>103</u>	<u>-</u>	<u>476</u>	<u>562</u>
Net current assets						
Liabilities due after one year						
Bank loan	14	428	-	-	428	454
Provision for liabilities and charges						
Multi-Employer Defined Benefit scheme liability	3	28	-	-	28	28
		<u>5,365</u>	<u>1,135</u>	<u>-</u>	<u>6,500</u>	<u>6,599</u>
Total net assets						
The funds of the Cathedral:						
General fund		4,432	-	-	4,432	4,710
Music fund		9	212	-	221	246
Other funds		2	923	-	925	941
Revaluation reserve		922	-	-	922	702
		<u>5,365</u>	<u>1,135</u>	<u>-</u>	<u>6,500</u>	<u>6,599</u>
Total Cathedral funds	15					

Approved by Chapter on 29/4/19

and signed on their behalf by:

The Very Reverend M Bonney

The notes on pages 20 to 47 form part of these accounts

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2018

	Notes	2018		2017	
		£000's	£000's	£000's	£000's
Cash flows from operating activities:					
Net cash provided by/ (used in) operating activities	16		(808)		(26)
Cash flows from investing activities:					
Rents received net of costs		294		239	
Investment income received net of costs		327		312	
Proceeds from the sale of property, plant and equipment		(138)		-	
Purchase of property, plant and equipment				(866)	
Proceeds from sale of investments		1,981		505	
Purchase of investments		(1,892)		(620)	
			572		(430)
Net cash provided by/ (used in) operating activities			(236)		(456)
Cash flows from financing activities:					
Receipt of endowment		-		137	
Net cash provided by/ (used in) financing activities			-		137
Change in cash and cash equivalents in the reporting period	17		(236)		(319)
Cash and cash equivalents at the beginning of the reporting period	17		587		906
Net cash provided by/ (used in) of the reporting period	17		351		587

The notes on pages 20 to 47 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal Accounting PoliciesGeneral

The Cathedral constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared on the basis of historical cost except that investments are stated in the balance sheet at market value.

Format of the Accounts

The format of the accounts and the principles on which they are prepared follow those required by the December 2014 Accounting and Reporting Regulations for English Anglican Cathedrals as specified by the Church Commissioners under Section 27 of the Cathedrals Measure 1999 (The Guidelines) issued in December 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Consolidation

The results of the Cathedral's subsidiary company, Ely Cathedral Enterprises Ltd., and Ely Cathedral Trust, a charity established for the benefit of the Cathedral, are consolidated in these accounts on a line by line basis under the appropriate headings in accordance with The Guidelines.

The Cathedral Consolidated Financial Statements include Ely Cathedral Trust on the basis that the Trust is a "special trust" in accordance with Section 12 of the Charities Act 2011 and The Guidelines.

The Cathedral and Inventory

The Cathedral building, its monastic buildings and ancillary buildings, treasures and other items included in the Inventory are not shown in the accounts either as heritage assets or as assets not specifically used by the Cathedral – as per the Guidelines. The monastic buildings and ancillary buildings include the cloisters, chapter house, guest halls and prior's buildings. These buildings are partly used by the staff as offices, the clergy and the trading subsidiary for the shops and restaurant. Due to the ancient nature of these buildings, their depreciated replacement cost is considered to be nil as their life is in excess of 900 years for certain properties. Further detail is given in note 22.

Properties

- Investment Properties- Investment properties have been included in the accounts at their market value in accordance with The Guidelines.
- Also in accordance with The Guidelines, Chapter has not included the monastic and ancillary buildings which are held for investment purposes, as outlined above. However, the insurance value of these properties is included in Note 22 to the accounts.
- Other Properties - As detailed above properties occupied by clergy, lay employees, trading outlets and administrative functions are not included in the accounts but the insurance valuation is included in Note 22.
- King's School insurance Properties - Properties leased to the King's School are not included in the accounts. The values are not considered appropriate for accounting purposes. Given the nature of these very ancient properties they have no reliable cost information available and a conventional valuation approach is not considered reliable. Furthermore, due to the ancient nature of these buildings, their depreciated replacement cost is deemed £nil and they are not able to be disposed of by the Cathedral.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal Accounting Policies (Continued)Investments

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 Ely Cathedral Trust does not enter into 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.

Fixed Assets

Plant, machinery, office equipment, loose tools, furniture and fittings and any other assets that are not included in the Inventory are capitalised and written off over their estimated useful life as follows:-

Plant, machinery, equipment, furniture
and fittings - over 5 – 10 years
Computer equipment - over 3 years

Items below £500 are not capitalised and are written off in the Statement of Financial Activities.

Buildings under construction are held at cost and not depreciated. Once the asset is brought into use, the asset will be transferred to freehold buildings and depreciation will be charged based on the above basis.

The costs of repairs and maintenance of the Cathedral are charged to the General Fund. Most of the major restoration works are funded by grants, donations or by Ely Cathedral Trust and are charged to restricted funds.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Income

All income is included in the Statement of Financial Activities (SoFA) when: the Cathedral 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.

Legacies

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the Cathedral is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Cathedral 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 Cathedral 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 Cathedral. Where legacies have been notified or the Cathedral 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal Accounting Policies (Continued)Grants

Grants are accounted for on an accruals basis. They are recognised when the Cathedral has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for a grant relating to the following year is deferred until the criteria for income recognition are met.

Donations and Other Income

Donations and other income are recognised at the point of receipt.

Third Party, Non-Cash Receipts and Payments, and Donated Assets

Amounts paid on behalf of the Cathedral are included in the Statement of Financial Activities under both income and expenditure. Where grants, donations (whether of cash or assets) and legacies are made subject to restrictions, they are included in the Statement of Financial Activities as income of restricted or endowment funds and matched against relevant expenditure. When the restricted amount relates to the purchase of a depreciable asset, the amount is credited to the restricted fund in the Statement of Financial Activities and an amount is debited to the fund each year in respect of the depreciation of the asset.

Resources Expenditure

All expenditure is accounted for on an accruals basis. Any irrecoverable VAT is charged in the Statement of Financial Activities or capitalised as part of the cost of the related asset as appropriate.

Governance costs include those incurred in the governance of the Cathedral and its assets and are primarily associated with constitutional and statutory requirements.

Support costs are those costs incurred directly in support of expenditure on the objects of the Cathedral.

Pension Contributions

The Chapter operates two money purchase defined contribution schemes. Pension contributions are charged to the Statement of Financial Activities when they are paid.

Ely Cathedral participates in the Church of England Funded Pensions Scheme. The Church of England Funded Pensions Scheme is a defined benefit scheme, but Ely Cathedral is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate which is charged to the Statement of Financial Activities when paid.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds 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 after allowing for any trade discounts due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Principal Accounting Policies (Continued)**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 transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Fixed assets are recorded at depreciated historical cost or revaluation and all other assets and liabilities are recorded at cost, which is their fair value.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for income and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

There were no key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities at the balance sheet date.

2. Funds

Funds are divided between Unrestricted, Restricted and Endowment.

Unrestricted Funds

These can be applied for any of the purposes for which the Chapter was established. The main unrestricted fund is the General Fund through which are passed all the regular items of income and expenditure relating to the day-to-day running of the Cathedral.

Within unrestricted funds are Designated Funds which represent funds which Chapter has set aside for a specific purpose. Current designated funds relate to Music and the Flower Guild. If in due course they are not required for the specific purposes, they may be transferred back to the General Fund.

Restricted Funds

These may only be applied for particular purposes as specified by the donor or Cathedral statutes. Restricted Funds under the control of Chapter are set out in note 15. The main restricted fund is held by Ely Cathedral Trust.

Endowment Funds

All endowment funds are currently held by Ely Cathedral Trust. They are for the provision of income for the continual maintenance of the Cathedral and its precincts and various funds to provide income towards chorister scholarships.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Employee Information

The average weekly number of employees during the year, exclusive of clergy, was 42 (2017 – 42) full time and 168 (2017 - 168) part time. The full time equivalent number of employees was 65 (2017 – 65).

The total emoluments paid to employees (excluding benefits) were as follows:

	2018	2017
	£000's	£000's
Salaries and stipends	1,770	1,703
Employer's National Insurance	116	119
Employer's pension contributions	74	74
	<u>1,960</u>	<u>1,896</u>

No member of staff received emoluments over £60,000.

The increase in total payroll is in large attributable to Chapter's continuous programme to raise the wage levels of the least well paid employees to the Living Wage.

The Cathedral operates two money purchase defined contribution pension schemes. The two schemes are the Church Workers Pension Fund for which more detail is give on page 24 and NOW Pensions. NOW Pensions scheme was established as at 1 May 2014 as the auto enrolment scheme and is a qualifying workplace compliant group personal pension scheme. Contributions into the NOW Pensions scheme in 2018 were 2.5% (2017- 2.5%) employee contribution and 2.5% (2017 – 2.5%) employer contribution. Contributions made to the schemes during the year are detailed above. The number of employees to whom benefits are accruing under the scheme is 48 (2017 – 43).

The remuneration and pension provision for clerical members of Chapter is in accordance with scales laid down by the Church Commissioners, the Archbishop's Council and the Church of England Pensions Board.

The remuneration and pension contributions of the residentiary members of Chapter are set out below:-

	2018		2017	
	Stipend	Pension	Stipend	Pension
	£000's	£000's	£000's	£000's
The Very Reverend M Bonney	36	12	35	12
The Reverend Canon Dr J Garrard	28	9	27	9
The Reverend Canon Dr V Johnson	28	9	27	9
The Reverend Canon Dr J Martin	28	9	27	9

The Church Commissioners finance directly the stipend, pension and associated employer's national insurance of the Dean and two Canons. No remuneration is paid to non-residentiary members of Chapter.

Ely Cathedral participates in the Church of England Funded Pensions Scheme (CEFPS) for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

3. Employee Information (continued)

The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the CEFPS is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to two thirds by 31 December 2029, with the balance in return-seeking assets; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns of 2.6% p.a. on gilts and 4.6% p.a. on equities;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Post-retirement mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for future improvements in mortality rates from 2007 in line with the CMI 2015 core projections, with a long term annual rate of improvement of 1.5% for females and males

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the contribution rates (as a percentage of pensionable stipends) were set as follows:

% of pensionable stipends	1 January 2015 to 31 December 2015
Accrual of future service benefits (including expenses)	28%
Deficit repair contributions	11.9%
Total contribution rate	39.9%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement of Chapter's proportion of the scheme deficit is set out in the table below.

	2016
Balance sheet liability at 1 January	31,000
Deficit contribution paid	-2,000
Interest cost (recognised in SoFA)	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-2,000
	<hr/>
Balance sheet liability at 31 December	28,000
	<hr/>

*comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

The figures above represent the provision made at 31 December 2016. Figures for 2017 and 2018 are not yet available.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**3. Employee Information (continued)**

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

% of pensionable stipends	December 2015	December 2014
Discount rate	2.5% pa	2.3% pa
Price inflation	2.4% pa	2.7% pa
Increase to total pensionable payroll	0.9% pa	1.2% pa

Dean & Chapter of Ely (PB 2014) participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement.

Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable.

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Auditors' Remuneration**Consolidated**

	2018	2017
	£000's	£000's
Audit Services	26	25
Other Services	1	3
	<u>27</u>	<u>28</u>

Cathedral Only

	2018	2017
	£000's	£000's
Audit Services	13	13
Other Services	1	3
	<u>14</u>	<u>16</u>

5. Income**Consolidated**

	Unrestricted	Restricted	Endowment	2018	2017
	£000's	£000's	£000's	Total	£000's
				£000's	
(i) Donations and legacies					
Congregational collections and giving	139	-	-	139	118
Donations	99	-	-	99	78
Income from appeals and fundraising *	26	81	55	162	297
Tax recoverable under Gift Aid	47	-	-	47	45
Legacies	73	-	-	73	112
	<u>384</u>	<u>81</u>	<u>55</u>	<u>520</u>	<u>650</u>

*In 2017 £127K restricted and £137K endowment, all remaining income unrestricted.

(ii) Grants in support of mission

Church Commissioners	-	150	-	150	147
Other grants	68	509	-	577	487
	<u>68</u>	<u>659</u>	<u>-</u>	<u>727</u>	<u>634</u>

All 2017 income was restricted.

(iii) Charges and fees arising in the course of mission

Facility and other fees	285	-	-	285	287
	<u>285</u>	<u>-</u>	<u>-</u>	<u>285</u>	<u>287</u>

All 2017 income was unrestricted.

(iv) Trading and fundraising

Charges to visitors	521	-	-	521	537
Gift Aid on Entrance Charges	48	-	-	48	57
Gross income of Ely Cathedral Enterprises Ltd and other activities	1,224	-	-	1,224	1,349
	<u>1,793</u>	<u>-</u>	<u>-</u>	<u>1,793</u>	<u>1,943</u>

All 2017 income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Income (continued)					2018	
<i>Consolidated</i> (continued)		Unrestricted	Restricted	Endowment	Total	2017
		£000's	£000's	£000's	£000's	£000's
(v)	Investments					
	Property	415	-	-	415	380
	Investments (note 9)	92	90	163	345	332
		<u>507</u>	<u>90</u>	<u>163</u>	<u>760</u>	<u>712</u>

All 2017 income was unrestricted, except for investment income of which £91K which was restricted and £153K that related to the endowment.

Cathedral Only					2018	
		Unrestricted	Restricted	Endowment	Total	2017
		£000's	£000's	£000's	£000's	£000's
(i)	Donations and legacies					
	Congregational collections and giving	138	-	-	138	118
	Donations	70	-	-	70	107
	Tax recoverable under Gift Aid	47	-	-	47	45
	Ely Cathedral Enterprises Limited	66	-	-	66	161
	Income from Friends and local trusts*	-	175	-	175	188
	Legacies	-	-	-	-	-
		<u>321</u>	<u>175</u>	<u>-</u>	<u>496</u>	<u>519</u>
(ii)	Grants in support of mission					
	Church Commissioners	-	150	-	150	147
	Other grants	68	807	-	875	874
		<u>68</u>	<u>957</u>	<u>-</u>	<u>1,025</u>	<u>1,021</u>

* In 2017, £88K restricted and the remainder unrestricted.

(iii)	Charges and fees arising in the course of mission					
	Facility and other fees	475	-	-	475	452
		<u>475</u>	<u>-</u>	<u>-</u>	<u>475</u>	<u>452</u>
	All 2017 income was unrestricted.					
(iv)	Trading and fundraising					
	Charges to visitors	522	-	-	522	537
	Tax recoverable under Gift Aid	48	-	-	48	57
		<u>570</u>	<u>-</u>	<u>-</u>	<u>570</u>	<u>594</u>

All 2017 income was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Income (continued)

Cathedral (continued)

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
(v) Investments					
Property	415	-	-	415	380
Investments (note 9)	76	-	-	76	73
	<u>491</u>	<u>-</u>	<u>-</u>	<u>491</u>	<u>453</u>

All 2017 income was unrestricted.

(vi) **Other income**

Miscellaneous income	74	-	-	74	74
	<u>74</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>

All 2017 income was unrestricted.

6. Raising funds

Consolidated

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
Cost of facilities for visitors	288	-	-	288	282
Gross costs of shops, restaurants and other activities	1,084	-	-	1,084	1,113
Investment property costs	121	-	-	121	141
Investment management costs	18	-	-	18	19
Support costs	149	-	-	149	138
	<u>1,660</u>	<u>-</u>	<u>-</u>	<u>1,660</u>	<u>1,693</u>

All 2017 expenditure was unrestricted.

Cathedral Only

Cost of facilities for visitors	234	-	-	234	224
General marketing costs	54	-	-	54	57
Investment property costs	121	-	-	121	140
Investment management costs	18	-	-	18	19
Support costs	149	-	-	149	137
	<u>576</u>	<u>-</u>	<u>-</u>	<u>576</u>	<u>577</u>

All 2017 expenditure was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Expenditure on mission**Consolidated**

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
(i) Ministry					
Clergy stipends and working expenses	46	130	-	176	174
Clergy housing costs	45	-	-	45	36
Services, music and congregational costs	541	-	-	541	487
Support costs	186	-	-	186	175
	<u>818</u>	<u>130</u>	<u>-</u>	<u>948</u>	<u>868</u>

In 2017 £127K clergy stipends were restricted and all other expenditure was unrestricted.

(ii) Cathedral and precincts upkeep

Major repairs and restoration	32	680	-	712	508
Maintenance and interior upkeep	419	-	-	419	426
Cathedral insurance	73	-	-	73	70
Precincts, security and gardens upkeep	32	-	-	32	27
Support costs	149	-	-	149	139
	<u>705</u>	<u>680</u>	<u>-</u>	<u>1,385</u>	<u>1,170</u>

In 2017 £562K of major repairs were restricted and all other expenditure was unrestricted.

(iii) Education and outreach

Educational activities	54	-	-	54	45
Support costs	186	-	-	186	172
	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>	<u>217</u>

In 2017 all expenditure was unrestricted.

(iv) Community and congregation

	<u>89</u>	<u>-</u>	<u>-</u>	<u>89</u>	<u>85</u>
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In 2017 all expenditure were unrestricted.

Cathedral Only

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
(i) Ministry					
Clergy stipends and working expenses	45	130	-	175	174
Clergy housing costs	46	-	-	46	32
Services, music and congregational costs	541	-	-	541	487
Support costs	186	-	-	186	171
	<u>818</u>	<u>130</u>	<u>-</u>	<u>948</u>	<u>864</u>

In 2017 £130K clergy stipends were restricted and all other expenditure was unrestricted

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. Expenditure on mission (continued)

Cathedral Only (continued)

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
(ii) Cathedral and precincts upkeep					
Major repairs and restoration	32	680	-	712	509
Maintenance and interior upkeep	419	-	-	419	426
Cathedral insurance	73	-	-	73	70
Precincts, security and gardens upkeep	32	-	-	32	27
Support costs	149	-	-	149	137
	<u>705</u>	<u>680</u>	<u>-</u>	<u>1,385</u>	<u>1,169</u>

In 2017 £595K of major repairs were restricted and all other expenditure was unrestricted

(iii) **Education and outreach**

Educational activities	53	-	-	53	45
Support costs	186	-	-	186	171
	<u>239</u>	<u>-</u>	<u>-</u>	<u>239</u>	<u>216</u>

In 2017 all expenditure was unrestricted.

(iv) Community, parish and congregation	<u>87</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>85</u>
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In 2017 all expenditure was unrestricted.

In accordance with the requirements of the accounting guidelines for Cathedrals, administration costs have been re-analysed as support costs and allocated to the activities which they directly support.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

8. Investment Assets

Property	Unrestricted	Restricted	Endowment	2018	
				Total	2017
<i>Consolidated</i>	£000's	£000's	£000's	£000's	£000's
At valuation 1 January 2018	2,250	800	-	3,050	2,650
Additions	220	-	-	220	581
Movement in valuation	-	-	-	-	(181)
At valuation 31 December 2018	2,470	800	-	3,270	3,050

Cathedral Only	Unrestricted	Restricted	Endowment	2018	
				Total	2017
	£000's	£000's	£000's	£000's	£000's
At valuation 1 January 2018	2,250	800	-	3,050	2,650
Additions	220	-	-	220	581
Movement in valuation	-	-	-	-	(181)
At valuation 31 December 2018	2,470	800	-	3,270	3,050

The investments assets were assessed for revaluation as at 31 December 2018. After taking the advice of property agents, no changes to existing property values were made.

The addition in the year related to a parcel of land at the rear of 26/28 Forehill, Ely, Cambs. This property was already in Chapters ownership, but no value had been attributed to it in the balance sheet. The value has now been assessed by Cheffins at £220,000.

9. Investments

Consolidated	Unrestricted	Restricted	Endowment	2018	
				Total	2017
	£000's	£000's	£000's	£000's	£000's
Market value at 1 January 2018	3,163	2,734	4,678	10,575	9,659
Additions	1,889	-	-	1,889	616
Disposals	(1,981)	-	-	(1,981)	(498)
Realised gains/losses	339	-	-	339	(17)
Unrealised gains/losses	(532)	(64)	(76)	(672)	813
Accrued interest	3	-	-	3	2
Market value at 31 December 2018	2,881	2,670	4,602	10,153	10,575

Analysed as follows:	2018	
	£000's	£000's
Overseas Fixed interest Securities	77	-
UK Fixed Interest Securities	269	277
Quoted UK Equities	730	1,615
Quoted Overseas Equities	1007	729
Alternative Investments	334	100
The CBF Church of England Investments fund	7,736	7,854
	10,153	10,575

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

9. Investments (continued) <i>Cathedral only</i>	Unrestricted £000's	Restricted £000's	Endowment £000's	2018	2017
				Total £000's	£000's
Market value at 1 January 2018	2,721	-	-	2,721	2,552
Additions	1,889	-	-	1,889	516
Disposals	(1,981)	-	-	(1,981)	(498)
Realised gains	339	-	-	339	(17)
Unrealised gains	(554)	-	-	(554)	166
Accrued interest	3	-	-	3	2
Market value at 31 December 2018	<u>2,417</u>	<u>-</u>	<u>-</u>	<u>2,417</u>	<u>2,721</u>

The investment portfolio showed a reduction in value at 31 December 2018 due to general market factors. By 31 March 2019, this balance had recovered by more than £0.5m to higher than the year end position.

Analysed as follows:	2018 £000's	2017 £000's
Overseas Fixed Interest Securities	77	
UK Fixed Interest Securities	269	277
Quoted UK Equities	730	1,615
Quoted Overseas Equities	1,007	729
Ely Cathedral Enterprises Ltd (£2 share capital)	-	-
Alternative investments	334	100
	<u>2,417</u>	<u>2,721</u>

Income from investments is analysed as follows:

	Cathedral		Consolidated	
	2018	2017	2018	2017
UK Interest	5	11	5	11
Overseas Interest	3	-	3	-
UK Unit Trust Interest	-	4	-	4
UK Dividends	31	48	31	48
Alternative investments	18	-	18	-
Overseas Dividends	19	6	19	6
Real Estate Investment Trusts	-	4	-	4
The CBF Church of England Investments fund	-	-	269	259
Total Return on Investments (excluding property)	<u>76</u>	<u>73</u>	<u>345</u>	<u>332</u>

(see also note 5. (v) Page 28 and 29)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. Non-Investment Assets
Equipment and Plant

<i>Consolidated</i>	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's	2017 £000's
Cost:					
At 1 January 2018	1,671	359	-	2,030	1,749
Additions	138	-	-	138	281
Disposals	-	-	-	-	-
At 31 December 2018	<u>1,809</u>	<u>359</u>	<u>-</u>	<u>2,168</u>	<u>2,030</u>
Depreciation:					
At 1 January 2018	1,108	115	-	1,223	1,149
For the year	81	12	-	93	74
Disposals	-	-	-	-	-
At 31 December 2018	<u>1,189</u>	<u>127</u>	<u>-</u>	<u>1,315</u>	<u>1,223</u>
Net Book Value:					
At 31 December 2018	<u>620</u>	<u>232</u>	<u>-</u>	<u>852</u>	<u>807</u>
At 1 January 2018	<u>563</u>	<u>244</u>	<u>-</u>	<u>807</u>	<u>600</u>
<i>Cathedral</i>					
Cost:					
At 1 January 2018	1,432	359	-	1,791	1,512
Additions	131	-	-	131	279
Disposals	-	-	-	-	-
At 31 December 2018	<u>1,563</u>	<u>359</u>	<u>-</u>	<u>1,922</u>	<u>1,791</u>
Depreciation:					
At 1 January 2018	928	115	-	1,043	974
For the year	74	12	-	85	69
Disposals	-	-	-	-	-
At 31 December 2018	<u>1,002</u>	<u>127</u>	<u>-</u>	<u>1,129</u>	<u>1,043</u>
Net Book Value:					
At 31 December 2018	<u>561</u>	<u>232</u>	<u>-</u>	<u>793</u>	<u>748</u>
At 1 January 2018	<u>504</u>	<u>244</u>	<u>-</u>	<u>748</u>	<u>538</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Stocks			
<i>Consolidated</i>		2018	2017
		£000's	£000's
Consumables		7	4
Trading outlets		139	163
		<u>146</u>	<u>167</u>
<i>Cathedral</i>			
Consumables		7	4
		<u>7</u>	<u>4</u>
12. Debtors and prepayments			
<i>Consolidated</i>		2018	2017
		£000's	£000's
Sundry debtors and prepayments		303	269
Income tax recoverable		3	3
		<u>306</u>	<u>272</u>
<i>Cathedral</i>			
Sundry debtors and prepayments		220	195
Ely Cathedral Trust		3	94
Ely Cathedral Enterprises Ltd		273	250
		<u>496</u>	<u>539</u>
13. Cash at bank and in hand			
<i>Consolidated</i>		2018	2017
		£000's	£000's
Bank accounts		183	271
Cash in hand		6	6
Investment fund cash and deposits		162	310
		<u>351</u>	<u>587</u>
<i>Cathedral</i>			
Bank accounts		58	161
Cash in hand		4	4
Investment fund cash and deposits		97	31
		<u>159</u>	<u>196</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

14. Sundry creditors and accruals***Consolidated***

	2018	2017
	£000's	£000's
Sundry creditors and accruals	119	150
Tax and social security costs	71	38
	<u>190</u>	<u>188</u>
Bank Loan	<u>33</u>	<u>33</u>
	<u>223</u>	<u>221</u>

Cathedral

Sundry creditors and accruals	89	112
Tax and social security costs	64	32
	<u>153</u>	<u>144</u>
Bank Loan	<u>33</u>	<u>33</u>
	<u>186</u>	<u>177</u>

Liabilities due after 1 year***Consolidated and Cathedral***

Bank Loan	<u>428</u>	<u>454</u>
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Bank loans totalling for £461K are secured on the Grace Building (note 8). The loan is repaid in equal instalments over 15 years at an interest rate of 2.69% above base.

The debt falls due as follows:

Within 1 year	33	33
Between 1 and 2 years	33	33
Between 2 and 5 years	99	99
After 5 years	296	322
	<u>461</u>	<u>487</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

15. Funds analysis

Consolidated

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's
General fund	4,905	-	-	4,905
Fabric fund	-	-	3,479	3,479
Music fund	9	2,938	1,221	4,168
Other funds	2	923	-	925
Revaluation reserve	922	-	-	922
	<u>5,838</u>	<u>3,861</u>	<u>4,700</u>	<u>14,399</u>

2017 Consolidated

	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's
General fund	5,162	-	-	5,162
Fabric fund	-	-	3,769	3,769
Music fund	34	2,951	1,196	4,181
Other funds	2	939	-	941
Revaluation reserve	702	-	-	702
	<u>5,900</u>	<u>3,890</u>	<u>4,965</u>	<u>14,755</u>

	Unrestricted £000's	Restricted £000's	Endowment £000's	2018 Total £000's
<i>Cathedral only</i>				
General fund	4,432	-	-	4,432
Music fund	9	212	-	221
Other funds	2	923	-	925
Revaluation reserve	922	-	-	922
	<u>5,365</u>	<u>1,135</u>	<u>-</u>	<u>6,500</u>

	Unrestricted £000's	Restricted £000's	Endowment £000's	2017 Total £000's
<i>Cathedral only</i>				
General fund	4,710	-	-	4,710
Music fund	34	212	-	246
Other funds	2	939	-	941
Revaluation reserve	702	-	-	702
	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Cathedral Only

<u>Unrestricted Funds</u>	Balance at 1 January 2018 £000's	Net movement in the year £000's	Balance at 31 December 2018 £000's
General Fund	4,710	(278)	4,432
Music	34	(25)	9
Flower Guild	2	-	2
Revaluation reserve	702	220	922
	<u>5,448</u>	<u>(83)</u>	<u>5,365</u>

<u>Unrestricted Funds</u>	Balance at 1 January 2017 £000's	Net movement in the year £000's	Balance at 31 December 2017 £000's
General Fund	4,365	345	4,710
Music	23	11	34
Flower Guild	2	-	2
Revaluation reserve	883	(181)	702
	<u>5,273</u>	<u>175</u>	<u>5,448</u>

Funds analysis (continued)**Cathedral Only**

Restricted Funds	Balance at 1 January 2018 £000's	Net movement in the year £000's	Transfers £000's	Balance at 31 December 2018 £000's
Donated Assets	839	(1)	-	838
Maintenance projects	100	323	(338)	85
Music fund	212	-	-	212
	<u>1,151</u>	<u>324</u>	<u>(147)</u>	<u>1,135</u>

Transfers in the period related to spend on capital projects not included in the Statement of Financial Activities and contributions towards support costs included in unrestricted expenditure.

Cathedral Only

Restricted Funds	Balance at 1 January 2017 £000's	Net movement in the year £000's	Transfers £000's	Balance at 31 December 2017 £000's
Donated Assets	840	(1)	-	839
Maintenance projects	104	387	(391)	100
Music fund	212	-	-	212
	<u>1,156</u>	<u>386</u>	<u>(391)</u>	<u>1,151</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. Reconciliation of net cash inflow from operating activities**Consolidated**

	2018	2017
	£000's	£000's
Net income before revaluations and disposals of property and investments (see page 15)	(243)	187
Income from property and investments	(760)	(712)
Property management costs, rental collection fees and investment management costs	139	160
Gift of endowment	-	(137)
Depreciation	93	74
(Increase)/Decrease in stocks	21	(19)
(Increase)/Decrease in debtors	(34)	17
Increase/(Decrease) in creditors	(24)	404
Provisions for liabilities and charges	-	-
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities (see page 19)	<u>(808)</u>	<u>(26)</u>

17. Reconciliation of net cashflow to movements in net cash**Consolidated**

	2018	2017
	£000's	£000's
Decrease in cash in year	(88)	(229)
Decrease in short term deposits	(148)	(90)
	<u> </u>	<u> </u>
Decrease in net funds for the year	(236)	(319)
Net Cash at 1 January 2018	587	906
	<u> </u>	<u> </u>
Net Cash at 31 December 2018	<u>351</u>	<u>587</u>

18. Analysis of changes in net cash

	At 1 January		At 31 December
	2018	Cash flow	2018
	£000's	£000's	£000's
Cash at bank and in hand	277	(88)	189
Cash held as investment assets	310	(148)	162
	<u> </u>	<u> </u>	<u> </u>
	<u>587</u>	<u>(236)</u>	<u>351</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

19. Consolidated Entities

The following transactions between Ely Cathedral and Ely Cathedral Trust (Note 21) have been eliminated on consolidation.

	2018	2017
Fabric and maintenance grant	360,000	344,578
Music appeal	100,000	100,000
Scholarships	90,665	64,610
Charitable grant	87,430	71,496

The above amounts were paid by Ely Cathedral Trust to Ely Cathedral. The amount owed by Ely Cathedral Trust at 31 December 2018 to Ely Cathedral Chapter totalled £3,396 (2017 – £94,035).

The following transactions between Ely Cathedral and Ely Cathedral Enterprises Limited (Note 20) have been eliminated on consolidation.

	2018	2017
Gift aid profits	66,286	161,486
Property income and other recharges	74,000	74,000

The above amounts were paid by Ely Cathedral Enterprises Limited to Ely Cathedral. The amount owed by Ely Cathedral Enterprises Limited at 31 December 2018 to Ely Cathedral Chapter totalled £272,967 (2017 - £256,905).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. Subsidiary company

Chapter has a wholly owned subsidiary company, Ely Cathedral Enterprises Ltd, a company incorporated in England and Wales. The principal activities of the company are the sale of books, souvenirs and the provision of refreshments and catering services.

Chapter holds 2 ordinary £1 shares in the company, being 100% of the issued share capital.

A summary of the trading results is shown below:

	2018 £000's	2017 £000's
Turnover	1,224	1,349
Cost of sales	(489)	(505)
	<hr/>	<hr/>
Gross profit	735	844
Administrative expenses	(669)	(683)
	<hr/>	<hr/>
Profit on ordinary activities before gift aid	66	161
	<hr/> <hr/>	<hr/> <hr/>
Gift aid – profits transferred to the Cathedral	66	161
	<hr/> <hr/>	<hr/> <hr/>

A summary of the balance sheet is shown below:

	2018 £000's	2017 £000's
Fixed assets	60	60
Stocks	139	163
Debtors	16	13
Cash at bank and in hand	92	62
Creditors	(307)	(298)
	<hr/>	<hr/>
Total funds (£2)	-	-
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

21. Connected entitiesNot controlled by the Chapter

The Friends of Ely Cathedral is a charity that is wholly for the benefit of the Cathedral but is not controlled by Chapter. Details of the latest unaudited accounts of this charity, which are not consolidated into these accounts, are summarised below:

	2018 £000's	2017 £000's
Statement of Financial Activities		
Income	187	106
Net income for year after expenditure on raising funds and charitable activities	120	(135)
Other recognised gains/(losses)	(24)	85
Net movement in funds	96	(50)
Amounts donated to Ely Cathedral	39	204
Balance Sheet		
Investments	925	1,029
Net current assets	192	(8)
Total funds	1,117	1,021

The Ely Cathedral Trust is a charity that is wholly for the benefit of the Cathedral. The Trustees are appointed by Chapter but exercise full control over the Trust. Details of the latest audited accounts of this charity, which are consolidated into these accounts, are summarised below:

	2018 £000's	2017 £000's
Statement of Financial Activities		
Income	511	586
Net income for the year	(139)	(14)
Other recognised gains/(losses)	(118)	647
Net movement in funds	(247)	647
Amounts donated to Ely Cathedral (note 24)	638	581
Balance Sheet		
Investments	7,736	7,855
Net current assets	164	302
Total funds	7,900	8,157

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

22. Properties***Investment properties***

As stated in Note 1, Chapter has obtained market valuations on all investment properties which are occupied by third parties. In addition there are other properties that are used by the Cathedral and its trading subsidiary which, as stated in note 1, are at fully depreciated value. All of these properties have an insurance valuation, based on the cost of rebuilding, of £9,653,847 (2017 - £9,153,980). The investment assets were considered for revaluation as at 31 December 2018. After taking advice from property agents, no changes to property values were required.

Other properties

Chapter is also responsible for five properties occupied by clergy of the Cathedral. These properties have an insurance valuation, based on the cost of rebuilding, of £15,473,138 (2017 - £14,696,664). None of these properties is let at a market rent.

The office and administration accommodation used by Chapter have an insurance valuation of £4,763,922 (2017 - £4,537,069).

The premises occupied by the Cathedral's trading outlets are charged a commercial rent amounting to £62,500 (2017 - £62,500). The Cathedral Shop and Refectory are located in the Cathedral itself and have no separate insurance value. The Almonry Restaurant and Old Choir House Shop have an insurance value of £3,437,811 (2017 - £3,274,106).

None of the properties, other than certain investment properties, are included in the Cathedral's balance sheet, as explained in the accounting policies section.

King's Ely properties

Chapter leases properties to King's Ely. Four of these properties form part of an agreement whereby a nominal rent is charged in return for the School being responsible for the maintenance, upkeep and restoration of these properties. The properties occupied by King's Ely had an insurance value at 31 December 2017 of £19,618,800. The properties are no longer valued individually for insurance purposes and therefore a valuation has not been prepared at 31 December 2018. The insurers now insure on a 'first loss' basis providing a maximum insured sum per incident of up to £20m. During the year the Cathedral received rents of £40,800 (2017 - £44,202) which are included in property income.

None of these properties is included in the Cathedral's balance sheet, as explained in the accounting policies section.

23. Related Party Transactions

During the year, the Cathedral undertook a number of transactions with King's Ely.

Rent paid to Cathedral £40,800 (2017 - £44,202)

Cathedral cost of educating Choristers £178,862 (2017 - £183,793)

Contribution for use of the Cathedral £30,000 (2017 - £30,000)

The Dean of Ely Cathedral is an ex-officio governor of the King's Ely.

24. Future commitments***Consolidated & Cathedral***

	2018	2017
	£000's	£000's
Contracted for	-	502
	<u> </u>	<u> </u>

The contracted commitments in 2017 represented the remaining components of the South Nave Aisle Roof Project.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. Comparative Statement of Financial Activities
Consolidated

	2017				
	Unrestricted	Restricted	Endowment	Total	
	£000's	£000's	£000's	£000's	£000's
Income and Endowments from:					
(i) Donations and legacies	386	127	137	650	1,271
(ii) Grants in support of missions	-	634	-	634	1,193
(iii) Charges and fees arising in the course of mission	287	-	-	287	224
(iv) Trading and fundraising	1,943	-	-	1,943	1,892
(v) Investments	468	91	153	712	674
Total Income	<u>3,084</u>	<u>852</u>	<u>290</u>	<u>4,226</u>	<u>5,254</u>
Expenditure on:					
Raising funds	1,693	-	-	1,693	1,600
(i) Ministry	740	128	-	868	839
(ii) Cathedral and precincts upkeep	608	562	-	1,170	1,121
(iii) Education and outreach	217	-	-	217	211
(iv) Community, parish and congregation	85	-	-	85	81
Other expenditure	6	-	-	6	5
Total Expenditure	<u>3,349</u>	<u>690</u>	<u>-</u>	<u>4,039</u>	<u>3,857</u>
Net (expenditure)/income before investment gains	(265)	162	290	187	1,397
Net gains on investments	186	228	382	796	925
Revaluation	(181)	-	-	(181)	462
Net (expenditure)/income	<u>(260)</u>	<u>390</u>	<u>672</u>	<u>802</u>	<u>2,784</u>
Gross transfer between funds	458	(308)	(150)		-
Net movement in funds	<u>198</u>	<u>82</u>	<u>522</u>	<u>802</u>	<u>2,784</u>
Reconciliation to funds:					
Total funds brought forward	<u>5,702</u>	<u>3,808</u>	<u>4,443</u>	<u>13,953</u>	<u>11,169</u>
Total funds carried forward	<u><u>5,900</u></u>	<u><u>3,890</u></u>	<u><u>4,965</u></u>	<u><u>14,755</u></u>	<u><u>13,953</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. Comparative Statement of Financial Activities (continued)
Cathedral Only

			2017		Total
	Unrestricted	Restricted	Endowment		
	£000's	£000's	£000's	£000's	£000's
Income and Endowments from:					
(i) Donations and legacies	431	88	-	519	519
(ii) Grants in support of missions	-	1,021	-	1,021	1,496
(iii) Charges and fees arising in the course of mission	452	-	-	452	419
(iv) Trading and fundraising	594	-	-	594	564
(v) Investments	453	-	-	453	424
(vi) Other income	74	-	-	74	74
Total income	2,004	1,109	-	3,113	3,496
Expenditure on:					
Raising funds	577	-	-	577	521
(i) Ministry	736	128	-	864	837
(ii) Cathedral and precincts upkeep	574	595	-	1,169	1,116
(iii) Education and outreach	216	-	-	216	209
(iv) Community, parish and congregation	85	-	-	85	83
Total Expenditure	2,188	723	-	2,911	2,766
Net (expenditure)/income before investment gains	(184)	386	-	202	730
Net gains/ (losses) on investments	149	-	-	149	242
Revaluation	(181)	-	-	(181)	462
Net income/(expenditure)	(216)	386	-	170	1,434
Gross transfer between funds	391	(391)	-	-	-
Net movement in funds	175	(5)	-	170	1,434
Reconciliation to funds:					
Total funds brought forward	5,273	1,156	-	6,429	4,995
Total funds carried forward	5,448	1,151	-	6,599	6,429

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. Comparative Balance sheet
Consolidated

	2017			
	Unrestricted £000's	Restricted £000's	Endowment £000's	Total £000's
Fixed assets				
Investment assets				
Property	2,250	800	-	3,050
Investments	3,163	2,734	4,678	10,575
	5,413	3,534	4,678	13,625
Non investment assets				
Equipment and plant	563	244	-	807
Property	-	-	-	-
	563	244	-	807
Total fixed assets	5,976	3,778	4,678	14,432
Current assets				
Stocks	167	-	-	167
Debtors	210	22	40	272
Cash at bank and in hand	157	123	307	587
	534	145	347	1,026
Liabilities due within one year				
Creditors	95	33	60	188
Bank loan	33	-	-	33
	406	112	287	805
Liabilities due after one year				
Bank loan	454	-	-	454
Provision for liabilities and charges				
Multi-Employer Defined Benefit scheme liability	28	-	-	28
	5,900	3,890	4,965	14,755
Total net assets	5,900	3,890	4,965	14,755
The funds of the Cathedral:				
General fund	5,162	-	-	5,162
Fabric fund	-	-	3,769	3,769
Music fund	34	2,951	1,196	4,181
Other funds	2	939	-	941
Revaluation reserve	702	-	-	702
	5,900	3,890	4,965	14,755
Total Cathedral funds	5,900	3,890	4,965	14,755

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

26. Comparative Balance sheet (continued)
Cathedral Only

	Unrestricted £000's	Restricted £000's	2017 Endowment £000's	Total £000's
Fixed assets				
Investment assets				
Property	2,250	800	-	3,050
Investments	2,721	-	-	2,721
	<u>4,971</u>	<u>800</u>	<u>-</u>	<u>5,771</u>
Non investment assets				
Equipment and plant	504	244	-	748
Property	-	-	-	-
	<u>504</u>	<u>244</u>	<u>-</u>	<u>748</u>
Total fixed assets	<u>5,475</u>	<u>1,044</u>		<u>6,519</u>
Current assets				
Stocks	4	-	-	4
Debtors	539	-	-	539
Cash at bank and in hand	89	107	-	196
	<u>632</u>	<u>107</u>	<u>-</u>	<u>739</u>
Liabilities due within one year				
Creditors	144	-	-	144
Bank loan	33	-	-	33
	<u>455</u>	<u>107</u>	<u>-</u>	<u>562</u>
Net current assets	<u>455</u>	<u>107</u>	<u>-</u>	<u>562</u>
Liabilities due after one year				
Bank loan	454	-	-	454
Provision for liabilities and charges				
Multi-Employer Defined Benefit scheme liability	28	-	-	28
	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>
Total net assets	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>
The funds of the Cathedral:				
General fund	4,710	-	-	4,710
Music fund	34	212	-	246
Other funds	2	939	-	941
Revaluation reserve	702	-	-	702
	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>
Total Cathedral funds	<u>5,448</u>	<u>1,151</u>	<u>-</u>	<u>6,599</u>

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL

Opinion

We have audited the financial statements of Ely Cathedral for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the Cathedral statement of financial activities, the Cathedral balance sheet, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Cathedral's affairs as at 31 December 2018, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the guidelines specified by the Church Commissioners under the power given to them by Section 27 of the Cathedrals Measure 1999.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chapter uses of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chapter has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL

Other information

The Chapter is responsible for the other information. The other information comprises the information included in the Chapter's annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following where the Cathedrals Measure 1999 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Chapter's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Chapter

As explained more fully in the Chapter responsibilities statement set out on page 14, the Chapter is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Chapter determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CHAPTER OF ELY CATHEDRAL

Auditors' responsibilities for the audit of the financial statements

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting and reporting regulations for English Anglican Cathedrals (February 2015) specified by the Church Commissioners under the powers given to them by Section 27 of the Cathedrals Measure 1999. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the Cathedral has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Chapter members as a body, in accordance with Section 27 of the Cathedrals Measure 1999. Our audit work has been undertaken for no purpose other than to draw the attention of the Chapter members to those matters which are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Chapter and the Chapter members as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP,
Chartered Accountants & Statutory Auditors,
6 High Street
Ely
Cambridgeshire
CB7 4JU

Dated: 17/6/19