

THE FRIENDS OF ELY CATHEDRAL CIO

STATEMENT OF ACCOUNTS

FOR THE PERIOD

3 JULY 2014 TO 31 DECEMBER 2015

THE FRIENDS OF ELY CATHEDRAL CIO
PARTICULARS OF THE CHARITY
FOR THE PERIOD ENDED 31 DECEMBER 2015

1.

TRUSTEES

The Very Reverend M P J Bonney, Dean of Ely (Chairman)	appointed 3 July 2014
Mrs H Merrick (Chair of Council)	appointed 3 July 2014
Mr R O Setchell (Honorary Treasurer)	appointed 3 July 2014
Mrs A L Bishop	appointed 19 September 2015
Mrs C Bushnell	appointed 3 July 2014
Mrs J Chamberlain	appointed 3 July 2014
Mrs J Davie	appointed 3 July 2014
Mr G Diss	appointed 3 July 2014
Mr E G Gifford	appointed 19 September 2015
Mrs C Green	appointed 3 July 2014, retired 27 September 2014
The Reverend Canon Dr A Hargrave	appointed 3 July 2014, retired 31 December 2015
Miss S Kindleysides	appointed 3 July 2014
Mr G Mizen	appointed 3 July 2014
Mr B Parsley	appointed 3 July 2014
Mrs M Rone	appointed 27 September 2014
Mr M White	appointed 3 July 2014, retired 19 September 2015

FRIENDS' OFFICER: Mrs S M Hunting

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

INDEPENDENT EXAMINER: Mrs Helena Wilkinson, Price Bailey LLP.

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

CHARITY REGISTRATION NO: 1157705

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2015

The Trustees present their first report and independently examined financial statements for the period from 3 July 2014, the date of registration, to 31 December 2015.

During the period the status of The Friends of Ely Cathedral (charity number 259021) was changed to that of Charitable Incorporated Organisation (CIO). The Friends of Ely Cathedral CIO (charity no. 1157705) which was registered with the Charity Commission on 3 July 2014, replaced the former organisation and the assets of The Friends of Ely Cathedral were transferred to it. The activities of the old charity ceased on 5 April 2015 when the new charity took over its operations. Between 5 April 2015 and 31 December 2015 the old charity's assets were transferred to the new charity. These accounts cover the dormant period from 3 July 2014 to 5 April 2015 and the results from operating for the period from 6 April 5to 31 December 2015, and a balance sheet at 31 December 2015.

Objects of the Charity

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

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

Governing Document

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

Organisation

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

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

Gifts to Ely Cathedral up to a value of £25,000 are approved by the Trustees (Council) and those in excess of £25,000 must be approved by the members at the Annual General Meeting.

Trustee induction and training

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

TRUSTEES' REPORT (continued)**FOR THE PERIOD ENDED 31 DECEMBER 2015****Development, Activities and Achievements**

The Trustees approved gifts to Ely Cathedral during the period totalling £40,000. Gifts previously agreed and not taken up in full and now written back totalled £15,462 making a net charge in the financial statements of £24,538. A further £19,200 has been agreed since the year end and remains unpaid at the date of this report.

Review of the Financial Position and Transactions

The financial position of the Charity is strong and it is well able to meet the agreed gifts from funds which are readily available. As nearly 70% of subscription income is received in the 1st 3 months of the year, over £16,000 of subscription income in 2015 was received by the former charity leaving just under £8,000 receivable by the new charity. Legacies totalling £20,000 were received, and a £15,000 donation was received from the John Paul Getty Trust in recognition of the Friends taking over the supervision of the covenant protecting the Dean's Paddock. Interest, gift aid income tax reclaimed, fund raising activities and other donations totalled over £38,000. Total income of £81,279 comfortably exceeded the fund raising and governance costs of £19,840.

The Stanley Johnson Bequest Fund which was originally designated £750,000 from the late Stanley Johnson's legacy in the old charity and has been recognised as a designated fund in the new CIO charity. It has received interest, dividends and capital growth from its underlying investments and now stands at £796,531. This fund will be utilised by contributing to a major project in the future.

Reserves Policy

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

Risk management

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

Investment Policy

Apart from the Johnson Bequest (see below), the trustees do not envisage holding funds for the long term. As referred to above, it is intended that reserves will not fall below £50,000 and this is covered by cash deposits and an investment in M&G Charifund income units which cost £15,245 several years ago and at 31 December 2015 had a value of £36,578. With regard to the Johnson Bequest, as it is now considered unlikely that a major project will happen in the next 5 years, the trustees decided to withdraw all the cash deposit accounts previously held and invest the fund entirely in the CBF Church of England Investment Fund. This has a balanced investment objective with low or medium risk, and 58,430 income units have been purchased.

On Behalf of the Trustees

Helen Merrick (Chair of Council)

I report on the accounts of the charity for the period ended 31 December 2015 which are set out on pages 5 to 12

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's report

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

Independent examiner's statement

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

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

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

6 June 2016

THE FRIENDS OF ELY CATHEDRAL CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

5.

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	Total £
Income:				
Subscriptions, donations and legacies	2	45,957	-	45,957
Fund raising	3	11,127	-	11,127
Investments	4	24,195	-	24,195
Other income	6	929,041	38	929,079
Total income		1,010,320	38	1,010,358
Expenditure:				
Raising funds	3	5,435	-	5,435
Charitable activities	5	38,945	38	38,983
Total expenditure		44,380	38	44,418
Net losses on Investments	7	(12,223)	-	(12,223)
Net income for the year being net movement in funds		953,717	-	953,717
Reconciliation of funds:				
Total funds brought forward		-	-	-
Total funds carried forward		953,717	-	953,717

All income and expenditure derive from continuing activities.

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

BALANCE SHEET AT 31 DECEMBER 2015

	<u>Note</u>		
Fixed Asset			
Investments	7		827,401
Current assets			
Debtors	8	1,084	
Stock of Christmas & note cards		404	
Bank current account		30,289	
Petty cash		25	
Deposit & savings accounts		217,770	
		249,572	
Current liabilities			
Creditors (amounts falling due within one year)	9	123,256	
Net current assets			126,316
Total net assets			953,717
Funds			
Unrestricted funds	11		953,717

The financial statements on pages 5 to 12 were approved by the Council on 12 April 2016 and signed on its behalf by:

Helen Merrick (Chair of Council)

Richard Setchell (Honorary Treasurer)

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

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

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

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

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

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

c. Going concern

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

d. Income

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

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

e. Expenditure

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

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

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

f. Investment Fixed Assets

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

g. Tangible Fixed Assets

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

h. Funds

Restricted Funds are funds which have been given for particular purposes or projects. There was a single restricted fund, the Dean Hankey Memorial Fund, restricted to provide an annual prize for a chorister. This fund was exhausted in the period

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

i. Stocks

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

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

2. Income from subscriptions, donations and legacies

Subscriptions including gift aid claims	9,381
Donations	16,576
Legacies	20,000
	45,957

3. Income from Fund Raising Activities

	Income	Expenses	Net
Outings	1,969	1,803	166
Friends' day	1,212	1,082	130
Friends' social events	856	378	478
New Friends evening	-	46	(46)
Christmas cards	6,376	2,085	4,291
Badge sales	6	-	6
Book sales, "Interpreting Ely Cathedral"	560	-	560
Notecards	148	41	107
	11,127	5,435	5,692

4. Income from Investments

Investment fund - dividends	13,553
Interest – deposits	10,642
	24,195

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

5. Charitable Activities**Gifts to Ely Cathedral**

Balances of gifts previously agreed and not taken up in full :

Public address / sound system	(774)
Improvements to window guards	(12,154)
Conservation of North Transept wall paintings	(2,534)
New gifts:	
Refectory improvements	15,000
Chorister funding	25,000
	24,538
Choristers prize	40

Governance costs

Printing, stationery, postage & telephone	284
Salaries	12,098
National insurance	730
Pension contributions	776
Sundry expenses & bank charges	517
	14,405
Total	38,983

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

No employee received emoluments of more than £60,000 during the year

6 Transfer of assets from The Friends of Ely Cathedral

Other income represents the transfer at fair value of the assets and liabilities of The Friends of Ely Cathedral, Registered Charity Number 259021, upon its merger with the Charity on 6 April 2015 as follows:

	Fixed Asset Investments	Net Current Assets	Total
Investments	229,935	-	229,935
Stocks	-	890	890
Cash at bank & in deposit accounts	-	831,425	831,425
Debtors	-	3,273	3,273
Creditors	-	(14,187)	(14,187)
Committed gifts to Ely Cathedral	-	(122,257)	(122,257)
	229,935	699,144	929,079
Represented by:			
Unrestricted funds			144,180
Designated funds			784,861
Restricted funds			38
			929,079

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

7. Investments

	Cost	Open market value
Original cost / value transferred from		
The Friends of Ely Cathedral	229,935	229,935
Further investment	609,689	609,689
Decrease in value in period	-	(12,223)
At 31 December 2015	839,624	827,401
Comprising:		
2,551 M&G Charifund income units	38,614	36,578
58,430 CBF Church of England investment fund income shares	801,010	790,823
	839,624	827,401

8. Debtors

Income tax recoverable	568
Other debtors	516
	1,084

9. Creditors

Ely Cathedral – re-imburement of expenses	4,622
Ely Cathedral – gifts	118,316
Other creditors	318
	123,256

10. Commitment approved since December 2015

Digital modelling project	19,200
Cathedral rewiring project	25,000

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

11. Fund Reconciliation**Unrestricted Funds**

	<u>At 3 July</u> <u>2014</u>	<u>Surplus</u> <u>for year</u>	<u>Transfers</u>	<u>At 31 December</u> <u>2015</u>
Fund Balances				
General fund	-	953,717	(796,531)	157,186
Designated fund (Stanley Johnson Bequest)	-	-	796,531	796,531
	-	953,717	-	953,717

The Stanley Johnson Bequest has been set aside to provide funds for a major project.

Restricted Funds

The Dean Hankey Memorial Fund

Income	38
Expenditure	(38)
Balance at 31 December 2015	-

The Dean Hankey Memorial Fund, restricted to provide an annual prize for a chorister.

12. Analysis of Fund Assets and Liabilities

	Unrestricted Funds	Designated Fund	Restricted Fund	Total Funds
Investment	36,578	790,823	-	827,401
Bank current account	30,289	-	-	30,289
Deposit & savings accounts	212,062	5,708	-	217,770
Other current assets	1,513	-	-	1,513
Current liabilities	(123,256)	-	-	(123,256)
	157,186	796,531	-	953,717

13. Trustees' Remuneration

During the period, no Trustee received nor waived any remuneration (2014 – nil). £122 for expenses was reimbursed to the Trustees in the year (2014 – nil).