

THE FRIENDS OF ELY CATHEDRAL CIO

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE FRIENDS OF ELY CATHEDRAL CIO
PARTICULARS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2016

1.

TRUSTEES

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

Mrs H Merrick (Chair of Council)

Mr R O Setchell (Honorary Treasurer)

Mrs A L Bishop

Mrs C Bushnell

Mrs J Chamberlain

Mrs J Davie

Mr G Diss

Mrs S Farmer

appointed 24 September 2016

Mr E G Gifford

Miss S Kindleysides

retired 24 September 2016

Mr R H G Mason

appointed 24 September 2016

Mr G Mizen

Mr B Parsley

retired 24 September 2016

Mrs M Rone

FRIENDS' OFFICER: Mrs S M Hunting

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

INDEPENDENT EXAMINER: Mrs Helena Wilkinson, Price Bailey LLP.

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

CHARITY REGISTRATION NO: 1157705

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their report and independently examined financial statements for the year ended 31 December 2016.

On 5th April 2015 the activities of The Friends of Ely Cathedral (charity number 259021) ceased and were taken over by this charity. Accordingly the 2015 figures shown in these financial statements for income and expenditure cover only a 9 month period from 5 April to 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 YEAR ENDED 31 DECEMBER 2016****Development, Activities and Achievements**

The Trustees approved gifts to Ely Cathedral during the period totalling £44,200. Gifts previously agreed and not taken up in full and now written back totalled £18,385, making a net charge in the financial statements of £25,815. A further £4,000 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 stated at the top of this report, the figures for income and expenditure for 2015 in the statement of financial activities relate to the 9 months from 5 April 2015. The total income of the Friends for 2015 if that accruing to the old charity is included was £105,488, the expenditure was £26,245 and gifts to Ely Cathedral were £85,578. In 2016 the figures are income £78,697, expenditure £29,118 and gifts £25,815. The reduction in income in 2016 is mainly attributable to legacy income falling by £19,000 and a one-off donation in 2015 from the John Paul Getty Trust of £15,000.

Investments have performed well. The Stanley Johnson Bequest Designated Fund had a value at the beginning of the year of £796,531, and at the end of the year with capital growth and dividends re-invested it had grown to £911,058. As stated in previous reports, this fund has been set aside to provide funds for 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 2016 had a value of £38,614. With regard to the Johnson Bequest, as it is considered unlikely that assistance for a major project will be required in the near future, the trustees decided to invest the fund entirely in the CBF Church of England Investment Fund. This has a balanced investment objective with low or medium risk, and 60,110 income units have been purchased.

On Behalf of the Trustees

Helen Merrick (Chair of Council)

10 April 2017

I report on the accounts of the charity for the period ended 31 December 2016 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

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

It is my responsibility to:

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

Basis of independent examiner's report

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

Independent examiner's statement

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

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

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

22 May 2017

THE FRIENDS OF ELY CATHEDRAL CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

5.

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	2016 Total £	2015 Total £
Income:					
Subscriptions, donations and legacies	2	34,694	1,819	36,513	45,957
Fund raising	3	14,636	-	14,636	11,127
Investments	4	29,367	-	29,367	24,195
Other income	6	-	-	-	929,079
Total income		78,697	1,819	80,516	1,010,358
Expenditure:					
Raising funds	3	8,586	-	8,586	5,435
Charitable activities	5	46,347	-	46,347	38,983
Total expenditure		54,933	-	54,933	44,418
Net gains / (losses) on Investments	7	91,388	-	91,388	(12,223)
Net income for the year being net movement in funds		115,152	1,819	116,971	953,717
Reconciliation of funds:					
Total funds brought forward		953,717	-	953,717	-
Total funds carried forward		1,068,869	1,819	1,070,688	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 2016

	Note	2016		2015	
		£	£	£	£
Fixed Asset					
Investments	7		943,049		827,401
Current assets					
Debtors	8	1,672		1,084	
Stock of bags & cards		2,240		404	
Bank current account		10,362		30,289	
Cash		41		25	
Deposit accounts		206,065		217,770	
		220,380		249,572	
Current liabilities					
Creditors (amounts falling due within one year)	9	92,741		123,256	
Net current assets			127,639		126,316
Total net assets			1,070,688		953,717
Funds	11				
Unrestricted funds			1,068,869		953,717
Restricted funds			1,819		-
Total funds			1,070,688		953,717

The financial statements on pages 5 to 13 were approved by the Council on 10 April 2017 and signed on its behalf by:

Helen Merrick (Chair of Council)

Richard Setchell (Honorary Treasurer)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

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

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

b. Going concern

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

c. Income

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

d. Expenditure

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

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

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

e. Investment Fixed Assets

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

f. Tangible Fixed Assets

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

g. Funds

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

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

h. Stocks

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

i. Cash at bank and in hand

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

j. Debtors

Other debtors are recognised at the settlement amount due

k. Creditors

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

l. Financial instruments

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. Income from subscriptions, donations and legacies

	2016		2015
	Unrestricted Funds	Restricted Funds	Unrestricted Funds
Subscriptions including gift aid claims	31,983	-	9,381
Donations	1,711	1,819	16,576
Legacies	1,000	-	20,000
	34,694	1,819	45,957

3. Income from Fund Raising Activities

	2016			2015		
	Income	Expenses	Net	Income	Expenses	Net
Outings	1,094	859	235	1,969	1,803	166
Friends' day	1,460	1,194	266	1,212	1,082	130
Friends' social events	5,454	3,823	1,631	856	378	478
New Friends evening	-	85	(85)	-	46	(46)
Christmas cards	5,191	1,998	3,193	6,376	2,085	4,291
Badge sales	5	-	5	6	-	6
Book sales, "Interpreting Ely Cathedral"	-	-	-	560	-	560
Shopping Bags	1,336	607	729	-	-	-
Notecards	96	20	76	148	41	107
	14,636	8,586	6,050	11,127	5,435	5,692

4. Income from Investments

	2016	2015
Investment fund - dividends	27,541	13,553
Interest – deposits	1,826	10,642
	29,367	24,195

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

5. Charitable Activities

Gifts to Ely Cathedral	2016	2015
Balances of gifts previously agreed and not taken up in full :		
Public address / sound system	18	(774)
Improvements to window guards	-	(12,154)
Conservation of north transept wall paintings	-	(2,534)
Loan for book about Cathedral Misericords	(5,000)	-
Vestment hangers	(1,118)	-
Cathedral kitchen upgrade	(2,285)	-
Scaffolding for north transept	(5,000)	-
Refectory improvements	(5,000)	-
New gifts:		
Refectory improvements	-	15,000
Chorister funding	-	25,000
Digital modelling project	19,200	-
Rewiring project	25,000	-
	25,815	24,538
Choristers prize	40	40
Governance costs		
Printing, stationery, postage & telephone	2,129	284
Salaries	16,077	12,098
National insurance	949	730
Pension contributions	1,045	776
Sundry expenses & bank charges	292	517
	20,492	14,405
Total	46,347	38,983

The average number of employees (part-time) during the period was 1 (2015 – 1)

No employee received emoluments of more than £60,000 during the year (2015 – None)

6 Transfer of assets from The Friends of Ely Cathedral

Other income (for 2015 only) 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 YEAR ENDED 31 DECEMBER 2016

7. Investments

	Cost		Open market value	
	2016	2015	2016	2015
At beginning of year / period	839,624	229,935	827,401	229,935
Further investment	24,260	609,689	24,260	609,689
Increase / (decrease) in value in year	-	-	91,388	(12,223)
At 31 December 2016	863,884	839,624	943,049	827,401
Comprising:				
2,551 M&G Charifund income units	38,614	38,614	39,169	36,578
60,110 CBF Church of England investment fund income shares	825,270	801,010	903,880	790,823
	863,884	839,624	943,049	827,401

	2016	2015
8. Debtors		
Income tax recoverable	819	568
Other debtors	853	516
	1,672	1,084

9. Creditors		
Ely Cathedral – re-imburement of expenses	4,514	4,622
Ely Cathedral – gifts	88,176	118,316
Other creditors	51	318
	92,741	123,256

10. Commitment approved since December 2016

Digital modelling project	-	19,200
Cathedral rewiring project	-	25,000
Laser light show sponsorship	4,000	-

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

11. Fund Reconciliation

Current Year	At 31 December 2015	Income	Expenditure	Investment Gains	At 31 December 2016
Unrestricted Funds					
General fund	157,186	52,967	(54,933)	2,591	157,811
Designated fund	796,531	25,730	-	88,797	911,058
	953,717	78,697	(54,933)	91,388	1,068,869
Restricted Fund	-	1,819	-	-	1,819
Total Funds	953,717	80,516	(54,933)	91,388	1,070,688
Prior Year	Transfers	Income	Expenditure	Investment Losses	At 31 December 2015
Unrestricted Funds					
General fund	(796,531)	1,010,320	(44,380)	(12,223)	157,186
Designated fund	796,531	-	-	-	796,531
	-	1,010,320	(44,380)	(12,223)	953,717
Restricted Fund		38	(38)	-	-
Total Funds	-	1,010,358	(44,418)	(12,223)	953,717

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

The restricted fund in the current year comprises donations received from members as a result of an appeal to provide a gift to the cathedral to mark the 80th anniversary of the founding of the Friends.

The restricted fund in the prior year was the Dean Hankey Memorial Fund which was to provide an annual prize for a chorister. This fund was exhausted prior to 31 December 2015.

12. Analysis of Fund Assets and Liabilities

	Unrestricted Funds	Designated Fund	Restricted Fund	Total Funds
2016				
Investments	39,169	903,880	-	943,049
Bank current account	8,543	-	1,819	10,362
Deposit accounts	198,887	7,178	-	206,065
Other current assets	3,953	-	-	3,953
Current liabilities	(92,741)	-	-	(92,741)
	157,811	911,058	1,819	1,070,688
2015				
Investments	36,578	790,823	-	827,401
Bank current account	30,289	-	-	30,289
Deposit 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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2016

13. Comparative Statement of Financial Activities

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

14. Trustees' Remuneration

During the period, no Trustee received nor waived any remuneration (2015 – nil). Expenses reimbursed to the Trustees in the year were Nil (2015 – £122).