

THE FRIENDS OF ELY CATHEDRAL CIO

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

THE FRIENDS OF ELY CATHEDRAL CIO
PARTICULARS OF THE CHARITY
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Mr E G Gifford

Mr R H G Mason

Mr G Mizen

Mrs M Rone

FRIENDS' OFFICER: Mrs S M Hunting

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

INDEPENDENT EXAMINER: Mrs Helena Wilkinson, Price Bailey LLP.

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

CHARITY REGISTRATION NO: 1157705

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees present their report and independently examined financial statements for the year ended 31 December 2017.

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.

Charity Governance Code

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

TRUSTEES' REPORT (continued)**FOR THE YEAR ENDED 31 DECEMBER 2017****Development, Activities and Achievements**

The Trustees approved gifts to Ely Cathedral during the period totalling £208,871. Gifts previously agreed and not taken up in full and now written back totalled £4,500, making a net charge in the financial statements of £204,371. A further £34,000 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. In 2017 the total income of the Friends was £105,829 (2016 - £80,516), expenditure excluding gifts was £36,386 (2016 - £29,118) and the value of the investments increased by £85,191. As stated in the previous paragraph, gifts totalled £204,371 leaving a deficit for the year of £49,737.

As a result of the investments performing well both in regard to the increase in value and also with dividends received the Stanley Johnson Bequest Designated Fund reduced in value by only £35,244 despite the gift commitment from the fund of £150,000. The value at the year end was £875,814 and as stated in previous reports, this fund has been set aside to provide funds for major projects.

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 2017 had a value of £41,905. With regard to the Johnson Bequest, the fund is invested in the CBF Church of England Investment Fund with dividends received held in a deposit account pending re-investment. This has a balanced investment objective with low or medium risk.

On Behalf of the Trustees

Helen Merrick (Chair of Council)

17 April 2018

I report on the accounts of the charity for the period ended 31 December 2017 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*

25 April 2018

THE FRIENDS OF ELY CATHEDRAL CIO
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

5.

	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
	Note	£	£	£
Income:				
Subscriptions, donations and legacies	2	46,428	50	46,478
Fund raising	3	23,711	-	23,711
Investments	4	35,640	-	35,640
Total income		105,779	50	105,829
Expenditure:				
Raising funds	3	15,012	-	15,012
Charitable activities	5	220,539	5,206	225,745
Total expenditure		235,551	5,206	240,757
Net gains on Investments	6	85,191	-	85,191
Net (expenditure) / income for the year being net movement in funds		(44,581)	(5,156)	(49,737)
Transfer between funds		(3,337)	3,337	-
Reconciliation of funds:				
Total funds brought forward		1,068,869	1,819	1,070,688
Total funds carried forward		1,020,951	-	1,070,688

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 2017

	Note	2017		2016	
		£	£	£	£
Fixed Asset					
Investments	6		1,027,658		943,049
Current assets					
Debtors	7	13,534		1,672	
Stock of bags & cards		2,761		2,240	
Bank current account		12,388		10,362	
Cash		18		41	
Deposit accounts		187,543		206,065	
		216,244		220,380	
Current liabilities					
Creditors (amounts falling due within one year)	8	222,951		92,741	
Net current (liabilities) / assets			(6,707)		127,639
Total net assets			1,020,951		1,070,688
Funds					
Unrestricted funds	10		1,020,951		1,068,869
Restricted funds			-		1,819
Total funds			1,020,951		1,070,688

The financial statements on pages 5 to 13 were approved by the Council on 17 April 2018 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 2017

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.

At 31 December 2017, net current liabilities exceeded net current assets. In order to correct this, amounts will be drawn down from investments as needed.

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 2017

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 2017

2. Income from subscriptions, donations and legacies

	2017		2016	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
Subscriptions including gift aid claims	31,062	-	31,983	-
Donations	1,851	50	1,711	1,819
Legacies	13,515	-	1,000	-
	46,428	50	34,694	1,819

3. Income from Fund Raising Activities

	2017			2016		
	Income	Expenses	Net	Income	Expenses	Net
Outings	870	821	49	1,094	859	235
Friends' day	1,143	825	318	1,460	1,194	266
Friends' social events	903	307	596	5,454	3,823	1,631
New Friends evening	-	88	(88)	-	85	(85)
Christmas cards	6,065	1,955	4,110	5,191	1,998	3,193
Friends' National						
Conference	10,757	10,450	307	-	-	-
Book sales, "Interpreting						
Ely Cathedral"	2,621	-	2,621	-	-	-
Shopping Bags	1,152	516	636	1,336	607	729
Notecards & badges	200	50	150	101	20	81
	23,711	15,012	8,699	14,636	8,586	6,050

4. Income from Investments

	2017	2016
Investment fund - dividends	34,208	27,541
Interest – deposits	1,432	1,826
	35,640	29,367

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

5. Charitable Activities

Gifts to Ely Cathedral	2017	2016
Unrestricted Funds		
Balances of gifts previously agreed and not taken up in full :		
Public address / sound system	-	18
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)
Scapulars for Cathedral guides	(2,000)	-
Storage cupboards for education materials	(2,500)	-
New gifts:		
Digital modelling project	-	19,200
Rewiring project	-	25,000
Filming at Easter & Christmas of choristers	3,000	-
Laser lightshow sponsorship	3,728	-
Signage for Cathedral Centre	1,887	-
Processional Way courtyard paving	40,000	-
2018 flower festival sponsorship	5,000	-
	49,115	25,815
Designated Funds		
Choirstalls (part of Octagon furniture project)	150,000	-
	199,115	
Restricted Funds		
Dean's Cope	5206	-
	204,321	25,815
Choristers prize	50	40
Governance costs		
Printing, stationery, postage & telephone	2,110	2,129
Salaries	16,318	16,077
National insurance	1,087	949
Pension contributions	1,061	1,045
Sundry expenses & bank charges	288	292
Accountancy fees	510	-
	21,374	20,492
Total	225,745	46,347

The average number of employees (part-time) during the period was 1 (2016 – 1)

No employee received emoluments of more than £60,000 during the year (2016 – None)

In addition to the salaries and national insurance shown above, salaries of £500 and national insurance of £69 are included in Friends' National Conference expenses (note 3).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

6. Investments

	Cost		Open market value	
	2017	2016	2017	2016
At beginning of year	863,884	839,624	943,049	827,401
Further investment	22,254	24,260	22,253	24,260
Investments sold	(19,332)	-	(22,835)	-
Increase in value in year	-	-	85,191	91,388
At 31 December 2016	866,806	863,884	1,027,658	943,049
Comprising:				
2,551 M&G Charifund income units	38,614	38,614	41,905	39,169
60,127 CBF Church of England investment fund income shares	828,192	825,270	985,753	903,880
	866,806	863,884	1,027,658	943,049

	2017	2016
7. Debtors		
Income tax recoverable	465	819
Legacies receivable	12,515	-
Other debtors	554	853
	13,534	1,672

8. Creditors		
Ely Cathedral – re-imburement of expenses	5,274	4,514
Ely Cathedral – gifts	216,760	88,176
Other creditors	917	51
	222,951	92,741

9. Commitments approved since December 2017

Laser light show sponsorship	-	4,000
Easter 2018 videos	4,000	-
Health & safety walkway	25,000	-
Christmas tree sponsorship (£1,000 pa over 5 years)	5,000	-
	34,000	4,000

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

10. Fund Reconciliation

Current Year	At 31 December 2016	Income	Expenditure	Investment Gains	Transfer	At 31 December 2017
Unrestricted Funds						
General fund	157,811	73,478	(85,551)	2,736	(3,337)	145,137
Designated fund	911,058	32,301	(150,000)	82,455	-	875,814
	1,068,869	105,779	(235,551)	85,191	(3,337)	1,020,951
Restricted Fund	1,819	50	(5,206)	-	3,337	-
Total Funds	1,070,688	105,829	(240,757)	85,191	-	1,020,951
Prior 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

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

The restricted fund 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. This fund has now been fully utilised.

11. Analysis of Fund Assets and Liabilities

	Unrestricted Funds	Designated Fund	Restricted Fund	Total Funds
2017				
Investments	41,905	985,753	-	1,027,658
Bank current account & cash	12,406	-	-	12,406
Deposit accounts	179,852	7,693	-	187,545
Other current assets	16,294	-	-	16,294
Current liabilities	(105,320)	(117,632)	-	(222,982)
	145,137	875,814	-	1,020,951
2016				
Investments	39,169	903,880	-	943,049
Bank current account & cash	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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

12. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total £
Income:			
Subscriptions, donations and legacies	34,694	1,819	36,513
Fund raising	14,636	-	14,636
Investments	29,367	-	29,367
	<hr/>	<hr/>	<hr/>
Total income	78,697	1,819	80,516
Expenditure:			
Raising funds	8,586	-	8,586
Charitable activities	46,347	-	46,347
	<hr/>	<hr/>	<hr/>
Total expenditure	54,933	-	54,933
Net gains on Investments	91,388	-	91,388
	<hr/>	<hr/>	<hr/>
Net income for the year being net movement in funds	115,152	1,819	116,671
Reconciliation of funds:			
Total funds brought forward	953,717	-	953,717
	<hr/>	<hr/>	<hr/>
Total funds carried forward	1,068,869	1,819	1,070,688
	<hr/>	<hr/>	<hr/>

13. Trustees' Remuneration

During the period, no Trustee received nor waived any remuneration (2016 – nil). Expenses reimbursed to the Trustees in the year were Nil (2016 – Nil).