



THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE AND FINANCIAL STATEMENTS

**FOR THE NINE MONTHS ENDED
31 DECEMBER 2014**

**Company No. 06726262
Charity Registration: 1128254**

**Registered Office:
8 Kingswood Drive
London SE19 1UR**

THE ASSOCIATION OF ENGLISH CATHEDRALS

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THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE FOR THE NINE MONTHS ENDING 31 DECEMBER 2014

The members of the Executive Committee have pleasure in presenting their report and the financial statements of the Association for the nine months ended 31 December 2014 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005).

Reference and administrative information

Principal address

The principal address of the Association is:

8 Kingswood Drive
London
SE19 1UR

Executive

The names of the persons who were members of the Executive Committee (trustees of the Charity and directors of the Company) at any time during the nine months ended 31 December 2014 were as follows:

The Very Rev'd Vivienne Faull, Dean of York, Chairman
Mr Adrian Beney, Chapter member, Durham Cathedral (to June 2014)
The Very Rev'd Mark Bonney, Dean of Ely (from June 2014)
The Rev'd Canon Sam Corley, Canon, Bradford Cathedral
The Very Rev'd Adrian Dorber, Dean of Lichfield
The Rev'd Canon Perran Gay, Canon, Truro Cathedral
The Very Rev'd Jonathan Greener, Dean of Wakefield
The Rev'd Canon Peter Howell-Jones, Canon, Chester Cathedral (from June 2014)
Mrs Caroline Jarvis, Chapter Clerk, Southwell Minster
The Rev'd Canon Dame Sarah Mullally, Canon, Salisbury Cathedral (from June 2014)
Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral
Mrs Sara Stonor, Chapter member, Chichester Cathedral
The Very Rev'd Michael Tavinor, Dean of Hereford (to June 2014)
The Rev'd Canon Carl Turner, Canon, Exeter Cathedral (to June 2014)
The Very Rev'd Robert Willis, Dean of Canterbury

Principal advisers

Bankers

The Co-operative Bank
PO Box 250, Delf House
Southway
Skelmersdale WN8 6WT

Royal Bank of Scotland
Bury St Edmunds Branch
90 Guildhall Street
Bury St Edmund's
Suffolk IP33 1PH

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Independent Examiner
Stuart Bailey
Chartered Accountant
4A Little Cloister
Westminster
London SW1P 3PL

Structure, governance and management

Incorporation, etc.

The Association of English Cathedrals was established as an unincorporated association in 1990. The company limited by guarantee number 06726262 was incorporated on 16 October 2008 and became a registered charity on 25 February 2009.

The trustees of the Association of English Cathedrals are known as Executive Committee members and are also the company directors. The Executive Committee manages the Association and exercises all the powers of the charity in accordance with the Memorandum and Articles of Association.

The members of the Association are the administrative bodies of the 42 English Anglican Cathedrals. Westminster Abbey and St George's Chapel Windsor are associate members.

The members elect nine members of the Executive Committee. The nine members must include no fewer than four deans and no fewer than four other Chapter members (excluding administrators); of the nine, no fewer than three must come from each Province of the Church of England. There are three ex-officio trustees: the Chairman of the Deans' Conference, the Chairman of the Cathedrals Administration and Finance Association and another member of the Executive Committee of that Association.

Objectives and activities

The object of the Association of English Cathedrals is to advance the Christian religion for the benefit of the public in accordance with the doctrines of the Church of England and to further the mission of the Anglican religion by:

- (1) Supporting the English Anglican cathedrals (the members of the Charity) and Westminster Abbey and St George's Chapel Windsor in their work of advancing the Christian religion by representing the common interests of cathedrals both in national and ecclesiastical contexts.
- (2) Working with the National Church Institutions and other parts of the Church of England in furthering the mission and work of cathedrals;
- (3) To work with the Churches' Legislation Advisory Service and other appropriate ecumenical bodies in furthering the mission and work of cathedrals;
- (4) Working with the Government and its agencies to represent the interests of cathedrals and achieve an environment where cathedrals are enabled to fulfil their mission and work;
- (5) Debating and proposing policies and other matters affecting cathedrals, including their role in advancing education; community development; arts, culture and heritage; and environmental protection and improvement. Also assisting in developing their role in promoting religious and racial harmony and equality and diversity; and
- (6) Encouraging the development and sharing of best practice between cathedrals.

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Executive Committee

The membership of the Executive Committee changed at the Annual General Meeting in June 2014, with three members leaving the Executive and three new members being elected. Mr Adrian Beney resigned as he was relocating from Durham to Gloucestershire and was leaving the Chapter of Durham Cathedral. The Very Rev'd Michael Tavinor stood down both from the AEC Executive and as Chairman of the AEC's Cathedrals Liturgy and Music Group. The Rev'd Canon Carl Turner resigned to take up his appointment as Rector of the St Thomas's Church, Fifth Avenue, New York. The three new members are the Very Rev'd Mark Bonney, who was also appointed by the Executive as Chairman of the Cathedrals Liturgy and Music Group, the Rev'd Canon Peter Howell-Jones and the Rev'd Canon Dame Sarah Mullally.

Achievements and performance

The Executive Committee met on five occasions during the nine month period. At four of these meetings, the Committee discussed matters of interest to the members, agreed actions and reviewed progress. An additional all-day meeting was held in November. This meeting, at the Royal Foundation of St Katherine, provided an opportunity to reflect, review the AEC's strategy, and identify how best the AEC can work to support member cathedrals. An Annual General Meeting attended by representatives of the Association's members was held as usual in June.

In the year under review, the activities undertaken for the public benefit included continuing work in two areas: a review of the work of cathedrals with children and young people, involving identifying best practice with the aim of disseminating findings to cathedrals at a conference in 2015 and thereafter to the wider church to enhance children and young people's work; and work to devise a framework for evaluating cathedrals' performance, encouraging Chapters to consider how their cathedrals fulfil their purpose as centres of worship and mission, and whether they are making efficient and effective use of the resources available to them.

The Cathedrals' Liturgy and Music Group, a sub-group of the Association, met on two occasions. The Group works on issues relating to liturgy and music in cathedrals and produces papers which are disseminated to cathedrals, but are also available to the wider church. The Group's work enables cathedrals to advance the Christian religion in the Anglican tradition by facilitating the best in worship.

The Executive Committee commissioned a new survey into the Economic and Social Impacts of Anglican cathedrals across England from Ecorys, the company which conducted such a survey in 2004. The research revealed that cathedrals are responsible for direct visitor-related spend of £125m (£91 million in 2004) and for a total spend of £220m (£150 million in 2004), which are significant economic outcomes for the surrounding areas. Cathedrals employ almost 1,900 staff (FTE), with over two-thirds living locally and spending money on goods and services, benefitting local businesses and supporting further employment. Cathedrals attracted an estimated 8.25 million visitors in 2013 with the associated visitor spend supporting approximately 3,100 local jobs. The results of an economic impact assessment suggest that, overall, cathedrals have a net additional impact of over 5,500 jobs (including multiplier effects). The report presented evidence of significant social impacts in terms of educational visits, volunteering opportunities and community outreach activity and demonstrated that cathedrals are used for a range of purposes including exhibitions and concerts, and are a focal point for their communities.

The Executive has supported dissemination of the findings of the cathedrals strand of the recent Church Growth Research Project. The Executive is encouraging Chapters to consider them when developing their plans.

Two training courses were run for new Chapter members, one at Southwark Cathedral in May and the other, a 24-hour session, in October at the Royal Foundation of St Katherine. These have proved an invaluable opportunity for those attending to understand more about the role and ways of

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working of cathedrals and to develop a bigger picture of cathedral life, enabling them to discharge their responsibilities with greater knowledge and skill.

The Executive has worked with the Cathedrals and Church Buildings Division of the Church of England on the £20 million World War I Cathedrals Grant Scheme, launched in the March 2014 budget, to ensure that cathedrals have made full use of the scheme by identifying suitable projects and making applications. The grant application, award and payment processes have been kept under review.

Executive members and the AEC Co-ordinator worked with Government Departments and other national bodies on a number of issues relating to cathedrals and appropriate action has been taken to represent the interests of cathedrals by commenting on forthcoming legislation, both church and state.

The AEC has continued its membership of the Churches Legislation Advisory Service and the Charity Tax Group so that it can work with the wider church, and also to provide information to cathedrals on relevant legislative changes and developments in charity taxation. The AEC, as a member, works closely with the Heritage Alliance, the biggest alliance of heritage interests in England furthering the interests of heritage organisations. It is also a member of the Heritage Alliance's Historic Religious Buildings' Group. The AEC continues to work in partnership with the Association of Leading Visitor Attractions, sharing information and participating in seminars and meetings, ensuring that cathedrals, which are important tourist attractions, are supported in improving their visitor and education offers.

The Executive liaises with the Church Commissioners on behalf of cathedrals, and its Chairman is a member of the Commissioners' Spending Review Group. The Executive has observed the process for the creation of the new Diocese of West Yorkshire and the Dales, which has three cathedrals, and will evaluate the impact on the cathedrals.

The AEC Co-ordinator provided support to cathedrals in a number of areas and also produced best practice papers and guidance notes, assisting cathedrals in their work.

The Executive members consider that all activities undertaken have been for the public benefit, and that they have paid due regard to guidance from the Charity Commission in determining what work is done.

Financial review

Results of the period

Income exceeded expenditure by £5,138 (year ended 31 March 2014, excess of income over expenditure £351). The excess of unrestricted income over expenditure was £5,223 (year ended 31 March 2014, £379), and of restricted expenditure over income was £85 (year ended 31 March 2014, £28).

Reserve Policy

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned expenditure. The Executive Committee members aim to maintain a reserve equivalent to six months expenditure for cash flow purposes. Given the nature of the Association's activities, the members do not consider a larger reserve is needed.

Plans for future periods

The Executive Committee is investigating increasing staffing levels as the role and profile of the Association has increased over the last 10 years to the point where existing resources are severely

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stretched. Grant funding for the additional post is being explored, but if this is not forthcoming members will be consulted to see if they would be willing to fund additional resources.

Risk management

The members of the Executive regularly consider the risks which the Association may face and are satisfied that adequate contingency plans appropriate to the size of the Association are in place to lessen the effect of such risks.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Association of English Cathedrals for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and the law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the provisions of the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Executive Committee

Adrian Dorber
Director

30 April 2015

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REPORT OF THE INDEPENDENT EXAMINER TO THE MEMBERS OF THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF ENGLISH CATHEDRALS

I report on the accounts of the Association for the nine months ended 31 December 2014, which are set out on pages 7 to 11.

Respective responsibilities of members of the Executive Committee and examiner

The members of the Executive Committee as trustees (and who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to 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 386 of the Companies Act 2006; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have 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.

30 April 2015

Stuart Bailey
Chartered Accountant

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BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	9 months to 31.12.2014 £	Year ended 31.3.2014 £
Current assets			
Debtors and prepayments	3	130	1,730
Cash at bank		18,748	13,386
		<i>18,878</i>	<i>15,116</i>
Current liabilities			
Creditors: amounts due within one year	4	-	(1,376)
Net current assets		<u>£18,878</u>	<u>£13,740</u>
Funds			
Unrestricted funds		18,852	13,629
Restricted funds	5	26	111
Total funds		<u>£18,878</u>	<u>£13,740</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the nine months ended 31 December 2014.

The trustees have not required the charitable company to obtain an audit of its financial statements for the nine months ended 31 December 2014 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and;
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 393 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved by the Executive Committee on 30 April 2015 and
signed on their behalf by:

Adrian Dorber
Director

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.14 £	Total 31.3.14 £
Incoming resources from generated funds					
Subscriptions		13,200	-	13,200	17,600
Bank deposit interest		20	-	20	22
		13,220	-	13,220	17,622
Incoming resources from charitable activities					
Contributions to costs of Co-ordinator		-	11,893	11,893	16,292
Chapter training courses fees		3,295	-	3,295	2,125
Contributions to survey costs		-	23,500	23,500	-
		3,295	35,393	38,688	18,417
Total incoming resources		16,515	35,393	51,908	36,039
Resources expended					
Charitable activities					
AEC Co-ordinator	6	-	11,978	11,978	16,320
Surveys		1,099	23,500	24,599	178
Conferences		430	-	430	371
Chapter training courses		3,468	-	3,468	3,001
English cathedrals website		-	-	-	2,196
General Synod fringe event		-	-	-	693
Cathedrals' Liturgy and Music Group		1,019	-	1,019	2,458
Children in Cathedrals and Self-evaluation Groups		443	-	443	1,295
Charitable status work		-	-	-	1,735
Subscriptions		-	-	-	730
		6,459	35,478	41,937	28,977
Governance costs	7	4,186	-	4,186	5,866
Other resources expended					
Insurance		309	-	309	281
Other		338	-	338	564
		647	-	647	845
Total resources expended		11,292	35,478	46,770	35,688
Net incoming/ (outgoing) resources for the year					
		5,223	(85)	5,138	351
Fund balances brought forward		13,629	111	13,740	13,389
Fund balances carried forward at 31 March 2014		<u>£18,852</u>	<u>£26</u>	<u>£18,878</u>	<u>£13,740</u>

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INCOME AND EXPENDITURE ACCOUNT FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

	9 months to 31.12.2014	Year ended 31.3.2014
	£	£
Income		
Subscriptions	13,200	17,600
Contributions to Co-ordinator's costs	11,893	16,292
Contributions to survey costs	23,500	-
Chapter training courses fees	3,295	2,125
Bank interest	20	22
<i>Total income</i>	<i>51,908</i>	<i>36,039</i>
Expenditure		
AEC Co-ordinator	11,978	16,320
Surveys	24,599	178
Conferences	430	371
Chapter training courses	3,468	3,001
English cathedrals website	-	2,196
Cathedrals' Liturgy and Music Group	1,019	2,458
Children in Cathedrals and Self-evaluation groups	443	1,295
Charitable status of cathedrals	-	1,735
General Synod fringe meeting	-	693
Subscriptions	-	730
Governance costs	4,186	5,866
Insurance	309	281
Other	338	564
<i>Total expenditure</i>	<i>46,770</i>	<i>35,688</i>
 Operating surplus for the year	 <u>£5,138</u>	 <u>£351</u>

This Income and Expenditure Account is included in the Financial Statements in compliance with the Companies Act 1985.

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NOTES TO THE ACCOUNTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

I ACCOUNTING POLICIES

Accounting convention

The Financial Statements are prepared under the historical cost convention. The format of the Financial Statement accords with the Statement of Recommended Practice, Accounting and Reporting by Charities (Revised 2005), the Charities Act 2011 and with applicable UK accounting standards.

Incoming resources

Incoming resources are recognised when they are invoiced (for example subscriptions) or when received (including donations and bank interest). Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the Statement of Financial Activities.

Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Association to pay out resources.

Fund accounting

Unrestricted funds are available to use to further any of the purposes of the Association. Restricted funds are donated for particular areas of the Association's work or for specific projects.

Change of financial year end

The Association changed its financial year end from 31 March to 31 December annually with effect from the current year. The financial statements for the current period are made up from 1 April 2014 to 31 December 2014.

2 LEGAL STATUS OF THE ASSOCIATION

The Association is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.

3 DEBTORS AND PREPAYMENTS

	9 months to 31.12.2014	Year ended 31.3.2014
Trade debtors	130	1,355
Prepayments	-	375
Total	£130	£1,730

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	9 months to 31.12.2014	Year ended 31.3.2014
Trade creditors	-	£1,376

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5 ANALYSIS OF RESTRICTED FUNDS

	Coordinator costs	Surveys	Total
	£	£	£
Balance at 1 April 2014	111	-	111
Income	11,893	23,500	35,393
Expenditure	(11,978)	(23,500)	(35,478)
Transfers between funds	-	-	-
Balance at 31 December 2014	£26	-	£26

Fund balances are represented by cash.

6 PAID EMPLOYEES

The Association employs one part-time member of staff (0.4 FTE) and reimburses her expenses (£650, year ended 31 March 2014 £767). The total employment cost for the nine months ended 31 December 2014 was £11,328 (year ended 31 March 2014 £15,553). No pension contributions are payable.

7 GOVERNANCE COSTS

Governance costs comprise the expenses of members of the Executive Committee and of Executive Committee meetings and the Annual General Meeting as well as the annual charge for company registration.

Members of the Executive Committee had their travel expenses reimbursed but no other payments were made to Executive Committee members.

	9 months to 31.12.2014	Year ended 31.3.2014
No. of members who were paid expenses	13	11
Travel expenses	£3,897	£4,052

8 RELATED PARTY TRANSACTIONS

There were no related party transactions.