



THE ASSOCIATION OF ENGLISH CATHEDRALS

**REPORT OF THE EXECUTIVE COMMITTEE
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2012

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

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

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The members of the Executive Committee have pleasure in presenting their report and the financial statements of the Association for the year ended 31 March 2012 which have been prepared in accordance with the Companies Act 2006, the Charities Act 2011 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 at any time during the year ended 31 March 2012 were as follows:

The Very Rev'd Vivienne Faull, Dean of Leicester, Chairman

The Very Rev'd Christopher Armstrong, Dean of Blackburn (to June 2011)

Mr Adrian Beney, Chapter member, Durham Cathedral (from March 2012)

The Rev'd Canon Simon Cowling, Canon, Sheffield Cathedral

The Very Rev'd Adrian Dorber, Dean of Lichfield

The Rev'd Canon Perran Gay, Canon, Truro Cathedral (from June 2011)

The Very Rev'd Jonathan Greener, Dean of Wakefield (from June 2011)

Mrs Caroline Jarvis, Chapter Clerk, Southwell Minster (from September 2011)

The Very Rev'd Peter Judd, Dean of Chelmsford (to June 2011)

The Rev'd Canon Dr David Kennedy, Canon, Durham Cathedral (to June 2011)

The Very Rev'd Jonathan Meyrick, Dean of Exeter (to May 2011)

Mr John Morris, Chapter Steward, York Minster (to September 2011)

Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral

Mrs Sara Stonor, Chapter member, Chichester Cathedral

The Very Rev'd Michael Tavinor, Dean of Hereford (from June 2011)

The Rev'd Canon Carl Turner, Canon, Exeter Cathedral (from June 2011)

The Very Rev'd Justin Welby, Dean of Liverpool (to September 2011)

The Very Rev'd Robert Willis, Dean of Canterbury

Principal advisers

Bankers

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 the Executive Committee.

Risk management

The members of the Executive have considered 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.

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;

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- (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.

Executive Committee

There were several changes in the membership of the Executive Committee during the year. The Very Rev'd Jonathan Meyrick resigned in May 2011 on his appointment as Bishop of Lynn, and the Very Rev'd Justin Welby resigned in September 2011 on his appointment as Bishop of Durham. The vacancy created by the first resignation was filled at the Annual General Meeting, and Mr Adrian Beney, a lay member of the Chapter of Durham Cathedral, was co-opted in March 2012 to fill the second vacancy arising. After many years on the Executive, the Very Rev'd Christopher Armstrong, the Very Rev'd Peter Judd and the Rev'd Canon David Kennedy retired at the Annual General Meeting in June 2012. The Rev'd Canon Perran Gay, Precentor at Truro Cathedral, the Very Rev'd Jonathan Greener, Dean of Wakefield, the Very Rev'd Michael Tavinor, Dean of Hereford, and the Rev'd Canon Carl Turner, Precentor of Exeter Cathedral, were elected to the vacant positions by members' representatives at the Annual General Meeting. One of the members of the Executive nominated by the Cathedrals' Administration and Finance Association, Mr John Morris, resigned from the Executive in September 2011 when he stood down as Chairman of CAFA. His place was taken by the new Chairman of CAFA, Mrs Caroline Jarvis, Chapter Clerk at Southwell Minster.

At the Annual General Meeting, the members agreed to adopt new Articles of Association which conform to the latest model articles for a charity, and also changed the composition of the Executive Committee, so that of the nine elected members, no fewer than four are Deans and no fewer than four are Residentiary Canons or Lay Chapter Members but not including the Administrator. The condition that no fewer than three of the Directors shall come from the Provinces of Canterbury or York respectively was retained.

Achievements and performance

The Executive Committee met on six occasions during the year. At these meetings, the Committee discussed matters of interest to the members, agreed actions and reviewed progress. In addition, an Annual General Meeting attended by representatives of the Association's members was held in June.

In the year under review, the activities undertaken for the public benefit included supporting and part-funding research to demonstrate the contribution made by cathedrals to society and to the Church. The research project is being undertaken by the Grubb Institute and Theos and involves conducting online surveys and interviews at six cathedrals. The results will be published for the benefit of all cathedrals. Work has continued on the development of a new website which will provide more information to the public about cathedrals and the AEC as well as assist cathedrals.

Two training courses have been run for new Chapter members, one at Southwark Cathedral and the other at Sheffield Cathedral. These have proved an invaluable opportunity for those attending to understand more about the role and ways of working of cathedrals and to develop a bigger picture of cathedral life, enabling them to discharge their responsibilities with greater knowledge and

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skill. Consultation has taken place about the future shape of Chapter training, in order to ensure that training is provided which meets the needs of existing as well as new Chapter members.

Executive members and the AEC Co-ordinator also worked with Government Departments and other national bodies on issues relating to cathedrals. 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 so that it can work with the wider church and also to provide better information to cathedrals on relevant legislative changes. 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. The AEC is also a member of the Heritage Alliance's Historic Religious Buildings' Group. During the year, the AEC joined the Alliance for the Reduction of Crime against Heritage (ARCH), a joint English Heritage and Police initiative to tackle all forms of crime and vandalism which damage heritage buildings. ARCH has campaigned successfully for changes to legislation to deter metal thefts, and has worked with police services and the Crown Prosecution Service to increase detection and prosecution of cases, and with owners to improve crime prevention methods.

The Executive has continued to liaise with the Church Commissioners on behalf of cathedrals. It has monitored the implementation of the new systems for Crown appointments in cathedrals and for deans' appointments where the bishop appoints to a vacancy. The Executive is considering the report of the Dioceses Commission on Yorkshire, especially the proposals related to the cathedrals of the dioceses affected.

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 Cathedrals' Liturgy and Music Group, a sub-group of the Association, met on three 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.

During the year, the AEC gave a grant of £2,000 to Cathedrals as Places of Adult Learning (CPAL), an organisation which promotes education in cathedrals. CPAL has an executive committee which meets regularly to further the organisation's 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 year

Income exceeded expenditure by £2,291 (2011, excess of expenditure over income £1,962). The excess of unrestricted income over expenditure was £3,730, and of restricted expenditure over

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income (an initial grant to help fund the Cathedrals' Research Project) was £1,429 (2011, surplus of restricted expenditure over income, £428).

Reserve Policy

The Executive Committee members aim to maintain a reserve equivalent to four months expenditure for cash flow purposes. Given the nature of the Association's activities, the members do not consider a larger reserve is required.

Trustees' responsibilities

The members of the Executive Committee are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

In preparing those financial statements, the members of the Executive Committee are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the Association will continue.

The members of the Executive Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and which enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of the members of the Executive Committee



Vivienne Faulk
Chairman

8 May 2012

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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 year ended 31 March 2012, which are set out on pages 9 to 12.

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.



Stuart Bailey

Chartered Accountant

8 May 2012

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BALANCE SHEET AS AT 31 MARCH 2012

	2012	2011
	£	£
Current assets		
Debtors and prepayments	1,418	300
Cash at bank	15,854	17,127
	<u>17,272</u>	<u>17,427</u>
Current liabilities		
Creditors	(55)	(2,501)
Net current assets	<u>£17,217</u>	<u>£14,926</u>
Funds		
Unrestricted funds	17,217	13,487
Restricted funds	-	1,439
Total funds	<u>£17,217</u>	<u>£14,926</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 March 2012.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2012 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 8 May 2012 and
signed on their behalf by:


Vivienne Faulk
Chairman

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2012

	Note	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources from generated funds					
Subscriptions		14,300	-	14,300	11,000
Bank deposit interest		41	-	41	37
		<i>14,341</i>	<i>-</i>	<i>14,341</i>	<i>11,037</i>
Incoming resources from charitable activities					
Contributions to costs of Co-ordinator		634	15,202	15,836	15,202
Chapter training courses fees		1,735	-	1,735	1,350
		<i>2,369</i>	<i>15,202</i>	<i>17,571</i>	<i>16,552</i>
Total incoming resources		16,710	15,202	31,912	27,589
Resources expended					
Charitable activities					
AEC Co-ordinator	2	1,059	15,202	16,261	15,698
Surveys		61	1,439	1,500	428
Conferences		686	-	686	504
Chapter training courses		1,336	-	1,336	1,479
Common Tenure training day		-	-	-	639
English cathedrals website		239	-	239	234
Cathedrals' Liturgy and Music Group		3,043	-	3,043	3,257
Cathedrals as Places of Adult Learning		2,000	-	2,000	2,000
Subscriptions		475	-	475	410
		<i>8,899</i>	<i>16,641</i>	<i>25,540</i>	<i>24,649</i>
Governance costs	3	3,483	-	3,483	3,495
Other resources expended					
Insurance		242	-	242	230
Other		356	-	356	1,177
		<i>598</i>	<i>-</i>	<i>598</i>	<i>1,407</i>
Total resources expended		12,980	16,641	29,621	29,551
Net incoming/ (outgoing) resources for the year					
		3,730	(1,439)	2,291	(1,962)
Fund balances brought forward		13,487	1,439	14,926	16,888
Fund balances carried forward at 31 March 2012		<u>£17,217</u>	<u>-</u>	<u>£17,217</u>	<u>£14,926</u>

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	£	£
Income		
Subscriptions	14,300	11,000
Contributions to Co-ordinator's costs	15,836	15,202
Chapter training courses fees	1,735	1,350
Bank interest	41	37
	31,912	27,589
Expenditure		
AEC Co-ordinator	16,261	15,698
Surveys	1,500	428
Conferences	686	504
Chapter training courses	1,336	1,479
Common Tenure training day	-	639
English cathedrals website	239	234
Cathedrals' Liturgy and Music Group	3,043	3,257
Cathedrals as Places of Adult Learning	2,000	2,000
Subscriptions	475	410
Governance costs	3,483	3,495
Insurance	242	230
Other	356	1,177
	29,621	29,551
Operating surplus/ (deficit) for the year	<u>£2,291</u>	<u>£(1,962)</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 YEAR ENDED 31 MARCH 2012

1 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 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.

2 PAID EMPLOYEES

The Association employs one part-time member of staff (0.4 FTE) and reimburses her expenses. The total employment cost was £15,613 (2011 £14,927). No pension contributions are payable.

3 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.

	2012	2011
No. of members who were paid expenses	11	11
Travel expenses	£2,949	£2,201

4 RELATED PARTY TRANSACTIONS

There were no related party transactions.