



THE ASSOCIATION OF ENGLISH CATHEDRALS

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

FOR THE YEAR ENDED

31 MARCH 2013

**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 2013 were as follows:

The Very Rev'd Vivienne Faull, Dean of York, Chairman
Mr Adrian Beney, Chapter member, Durham Cathedral
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
The Very Rev'd Jonathan Greener, Dean of Wakefield
Mrs Caroline Jarvis, Chapter Clerk, Southwell Minster
Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral
Mrs Sara Stonor, Chapter member, Chichester Cathedral
The Very Rev'd Michael Tavinor, Dean of Hereford
The Rev'd Canon Carl Turner, Canon, Exeter Cathedral
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 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

The composition of the Executive Committee remained unchanged during the year, with one co-opted member, Mr Adrian Beney, and three elected members, the Rev'd Canon Simon Cowling, the Very Rev'd Vivienne Faull and Mrs Sara Stonor all being elected or re-elected at the Annual General Meeting.

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, which was undertaken by the Grubb Institute and Theos and involved conducting online surveys and interviews at six cathedrals, was completed during the year. The results were published in a report entitled 'Spiritual Capital: The Present and Future of English Cathedrals'. A launch event, attended by the Archbishop of Canterbury, was held at Lambeth Palace in October 2012 and favourable publicity was attracted. Work continues on finalising the reports for the six participating cathedrals. Whilst the reports will be of most help to the cathedrals concerned, it is anticipated that there will be benefit for all cathedrals in the findings. The Executive Committee commissioned IfLooksCouldKill, an Edinburgh based company, to build a new website after a competitive tendering process. In January, the new website went live. The site provides information for the general public about cathedrals and how they work and the AEC, as well as providing information of use to 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 skill.

Executive members and the AEC Co-ordinator 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 took an active part in lobbying the Government following the 2012 Budget. The Executive, together with member cathedrals, campaigned (unsuccessfully) for retention of zero-rated VAT on approved alterations to listed buildings, but welcomed the increase in the scope of and funding for the Listed Places of Worship Grant Scheme which will in part mitigate the impact of the loss of the zero-

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rating. The Executive and member cathedrals also campaigned, this time successfully, for charitable giving to be excluded from the cap on certain tax reliefs for higher rate tax payers.

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. It is also a member of the Heritage Alliance's Historic Religious Buildings' Group. During the year, the AEC joined the Charity Tax Group in order to be better informed about developments in charity taxation and to forge closer links with other charities.

The Executive has continued to liaise with the Church Commissioners on behalf of cathedrals, and its Chairman is a member of the Commissioners' Spending Review Group. 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.

The AEC has given a grant to Cathedrals as Places of Adult Learning (CPAL), an organisation which promotes education in cathedrals, in each of the three previous years. The Executive decided not to renew this grant pending a review of the best way to support adult education work in cathedrals.

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

Expenditure exceeded income by £3,828 (2012, excess of income over expenditure £2,291). The excess of unrestricted expenditure over income was £3,967 (2012, £3,730 excess of income over expenditure), and of restricted income over expenditure was £139 (2012, excess expenditure over income £1,429).

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Reserve Policy

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 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 Faull
Chairman

7 May 2013

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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 2013, 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

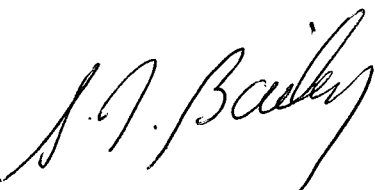
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or 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

7 May 2013

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BALANCE SHEET AS AT 31 MARCH 2013

	2013	2012
	£	£
Current assets		
Debtors and prepayments	260	1,418
Cash at bank	15,795	15,854
	<u>16,055</u>	<u>17,272</u>
Current liabilities		
Creditors	(2,666)	(55)
Net current assets	<u>£13,389</u>	<u>£17,217</u>
Funds		
Unrestricted funds	13,250	17,217
Restricted funds	139	-
Total funds	<u>£13,389</u>	<u>£17,217</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 March 2013.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2013 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 7 May 2013 and
signed on their behalf by:



Vivienne Faul
Chairman

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2013

	Note	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds					
Subscriptions		16,500	-	16,500	14,300
Bank deposit interest		40	-	40	41
		<i>16,540</i>	-	<i>16,540</i>	<i>14,341</i>
Incoming resources from charitable activities					
Contributions to costs of Co-ordinator		-	16,317	16,317	15,836
Chapter training courses fees		1,650	-	1,650	1,735
		<i>1,650</i>	<i>16,317</i>	<i>17,967</i>	<i>17,571</i>
Total incoming resources		18,190	16,317	34,507	31,912
Resources expended					
Charitable activities					
AEC Co-ordinator	2	-	16,178	16,178	16,261
Surveys		3,627	-	3,627	1,500
Conferences		1,280	-	1,280	686
Chapter training courses		1,687	-	1,687	1,336
English cathedrals website		6,326	-	6,326	239
Cathedrals' Liturgy and Music Group		3,050	-	3,050	3,043
Cathedrals as Places of Adult Learning		-	-	-	2,000
Subscriptions		780	-	780	475
		<i>16,750</i>	<i>16,178</i>	<i>32,928</i>	<i>25,540</i>
Governance costs	3	4,760	-	4,760	3,483
Other resources expended					
Insurance		266	-	266	242
Other		381	-	381	356
		<i>647</i>	-	<i>647</i>	<i>598</i>
Total resources expended		22,157	16,178	38,335	29,621
Net incoming/ (outgoing) resources for the year					
		(3,967)	139	(3,828)	2,291
Fund balances brought forward		17,217	-	17,217	14,926
Fund balances carried forward at 31 March 2013		<u>£13,250</u>	<u>£139</u>	<u>£13,389</u>	<u>£17,217</u>

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	£	£
Income		
Subscriptions	16,500	14,300
Contributions to Co-ordinator's costs	16,317	15,836
Chapter training courses fees	1,650	1,735
Bank interest	40	41
	34,507	31,912
Expenditure		
AEC Co-ordinator	16,178	16,261
Surveys	3,627	1,500
Conferences	1,280	686
Chapter training courses	1,687	1,336
English cathedrals website	6,326	239
Cathedrals' Liturgy and Music Group	3,050	3,043
Cathedrals as Places of Adult Learning	-	2,000
Subscriptions	780	475
Governance costs	4,760	3,483
Insurance	266	242
Other	381	356
	38,335	29,621
Operating (deficit)/ surplus for the year	<u>£(3,828)</u>	<u>£2,291</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 2013

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 £15,353 (2012, £15,613). 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.

	2013	2012
No. of members who were paid expenses	10	11
Travel expenses	£3,549	£2,949

4 RELATED PARTY TRANSACTIONS

There were no related party transactions.