



THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2015**

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

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

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THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDING 31 DECEMBER 2015

The members of the Executive Committee have pleasure in presenting their report and the financial statements of the Association for the year ended 31 December 2015 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" (Charities SORP (FRS 102)).

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 year ended 31 December 2015 or have been appointed since that date were as follows:

The Very Rev'd Adrian Dorber, Dean of Lichfield (Chairman from June 2015)
The Very Rev'd Vivienne Faull, Dean of York (Chairman to June 2015)
The Very Rev'd Mark Bonney, Dean of Ely
The Very Rev'd Roger Bush, Dean of Truro (from June 2015)
The Rev'd Canon Sam Corley, Canon, Bradford Cathedral (to October 2015)
The Rev'd Canon Perran Gay, Canon, Truro Cathedral (to June 2015)
The Rev'd Canon Julie Gittoes, Canon, Guildford Cathedral (from November 2015)
The Very Rev'd Jonathan Greener, Dean of Wakefield
The Rev'd Canon Peter Howell-Jones, Canon, Chester Cathedral
Mrs Caroline Jarvis, Chapter Clerk, Southwell Minster
The Rev'd Canon Dame Sarah Mullally, Canon, Salisbury Cathedral (to June 2015)
Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral
Mr Paul Robinson, Chapter member, Lincoln Cathedral (from June 2015)
The Rev'd Canon David Stone, Canon, Coventry Cathedral (from June 2015)
Mrs Sara Stonor, Chapter member, Chichester Cathedral (to June 2015)
The Rev'd Canon Celia Thomson, Canon, Gloucester Cathedral (from March 2016)
The Very Rev'd Robert Willis, Dean of Canterbury (to July 2015)

Principal advisers

Bankers

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

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Independent Examiner
Curtis Juman CPFA
Chartered Accountant
The Chapter Office
20 Dean's Yard
Westminster
London SW1P 3PA

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); no fewer than three members 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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Information about the activities undertaken during the year is set out below in the section describing achievements and performance. 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.

Executive Committee

The membership of the Executive Committee changed at the Annual General Meeting in June 2015, with three members leaving the Executive and three new members being elected. The Rev'd Canon Perran Gay resigned to take up his appointment as Chaplain to the Scilly Isles, the Rev'd Canon Sarah Mullally resigned to become Bishop of Crediton, and Mrs Sara Stonor decided not to seek re-election after five years on the Committee. The three new members are the Very Rev'd Roger Bush, Mr Paul Robinson and the Rev'd Canon David Stone. The Very Rev'd Robert Willis retired as Chairman of the Deans' Conference in July 2015 and was succeeded by the Very Rev'd Vivienne Faull. The Rev'd Canon Sam Corley resigned in October 2015 to become priest-in-charge of the parish of Leeds City. The Executive would like to express particular thanks to Sam for his work running the Chapter Training courses provided by the Association to new Chapter members and administrators. During the time that Sam ran the courses, the number of courses each year increased from two to three due to the demand for places from all cathedrals and a recognition of the quality of training provided. The Executive co-opted the Rev'd Canon Julie Gittoes to one of the casual vacancies in November 2015, and co-opted the Rev'd Canon Celia Thomson in March 2016 to fill the other casual vacancy.

Achievements and performance

The Executive Committee met on seven occasions during the year period. At six 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 Association 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:

- Cathedrals' work with children and young people: a conference, 'Essential Blessing: celebrating children and young people in cathedrals', was held in Coventry Cathedral on 29 April 2015. The conference was attended by representatives from education, music, Sunday Schools and youth work, and pastoral departments from 33 different English Anglican cathedrals and from three greater churches or Irish cathedrals. The day conference was an opportunity to explore across disciplines, exchange experiences and share best practice. Following the conference, delegates were encouraged to devise action plans for their cathedrals. The AEC will follow up on these action plans.
- Development of a framework for evaluating cathedrals' performance: the group working on the framework launched it at the Annual General meeting. The framework encourages 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. To facilitate the exchange of information and best practice in support of the framework reviews, improvements were made to the website. A community section which is password controlled allows documents to be uploaded and shared and also exchanges of information through discussion forums. The Executive is monitoring the use being made of the framework document.

As a result of the strategy day in 2014, the Executive decided to dissolve the Cathedrals' Liturgy and Music Group, a sub-group of the Association, at the beginning of 2015 and instead form working groups as and when there are issues which need to be addressed.

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During the year, the Executive started work on holding a national cathedrals' conference in 2018. The conference will bring together those working in different areas of cathedral life and would replace the series of conferences held each year by different networking groups.

Three training courses were run for new Chapter members, one at York Minster in February, a second 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 working of cathedrals and to develop a bigger picture of cathedral life, enabling them to discharge their responsibilities with greater knowledge and skill. During the year, the Executive began to consider whether there is a need for further training opportunities for Chapter members, and, if so, what the training might cover and how it might be delivered.

The Executive 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 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. The Executive and Cathedrals and Church Buildings Division have made the case to the Government for continued support.

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 charity sector, 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. The Very Rev'd Vivienne Faull is a member of the Commissioners' Spending Review Group. The Executive has continued to evaluate the impact on the three cathedrals of the creation of the new Diocese of West Yorkshire and the Dales.

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.

Financial review

Results of the period

Income exceeded expenditure by £6,345 (nine months ended 31 December 2014, £5,138). The excess of unrestricted income over expenditure was £6,294 (nine months ended 31 December 2014, £5,223), and of restricted income over expenditure, £51 (restricted expenditure over income for nine months ended 31 December 2014, £85).

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

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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.

Level of reserves

At the year end, reserves were equal to 59% of annual expenditure and, therefore, in line with the Reserves Policy.

Plans for future periods

The Executive Committee continues to investigate 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 stretched.

Risk management

The members of the Executive regularly consider the risks which the Association may face. They are satisfied that there are adequate reserves in place to mitigate any financial risk, and deem any reputational risk to be slight. The principal risk facing the Association is the loss of the Co-ordinator, which is mitigated by a three-month notice period and adequately documented work. In respect of other risks, they consider there are adequate contingency plans appropriate to the size of the Association in place to lessen their effect.

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
Chairman

28 April 2016

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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 December 2015, which are set out on pages 7 to 13.

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.

28 April 2016

Curtis Juman, CPFA

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BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	Year ended 31.12.2015 £	9 months to 31.12.2014 £
Current assets:			
Debtors	3	885	130
Cash at bank		25,590	18,748
		26,475	18,878
Liabilities:			
Creditors: amounts due within one year	4	(1,252)	-
Net current assets		<u>£25,223</u>	<u>£18,878</u>
The funds of the Charity:			
Restricted funds	5	77	26
Unrestricted funds		25,146	18,852
Total Charity funds		<u>£25,223</u>	<u>£18,878</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2015.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2015 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 28 April 2016 and signed on their behalf by:

Adrian Dorber
Chairman

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.15 £	Unrestricted funds £	Restricted funds £	Total 31.12.14 £
Income from donations							
Membership subscriptions		17,600	-	17,600	13,200	-	13,200
Income from charitable activities							
Contributions to costs of Co-ordinator		-	16,329	16,329	-	11,893	11,893
Chapter training course fees		4,625	-	4,625	3,295	-	3,295
Essential Blessing conference		3,725	-	3,725	-	-	-
Contributions to survey costs		-	-	-	-	23,500	23,500
		8,350	16,329	24,679	3,295	35,393	38,688
Income from investments							
Bank deposit interest		29	-	29	20	-	20
Total income		25,979	16,329	42,308	16,515	35,393	51,908
Expenditure on:							
Charitable activities							
AEC Co-ordinator	6	-	16,278	16,278	-	11,978	11,978
Executive meetings	7	5,870	-	5,870	4,173	-	4,173
Working groups		1,012	-	1,012	1,461	-	1,461
Essential Blessing conference		4,387	-	4,387	-	-	-
Chapter training courses		3,382	-	3,382	3,468	-	3,468
Surveys		-	-	-	1,099	23,500	24,599
Conferences		480	-	480	430	-	430
English cathedrals website		3,066	-	3,066	-	-	-
Subscriptions		740	-	740	-	-	-
		18,937	16,278	35,215	10,631	35,478	46,109
Other							
Insurance		315	-	315	309	-	309
Other		433	-	433	352	-	352
		748	-	748	661	-	661
Total expenditure		19,685	16,278	35,963	11,292	35,478	46,770

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.15 £	Unrestricted funds £	Restricted funds £	Total 31.12.14 £
Net income/ (expenditure)		6,294	51	6,345	5,223	(85)	5,138
Transfers between funds		-	-	-	-	-	-
Net movements in funds		6,294	51	6,345	5,223	(85)	5,138
Reconciliation of funds:							
Total funds brought forward		18,852	26	18,878	13,629	111	13,740
Total funds carried forward		£25,146	£77	£25,223	£18,852	£26	£18,878

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Year ended 31.12.2015 £	9 months to 31.12.2014 £
Income		
Membership subscriptions	17,600	13,200
Chapter training courses fees	4,625	3,295
Essential Blessing conference	3,725	-
Contributions to Co-ordinator's costs	16,329	11,893
Contributions to survey costs	-	23,500
Bank interest	29	20
<i>Total income</i>	<i>42,308</i>	<i>51,908</i>
Expenditure		
Executive meetings	5,870	4,173
AEC Co-ordinator	16,278	11,978
Surveys	-	24,599
Essential Blessing conference	4,387	-
Chapter training courses	3,382	3,468
English cathedrals website	3,066	-
Working groups	1,012	1,461
Subscriptions	740	-
Conferences	480	430
Insurance	315	309
Other	433	351
<i>Total expenditure</i>	<i>35,963</i>	<i>46,770</i>
Operating surplus for the year	<u>£6,345</u>	<u>£5,138</u>

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

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Year ended 31.12.2015 £	9 months to 31.12.2014 £
Cash flows from operating activities:		
Cash receipts	41,560	53,053
Cash payments	(34,747)	(47,710)
<i>Net cash provided by operating activities</i>	<i>6,813</i>	<i>5,342</i>
Cash flows from investing activities:		
Interest	29	20
<i>Net cash provided by investing activities</i>	<i>29</i>	<i>20</i>
Change in cash in the reporting period	6,842	5,362
Cash at beginning of the reporting period	18,748	13,386
Cash at end of the reporting period	£25,590	£18,748
Reconciliation of net income to net cash flow from operating activities		
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	£ 6,345	£ 5,138
Adjustments for:		
Interest	(29)	(20)
(Increase)/ decrease in debtors	(755)	1,600
Increase/ (decrease) in creditors	1,252	(1,376)
Net cash provided by operating activities	£6,813	£5,342
Analysis of cash		
	Year ended 31.12.2015 £	9 months to 31.12.2014 £
Cash at bank	25,590	18,748
Total cash	£25,590	£18,748

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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" (Charities SORP (FRS 102)), 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 given 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 31 December 2014. The financial statements for the current year show comparatives for the nine month period 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

	Year ended 31.12.2015	9 months to 31.12.2014
Trade debtors	850	130
Prepayments	35	-
Total	£885	£130

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31.12.2015	9 months to 31.12.2014
Trade creditors	£1,252	£-

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

5 ANALYSIS OF RESTRICTED FUNDS

	Coordinator's costs £
Balance at 1 January 2015	26
Income	16,329
Expenditure	(16,278)
Transfers between funds	-
Balance at 31 December 2015	<u>£77</u>

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 (£1,050, nine months ended 31 December 2014 £650). The salary cost for the year ended 31 December 2015 was £15,227 (nine months ended 31 December 2014, £11,328). Due to the National Insurance Contributions Employment Allowance, in neither period were national insurance contributions paid. No pension contributions are payable. No employee received employee benefits of more than £60,000.

7 EXECUTIVE MEMBERS REMUNERATION, BENEFITS AND EXPENSES

No member of the Executive Committee was paid any remuneration or received any other benefits from an employment with the Charity.

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

	Year ended 31.12.2015	9 months to 31.12.2014
No. of members who were paid expenses	13	13
Travel and subsistence expenses	£4,922	£3,897

8 RELATED PARTY TRANSACTIONS

There were no related party transactions.