



THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2019**

**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 YEAR ENDING 31 DECEMBER 2019

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 2019 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 (FRS102)).

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 2019 or have been appointed since that date were as follows:

The Very Rev'd Adrian Dorber, Dean of Lichfield (Chair)
Mr David Bilton, Chapter member, Newcastle Cathedral (appointed June 2019)
The Very Rev'd Roger Bush, Dean of Truro
Mrs Annabelle Boyes, Receiver General and Canon Treasurer, Winchester Cathedral
The Rev'd Canon Julie Gittoes, Canon, Guildford Cathedral (resigned June 2019)
The Very Rev'd Rogers Govender, Dean of Manchester
The Very Rev'd Peter Howell-Jones, Dean of Blackburn
The Very Rev'd David Hoyle, Dean of Westminster
The Rev'd Canon Aidan Platten, Canon, Norwich Cathedral (appointed June 2019)
Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral
Mr Paul Robinson, Chapter member, Lincoln Cathedral (resigned June 2019)
The Rev'd Canon David Stone, Sub-Dean, Coventry Cathedral
The Rev'd Canon Celia Thomson, Canon, Gloucester Cathedral
The Very Rev'd Andrew Tremlett, Dean of Durham

Senior staff

Mrs Sarah King, Executive Director

Principal advisers

Bankers

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

Independent Examiner

Mr Richard Gurd FCCA
6 The Close
Salisbury
SP1 2EF

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Structure, governance and management

Governing document

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 Association is governed by its Articles of Association as adopted on 14 June 2016.

The members of the Association are the administrative bodies of the 42 English Anglican Cathedrals. Westminster Abbey, St George's Chapel, Windsor and St German's Cathedral, Isle of Man are associate members. In the event of the Association winding up, each member undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the Association, all remaining assets shall be given or transferred to another charity having the same or similar objects to the Association in accordance with charity law.

Organisational structure and decision making

The trustees of the Association of English Cathedrals are known as Executive Committee members and are also the company directors. The management of the Association is vested in the Executive Committee, which is responsible for delivery of the Association's objects and setting the strategic direction. The Committee manages and exercises all the powers of the charity in accordance with the Memorandum and Articles of Association.

The Executive Committee is assisted in its work by a number of working groups, formed of Executive Committee members and others with relevant expertise and experience. The working groups are formed to deliver specific projects and meet as and when required. Notes of all meetings are given to the Executive Committee.

The Executive Committee delegates day-to-day running of the Association to the Executive Director, Sarah King.

Executive Committee recruitment and appointment

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 Chair of the College of Deans, the Chair of the Cathedrals Administration and Finance Association and another member of the Executive Committee of that Association. At every annual general meeting one-third, or the number nearest to (but not greater than) one third, of the elected Committee members retire from office, but are eligible for re-appointment by the members. Those standing down are those who have been longest in office since their last appointment or re-appointment. There is no fixed term for appointment as a Committee member.

The Executive Committee has the power to co-opt new members but those co-opted have to stand for election at the following annual general meeting. Co-options are made to provide an appropriate balance of skills, experience and gender, and to ensure that cathedrals of different types and with a geographical spread are represented on the Committee.

Remuneration

Staff salaries are increased each year in July in line with the pay rises given at Lichfield Cathedral.

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Objectives and activities

Object

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, St George's Chapel, Windsor and St German's Cathedral, Isle of Man, 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) Working 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.

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 during the year. Julie Gittoes and Paul Robinson both stood down at the Annual General Meeting; David Bilton and Aidan Platten were elected to fill the vacancies arising. In addition, Rogers Govender was re-elected to the Committee.

Achievements and performance

The Executive Committee met on six occasions during the year period to discuss matters of interest to the members, agree actions and review progress. An Annual General Meeting attended by representatives of the Association's members was held as usual in June.

Regular activities which continued through the year included the provision of induction training for new Chapter members. Three training courses were run: the first at York Minster in February, the second session at Southwark in June, and the third, a 24-hour session, in October at the Royal Foundation of St Katherine. These are 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.

The Executive continues to work closely with the Church of England's National Safeguarding Team and the cathedral lead on safeguarding matters, the Very Rev'd Stephen Lake, Dean of Gloucester, to ensure that cathedrals are alert to and implement best practice in safeguarding; it recognises the importance of providing the best possible care to children and adults at risk in cathedral contexts. The AEC worked with the National Safeguarding Team to review the processes and outcomes of the safeguarding audits being carried out between 2018 and 2020 by the Social Care Institute for Excellence.

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The AEC has worked with the National Church Institutions (NCIs), led by the Third Church Estates Commissioner, on ensuring that the recommendations of the Cathedral Working Group result in a Cathedrals Measure which strengthens cathedral governance and enables cathedrals to flourish in the 21st century as sustainable and accountable organisations. This has involved hosting joint General Synod fringe meetings to ensure all Synod members were given the opportunity to explore the draft Measure, and cathedral representatives working with NCI staff on implementation projects including guidance to complement the legislation. The Executive Director is a member of the Cathedral Support Group, the group within the NCIs with responsibility for implementation.

The Communications Project, which aims to improve the profile of cathedrals in traditional and social media at a national level and encourage the development of communications skills in cathedrals, had a further successful year. In view of the project's success and the increasing demands placed on the two media professionals who do this work on behalf of the AEC, the Executive agreed to increase the time each spends working from one day a week to one and a half days a week in 2020 and to two days a week each in 2021. The positive stories and images of cathedrals in the national press and coverage in local press continue to grow. The social media presence of the AEC, working with cathedrals, has grown significantly, enabling cathedrals to reach people who are less likely to read traditional media. The AEC's media professionals have played an important role in supporting cathedrals in their response to the Covid-19 pandemic. The closure of cathedral buildings has meant that public worship has moved online, and websites and social media have become the primary cathedral interfaces with a world in lock down. The AEC's social media activity has increased to inform people about continuing ways to engage with their cathedrals. A Project Board, chaired by David Stone with members drawn from communications specialists working in cathedrals, oversees the Project on behalf of the Executive.

The Peer Review Project Board, chaired by the Dean of Sheffield, received a grant from the Church Commissioners to fund two rounds of Peer Review subject to review after the first round. The two part-time members of staff who support this project, a Project Manager, Les West, and a Project Administration Officer, Moira Dean, both took up their roles in early 2019. They organised three training sessions for those nominated by Chapters to join the panel of reviewers. Three pilot reviews were held in the early summer and the lessons learned from these informed three further reviews in the autumn. Dates for all cathedrals to be visited during 2020 and 2021 have been agreed. Plans for the reviews are currently disrupted by the Covid-19 pandemic, but it is hoped that the majority of reviews, especially those booked for 2021, will be able to proceed at the agreed times.

The Chapter Training Project has continued to provide training to Chapters in the areas of financial management and sustainability, governance, and strategic marketing for growth. One day events on governance and strategic marketing for growth took place in January and March 2019. A number of Chapters, mostly in the same pairings as for the finance element of the training project, have participated in a further facilitated day at which they have been able to discuss any governance-related topic which will best assist them in their work. Many have chosen to work on the internal review stage of Peer Review. Final sessions should take place in 2020 depending on Covid-19 restrictions being eased in time. The project has clearly identified outputs and outcomes and these will be monitored by the Project Board and the Executive.

The Project Board for the Cathedral Projects Support Panel, chaired by Peter Howell-Jones, met on a number of occasions during the year to oversee the project's initial phase. During the year, the part-time Project Coordinator, Dale Copley, resigned and was succeeded by Anne Locke. Both Dale and Anne worked hard to promote the Panel to cathedrals and to match cathedral needs with the most appropriate panel member or members. During the autumn, the Board reviewed the outputs and outcomes of the Project against the evaluation criteria and reported on the Project's success to the funder, the Allchurches Trust. Following discussions with the Cathedrals and Church Buildings Division of the Archbishops' Council and the committee of the Major Churches Network,

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it was agreed that the scope of the Project should be extended to include major church projects as well as those of cathedrals. Successful applications for funding were made to the Church Commissioners (in respect of the cathedral side of the Project) and to the Allchurches Trust (for the major churches side) for an expanded project, the Cathedral and Major Church Projects Support Panel, to commence on 1 April 2020 for a period of two years and nine months (to 31 December 2022). The existing Board membership has been expanded to include two representatives from the Major Churches Network. At the time of this report, 103 requests had been received from 38 member cathedrals; 21 major projects have been helped. In addition, four major churches have engaged with the Panel. All have benefited from the advice offered by 34 skilled and experienced volunteers. Panel members' total input has been estimated as at least 300 hours a year. The Church Commissioners agreed to the transfer of £17,305 of the grant given for Chapter Training to fund a series of workshops and guidance notes on five topics that have proved popular with users of the Panel. A workshop on strategic planning was held in March 2020 and other sessions have been held online during the Covid-19 restrictions.

During the year, the Executive decided, in consultation with the membership, to launch a new initiative for 2020: '2020 Year of Cathedrals Year of Pilgrimage'. With many cathedrals celebrating significant anniversaries in 2020, from Canterbury marking 850 years since the death of St Thomas Becket to Coventry commemorating 80 years since the bombing of the medieval cathedrals, there was an opportunity to capitalise on cathedrals' unique position: national treasures which offer a positive opportunity to explore national identity, to understand the past and to see a future, and to find a way to heal and to reconnect and reinvigorate a sense of identity and belonging, particularly in view of the Brexit-related tensions and divisions. The 2020 initiative enables a coordinated approach to cathedral outreach and visitor engagement which will both shine a spotlight on cathedrals nationally and help them (individually and in regional clusters) to broaden their mission and heritage engagement with local, regional and national audiences. The project is being funded by a grant of £50,000 from the Kirby Laing Foundation and by a grant from the Church Commissioners, £50,000 of which had been received by the year end. The restrictions resulting from the Covid-19 pandemic have meant much of what was planned has been cancelled or postponed to later in 2020 and into 2021.

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. These memberships have proved advantageous as the AEC is working with the two organisations and HMRC to find a resolution to an issue relating to cathedrals and VAT.

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. These relationships are always valuable but in recent weeks have proved even more so as the AEC has worked to assist cathedrals in assessing and minimising the impact of the Covid-19 pandemic on their activities and finances.

Executive members and the Executive Director 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. Since the Covid-19 pandemic started, there have been calls for information about its impact on cathedrals and the AEC has been active in responding to these requests.

The Executive Director provided support to cathedrals in a number of areas and also produced good practice papers and guidance notes, assisting cathedrals in their work.

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Financial review

Results of the period

Income exceeded expenditure by £283,680 (2018: income was £73,793 less than expenditure). Unrestricted income exceeded expenditure by £6,189 (2018: income was £21,440 less than expenditure), and restricted income exceeded expenditure by £277,491 (2018: income was £52,353 less than expenditure).

Income of £478,611 was higher than in 2018 (£151,172). Grant income was considerably higher, at £381,834 (2018: £58,700), as the AEC received a number of grants for projects which continued or started in 2019 and are continuing into 2020 and subsequent years.

Expenditure was lower than the previous year at £194,931 (2018: £225,365). Project activity continues at high levels but the National Cathedrals Conference resulted in more expenditure in 2018.

Reserve policy and future prospects

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned expenditure. Income from subscriptions and contributions to employment costs and the Communications Project is received at one point in the year, whereas expenditure, including salary payments, continues throughout the year. Reserves are also needed to fund projects which are important to cathedrals nationally, such as the 2018 National Cathedrals Conference, which arise from time to time. In normal times Executive Committee members aim to maintain a reserve equivalent to six months expenditure for cash flow purposes. The Committee aims to rebuild reserves to the desired level over the period 2019 to 2021 by increasing subscriptions, the primary source of unrestricted income, and controlling expenditure. The reserves policy is reviewed annually when the budget for the following year is approved.

At the year end, free reserves were £17,995 (2018: £11,806).

Fundraising activity

The Association does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The Association has not received any complaints about its fundraising activities and practices.

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 Executive Director, 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.

Plans for future periods

The Executive Committee continues to review how it can best support cathedrals in their work. It will continue to run and establish projects which support Chapters and staff working in cathedrals to develop well-governed, strategically focussed and sustainable cathedrals. Plans include assisting with strategic planning, reviewing resource levels and seeking more grant funding, particularly as the Covid-19 pandemic has had a devastating effect on cathedral income.

Going concern

The Executive Committee expects the Association to have adequate resources to continue in operational existence for the foreseeable future. It continues to adopt the going concern basis of accounting in preparing the annual financial statements.

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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 Practices including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company 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 (FRS102);
- 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 charitable company 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 charitable company 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.

Disclosure of information to the Independent Examiner

To the knowledge and belief of the Executive Committee, there is no relevant information of which the charitable company's Independent Examiner is not aware, and it has taken all necessary care to ensure and establish that the Independent Examiner is aware of any relevant information.

By order of the Executive Committee

Adrian Dorber
Chair

14 August 2020

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

I report to the trustees on my examination of the accounts of the above charity for the year ended 31 December 2019, which are set out on pages 9 to 16.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

I report on the accounts of the Association for the year ended 31 December 2019, which are set out on pages 9 to 16.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

2020

Richard Gurd
FCCA

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.19 £
Income from donations				
Membership subscriptions		18,000	-	18,000
Grants	5	-	381,834	381,834
		<i>18,000</i>	<i>381,834</i>	<i>399,834</i>
Income from charitable activities				
Contributions to staff costs	5	-	37,750	37,750
Contributions to Communications Project		-	37,300	37,300
Chapter training course fees		2,655	-	2,655
Other income		-	-	-
		<i>2,655</i>	<i>75,050</i>	<i>77,705</i>
Income from investments				
Bank deposit interest		1,072	-	1,072
Total income		21,727	456,884	478,611
Expenditure on:				
Charitable activities				
Staff costs	6	-	37,084	37,084
Executive meetings	7	7,014	-	7,014
Working groups		1,187	-	1,187
2020 Year of Cathedrals etc. Project	6	-	21,512	21,512
Cathedral Projects Support Panel	6	-	18,312	18,312
Chapter Training		4,010	33,081	37,091
Communications Project		-	34,899	34,899
Peer Review Project	6	-	34,505	34,505
Conferences		295	-	295
English cathedrals website		1,086	-	1,086
Subscriptions		866	-	866
		<i>14,458</i>	<i>179,393</i>	<i>193,851</i>
Other				
Insurance		437	-	437
Other		643	-	643
		<i>1,080</i>	<i>-</i>	<i>1,080</i>
Total expenditure		15,538	179,393	194,931
Net income/ (expenditure)		6,189	277,491	283,680
Transfers between funds		-	-	-
Net movements in funds		6,189	277,491	283,680
Reconciliation of funds:				
Total funds brought forward		11,806	51,365	63,171
Total funds carried forward		£17,995	£328,856	£346,851

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.18 £
Income from donations				
Membership subscriptions		17,600	-	17,600
Grants	5	2,500	56,200	58,700
		<i>20,100</i>	<i>56,200</i>	<i>76,300</i>
Income from charitable activities				
Contributions to staff costs	5	-	37,000	37,000
Contributions to Communications Project		-	34,545	34,545
Chapter training course fees		3,605	-	3,605
Other income		85	-	85
		<i>3,690</i>	<i>71,545</i>	<i>75,235</i>
Income from investments				
Bank deposit interest		37	-	37
Total income		23,827	127,745	151,572
Expenditure on:				
Charitable activities				
Staff costs	6	-	36,029	36,029
Executive meetings	7	8,517	-	8,517
Working groups		1,003	-	1,003
2020 Year of Cathedrals etc. Project		-	-	-
Cathedral Projects Support Panel	6	-	15,135	15,135
Chapter Training		4,132	52,729	56,861
Communications Project		-	36,205	36,205
National Cathedrals Conference		27,360	40,000	67,360
Peer Review Project		-	-	-
Conferences		634	-	634
English cathedrals website		1,086	-	1,086
Subscriptions		854	-	854
		<i>43,586</i>	<i>180,098</i>	<i>223,684</i>
Other				
Insurance		365	-	365
Other		1,316	-	1,316
		<i>1,681</i>	<i>-</i>	<i>1,681</i>
Total expenditure		45,267	180,098	225,365
Net income/ (expenditure)		(21,440)	(52,353)	(73,793)
Transfers between funds		-	-	-
Net movements in funds		(21,440)	(52,353)	(73,793)
Reconciliation of funds:				
Total funds brought forward		33,246	103,718	136,964
Total funds carried forward		£11,806	£51,365	£63,171

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31.12.2019 £	Year ended 31.12.2018 £
Income		
Membership subscriptions	18,000	17,600
Grants	381,834	58,700
Contributions to staff costs	37,750	37,000
Contributions to Communications Project	37,300	34,545
Chapter training courses fees	2,655	3,605
Bank interest	1,072	37
Other income	-	85
<i>Total income</i>	<i>478,611</i>	<i>151,572</i>
Expenditure		
Executive meetings	7,014	8,517
Staff costs and expenses	37,084	36,029
Chapter training courses	4,010	4,132
2020 Year of Cathedrals Year of Pilgrimage Project	21,512	-
Cathedral Project Support Panel expenses	18,312	15,135
Chapter Training Project	33,081	52,729
Communications Project	34,899	36,205
National Cathedrals Conference	-	27,360
Allchurches Trust bursaries (National Cathedrals Conference)	-	40,000
Peer Review Project	34,505	-
Working groups	1,187	1,003
Subscriptions	866	854
English cathedrals website	1,086	1,086
Conferences	295	634
Insurance	437	365
Other	643	1,316
<i>Total expenditure</i>	<i>194,931</i>	<i>225,365</i>
Operating surplus/ (deficit) for the year	<u>£283,680</u>	<u>(£73,793)</u>

This Income and Expenditure Account is included in the Financial Statements in compliance with the Companies Act 2006.

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BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	Year ended 31.12.2019 £	Year ended 31.12.2018 £
Current assets:			
Debtors and prepayments	3	582	205
Cash at bank		356,488	68,243
		357,070	68,448
Liabilities:			
Creditors: amounts due within one year	4	(10,219)	(5,277)
Net current assets		<u>£346,851</u>	<u>£63,171</u>
The funds of the Charity:			
Restricted funds	5	328,856	51,365
Unrestricted funds		17,995	11,806
Total Charity funds		<u>£346,851</u>	<u>£63,171</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2019.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2019 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 14 August 2020 and signed on their behalf by:

Adrian Dorber
Chair

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Year ended 31.12.2019 £	Year ended 31.12.2018 £
Cash flows from operating activities:		
Cash receipts	477,539	153,093
Cash payments	(190,366)	(223,262)
<i>Net cash provided/(used) by operating activities</i>	<i>287,173</i>	<i>(70,169)</i>
Cash flows from investing activities:		
Interest	1,072	37
<i>Net cash provided by investing activities</i>	<i>1,072</i>	<i>37</i>
Change in cash in the reporting period	288,245	(70,132)
Cash at beginning of the reporting period	68,243	138,375
Cash at end of the reporting period	£356,488	£68,243
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)	£ 283,680	£ (73,793)
Adjustments for:		
Interest	(1,072)	(37)
(Increase)/ decrease in debtors	(377)	1,354
Increase/ (decrease) in creditors	4,942	2,307
Net cash provided/ (used) by operating activities	287,173	(£70,169)
Analysis of cash		
	Year ended 31.12.2019 £	Year ended 31.12.2018 £
Cash at bank	356,488	68,243
Total cash	£356,488	£68,243

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 (FRS102)), 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.

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 31.12.2019	Year ended 31.12.2018
	£	£
Prepayments	582	205
Total	£582	£205

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31.12.2019	Year ended 31.12.2018
Trade creditors	£10,219	£5,277

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

5 ANALYSIS OF RESTRICTED FUNDS

	Staff Costs	Chapter Training Project	Cathedral Projects Support Panel	Comms Project	Peer Review Project	2020 Year of Cathedrals Project	Total
	£	£	£	£	£	£	£
Balance at 1 January 2019	7,405	3,471	28,987	11,502	-	-	51,365
Income	37,750	107,338	-	37,300	174,496	100,000	456,884
Expenditure	(37,084)	(33,081)	(18,312)	(34,899)	(34,505)	(21,512)	(179,393)
Transfers between funds	-	(17,305)	17,305	-	-	-	-
Balance at 31 December 2019	£8,071	£60,423	£27,980	£13,903	£139,991	£78,488	£328,856

Fund balances are represented by cash.

Staff Costs Fund: Amounts contributed by cathedrals to the costs of employing the Executive Director.

Chapter Training Project Fund: Established to account for grants from the Church Commissioners relating to the Chapter Training Project.

Cathedral Projects Support Panel Fund: Created by a donation from the Allchurches Trust to fund a Panel of expert volunteers, supported by an employed Co-ordinator, to give advice to cathedrals on projects to ensure they are well conceived, planned and executed.

Communications Project Fund: Amounts contributed by cathedrals to provide traditional and social media support to cathedrals and improve their profile externally.

Peer Review Project Fund: Established to account for grants from the Church Commissioners to fund peer reviews of cathedral governance.

2020 Year of Cathedrals Year of Pilgrimage Project Fund: Established in response to grants from the Church Commissioners and Kirby Laing Foundation to fund expenditure to increase the mission and profile of cathedrals in 2020.

6 PAID EMPLOYEES

During the year, the Association employed five part-time members of staff (total 1.6 FTE) and reimbursed their expenses totalling £4,971 (2018: two part-time members of staff (total 0.9 FTE), expenses reimbursed: £3,461).

	Year ended 31.12.2019	Year ended 31.12.2018
	£	£
Salaries	62,216	42,700
National insurance	941	-
Pension costs	2,136	2,016
Total	£65,293	£44,716

Due to the National Insurance Contributions Employment Allowance, in 2018 no national insurance contributions were paid.

No employee received employee benefits of more than £60,000.

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

The Association of English Cathedrals participates in the Pension Builder Scheme section of Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The CWPF has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The Association participates in the latter section.

Pension Builder Scheme

The Pension Builder Scheme of the CWPF is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes. Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age. There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers. This means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable in the year, 2019: £2,136 £ (2018: £2,016).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, the Association of English Cathedrals could become responsible for paying a share of that employer's pension liabilities.

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 31.12.2019	Year ended 31.12.2018
No. of members who were paid expenses	12	12
Travel and subsistence expenses	£4,665	£4,557

8 RELATED PARTY TRANSACTIONS

There were no related party transactions.