



THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2018**

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

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

THE ASSOCIATION OF ENGLISH CATHEDRALS

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REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDING 31 DECEMBER 2018

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 2018 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 2018 or have been appointed since that date were as follows:

The Very Rev'd Adrian Dorber, Dean of Lichfield (Chair)

The Very Rev'd Vivienne Faull, Dean of York (resigned June 2018)

The Very Rev'd Roger Bush, Dean of Truro

Mrs Annabelle Boyes, Receiver General and Canon Treasurer, Winchester Cathedral (appointed January 2018)

The Rev'd Canon Julie Gittoes, Canon, Guildford Cathedral

The Very Rev'd Rogers Govender, Dean of Manchester

The Very Rev'd Jonathan Greener, Dean of Exeter (resigned June 2018)

The Very Rev'd Peter Howell-Jones, Dean of Blackburn

The Very Rev'd David Hoyle, Dean of Bristol (appointed September 2018)

Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral

Mr Paul Robinson, Chapter member, Lincoln Cathedral

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 (appointed June 2018)

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 Deans' Conference, 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 January 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. Following her appointment as Chair of the Cathedrals Administration and Finance Association, Annabelle Boyes joined the Committee in January 2018 as an ex-officio member. Vivienne Faull, ex-officio member as the Chair of the Deans' Conference, resigned on her consecration and election as Bishop of Bristol in June 2018. David Hoyle joined the Executive Committee in September 2018 following his appointment as the new Chair of the Deans' Conference, now renamed the College of Deans. Jonathan Greener, an elected member, stood down at the Annual General Meeting; Andrew Tremlett was elected to fill the vacancy. In addition, Julie Gittoes and David Stone were re-elected to the Committee.

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 on the key issues arising from the Cathedrals Working Group report. 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. Two rather than the normal three training courses were run as the one scheduled at York Minster in March had to be cancelled due to adverse weather conditions. The second session, at Southwark in June, and the third, a 24-hour session, in October at the Royal Foundation of St Katherine took place as usual. These are an invaluable opportunity for those attending to understand more about the role and ways of working of cathedrals and to develop a

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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 liaised with the National Safeguarding Team in scoping out the safeguarding audits being carried out between 2018 and 2020 by the Social Care Institute for Excellence, and is involved in reviewing the audit processes and outcomes.

During the year, considerable time has been spent on matters related to the Cathedrals Working Group (CWG), established in 2017 'to look at whether the current Cathedrals Measure is adequate, and to consider revising it'. Initially, effort was directed to responding to the draft report on behalf of cathedrals. The final report from the Cathedrals Working Group was published in June 2018, listing 150 recommendations. The AEC was involved in identifying cathedral leads to work with officers from the National Church Institutions (NCIs), led by the Third Church Estates Commissioner, on the 11 workstreams to which the recommendations have been allocated, and is now focussed, with the leads, on implementation. The Executive Director is a member of the Cathedral Support Group, the group within the NCIs with responsibility for implementation. The AEC is working with the Cathedrals Administration and Finance Association and the College of Deans in responding to those recommendations which cause most concern to cathedrals. The AEC's objective is to ensure a new Cathedrals Measure equips cathedrals for the 21st century and enables cathedrals, in all their diversity, to flourish as sustainable and accountable organisations.

Following the success of the initial year of operation of the Communications Project in improving the profile of cathedrals in traditional and social media at a national level and encouraging the development of communications skills in cathedrals, the Executive Committee agreed to continue the project. Cathedrals contribute to the costs of the two media professionals who assist with this work. There have been a number of positive stories and images of cathedrals in the national press and increased coverage in local press. 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.

A very well attended day conference was held in London in January 2018 to help cathedrals explore ideas for generating sustainable income streams in ways which are compatible with and enhance their mission. The conference, Money for Mission, was generously hosted by CCLA.

The National Cathedrals' Conference, 'Sacred space: common ground', was held in Manchester from 17 to 20 September 2018. The conference brought together representatives working in different areas of cathedral life from all 42 English cathedrals, together with members of other religious institutions, bodies that support the Church of England, and commercial sponsors. Within a context of daily prayer and worship, 518 delegates and sponsors spent time in plenary sessions and workshops, and had opportunities to network and explore Manchester. It was almost fully funded by delegate fees and sponsorship but the AEC contributed £27,360 directly and £40,000 in grant funding from the Allchurches Trust. The total cost of the conference was £314,106. The feedback provided by 25% of delegates was evaluated. The scores and comments were mostly positive, and there were constructive observations which will be useful for future events. On the basis of the feedback, the AEC Executive decided in January 2019 to work towards holding another national conference in 2022. The AEC Executive is very grateful to the Allchurches Trust, CCLA, Eden Tree/EIG and all other sponsors for their support, which recognised the value of the conference in bringing people together.

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During the year, there has been work on a number of projects to which the Executive has delegated day-to-day oversight to working groups and project boards. One of these, the Peer Review Project Board, chaired by the Very Rev'd Peter Bradley, succeeded in obtaining a grant from the Church Commissioners, to be received in 2019, to fund two rounds of Peer Review, subject to review after the first round. Cathedrals have nominated suitable individuals to join a panel of reviewers. To ensure the peer review process runs smoothly and achieves benefits for cathedrals, two part-time members of staff were recruited who took up their roles in early 2019, a Project Manager and a Project Administration Officer. Plans to train panel members and to conduct the first reviews are progressing well.

The Chapter Training Project Board continues to oversee the project, funded by the Church Commissioners, to provide training to Chapters in the areas of financial management and sustainability, governance, strategic marketing for growth and team working, which is now in delivery phase. All but three cathedrals have completed the finance sessions; feedback has been broadly positive with the opportunity to meet colleagues on another Chapter or Chapters particularly appreciated. The first of the one day events on governance and strategic marketing for growth took place in November 2018, with two more in January 2019 and the last in early March. The final element of the training project, a further workshop day, will take place in 2019 and 2020. 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 the Very Rev'd Jonathan Greener, met on a number of occasions during the year to oversee the initial two year trial period for the project. The part-time Project Coordinator, Dale Copley, worked hard to promote the Panel to cathedrals and to match cathedral needs with the most appropriate panel member or members. At the time of this report, 31 cathedrals and four greater churches have engaged with the Panel and benefited from the advice offered by skilled and experienced volunteers. A number of cathedrals have received assistance on more than one occasion. The Board has agreed project evaluation criteria, and is satisfied that the initial project year was a great success.

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 an issue relating to cathedrals and VAT arose during the year and the AEC is working with the two organisations and HMRC to find a resolution.

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.

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.

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

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Financial review

Results of the period

Income was lower than expenditure by £73,793 (2017: income exceeded expenditure by £106,791). Unrestricted income was lower than expenditure by £21,440 (2017: income exceeded expenditure by £3,073), and restricted income was lower than expenditure by £52,353 (2017: income exceeded expenditure by £103,718).

Income of £151,172 was lower than in 2017 (£181,701). Although contributions from member cathedrals to fund projects were higher at £71,545 (2017: £56,856), grant income was lower. In 2017, one off grants totalling £90,000 were received from the Allchurches Trust to fund the work of the Cathedral Projects Support Panel and provide bursaries for the 2018 National Cathedrals Conference.

Expenditure was considerably higher than in 2017 at £225,365 (2017: £74,910) due to the number of projects which are now running in addition to the AEC's normal activities. £67,360 of expenditure related to the National Cathedrals Conference, including disbursing the Allchurches Trust grant of £40,000. The Chapter Training, Cathedral Projects Support Panel and Communications Projects which started in 2017 ran for a full year with project expenditure totalling £104,069 (2017: £27,183).

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 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 £11,806 (2017: £33,246).

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 reviewing resource levels and seeking more grant funding, as over the last 10 years existing resources have become stretched.

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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.

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

9 May 2019

THE ASSOCIATION OF ENGLISH CATHEDRALS

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 2018, 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 2018, 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:

9 May 2019

Richard Gurd
FCCA

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.18 £	Unrestricted funds £	Restricted funds £	Total 31.12.17 £
Income from donations							
Membership subscriptions		17,600	-	17,600	17,600	-	17,600
Grants	5	2,500	56,200	58,700	-	103,800	103,800
		<i>20,100</i>	<i>56,200</i>	<i>76,300</i>	<i>17,600</i>	<i>103,800</i>	<i>121,400</i>
Income from charitable activities							
Contributions to staff costs	5	-	37,000	37,000	-	32,856	32,856
Contributions to Communications Project		-	34,545	34,545	-	24,000	24,000
Chapter training course fees		3,605	-	3,605	3,010	-	3,010
Other income		85	-	85	413	-	413
		<i>3,690</i>	<i>71,545</i>	<i>75,235</i>	<i>3,423</i>	<i>56,856</i>	<i>60,279</i>
Income from investments							
Bank deposit interest		37	-	37	22	-	22
Total income		23,827	127,745	151,572	21,045	160,656	181,701
Expenditure on:							
Charitable activities							
Staff costs	6	-	36,029	36,029	-	29,755	29,755
Executive meetings	7	8,517	-	8,517	5,586	-	5,586
Working groups		1,003	-	1,003	2,896	-	2,896
Communications Project		-	36,205	36,205	-	10,838	10,838
Chapter Training		4,132	52,729	56,861	2,469	13,800	16,269
Cathedral Projects Support Panel	6	-	15,135	15,135	-	2,545	2,545
National Cathedrals Conference		27,360	40,000	67,360	-	-	-
Conferences		634	-	634	744	-	744
English cathedrals website		1,086	-	1,086	306	-	306
Legal fees		-	-	-	2,400	-	2,400
Subscriptions		854	-	854	1,128	-	1,128
		<i>43,586</i>	<i>180,098</i>	<i>223,684</i>	<i>15,529</i>	<i>56,938</i>	<i>72,467</i>
Other							
Insurance		365	-	365	410	-	410
Other		1,316	-	1,316	2,033	-	2,033
		<i>1,681</i>	-	<i>1,681</i>	<i>2,443</i>	-	<i>2,443</i>
Total expenditure		45,267	180,098	225,365	17,972	56,938	74,910

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Note	Unrestricted funds £	Restricted funds £	Total 31.12.18 £	Unrestricted funds £	Restricted funds £	Total 31.12.17 £
Net income/ (expenditure)	(21,440)	(52,353)	(73,793)	3,073	103,718	106,791
Transfers between funds	-	-	-	-	-	-
Net movements in funds	(21,440)	(52,353)	(73,793)	3,073	103,718	106,791
Reconciliation of funds:						
Total funds brought forward	33,246	103,718	136,964	30,173	-	30,173
Total funds carried forward	£11,806	£51,365	£63,171	£33,246	£103,718	£136,964

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31.12.2018 £	Year ended 31.12.2017 £
Income		
Membership subscriptions	17,600	17,600
Grants	58,700	103,800
Contributions to staff costs	37,000	32,856
Contributions to Communications Project	34,545	24,000
Chapter training courses fees	3,605	3,010
Bank interest	37	22
Other income	85	413
<i>Total income</i>	<i>151,572</i>	<i>181,701</i>
Expenditure		
Executive meetings	8,517	5,586
Staff costs and expenses	36,029	29,755
Chapter training courses	4,132	2,469
Legal fees	-	2,400
Cathedral Project Support Panel expenses	15,135	2,545
Chapter Training Project	52,729	13,800
Communications Project	36,205	10,838
National Cathedrals Conference	27,360	-
Allchurches Trust bursaries (National Cathedrals Conference)	40,000	-
Working groups	1,003	2,896
Subscriptions	854	1,128
English cathedrals website	1,086	306
Conferences	634	744
Photographs	-	-
Insurance	365	410
Other	1,316	2,033
<i>Total expenditure</i>	<i>225,365</i>	<i>74,910</i>
Operating (deficit) / surplus for the year	<u>(£73,793)</u>	<u>£106,791</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 2018

	Note	Year ended 31.12.2018 £	Year ended 31.12.2017 £
Current assets:			
Debtors and prepayments	3	205	1,559
Cash at bank		68,243	138,375
		68,448	139,934
Liabilities:			
Creditors: amounts due within one year	4	(5,277)	(2,970)
Net current assets		<u>£63,171</u>	<u>£136,964</u>
The funds of the Charity:			
Restricted funds	5	51,365	103,718
Unrestricted funds		11,806	33,246
Total Charity funds		<u>£63,171</u>	<u>£136,964</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2018.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2018 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 9 May 2019 and signed
on their behalf by:

Adrian Dorber
Chair

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31.12.2018 £	Year ended 31.12.2017 £
Cash flows from operating activities:		
Cash receipts	153,093	180,180
Cash payments	(223,262)	(71,940)
<i>Net cash (used)/provided by operating activities</i>	<i>(70,169)</i>	<i>108,240</i>
Cash flows from investing activities:		
Interest	37	22
<i>Net cash provided by investing activities</i>	<i>37</i>	<i>22</i>
Change in cash in the reporting period	(70,132)	108,262
Cash at beginning of the reporting period	138,375	30,113
Cash at end of the reporting period	£68,243	£138,375
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)	£ (73,793)	£ 106,791
Adjustments for:		
Interest	(37)	(22)
(Increase)/ decrease in debtors	1,354	(1,499)
Increase/ (decrease) in creditors	2,307	2,970
Net cash (used) / provided by operating activities	(£70,169)	£108,240
Analysis of cash		
	Year ended 31.12.2018 £	Year ended 31.12.2017 £
Cash at bank	68,243	138,375
Total cash	£68,243	£138,375

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 31.12.2018	Year ended 31.12.2017
	£	£
Trade debtors	-	1,559
Prepayments	205	-
Total	£205	£1,559

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31.12.2018	Year ended 31.12.2017
Trade creditors	£5,277	£2,970

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

5 ANALYSIS OF RESTRICTED FUNDS

	Staff Costs	Chapter Training Project	Cathedral Projects Support Panel	Comms Project	Allchurches Bursary Fund	Total
	£	£	£	£	£	£
Balance at 1 January 2018	6,434	-	44,122	13,162	40,000	103,718
Income	37,000	56,200	-	34,545	-	127,745
Expenditure	(36,029)	(52,729)	(15,135)	(36,205)	(40,000)	(180,098)
Transfers between funds	-	-	-	-	-	-
Balance at 31 December 2018	£7,405	£3,471	£28,987	£11,502	£-	£51,365

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.

Allchurches Bursary Fund: Set up because of a donation from the Allchurches Trust to fund bursaries for staff of cathedrals to attend the National Cathedrals Conference in September 2018.

6 PAID EMPLOYEES

During the year, the Association employed two part-time members of staff (total 0.9 FTE) and reimbursed their expenses totalling £3,461 (2017: £2,671).

	Year ended 31.12.2018	Year ended 31.12.2017
	£	£
Salaries	42,700	26,738
National insurance	-	-
Pension costs	2,016	1,053
Total	£44,716	£27,791

Due to the National Insurance Contributions Employment Allowance, in neither year were national insurance contributions paid.

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

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 ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

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.

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, 2018: £2,016 (2017: £1,053).

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 31.12.2018	Year ended 31.12.2017
No. of members who were paid expenses	12	10
Travel and subsistence expenses	£4,557	£4,186

8 RELATED PARTY TRANSACTIONS

There were no related party transactions.