



St Albans Cathedral Music Trust

Annual Report and Financial Statements

For The Year Ended 30 November 2019

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ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2018-19

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2019

TRUSTEES

Christopher Muhley – Chair
Ralph Abel Smith
Professor Tim Blinko
Moira Dean
The Very Reverend Jeffrey John
Pete Letanka
Andrew Lucas
Christopher Melliush
Lady Shelagh Nichols
John Palmer
Peter Trevelyan
Gini Trower

St Albans Cathedral Music Trust is governed by a Trust Deed dated 30 October 1995. The Trust is registered as a charity by the Charity Commission (registration number 1051072).

PRINCIPAL ADDRESS

St Albans Cathedral
Sumpter Yard
St Albans
AL1 1BY

BANKERS

Barclays Bank plc
16-18 St Peters Street
St Albans
AL1 3NA

AUDITORS

Mercer & Hole
72 London Road
St Albans
AL1 1NS

TREASURER

Timothy Fleming
Head of Finance and Development, St Albans Cathedral
Sumpter Yard
St Albans
AL1 1BY

INVESTMENT MANAGERS

CCLA Investment Management Ltd
Senator House, 85 Queen Victoria Street
London
EC4V 4ET

THE TRUST'S AIMS AND OBJECTIVES

The objects of the Trust as set out in its Trust Deed are:

- to promote and advance the education of the public in the art of music particularly at or in connection with the Cathedral and Abbey Church of St Alban;
- to promote and advance the Christian religion and public worship connected with it through the support of music at or in connection with the Cathedral and Abbey Church of St Alban.

The main aim of the Trust is to build a level of endowment sufficient to fund the day to day cost of St Alban Cathedral's music and to realise the Trust's vision for the Cathedral's musical life.

St Albans Cathedral has much to celebrate as a centre of musical excellence. Music is central to worship at the Cathedral. It expresses divine mysteries and human longings where words fail, and creates harmony out of difference. The Cathedral has two of the finest cathedral choirs in the country, a magnificent Harrison & Harrison organ, a busy programme of innovative musical events and concerts, and various voluntary choirs and music groups which add further dimension to the Cathedral's worship.

The Trust supports and develops the Cathedral's tradition of choral worship and promotes music of the highest quality in the Cathedral. Unlike many of the ancient cathedrals, St Albans Cathedral has no historic endowment to support its music. The costs of the choirs and the upkeep of the Cathedral's organs all have to be found from operating income.

The Trust's current vision is to enable and sustain a flourishing and financially secure musical life at the Cathedral through:

- daily choral services led by the cathedral choirs, with a continuing place for voluntary choirs and music groups;
- an organ which is sufficiently expressive and versatile for the Cathedral's use and for the International Organ Festival;
- high quality musical events with concert appearances by the Cathedral's own musicians and visiting performers;
- full orchestral works in the liturgical setting on occasions during the year;
- the sharing of the Cathedral's musical resources with others through an education programme that encourages children and young people to get involved in music and music-making, and by visits of the Cathedral's choirs to other parish churches;
- raising an endowment fund of £3m to meet the cost of maintaining the Cathedral's music and its instruments.

The cathedral choirs sing at services six days a week throughout term time, rehearsing both before and after school. Their work is all the more remarkable because the choristers do not attend a special choir school, but come from a wide variety of backgrounds and attend a number of different local schools. In addition to the daily round of choral services and rehearsal, the choirs take part in concerts, tours, broadcasts and recordings.

The Cathedral's Harrison & Harrison organ was built in 1962 to a design by Peter Hurford and Ralph Downes. It was the first organ to be installed in an English cathedral in the twentieth century on the classical principles of voicing, layout and chorus design. Containing over 4,500 pipes, varying from half and inch to 32 feet, each pipe plays its part in producing the glorious mixture of sounds that the organ delivers. The organ can be heard being played almost every day, either for choir rehearsal, organ practice or service accompaniment.

TRUST ADMINISTRATION

The board of trustees met on three occasions during the year to direct and monitor the work of the Trust. The Trust is supported in its day to day activities by St Albans Cathedral's development and finance teams.

The Trust Deed provides for two ex-officio trustees, namely the Dean of St Albans Cathedral and the Master of the Music of St Albans Cathedral. All other trustees are appointed by the board of trustees on the basis of suggested joint nominations from the two ex-officio trustees. Trustees hold office for a period of five years and may be reappointed for a further single term of five years.

Trustees are selected for the skills and experience they can bring to the Trust, in particular expertise in music and fundraising. On appointment, trustees are briefed as necessary on the aims and objectives of the Trust and their legal responsibilities. All new trustees sign a model trustee declaration statement confirming their eligibility and responsibilities.

RELATIONSHIP WITH ST ALBANS CATHEDRAL

As an independent charity, the Trust is not controlled by St Albans Cathedral. The Trust exists for the Cathedral's financial benefit and therefore summarised results of the Trust's activities are disclosed for information in St Albans Cathedral's financial statements.

FINANCIAL SUPPORT FOR THE CATHEDRAL'S MUSIC

The Trust made grants to St Albans Cathedral in the year amounting to £97,886 (2018: £104,678). This comprised:

- £71,586 (2018: £69,178) to support the day to day costs of the Cathedral's music, representing the investment income from the Trust's endowment funds;
- £6,000 (2018: £6,000) to additionally support the day to day costs of the Cathedral's music, as an annual grant from the Trust's unrestricted funds;
- £4,000 (2018: £4,000) to support the work of the Cathedral's development team, which provides significant fundraising and operational support to the Trust;
- £5,000 (2018: £5,000) to support the provision of the Cathedral's choir chaperone, a role that is critical for both proper safeguarding, pastoral care, and engagement between choristers and choir parents;
- £5,000 to the Cathedral Choir to support its tour to Fano in Italy (2018: £3,000 to Cathedral Girls Choir tour to Sweden);
- £5,000 to the Cathedral Girls Choir towards a recording of the works of Michael Haydn for the Naxos Records label;
- £1,300 (2018: £17,500) towards the purchase of a Peter Collins rehearsal organ for the Cathedral's Song School, funded from the Trust's Lyne Legacy Fund, a designated fund set aside to support the Cathedral's organs.

CHARITABLE EVENTS IN SUPPORT OF THE CATHEDRAL'S MUSIC

As well as direct financial grants to St Albans Cathedral, the Trust seeks to support and promote the Cathedral's musical activity through various charitable events.

Outreach Concert

The Trust is delighted to be able to host an annual outreach concert featuring the Cathedral Choir, this year held at St Andrew's Church, Bedford. The Trust provided financial support to enable the event to take place of £3,585. The concert is an important part of the Trust's work, taking the Cathedral's high-quality music-making out and into the Diocese.

CHARITABLE EVENTS IN SUPPORT OF THE CATHEDRAL'S MUSIC (continued)

St Albans Young Musicians Competition

2019 was the eighth year of this annual competition and the standard of performances submitted was as strong as ever. Shortlisted applicants are invited to compete at the coveted finals in the Cathedral to an audience of over 750 people. The competition combines ensemble performances from local primary and secondary schools together with some wonderfully musical and technically accomplished solo performances. There is much superb music-making amongst youngsters in the local St Albans area and it is good the Trust can provide a platform for this within the Cathedral and bring the Trust's work to the attention of a wider audience. Music is unfortunately becoming an ever lower priority in schools, frequently due to funding or resourcing constraints and other curriculum pressures. The Trust very much hopes the competition can continue while it is sustainable to do so. This year's event made a small surplus of £634.

Annual Patrons Evensong

This annual event provides an excellent opportunity to engage with the Trust's many patrons over Evensong and afterwards with the Dean of St Albans Cathedral.

THE TRUST'S FUNDRAISING AND DONOR ENGAGEMENT

The Trust receives donations through patron subscriptions, fundraising and endowments.

Alban Foundation

The Trust is delighted to continue to work in partnership with the St Albans Cathedral Alban Foundation, a body which helps nurture, develop and promote fundraising for the Cathedral under the oversight and control of the Cathedral's governing body. The members of the foundation help to fundraise for the development and ongoing mission of the Cathedral, including its historic fabric and heritage, and support the stewardship and continued engagement of all those who have given to the Cathedral. The foundation supports the Cathedral's governing body in its determination of future fundraising priorities and supports the promotion of this Trust, along with the St Albans Cathedral Education Trust and the Friends of St Albans Cathedral. The Chair of the Trust is an ex-officio member of the foundation.

Endowments

The generosity of donors past and present enables the Trust to support 4 endowed lay clerks and 35 endowed choristers. The Trust is also grateful to all those who support the 'Endow a Day's Music' programme, including two new endowments to this fund received during the year and a further pledged, with the number of endowed days now standing at 46 at the end of the year.

Legacies

The Trust is ever grateful to all who have contributed to the Trust by way of legacies. Legacy giving can often provide the Trust with the opportunity to make specific grants to the Cathedral in pursuit of the Trust's vision that it would otherwise be unable to do. A legacy of £8,000 was received in the year.

Donations

General donations of £14,256 (2018 £13,778) were received in the year from the Trust's many patrons and other donors. In addition, donations of £3,981 were received in memory of the late Peter Hurford, the Cathedral's Master of the Music from 1958 to 1978.

Adopt a Pipe

In June the Cathedral launched a new way for visitors and all who love the Cathedral to give their support to help safeguard its treasures for the next generation. 'Adopting St Albans Cathedral' is a uniquely personal way of giving while making a difference to heritage, music and learning at the Cathedral. One of the ways of giving is to 'Adopt a Pipe' from the magnificent Harrison & Harrison organ containing over 4,500 pipes. All gifts from 'Adopt a Pipe' are passed to the Trust, essentially replacing the Trust's predecessor initiative along the same lines of 'Sponsor a Pipe'.

THE TRUST'S FUNDRAISING AND DONOR ENGAGEMENT (continued)

Fundraising Events

As usual the Trust held a number of fundraising and donor engagement events through the year.

Advent Procession and Dinner

The 2018 Advent Procession and Dinner took place on 2 December 2018, raising £2,717 after expenses towards the work of the Trust.

Guitar Recitals

Two lunchtime guitar recitals were held in the Cathedral's Lady Chapel, featuring classical guitarists Michael Butten and Andrey Lebedev, and tenor Joel Williams. The retiring collections were shared between the Trust and the Cathedral and raised £469 for the Trust.

Sponsored Cycle Ride

A sponsored cycle ride from St Albans Cathedral to Westminster Abbey was held on 18 May 2019 in conjunction with the Friends of Cathedral Music. 20 cyclists took part, including our own Chair of Trustees, completing the route in three hours and collectively raising over £9,000. This was shared equally between the Trust and the FCM Diamond Fund for Choristers, raising £4,422 after expenses for the Trust.

Piano Recital

A piano recital by Nelly Akopian-Tamarina was held at the home of Sir Simon and Lady Bowes-Lyon on 4 June 2019, raising £828 after expenses for the Trust.

FUTURE PLANS AND ACTIVITIES

Charitable Events

The following events to support and promote the Cathedral's musical activity are scheduled to take place or have already taken place:

- Outreach Concert at St Etheldreda's Church, Hatfield
- St Albans Young Musicians Competition 2020
- Annual Patrons Evensong

Donor Engagement

The Trust continues to produce a regular newsletter as an important means of promoting the aims and achievements of the Trust to both its patrons and wider audiences. A readily accessible leaflet titled 'How you can support music in St Albans Cathedral' has been produced and is available in the Cathedral and promoted at relevant events.

Fundraising Events

The following fundraising events are scheduled to take place or have already taken place:

- 2019 Advent Procession and Dinner in the newly refurbished Abbot's Kitchen and Welcome Centre at the Cathedral
- Lunchtime recitals featuring guitar and accordion with Michael Butten, Bartosz Glowacki and Andrey Lebedev

Nave Organ

The Cathedral still continues its process of evaluating options for a new Nave section for the Cathedral's organ. A design has been found that will work acoustically, but this has inherent complexities over positioning and location that are not yet acceptable to the Cathedral's fabric regulators. As yet there remains no consensus on a way forward. Funding remains set aside to support the project as and if it proceeds.

FUTURE PLANS AND ACTIVITIES (continued)

Song School

The Cathedral's Chapter House Song School came back into use during 2019 following completion of the works associated with the Cathedral's Alban, Britain's First Saint development project. The Cathedral's choirs continue to use the Deanery Song School as an additional space. The Trust has agreed to release up to £50,000 from the Salisbury Legacy Fund to enable the improvement of facilities in the Chapter House Song School, including new music desks, a modification to the new rehearsal organ and the purchase of a new rehearsal piano.

THE TRUST'S FINANCIAL POSITION

Overall position

The Trust's net assets at the end of the year totalled £2,811,191 (2018: £2,495,017).

Investments

Funds held for long-term endowment purposes are invested with CCLA Investment Management in their CBF Investment Fund. CCLA manages investments for the Church of England, other charities and a number of local authorities. The Trust's investments in the CCLA CBF Investment Fund amounted to £2,632,444 (2018: £2,369,628) at the end of the year. Capital additions to the fund over the course of the year amounted to £17,000 (2018: £10,646) and a withdrawal to the Trust's short-term deposit fund was made of £48,000 (2018: £nil). The net annual gain on the fund arising from revaluations amounted to £293,816 (2018: £96,866).

The Trust's short-term deposit investments are held in the CCLA CBF Deposit Fund and amounted to £161,308 (2018: £118,058) at the end of the year.

Reserves

As the main aim of the Trust is to build a level of endowment sufficient to fund the day to day cost of the Cathedral's music and to realise the Trust's vision for the Cathedral's musical life, the vast majority of the Trust's funds are held as capital endowment funds. Where income has been donated to the Trust for specific purposes and has not been used in the year, this income is necessarily held in restricted income funds.

The Trust holds a relatively small level of free reserves in order to meet its financial liabilities, operational commitments and likely future ad-hoc grant funding. The Trust's total unrestricted funds stand at £221,884 (2018: £197,985) at the end of the year. Of these unrestricted funds, £43,417 (2018: £37,985) represent free reserves, the remainder being designated for specific purposes. Back in 2017, the Trust's free reserves increased above their underlying trend level of £15,000 to £20,000, principally through the combination of a legacy receipt and the final distribution from the Cathedral's historic fundraising campaigns. A further legacy this year has additionally bolstered the Trust's free reserves. The board of trustees continues on an ongoing basis to review and identify ways in which the Trust can best make use of these additional funds, both in the near-term and longer-term. The current grant towards the cost of the Cathedral's choir chaperone is one example of this.

RISK MANAGEMENT

Careful consideration is given to the major risks and wider external environment to which the Trust is exposed. The board of trustees has ultimate responsibility for the Trust's overall risk management and internal control, recognising that any risk management and internal control framework can only manage risk to a reasonable level rather than to eliminate all risk of failure, and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

As a fundraising body, the Trust has specific risks to manage, principally in the areas of fundraising, financial control and compliance. Systems and procedures are in place covering each of these risk areas. The Trust uses the Cathedral's finance team for transactional processing, financial reporting and compliance activities, and the Cathedral's development team for fundraising advice and support. The Trust monitors its profile, reputation and presence on an ongoing basis.

PUBLIC BENEFIT

The board of trustees confirms it has complied with the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining its activities. By supporting St Albans Cathedral, the Trust helps promote religion and music of the highest standard that is available to all.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The board of trustees is responsible as follows with regard to the annual report and financial statements:

- preparing a statutory annual report and financial statements for each financial year in accordance with applicable law and regulations, which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period;
- stating that the financial statements comply in all material respects with the provisions of the Trust Deed, the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and with applicable law and United Kingdom Accounting Standards (together United Kingdom Generally Accepted Accounting Practice), as set out in the notes to the financial statements and subject to any material departures disclosed and explained in the financial statements;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to be financially viable.
- keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable the board of trustees to ensure the financial statements comply with applicable law and regulations; and
- safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board of trustees confirms the financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the provisions of the Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).



Christopher Muhley
Chair

On behalf of the board of trustees
10 March 2020

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF ST ALBANS CATHEDRAL MUSIC TRUST

Opinion

We have audited the financial statements of St Albans Cathedral Music Trust for the year ended 30 November 2019 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 November 2019, and of the Charity's incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you where:

- the Charity's trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Charity's trustees have not disclosed in the financial statements and identified material uncertainties that may cast significant doubt over the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Charity's trustees are responsible for providing the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Charity's trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the Charity's trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Charity's trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Charities Act 2011 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.fc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Steve Robinson
Mercer & Hole, 72 London Road, St Albans, AL1 1NS
Statutory Auditor
Mercer & Hole is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2018-19

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 NOVEMBER 2019

	Note	Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £	Total 2018 £
Income and endowments							
Donations	3	20,975	-	518	17,000	38,493	27,414
Legacies		8,000	-	-	-	8,000	405
Fundraising events	4	10,210	-	-	-	10,210	8,158
Charitable events	5	1,454	-	-	-	1,454	371
Investments		201	274	434	71,586	72,495	69,743
Total income		40,840	274	952	88,586	130,652	106,091
Expenditure							
Grants for the benefit of St Albans Cathedral towards music	6	25,000	1,300	-	71,586	97,886	104,678
Cost of fundraising events	4	1,774	-	-	-	1,774	2,711
Cost of charitable events	5	4,511	-	-	-	4,511	14,981
Maintenance of Hurford Organ		123	-	-	-	123	-
Publicity, printing and postage		1,271	-	-	-	1,271	1,247
Sundry expenditure		209	-	-	-	209	-
Audit fee		2,520	-	-	-	2,520	2,460
Total expenditure		35,408	1,300	-	71,586	108,294	126,077
Net income/(expenditure) before gains/(losses) on investments		5,432	(1,026)	952	17,000	22,358	(19,986)
Net gains/(losses) on investments	7	-	19,493	10,794	263,529	293,816	96,866
Net income/(expenditure) and net movement in funds		5,432	18,467	11,746	280,529	316,174	76,880
Reconciliation of funds							
Total funds brought forward		37,985	160,000	126,803	2,170,229	2,495,017	2,418,137
Total funds carried forward		43,417	178,467	138,549	2,450,758	2,811,191	2,495,017

All amounts above relate to continuing operations and the Trust has no other recognised gains or losses.

**ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2018-19**

BALANCE SHEET AS AT 30 NOVEMBER 2019

	Note	Total 2019 £	Total 2018 £
Fixed assets			
Investments	7	2,632,444	2,369,628
Current assets			
Debtors	8	9,413	80
Short term cash deposit investments		161,308	118,058
Cash at bank		9,146	8,485
		<u>179,867</u>	<u>126,623</u>
Current liabilities			
Creditors	9	(1,120)	(1,234)
Net current assets		<u>178,747</u>	<u>125,389</u>
Net assets		<u><u>2,811,191</u></u>	<u><u>2,495,017</u></u>
 The charity's funds			
Endowment funds	10	2,450,758	2,170,229
Restricted funds	11	138,549	126,803
Designated funds	12	178,467	160,000
Unrestricted funds		43,417	37,985
		<u></u>	<u></u>
Total funds	13	<u><u>2,811,191</u></u>	<u><u>2,495,017</u></u>

The financial statements on pages 12 to 23 were approved by the Trust's board of trustees on 10 March 2020 and signed on its behalf by



Christopher Muhley
Trustee

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historic cost convention, with items recognised at cost or transaction value, apart from investments which are held at market value. The financial statements have been prepared in accordance with (1) the second edition of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019; (2) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in March 2018; (3) other applicable United Kingdom Generally Accepted Accounting Practice as it applies from 1 January 2015; and (4) the Charities Act 2011.

The financial statements have been prepared to give a true and fair view and have departed from the extant Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities: Statement of Recommended Practice for charities preparing their financial statements in accordance with FRS 102, rather than following the since withdrawn Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) as referenced in the regulations.

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in £ sterling, which is the functional currency. Monetary amounts in the financial statements are rounded to the nearest £.

The board of trustees consider that there are no material uncertainties related to events or conditions about the Trust's ability to continue as a going concern. The board is of the opinion that the Trust has sufficient ongoing income and cashflow to meet its liabilities as they fall due. The board has made its going concern assessment in respect of a period of at least one year from the date of approval of these financial statements.

Income

Income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability. If the use of income has been restricted, it is used for the specific purpose in the year or credited to an appropriate fund until it can be spent for the restricted purpose.

Income is received by way of donations from patrons, fundraising events, appeals, legacies, endowments and other general donations. Pledged donations are not recognised until they are received as too much uncertainty over their receipt remains. Gift Aid on donations is recognised when a claim is submitted to HMRC. Any Gift Aid recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Legacies are accounted for on a receivable basis when they meet the income recognition criteria set out above. Typically this will only be after grant of probate, the executors have established there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met. Where legacies have been notified to the Trust and the criteria for income recognition have not been met, details of the legacy are disclosed if material in the notes to the financial statements.

Investment income is recognised in the period in which it is received. Although strictly this departs from the income recognition criteria set out above, any differences year on year between amounts recognised on a received basis versus a receivable basis are deemed immaterial.

No amounts are included in the financial statements to reflect the value of services provided free of charge to the Trust by its many volunteers.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Taxation

The charity is entitled to certain tax exemptions on income and profits from investments, and on any surpluses from trading activities carried out in furtherance of the Trust's primary objectives, providing any income, profits and surpluses are applied solely for charitable purposes. Irrecoverable VAT is charged to the appropriate expenditure heading.

Investments

Listed investments are stated at market value as fair value at the balance sheet date. Realised and unrealised gains and losses relating to the movement in valuation or sale of listed investments are shown in the Statement of Financial Activities in the year in which they arise. Investments held on cash deposit are stated at face value at the balance sheet date. The carrying values of all investments are reviewed annually to establish if there has been any material impairment in their value.

Financial instruments

The Trust holds only basic financial instruments. The Trust's financial instruments, represented by its financial assets and financial liabilities, and their measurement bases, are as follows. The only class of financial instrument measured at fair value as opposed to amortised cost or cost less impairment is listed investments within fixed asset investments, the carrying amount of which is provided in note 7.

Financial assets:

Listed investments within fixed asset investments are held at fair value as set out above.

Amounts due from connected entities and accrued income within debtors are debt instruments measured at amortised cost and are held at their settlement amount less any provision for non-recoverability. Prepayments within debtors are not deemed to be financial assets as the cash settlement has already taken place.

Short term cash deposit investments are held at face value.

Cash at bank is held at face value.

Financial liabilities:

Amounts due to connected entities and accruals within creditors are debt instruments measured at amortised cost and are held at their anticipated settlement amount. Deferred income within creditors is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver charitable services rather than cash or another financial instrument.

Funds

Funds provide the financial resources for the Trust's activities. The Trust's funds are divided between unrestricted funds and restricted funds. Unrestricted funds are expendable at the discretion of trustees in furtherance of the Trust's objectives. Trustees also have the discretion to set aside unrestricted funds for designated purposes. Restricted funds can only be applied in furtherance of some particular aspect as defined by the donor at the point of donation or at the point of fund establishment. These conditions, or trusts, are binding on the trustees. The restriction can be explicitly declared by the donor, implied with their authority (e.g. in a public appeal), or established by the Trust Deed or other legal process. Much of the Trust's restricted income is held in the form of endowment, in line with the Trust's retention of such income as capital in order to generate investment income. The Trust's endowment is expendable, meaning the board of trustees can at some point in the future determine it is in the best interests of the Trust to spend or apply the endowment capital. The board of trustees has no current plans to do so.

Significant areas of judgement in the application of accounting policies

In preparing the financial statements, the board of trustees may have to make a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenditure in the application of the Trust's accounting policies set out above. The board does so on a continuous evaluation basis using historical experience and prudent evaluation of future events that are believed to be reasonable under the circumstances. In doing so the resulting accounting estimates will, by definition, seldom equal the related actual results. In the course of preparing the financial statements, no judgements have been made in the process of applying the Trust's accounting policies, other than those involving estimates about the future (which are dealt with separately below), that have had a significant effect on the recognition and measurement of assets, liabilities, income and expenditure in the financial statements.

Reporting uncertainty in the next reporting period from judgements involving estimates about the future

With respect to the Trust's next reporting period, the year ending 30 November 2020, the most significant areas of uncertainty from judgements involving estimates about the future that may affect the carrying value of assets and liabilities held by the Trust as at 30 November 2019 are as follows.

Legacy income:

In applying the Trust's accounting policies to legacy income, the board of trustees uses the income recognition criteria set out above to determine when it is appropriate to recognise legacy income in the financial statements. This can involve applying judgement over the probability of the income being received and its ability to be measured with sufficient reliability and, once recognised, estimation of the monetary value of the income. As at 30 November 2019 £8,000 (2018: £nil) of legacy income has been recognised in the financial statements that has not yet been physically received.

Listed investments:

Although not impacted by judgement involving estimates about the future as the fair value of listed investments can be accurately obtained at any one point in time, the following disclosure is provided due to the relative significance of the Trust's listed investments to overall net assets. The actual fair value of the Trust's listed investments at any one time is affected by market-driven changes and the performance of uncertain investment markets outside of the Trust's direct control. Fair values at the reporting date may therefore vary from those in the future. As at 30 November 2019 the value of the Trust's listed investments amounted to £2,632,444 (2018: £2,369,628) (see note 7).

2. Staff costs and key management personnel

The Trust does not have any employees. The trustees consider the board of trustees as comprising the Trust's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. No remuneration, other benefits or expenses is paid to any of the trustees.

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3. Donations

	2019	2018
	£	£
Unrestricted funds		
General donations	14,256	13,778
Donations in memory of Peter Hurford	3,981	-
Gift Aid	<u>2,738</u>	<u>2,352</u>
	<u>20,975</u>	<u>16,130</u>
Restricted funds		
Organ Appeal	455	590
Gift Aid	<u>63</u>	<u>50</u>
	<u>518</u>	<u>640</u>
Endowment funds		
Endow a Day's Music	12,035	8,000
The Burton (Ford) Choristership	-	668
Gift Aid	<u>4,965</u>	<u>1,976</u>
	<u>17,000</u>	<u>10,644</u>
Total donations	<u>38,493</u>	<u>27,414</u>

4. Fundraising events income and expenditure

	Income	Expenditure	Surplus/ (deficit)
	£	£	£
2019			
Advent Procession and Dinner	4,093	1,376	2,717
Guitar Recitals	469	-	469
Sponsored Cycle Ride	4,622	200	4,422
Piano Recital	1,026	198	828
	<u>10,210</u>	<u>1,774</u>	<u>8,436</u>
2018 comparatives			
Advent Procession and Dinner	4,262	1,481	2,781
Guitar Recital	216	-	216
Cape Crusaders Jazz Concert	3,680	1,230	2,450
	<u>8,158</u>	<u>2,711</u>	<u>5,447</u>

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5. Charitable events income and expenditure

	Income £	Expenditure £	Surplus/ (deficit) £
2019			
Outreach Concert	-	3,585	(3,585)
Young Musicians Competition	1,454	820	634
Patrons Evensong	-	106	(106)
	<u>1,454</u>	<u>4,511</u>	<u>(3,057)</u>
2018 comparatives			
Outreach Concert	-	3,389	(3,389)
Young Musicians Competition	371	1,030	(659)
Cathedral Choirs Concert	-	10,506	(10,506)
Patrons Evensong	-	56	(56)
	<u>371</u>	<u>14,981</u>	<u>14,610</u>

6. Grants for the benefit of St Albans Cathedral towards music

	2019 £	2018 £
Unrestricted funds		
Cathedral music	6,000	6,000
Cathedral development team	4,000	4,000
Cathedral Choir tour	5,000	-
Cathedral Girls Choir tour	-	3,000
Cathedral Girls Choir recording	5,000	-
Cathedral choir chaperone	<u>5,000</u>	<u>5,000</u>
	<u>25,000</u>	<u>18,000</u>
Designated funds		
New rehearsal organ for Cathedral Song School	<u>1,300</u>	<u>17,500</u>
Endowment funds		
Endow a Day's Music	15,976	14,953
Choristerships and Scholarships	<u>55,610</u>	<u>54,225</u>
	<u>71,586</u>	<u>69,178</u>
Total grants	<u>97,886</u>	<u>104,678</u>

As at 30 November 2019, the Trust had committed £15,000 from its unrestricted funds, up to £50,000 from its designated funds, and the investment income that will be earned on its endowment funds, as grants to be paid during the year to 30 November 2020 for the benefit of St Albans Cathedral towards music.

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7. Investments

	2019 £	2018 £
Valuation at 1 December	2,369,628	2,262,116
Additions	17,000	10,646
Withdrawals	(48,000)	-
Net gain on revaluation	293,816	96,866
Valuation at 30 November	<u>2,632,444</u>	<u>2,369,628</u>

The Trust's investments are held in a pooled common investment fund with CCLA Investment Management in their CBF Investment Fund. The fund's portfolio comprises an actively managed, diversified portfolio of assets, investing mainly in equities but also including property, bonds and other asset classes. The historic cost of the investments held at 30 November 2019 is £1,509,766 (2018: £1,540,766).

8. Debtors

	2019 £	2018 £
All due within one year		
Prepayments and accrued income	9,413	80
	<u>9,413</u>	<u>80</u>

9. Creditors

	2019 £	2018 £
All due within one year		
Accruals and deferred income	1,120	1,234
	<u>1,120</u>	<u>1,234</u>

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10. Endowment funds

	Balance	Movement in resources			Reval'n	Balance
	1 Dec 2018	Incoming	Outgoing	Transfer		30 Nov 2019
	£	£	£	£	£	£
The Endow a Day's Music Fund	476,235	32,976	(15,976)	-	59,106	552,341
The Bassett Legacy Fund	35,129	1,153	(1,153)	-	4,239	39,368
The Ouseley Trust Fund	71,500	2,347	(2,347)	-	8,629	80,129
The Laing Choristership	34,463	1,131	(1,131)	-	4,159	38,622
The Alban 2000 Fund	77,590	2,547	(2,547)	-	9,360	86,950
The Steel Trust Scholarship	40,407	1,326	(1,326)	-	4,876	45,283
The Pilling Trust Choristership	49,819	1,635	(1,635)	-	6,012	55,831
The Fraternity of Friends Fund	49,380	1,621	(1,621)	-	5,959	55,339
The Friends of Cathedral Music Fund	49,200	1,615	(1,615)	-	5,937	55,137
The Wixamtree Trust Fund	47,466	1,558	(1,558)	-	5,728	53,194
The Kirby Laing Foundation Fund	47,466	1,558	(1,558)	-	5,728	53,194
The Parnell Scholarship	46,358	1,522	(1,522)	-	5,595	51,953
The Pallant Trust Scholarship	47,754	1,568	(1,568)	-	5,763	53,517
The Leathersellers Scholarship	43,833	1,439	(1,439)	-	5,290	49,123
The Fraternity of Friends (Hunt) Fund	42,796	1,405	(1,405)	-	5,164	47,960
The Steel Trust (No 2) Scholarship	39,188	1,287	(1,287)	-	4,728	43,916
The (John) Stocker Choristership	39,689	1,303	(1,303)	-	4,790	44,479
The Elles Carver Choristership	41,587	1,365	(1,365)	-	5,018	46,605
The Berryman Fund (Bowland Trust)	36,881	1,211	(1,211)	-	4,451	41,332
The Guy Whalley Choristership	39,035	1,281	(1,281)	-	4,711	43,746
The Atkinson Scholarship	43,887	1,441	(1,441)	-	5,296	49,183
The Hurford Scholarship	48,756	1,601	(1,601)	-	5,884	54,640
The Wixamtree Trust (No 2) Fund	34,281	1,125	(1,125)	-	4,137	38,418
The Blossom Choristership	34,437	1,130	(1,130)	-	4,156	38,593
The Andrews Choristership	48,993	1,608	(1,608)	-	5,912	54,905
The Foxton Choristership	55,661	1,827	(1,827)	-	6,717	62,378
The Rosecroft Lay Clerkship	95,536	3,136	(3,136)	-	11,530	107,066
The Fraternity of Friends (No 2) Fund	49,456	1,624	(1,624)	-	5,968	55,424
The Griffiths Choristership	39,212	1,288	(1,288)	-	4,732	43,944
The Filkin Choristership	39,212	1,288	(1,288)	-	4,732	43,944
The St Ronan Choristership	40,257	1,322	(1,322)	-	4,858	45,115
The Freeman Choristership	39,411	1,294	(1,294)	-	4,756	44,167
The Mainstone Choristership	29,862	980	(980)	-	3,603	33,465
The Fayrfax Scholarship	72,933	2,394	(2,394)	-	8,801	81,734
The Oram Scholarship	33,797	1,110	(1,110)	-	4,079	37,876
The Salisbury Choristership	40,922	1,343	(1,343)	-	4,938	45,860
The Burton (Ford) Choristership	8,962	294	(294)	-	1,082	10,044
The Lois Scott Choristership	30,727	1,009	(1,009)	-	3,708	34,435
The Parkinson Choristership	28,151	924	(924)	-	3,397	31,548
	2,170,229	88,586	(71,586)	-	263,529	2,450,758

The Endow a Day's Music Fund supports the total cost of daily music at the Cathedral. Donors to the fund select a date on which their gift is recognised.

All other Endowment Funds are used for the purposes of sustaining the financial costs of a chorister or lay clerk within the Cathedral. Donors are associated in perpetuity with a particular chorister's or lay clerk's place in the choirs.

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11. Restricted funds

	Balance 1 Dec 2018 £	Movement in resources			Reval'n £	Balance 30 Nov 2019 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	126,803	952	-	-	10,794	138,549
	<u>126,803</u>	<u>952</u>	<u>-</u>	<u>-</u>	<u>10,794</u>	<u>138,549</u>

The Organ Appeal Fund has been established to fund the restoration and enhancement of the Cathedral's renowned Harrison & Harrison organ.

12. Designated funds

	Balance 1 Dec 2018 £	Movement in resources			Reval'n £	Balance 30 Nov 2019 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	96,377	205	(1,300)	-	10,794	106,076
Salisbury Legacy Fund	63,623	69	-	-	8,699	72,391
	<u>160,000</u>	<u>274</u>	<u>(1,300)</u>	<u>-</u>	<u>19,493</u>	<u>178,467</u>

The Lyne Legacy Fund is currently set aside to support the Cathedral's organs. £1,300 was used in the year to fund the residual costs associated with the purchase of a new rehearsal organ for the Cathedral's Song School.

The Salisbury Legacy Fund was used to fund new pianos for the Cathedral in 2016. A further £50,000 has been set aside in this fund to help fund improved facilities for the Cathedral's Song School, including new music desks, a modification to the new rehearsal organ and the purchase of a new rehearsal piano. The remainder of the fund is currently set aside to support any associated costs of this work or other similar activity.

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13. Analysis of net assets between funds

2019	Unrestricted Funds 2019 £	Designated Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total 2019 £
Investments	-	101,994	79,692	2,450,758	2,632,444
Debtors	9,413	-	-	-	9,413
Short term cash deposit investments	24,995	77,773	58,540	-	161,308
Cash at bank	10,129	(1,300)	317	-	9,146
Creditors	(1,120)	-	-	-	(1,120)
Total net assets	43,417	178,467	138,549	2,450,758	2,811,191

2018 comparatives	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £
Investments	-	130,501	68,898	2,170,229	2,369,628
Debtors	80	-	-	-	80
Short term cash deposit investments	30,793	29,499	57,766	-	118,058
Cash at bank	8,346	-	139	-	8,485
Creditors	(1,234)	-	-	-	(1,234)
Total net assets	37,985	160,000	126,803	2,170,229	2,495,017

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14. Analysis of prior year comparative statement of financial activities between funds

	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £
Income and endowments					
Donations	16,130	-	640	10,644	27,414
Legacies	405	-	-	-	405
Fundraising events	8,158	-	-	-	8,158
Charitable events	371	-	-	-	371
Investments	154	183	228	69,178	69,743
Total income	25,218	183	868	79,822	106,091
Expenditure					
Grants for the benefit of St Albans Cathedral towards music	18,000	17,500	-	69,178	104,678
Cost of fundraising events	2,711	-	-	-	2,711
Cost of charitable events	14,981	-	-	-	14,981
Publicity, printing and postage	1,247	-	-	-	1,247
Audit fee	2,460	-	-	-	2,460
Total expenditure	39,399	17,500	-	69,178	126,077
Net income/(expenditure) before gains/(losses) on investments	(14,181)	(17,317)	868	10,644	(19,986)
Net gains/(losses) on investments	-	9,054	4,780	83,032	96,866
Net income/(expenditure) and net movement in funds	(14,181)	(8,263)	5,648	93,676	76,880
Reconciliation of funds					
Total funds brought forward	52,166	168,263	121,155	2,076,553	2,418,137
Total funds carried forward	37,985	160,000	126,803	2,170,229	2,495,017

15. Transactions with related parties and connected entities

There have been no transactions between the Trust and related parties during the reporting period (2018: nil). Although St Albans Cathedral does not meet the definition of a related party to the Trust, the following information is provided due to the connected relationship of the two entities. The Trust made grants for the benefit of the Cathedral towards music of £97,886 (2018: £104,678) in the year. The net balance owed to/by the Trust at the end of the year is £nil (2018: owed to/by the Trust £nil).