

**REGISTERED CHARITY NUMBER: 207096**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2019  
FOR  
THE FRIENDS OF EXETER CATHEDRAL**

Bush & Co Limited  
Statutory Auditors  
2 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT

**THE FRIENDS OF EXETER CATHEDRAL**  
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**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**THE FRIENDS OF EXETER CATHEDRAL**

**REFERENCE AND ADMINISTRATIVE INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Registered Charity No. 207096**

<b>Patron</b>	HRH The Prince of Wales KG KT PC GCB	
<b>President</b>	The Bishop of Exeter	
<b>Vice Presidents</b>	Her Majesty's Lord-Lieutenant for Devon The Chairman of Devon County Council The Right Worshipful the Mayor of Exeter The Right Worshipful the Mayor of Plymouth	
<b>Office and Registered Address</b>	The Friends Office, The West Wing, The Palace, Exeter, EX1 1HY	
<b>Honorary Treasurer</b>	Peter Balsom	
<b>Secretary</b>	Peter J Privett	
<b>Auditors</b>	Bush & Co Limited, Chartered Accountants 2 Barnfield Crescent, Exeter, EX1 1QT	
<b>Bankers</b>	National Westminster Bank PLC Exeter Bank Branch, High St, Exeter, EX4 3DP	
<b>Investment Advisors</b>	CCLA Investment Management Ltd 85 Queen Victoria St, London, EC2V 6DZ  Charles Stanley & Co Ltd Broadwalk House, Southernhay West, Exeter, EX1 1TS	
<b>The Council</b>	The Very Revd Jonathan Greener Mr Peter Balsom Mr Chris Paterson Mr Joe Roderick Mrs Anne Foreman The Rev Canon Ian Morter Mr Peter Owen-Pawson Mrs Diana Symes Mrs Fiona Thompson Mrs Diane Walker Mr Jonathan Walker Dr Reuben Ayres	Dean Treasurer Chairman Deputy Chairman     [to 29.06.19]

**THE FRIENDS OF EXETER CATHEDRAL**  
**ANNUAL REPORT OF THE COUNCIL**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The members of the Council, who for the purposes of this report are the trustees, present their report with the financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and Activities**

The object of The Friends of Exeter Cathedral (The Friends) is to co-operate with the Dean and Chapter, principally through financial support, in furthering the religious and other charitable work of the Cathedral Church of St Peter in Exeter by:

- Arousing and maintaining public interest in the Cathedral including the encouragement of the interest and participation of young people.
- Assisting and supporting the Dean and Chapter in maintaining, improving and adding to the fabric, furniture, ornaments, services and music of the Cathedral and in maintaining, adding to, and improving the precincts thereof (excluding the houses of residence) and in the publication of literature having reference to the Cathedral.
- Establishing and maintaining scholarships for those seeking to enter the Cathedral School at Exeter as choristers.
- Maintaining and adding to the books and archives of the Cathedral Library.
- Publishing literature furthering the objects of The Friends, including an annual report.
- Such other means as the Council from time to time thinks fit.

There have been no policy changes during the year.

### **Public benefit**

As shown elsewhere in this report, the whole of our annual income, after allowing for small amounts of administration expenditure, is available for the benefit of the Dean and Chapter of Exeter Cathedral, which has stood for over a thousand years, and since the Reformation has been a pillar of the Church of England. Being one of the major donors to the Cathedral and its mission, the Friends help maintain the fabric, support its music and library and its educational and spiritual aims. The Council members have had due regard to the Charity Commission's guidance on public benefit.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities**

Full details of the grants in aid to the Dean and Chapter appear in the Financial Statements. The Council of The Friends look to be able to continue the support as in the past.

## **FINANCIAL REVIEW**

### **Financial position**

Total incoming resources increased by £720,503 to £1,186,678 including sums received for the Endowment Fabric Fund [see note 16]. The Trustees are able to report that dividends and interest received are accounted for on a receivable basis as per Note 1 on page 11, some sums are held on deposit pending being drawn by the Dean and Chapter. Total resources expended increased by £15,765 to £343,400 as sums paid to the Dean and Chapter increased by £7,148 to £290,029 again a high level, in addition there were one off costs relating to legal expenses and fundraising costs, the net effect being that net incoming resources before other recognised gains or losses increased by £704,738 to a surplus of £843,278. There was an increase in the valuation of investments of £1,040,973. Accordingly, the increase in funds held was £1,884,251.

**THE FRIENDS OF EXETER CATHEDRAL**  
**ANNUAL REPORT OF THE COUNCIL**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**FINANCIAL REVIEW**

**Investment policy and objectives**

The investment policy is to maintain a balanced portfolio of investments, and aiming to adopt the Ethical Investment policies of the Church of England, so as to enjoy the optimum income compatible with sustaining, in real terms, the capital value of the portfolio.

**Reserves policy**

Under the constitution all the resources may be applied towards the charity objectives. It is the policy of the Council, however, to recognise that the charity has prospective obligations in perpetuity and accordingly, subject to any overriding direction from the donor, to invest the endowment funds to secure the optimum income compatible with maintaining, in real terms, the capital value of the portfolio. With the current level (May 2020) of bank base rate of 0.1% pa, income on cash balances remains at a very low historical level. Therefore, such cash balances have been kept to a minimum level consistent with the anticipated demands for draw down of grants. The balance of funds not required are invested in a selection of managed funds (mainly equities and property) operated by CCLA Investment Management Limited and a segregated fund of equities managed by Charles Stanley & Co Limited. The charity's unrestricted free reserves at the year end were £5,860,481.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The Charity was founded in 1929 by the Charity Commissioners' Scheme and is currently governed by a revised Constitution approved by the Charity Commissioners and dated 29 June 1992. The constitution was amended at the Annual General Meeting on 25 June 1999 and again at the Annual General Meeting on 29 June 2000 each of the amendments being subsequently approved by the Charity Commissioners. Amendments made at the Annual General Meeting on 28 June 2013 did not require Charity Commission approval.

**Organisational structure**

The affairs of The Friends are managed by a Council consisting of not less than eight and not more than twelve members elected at Annual General Meetings in accordance with the Constitution, and up to five members who may be co-opted by the Council itself. The Council has power to appoint sub-committees. No remuneration is paid to any member of Council.

The following documents are provided to assist new members in their new role:

- a) A copy of the Charity Commission's Guidance "The Essential Trustee; what you need to know".
- b) A copy of the last financial statements.
- c) A copy of the Charity's Constitution.
- d) A copy of the last minutes.

**Risk management**

The Council considers that the principal risk to which the charity is exposed is loss of capital due to fluctuations in the markets which could lead to a sudden drop in income. To counter this risk a cash reserve is maintained at least equal to the amount currently committed to the Dean and Chapter for the following twelve months so that commitments made are certain to be honoured. The Council employs professional fund managers to help mitigate the consequences of market fluctuations.

**THE FRIENDS OF EXETER CATHEDRAL  
ANNUAL REPORT OF THE COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**THE MEMBERS OF THE COUNCIL'S RESPONSIBILITIES**

The members of the Council are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the members of the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The members of the Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council of The Friends of Exeter Cathedral on 19 MAY 2020 and signed on its behalf by:



.....  
Chris Paterson - Chairman



.....  
P Privett – Honorary Secretary

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FRIENDS OF EXETER CATHEDRAL**

### **Opinion**

We have audited the financial statements of The Friends of Exeter Cathedral (the "Charity") for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet the Statement of Cash Flows 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 FRC'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.

### **Use of our report**

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about 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 trustees are responsible for the other information. The other information comprises the information included in the 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
THE FRIENDS OF EXETER CATHEDRAL**

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**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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 if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 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.

**Our responsibilities for the audit of the financial statements**

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 ISAs (UK) 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 decisions 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.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Bush & Co Limited  
Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
2 Barnfield Crescent  
Exeter Devon  
EX1 1QT

*Bush & Co*  
Date: 19 MAY 2020



**THE FRIENDS OF EXETER CATHEDRAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	(11,071)	100	951,183	940,212	224,369
Other trading activities	3	9,475	-	-	9,475	11,512
Investment income	4	<u>181,104</u>	<u>15,658</u>	<u>40,229</u>	<u>236,991</u>	<u>230,294</u>
<b>Total</b>		179,508	15,758	991,412	1,186,678	466,175
<b>EXPENDITURE ON</b>						
Raising funds		37,312	-	11,459	48,771	39,614
<b>Charitable activities</b>						
Grants and donations		<u>197,190</u>	<u>63,439</u>	<u>34,000</u>	<u>294,629</u>	<u>288,021</u>
<b>Total</b>	5	234,502	63,439	45,459	343,400	327,635
Net gains/(losses) on investments		<u>836,636</u>	<u>69,531</u>	<u>134,806</u>	<u>1,040,973</u>	<u>(159,256)</u>
<b>NET INCOME / (EXPENDITURE)</b>		781,642	21,850	1,080,759	1,884,251	(20,716)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		5,079,353	510,165	887,793	6,477,311	6,498,027
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>5,860,995</u></u>	<u><u>532,015</u></u>	<u><u>1,968,552</u></u>	<u><u>8,361,562</u></u>	<u><u>6,477,311</u></u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

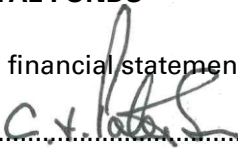
The notes form part of these financial statements

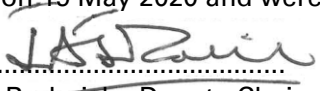
**THE FRIENDS OF EXETER CATHEDRAL**

**BALANCE SHEET  
AT 31 DECEMBER 2019**

	<b>Notes</b>	<b>Unrestricted fund £</b>	<b>Restricted funds £</b>	<b>Endowment fund £</b>	<b>2019 Total funds £</b>	<b>2018 Total funds £</b>
<b>FIXED ASSETS</b>						
Tangible assets	<b>10</b>	514	-	-	514	91
Investments	<b>11</b>	<u>5,823,021</u>	<u>520,826</u>	<u>1,845,481</u>	<u>8,189,328</u>	<u>6,287,904</u>
		5,823,535	520,826	1,845,481	8,189,842	6,287,995
<b>CURRENT ASSETS</b>						
Stocks	<b>12</b>	974	-	-	974	1,467
Debtors	<b>13</b>	7,647	-	-	7,647	94,502
Investments	<b>14</b>	-	35,000	-	35,000	75,000
Cash at bank and in hand		<u>110,229</u>	<u>12,276</u>	<u>129,753</u>	<u>252,258</u>	<u>155,024</u>
		118,850	47,276	129,753	295,879	325,993
<b>CREDITORS</b>						
Amounts falling due within one year	<b>15</b>	<u>(81,390)</u>	<u>(36,087)</u>	<u>(6,682)</u>	<u>(124,159)</u>	<u>(136,677)</u>
<b>NET CURRENT ASSETS</b>		<u>37,460</u>	<u>11,189</u>	<u>123,071</u>	<u>171,720</u>	<u>189,316</u>
<b>NET ASSETS</b>		<u><u>5,860,995</u></u>	<u><u>532,015</u></u>	<u><u>1,968,552</u></u>	<u><u>8,361,562</u></u>	<u><u>6,477,311</u></u>
<b>FUNDS</b>						
Unrestricted funds:						
General fund					5,860,995	5,079,353
Restricted funds: <b>16</b>						
Music Fund					250,478	216,245
Choral Music Fund					164,948	140,024
Norman England Fund					<u>116,589</u>	<u>153,896</u>
					532,015	510,165
Endowment funds: <b>16</b>						
Endowment fabric fund					<u>1,968,552</u>	<u>887,793</u>
<b>TOTAL FUNDS</b>					<u><u>8,361,562</u></u>	<u><u>6,477,311</u></u>

The financial statements were approved by the Council on 19 May 2020 and were signed on its behalf by:

  
.....  
Chris Paterson- Chairman

  
.....  
Joe Roderick - Deputy Chairman

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	1	681,410	(160,320)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investment		236,991	230,294
Purchase of equipment		(716)	-
Proceeds from sale of investments		369,922	-
Purchase of investments		<u>(1,190,373)</u>	<u>(92,550)</u>
<b>Net cash provided/(used in) by investing activities</b>		(584,176)	137,744
<b>Change in cash and cash equivalents in the reporting period</b>		97,234	(22,576)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>155,024</u>	<u>177,600</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u>252,258</u>	<u>155,024</u>

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**  
**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	1,884,251	(20,716)
<b>Adjustments for:</b>		
Depreciation charges	293	54
Gains on investments	(1,040,973)	157,727
Dividends, interest and rents from investment	(236,991)	(230,294)
(Increase)/decrease in stocks	493	211
(Increase)/decrease in debtors	86,855	(86,223)
Increase/(decrease) in creditors	<u>(12,518)</u>	<u>18,921</u>
<b>Net cash provided by operating activities</b>	<u>681,410</u>	<u>(160,320)</u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	11,848	13,742
Notice deposits (less than 3 months)	<u>240,410</u>	<u>141,282</u>
<b>Total cash and cash equivalents</b>	<u>252,258</u>	<u>155,024</u>

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis as there are no material uncertainties about the charity's ability to continue operating.

**Income**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and membership fees and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for as income once the representatives of the estate have advised the amount receivable whether received as a pecuniary or residuary bequest or subject to a life tenancy. Assets received by way of legacies are included as legacy income at market value on the date of transfer.
- Incoming resources from charitable trading activity are accounted for when earned.
- Investment income is included when receivable.

**Expenditure**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for beneficiaries. Grants and donations are awarded on approval by the Charity's Council in accordance with the objects of the charity. The grants are charged to the accounts for the period in which they are approved for payment.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate basis.

The notes form part of these financial statements

## THE FRIENDS OF EXETER CATHEDRAL

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Fixed assets are stated at cost. Additions under £150 are not capitalised.

Depreciation is provided so as to write off the cost of tangible assets on a reducing balance basis over their estimated useful lives at the following annual rates.

Office equipment	- 37%
Computers	- 33%

##### **Investments**

Investments are stated at market value at the balance sheet date which gives rise to unrealised gains and losses which are included in the statement of financial activities. Realised gains and losses arising on disposal of investments are separately identified in the Statement of Financial Activities.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

##### **Debtors**

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

##### **Current asset investments**

Current asset investments includes short term highly liquid investments with a maturity greater than three months but less than one year from the date of opening of the deposit.

##### **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of opening of the deposit.

##### **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

##### **Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

##### **Taxation**

As a charity, The Friends of Exeter Cathedral is not liable to taxation on its investment income, or on any surplus arising from its activities, and so no taxation provision is required in the financial statements.

##### **Fund accounting**

The charity's unrestricted funds consist of general funds which the charity can use for its own purposes. The Charity's endowment "fabric" fund consists of amounts to be used specifically for the maintenance of the fabric of the cathedral. The Charity's restricted funds consist of amounts to be used for choral music of cathedral, other musical purposes in the cathedral, and for maintaining the fabric of the cathedral.

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. DONATIONS AND LEGACIES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Donations	956,722	16,900
Legacies	(49,694)	174,768
Membership subscriptions	<u>33,184</u>	<u>32,701</u>
	<u>940,212</u>	<u>224,369</u>

In 2019 of the donations and legacies £100 was restricted (2018: £10,000) and £ 951,183 was endowment income (2018: £Nil).

**Legacies advised and receivable:**

		<b>£</b>
John Kennedy Anderson		(1,000)
Christine Mary Edwards		2,000
Joyce Rosemary Colman		1,806
Doris Ethel Wilson		(52,500)
		<u>(49,694)</u>

All of the legacies relate to Unrestricted Funds. The negative figures arise due to over estimates being made in 2018. Subsequent events have meant that sums likely to be received are reduced due to third party claims and legal costs.

**3. OTHER TRADING ACTIVITIES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Charitable trading income	1,712	1,903
Festival income	310	437
Friends Gatherings income	<u>7,453</u>	<u>9,172</u>
	<u>9,475</u>	<u>11,512</u>

In 2019 of the other trading activities all £9,475 was unrestricted income (2018: 11,512).

**4. INVESTMENT INCOME**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Investment income from quoted investments	233,219	227,221
Deposit account interest	<u>3,772</u>	<u>3,073</u>
	<u>236,991</u>	<u>230,294</u>

In 2019 of the investment income £15,658 was restricted (2018: £14,899) and £40,229 was endowment income (2018: £40,347).

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. TOTAL RESOURCES EXPENDED**

	<b>Basis of Allocation</b>	<b>Charitable Activities Grants &amp; Donations £</b>	<b>Other Fundraising £</b>	<b>2019 Total £</b>	<b>2018 Total £</b>
Grants (Note 7)	Direct	290,029	-	290,029	282,881
Cost of sales (Note 6)	Direct	-	1,088	1,088	1,077
Festival costs	Direct	-	378	378	660
Friends Gathering costs	Direct	-	4,457	4,457	4,635
Postage	Usage	-	352	352	440
Stationery and telephone	Usage	-	572	572	542
Wages	Staff time	1,540	13,857	15,397	14,167
Investments management charge	Direct	-	11,459	11,459	12,633
Depreciation	Usage	-	293	293	54
90 <sup>th</sup> Anniversary Costs	Direct	-	3,276	3,276	-
Repairs and renewals	Usage	-	-	-	69
Sundry expenses	Direct	-	1,171	1,171	734
Annual report	Usage	-	3,660	3,660	3,951
Newsletter	Usage	-	2,826	2,826	2,816
Audit fees	Direct	3,060	-	3,060	2,976
Legal Fees	Direct	-	5,382	5,382	-
		294,629	48,771	343,400	327,635
		294,629	48,771	343,400	327,635

In 2019 of the total expenditure £63,439 was expenditure from restricted funds (2018: £53,931) and £45,459 was expenditure from endowment funds (2018: £43,231).

**6. CHARITABLE TRADING**

	<b>2019 £</b>	<b>2018 £</b>
<b>Sales</b>		
Christmas cards	1,442	1,703
Ties	270	200
	1,712	1,903
<b>Cost of Sales</b>		
Christmas cards	(960)	(953)
Ties	(128)	(124)
	(1,088)	(1,077)
Gross profit on trading activities	624	826

The notes form part of these financial statements



**HE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. CHARITABLE GRANS AND DONATIONS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grants to the Dean and Chapter for the benefit of the Cathedral	290,029	282,881
	<u>          </u>	<u>          </u>

The grants to Dean and Chapter for the benefit of the Cathedral are analysed as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Flower fund	1,500	1,500
Library & archive	5,000	5,000
Clock maintenance	200	200
Bells maintenance	250	250
East End Windows	12,000	-
Fire Alarm System	12,500	-
Hoist	12,000	-
Upgrade Fire Alarm Aspirators	-	51,612
Choral scholarships	15,000	15,000
Enviromental Monitoring	11,000	-
South Quire Materials	40,000	45,000
South Clerestory Quire Project (England Fund)	1,919	31,585
Asbestos removal	-	4,629
Education of stonemasons	3,500	3,500
Image Screen	2,500	-
Electrification of Bells	15,000	-
Photography Scala Book	3,000	-
Monument Repairs	3,000	-
North Porch	8,000	-
Stonemasons	121,226	107,259
Extraction of Salcombe Stone	14,000	10,000
Organ Maintenance	8,434	7,346
	<u>          </u>	<u>          </u>
	<u>290,029</u>	<u>282,881</u>

**8. COUNCIL OF MEMBERS REMUNERATION AND BENEFITS**

There were no remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018 for Council Members.

**Council members' expenses**

There were no Council members' expenses paid for the year ended 31 December 2019 nor for the year ended 31 December 2018.

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**9. STAFF COSTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<u>15,397</u>	<u>14,167</u>

The average monthly number of employees during the year was as follows:

	<b>2019</b>	<b>2018</b>
Administration	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

**10. TANGIBLE FIXED ASSETS**

	<b>Office equipment £</b>
<b>COST</b>	
At 1 January 2019	5,019
Additions	<u>716</u>
As at 31 December 2019	<u>5,735</u>
<b>DEPRECIATION</b>	
At 1 January 2019	4,928
Charge for year	<u>293</u>
At 31 December 2019	<u>5,221</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>514</u>
At 31 December 2018	<u>91</u>

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. FIXED ASSET INVESTMENTS**

**Analysis of change in investments during the year:**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Market value at 1 January 2019	6,287,904	6,353,081
Additions at cost	1,190,373	92,550
Disposals	(329,922)	-
Net Gain (Loss) on revaluation	1,040,973	(157,727)
	<hr/>	<hr/>
Market value at 31 December 2019	<u>8,189,328</u>	<u>6,287,904</u>
Cost at 31 December 2019	<u>5,023,528</u>	<u>4,163,076</u>
COIF Investment Fund Accumulation units	-	81,849
CBF Investment Fund	6,651,294	4,597,873
Church of England Property Fund	448,148	460,226
CBF Global Equity Income Fund	-	184,132
Charles Stanley Portfolio - listed	981,609	865,493
Charles Stanley Portfolio - cash	28,700	20,314
Cambridge & Counties Fixed Rate Bond	79,577	78,017
	<hr/>	<hr/>
	<u>8,189,328</u>	<u>6,287,904</u>

**12. STOCKS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Ties & Cards	<u>974</u>	<u>1,467</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income tax recoverable	3,641	6,770
Legacies receivable	4,000	87,718
Other debtors	<u>6</u>	<u>14</u>
	<hr/>	<hr/>
	<u>7,647</u>	<u>94,502</u>

**14. CURRENT ASSET INVESTMENTS**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash equivalents on deposit	<u>35,000</u>	<u>75,000</u>

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Grants outstanding to Dean and Chapter	112,384	127,653
Accrued expenses	<u>11,775</u>	<u>9,024</u>
	<u><u>124,159</u></u>	<u><u>136,677</u></u>

**16. MOVEMENT IN FUNDS**

**Endowment Fabric Fund**

	<b>At 1 Jan 2019</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Gains and Losses</b>	<b>At 31 Dec 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Endowment Fund	<u>887,793</u>	<u>991,412</u>	<u>45,459</u>	<u>134,806</u>	<u><u>1,968,552</u></u>

The fund is represented by:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
CBF Deposit Account	129,753	4,870
Charles Stanley Portfolio	1,010,309	885,807
Accrued expenses	(6,682)	(2,884)
CBF Church of England Investment Fund	<u>835,172</u>	<u>-</u>
	<u><u>1,968,552</u></u>	<u><u>887,793</u></u>

By Deed of Gift dated 7 November 1997, £10,000 was donated by Mr J F G Michelmore as a Permanent Endowment for the repair and maintenance of the Fabric of the Cathedral and the permanent fixtures therein.

Various donations and legacies have been given for the Fabric Fund over the years and further sums may be added with or without any provision for the accumulation of income.

In the Year to 31 December 2019 the Trustees of the Exeter Cathedral Preservation Trust used their Power of Advancement to transfer investments and funds to the value of £835,109 to the Friends of Exeter Cathedral with the proviso that it is held in the Fabric Endowment Fund.

Also, in the Year to 31 December 2019 there was a 90<sup>th</sup> Anniversary fundraising appeal which raised £116,074 which is held in the Fabric Endowment Fund.

The notes form part of these financial statements

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**16. MOVEMENT IN FUNDS - continued**

**Restricted Fund**

	At 1 Jan 2019	Incoming Resources	Resources Expended	Gains and Losses	At 31 Dec 2019
	£	£	£	£	£
Music Fund	216,245	7,969	(15,939)	42,203	250,478
Choral Music Fund	<u>140,024</u>	<u>5,096</u>	<u>(7,500)</u>	<u>27,328</u>	<u>164,948</u>
	<u>356,269</u>	<u>13,065</u>	<u>(23,439)</u>	<u>69,531</u>	<u>415,426</u>

Legacies of £112,754 were received in 2009 to be used on choral music in Exeter Cathedral, £230,675 in 2012 and £10,000 in 2018 to be used for the purposes of Music in Exeter Cathedral. A Legacy of £25,000 was received in 2016 for the maintenance of the Organ, of which £8,439 was granted in the year.

The fund is represented by:

	2019 £	2018 £
CBF Deposit Account	(23,592)	(1,272)
CBF Church of England Investment Fund	441,249	371,718
Sundry Creditors	(2,231)	(14,177)
	<u>415,426</u>	<u>356,269</u>

**Norman England Fund (Restricted)**

A sum of £255,840 was received from the N W J England Trust No 1. It was the express wish of the Donor and The Trustees that the whole of the Fund be used towards the repair and maintenance of the Fabric of Exeter Cathedral and for no other purpose. Any expenditure is to be agreed on an annual basis. It is not an endowment fund.

Interest of £2,693 was received in the year and grants of £40,000 were made. The funds carried forward of £116,589 are partly held in a deposit account at CBF and part in term bonds in two other banks pending an agreement with the Dean and Chapter as to which project will be funded by these monies.

**Legacies Receivable**

The Charity has been notified of legacies which have been included in the Statement of Financial Activities at a figure of £4,000 as The Council have made a reasonable estimate of the sum to be received. Previous estimates have been reduced as the Executors of Doris Wilson received a claim for a share of the Estate accordingly, the share due to the Friends has been reduced.

**THE FRIENDS OF EXETER CATHEDRAL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**17. RELATED PARTY DISCLOSURES**

In the year under review, the Very Revd Jonathan Greener was a member of the Chapter of Exeter Cathedral as well as being Dean of Exeter Cathedral and member of the Council of the Friends of Exeter Cathedral. Grants made to the Chapter totalled £290,029 (2018: £282,881) as detailed in Note 7. There were no other related party transactions for the year ended 31 December 2019.