

Annual Report and Financial Statements Friends of Winchester Cathedral

For the Year Ended 31 March 2017

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Report of the Trustees

The Trustees present their report and the associated financial statements of the charity for the year ended 31 March 2017.

Reference and administrative details

Charity registration number

220218

Registered office

2 The Close
Winchester
SO23 9LS

Trustees

Chairman of the Board of Trustees:

Mr Bruce Parker

Treasurer:

Mr David Fellowes

Elected (* = coopted) members:

Ms Johanna Cruickshank

Mr Julian Hartwell

Mr Geoffrey Howard

Mr John Lankester

Mrs Anne Newsome

Mr Bruce Parker

Mr Martin Reid

Ms Natalie Shaw* (co-opted 3 March 2017)

Mr Nigel Spicer* (co-opted 11 May 2017)

Prof Tom Watson

Ex-officio member:

The Dean of Winchester: the Very Reverend James Atwell (retired 14 July 2016)

The Dean of Winchester: the Very Reverend Catherine Ogle (installed 11 February 2017)

Members appointed by the Chapter:

The Receiver General of Winchester Cathedral: Mrs Annabelle Boyes

The Precentor and Sacrist of Winchester Cathedral: the Reverend Canon Sue Wallace

Director

Mrs Lesley Bestwick

Investment advisers

Rathbone Investment Management Limited

Piennes House, 32 Southgate Street, Winchester, SO23 9EH

Bankers

Barclays Bank plc

50 Jewry Street, Winchester, SO23 8TN

Independent examiner

Mr Stephen Mills FCA

Mazars LLP

5th Floor, Merck House, Seldown Lane, Poole, Dorset, BH15 1TW

Structure, governance and management

The charity is managed by a Board, the members of which also act as the charity's Trustees. The names of the Board members are set out on page 1. The governing document of the charity is its Constitution adopted at a Special General Meeting held on 14th July 2001 but since amended (most recently at the Annual General Meeting on 11th July 2015). Amongst other things, the Constitution provides for the appointment and election of Board members.

The Board is supported by a number of Committees, each chaired by an elected Trustee, which have specific responsibilities for the detailed running of the charity and the achievement of its objects. Four Committees are at present established which cover Activities, Administration, Finance and Membership & Fundraising.

Objects

The charity's objects are to:

- assist the Chapter in maintaining the fabric and monuments and the fittings and furnishings of Winchester Cathedral and its associated ground-works within the precincts, excluding property used for residential or administrative purposes;
- stimulate interest in the Cathedral;
- encourage and support activities calculated to preserve and beautify the Cathedral, its music and its history.

Achievements

The Trustees worked closely with the Chapter to ensure that Friends' support was channeled effectively to meet the charity's objectives.

The sale of Christmas cards and the income arising from the Friends' events continue to make an important contribution to the finances of the charity. The charity organized a total of fourteen events throughout the year. These included a 'Call my Bluff' of wine, an Annual Lecture by Bill Bryson, a concert by Winchester Cathedral's Girls' Choir, an Organ Festival, a trip to Wells and seven talks. The talks, each accompanied by either wine or tea/biscuits, ranged from the glass conservator Steve Clare, who attracted an audience of 180, to a talk on the plants of Yunnan Province in China and another on Jane Austen's Naval connections. Talks regularly attract an audience of 90-100. The speaker at the Annual Lecture was Bill Bryson and the event, held in the Cathedral, was a sell-out, with 700 tickets sold. The regular monthly 'Coffee and Cake' event is proving popular and is well attended. Both sales and profits from events this year have increased greatly compared with last year.

The Windows Appeal (the major fund-raising campaign for the repair and conservation of the Cathedral's medieval glass, launched in May 2013) reached its target £800,000 in July 2016 – a magnificent result for the charity's first fundraising appeal, especially as all the donations have come from our 3000 members. This target is still dependent on a number of ongoing pledges due to complete over the next two to three years. The funds raised are being applied to the conservation work which should be completed by the end of 2017.

The Fundraising / Membership Committee has worked on a number of other exciting projects this year, including a legacy campaign, the Windows Book (postponed until November 2017 but still on track). The

Committee is discussing with Chapter the possibility of a new fundraising appeal in 2018/19. Plans for 2017/18 include a direct marketing campaign for local residents offering discounted Friends' membership. The work of the charity is much assisted by the willing gift of talents, energy and time by many Friends, through their active participation in the several Committees that support the Board, through regular help in the office and through voluntary delivery of items which would otherwise have to be posted. The Winchester Cathedral Record continues to be published by the charity in October each year and a copy provided to each member. It is supplemented by an online publication "Record Extra", hosted on the Cathedral website, which publishes scholarly and historic articles three times per year and is available to a wider audience. It is intended that in due course Record Extra will also offer articles from earlier editions of the Annual Record.

Once again, the 2017 Annual Lecture will take place in the Cathedral and, with BBC North America Editor Jon Sopel as the speaker, is hoped to be a sell-out. An exciting programme of events is continuing, including a quiz supper hosted by BBC Eggheads' star Kevin Ashman and a trip to Westminster Abbey.

Administratively, several initiatives have been developed to create new payment methods and make it easier for people to join. The charity is now using WorldPay to allow credit/debit card payments. The ability for people to join online will form part of an expansion of the Friends' webpages on the Cathedral website. The database, combined with the direct debit facility, has enabled more efficient monitoring and chasing of under payment and non-payment.

Financial review

The Statement of Financial Activities on page 8 shows Net Incoming Resources (i.e. a surplus) of £68,760 for the year (2016 = Net Outgoing Resources £24,062). All funds received in response to the Windows Project Appeal, including all legacies received since 1st April 2013 (unless specifically stated by the legator to be for another purpose), have been allocated to the project and paid to Chapter, barring the most recent legacy announced after the £800,000 target had been reached. In the 2016/17 financial year Trustees approved grants for the windows Project of £90,053 in addition to their regular recurring annual grants of £72,390, the major items being £43,210 for the choirs, £8,570 for the work of the stonemasons, £7,450 for trees in the Close, £5,160 for flowers in the cathedral, and £15,000 for the Lime Walk conservation project. Full details of grants in the year are given in note 5 to the Financial Statements, on page 12.

During the year we received legacies amounting to £131,775 (2015/16 = £15,100), which have been allocated to the Windows Project. We remain enormously grateful for these bequests.

All donations to the appeal, net of fundraising costs, are appropriated by way of additional grants for the Windows Project, with the exception of two donations, leaving a balance of £4,500 on the Restricted Funds.

During the year net investment gains amounted to £19,488, due to the increase in the value of our long-term investments, which was broadly in line with the financial markets and the relevant investment indices. The charity's portfolio of investments and deposit funds is structured with the aim that it should deliver a balance of capital growth and income return, which is applied towards the cost of the management and administration of the charity. The performance of our portfolio is closely monitored, with advice from our investment managers, by the Trustees and the Finance Committee. Every effort is made to ensure that the portfolio complies with the United Nations principles for responsible investment.

The net profit from the sale of publications was £6,280 before the stock provision. The annual lecture, at which Bill Bryson was the speaker, was very successful.

The charity has no subsidiary and associated undertakings. All investments held by the charity have been acquired in accordance with the powers available to the Trustees. The charity is not financially dependent upon any one individual or corporation but relies on the continuing support of all its members.

Reserves policy

The Trustees have agreed a policy to maintain reserves within the General Fund at such a level as would enable it, in the event of a sudden loss of income, to cover ongoing direct expenses of running the charity, for a period of about nine months, and to cover annual grants to Chapter for a full year. In addition, and at the request of Chapter, funds are reserved to provide emergency assistance to Chapter in the event of catastrophic and unforeseen damage to the Cathedral not otherwise covered by Chapter's own resources (including the proceeds of insurance claims).

Risk management

The Trustees have adopted a Risk Management Strategy which identifies areas of risk to which the charity is exposed in undertaking its activities and seeks to manage those risks. While ultimate responsibility rests with the Board, for practical purposes the task of developing detailed plans has been delegated to the Administration Committee, with input from the Finance Committee. The Committees give regular consideration to those risks for which they are responsible and endeavour to mitigate them through the introduction of appropriate and effective systems and practices. The Administration Committee is responsible for risks associated with the Objects, charity law and regulation, governance, management, succession planning, technology, and operational processes. The Finance Committee is responsible for risks associated with finance and investment. The Finance Committee receives full quarterly management accounts, which include a detailed analysis of the investment portfolio and regular reports from the portfolio manager, Rathbones.

Trustees' responsibilities for the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 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.



BY ORDER OF THE TRUSTEES

Bruce Parker

Chairman

Date:

4/07/2017

Independent Examiner's Report to the Trustees of Friends of Winchester Cathedral

I report on the financial statements of the Trust for the year ended 31 March 2017, which are set out on pages 8 to 16.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the charity's trustees as a body.

My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for my examination work, for this report, or for the statements I have made.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Report to the Trustees of Friends of Winchester Cathedral

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Stephen Mills FCA
Mazars LLP
Chartered accountants
5th Floor
Merck House
Seldown Lane
Poole
Dorset
BH15 1TW

Date: 7/7/17

Statement of financial activities

	Note	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Incoming resources					
Voluntary income	2	217,632	57,872	275,504	171,635
Activities for generating funds	3	22,603	11,835	34,438	26,658
Investment income	4	6,872	-	6,872	7,657
Total incoming resources		247,107	69,707	316,814	205,950
Resources expended					
<i>Costs of generating funds:</i>					
Publications and activities	3	18,523	1,882	20,405	14,007
Fundraising costs		-	47	47	142
Investment management fees		2,059	-	2,059	2,007
<i>Charitable activities:</i>					
Grants to the Chapter of Winchester	5	99,165	63,278	162,443	154,709
Management and administration	6	62,206	-	62,206	58,241
<i>Governance costs:</i>					
Independent examination	7	894	-	894	906
Total resources expended		182,847	65,207	248,054	230,012
Net incoming/(outgoing) resources for the year		64,260	4,500	68,760	(24,062)
Gains / (losses) on investment assets		19,488	-	19,488	(4,690)
Net movement in funds		83,748	4,500	88,248	(28,752)
Fund balances brought forward		430,448	-	430,448	459,200
Fund balances carried forward		514,196	4,500	518,696	430,448

Balance sheet

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	1,039	1,672
Investments	9	190,259	201,409
		<u>191,298</u>	<u>203,081</u>
Current assets			
Stocks		3,430	12,844
Debtors	10	110,508	3,482
Cash on deposit		336,223	457,851
		<u>450,161</u>	<u>474,177</u>
Current liabilities			
Grants outstanding		113,745	232,887
Creditors	11	9,018	13,923
		<u>122,763</u>	<u>246,810</u>
Net current assets		<u>327,398</u>	<u>227,367</u>
Total assets less current liabilities		<u>518,696</u>	<u>430,448</u>
Representing:			
Unrestricted funds	12	514,196	430,448
Restricted funds	12	4,500	-
Total funds		<u>518,696</u>	<u>430,448</u>

Charity Number - 220218

The financial statements were approved by the Board of Trustees on 3 July 2017.



David Fellowes – Treasurer

The accompanying accounting policies and notes form part of these financial statements.

1 Principal accounting policies

Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

Income

Subscriptions

Life subscriptions are amortised over a period of five years. Other subscriptions (including those under Gift Aid together with the associated income tax recoveries) are accounted for in the year in which they are received.

Legacies

Legacies are accounted for upon evidence of entitlement, probable receipt and where the amount receivable can be reliably measured. No debtor is created in respect of bequests and legacies receivable as residuary legatee because the amount is not capable of measurement.

Investment income

Investment income, including associated tax recoveries, is accounted for when receivable.

Allocation of resources expended

Costs of generating funds consists of investment management fees and costs associated with the events and activities of the Charity (as detailed in note 3).

Costs of Charitable activities include grants made and costs associated with the management of the charity, not included as direct costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. These costs include the fees of the independent examiner.

Stocks

Stocks are valued at cost, less a provision for items considered slow moving.

Grants to the Chapter of Winchester

Grants to the Chapter of Winchester are charged to the accounts for the period in which they are approved by the Board of Trustees.

Fixed assets

Items costing less than £500 are written off immediately to the income and expenditure account of the period in which they are purchased.

Depreciation is calculated so as to write off the cost of a capitalised asset, less its estimated residual value, over the useful economic life of that asset as follows:

Membership database - 5 years
Computer equipment - 5 years

Investments

Investments are included at their market value at the balance sheet date.

2 Voluntary income

	2017 £	2017 £	2016 £	2016 £
	Unrestricted	Restricted	Unrestricted	Restricted
Subscriptions				
- Life members	4,500	-	3,850	-
- Under Gift Aid	43,099	-	42,669	-
- Other	20,078	-	18,091	-
- Refund of tax	12,018		12,210	
	<u>79,695</u>	<u>-</u>	<u>76,820</u>	<u>-</u>
Legacies	131,775	-	15,100	-
Donations	6,162	49,858	6,994	63,299
East Window Appeal – Refund of Tax	-	8,014	-	9,422
	<u>217,632</u>	<u>57,872</u>	<u>98,914</u>	<u>72,721</u>

3 Activities for generating funds

	Publications 2017 £	Activities 2017 £	Total 2017 £	Publications 2016 £	Activities 2016 £	Total 2016 £
Income	10,813	23,625	34,438	9,442	17,216	26,658
Expenditure	(11,704)	(8,701)	(20,405)	(4,824)	(9,183)	(14,007)
Net surplus	(891)	14,924	14,033	4,618	8,033	12,651

Activities include events, trips and lectures, the Cathedral Roadshow and the Friends' annual festival, all of which are designed principally to meet the charity's objective to stimulate interest in the Cathedral and not primarily to raise funds.

4 Investment income

	2017 £	2016 £
Interest on deposits	1,035	1,850
Income from investments	5,837	5,807
	<u>6,872</u>	<u>7,657</u>

5 Grants to the Chapter of Winchester

	2017 £	2016 £
Trees in Public Areas	7,450	7,380
Girls' Choir	14,410	14,270
Baker Choristership	14,400	14,120
Friends' Choristership	14,400	14,120
Leadwork and Masonry	8,570	8,490
Cathedral Flowers	5,160	5,110
Library and Curator Artefacts	1,720	1,700
Window repairs	1,140	1,130
North transept lighting	-	8,000
Broderers	-	2,000
West End Christmas tree	400	390
Lime Walk project	15,000	-
Windows project	90,053	93,670
Unspent grant allocations written back	(10,260)	(15,671)
	<u>162,443</u>	<u>154,709</u>

Grants written back in the prior year are primarily as a result of the cost of the anticipated work being lower than the original estimate on which the grant application was based, or in respect of which the work associated with the project was no longer required to be undertaken. During the current year £10,260 was written back.

6 Management and administration expenditure

	2017 £	2016 £
Staff costs:		
Wages and salaries	46,723	44,769
Social Security costs	105	918
Pension costs	815	851
Gratuities and reimbursed expenses	75	-
	<u>47,718</u>	<u>46,538</u>
Cathedral Record and Friends' Newsletters	579	1,186
Printing, copying and stationery	4,791	1,910
Office rent, insurance and maintenance	2,339	2,227
Postage and telephone	3,857	3,840
Depreciation	633	704
Bank charges	1,362	1,185
Sundry expenses	927	651
	<u>62,206</u>	<u>58,241</u>

a. The average number of employees during the year was 3 (2016 – 3), all of whom worked part-time. No employee's emoluments exceeded £60,000.

b. Out-of-pocket expenses totalling £75 (2016 - £Nil) were reimbursed to Trustees in the year.

7 Governance costs

The amount payable for the independent examination (inclusive of VAT not recoverable by the Charity) totals £894 (2016 - £906), and no amounts were paid to the examiner in respect of other services.

8 Tangible fixed assets

	Computer equipment £	Membership database £	Total £
Cost			
At 1 April 2016	3,192	9,349	12,541
Additions	-	-	-
At 31 March 2017	<u>3,192</u>	<u>9,349</u>	<u>12,541</u>
Depreciation			
At 1 April 2016	1,520	9,349	10,869
Charge for the year	633	-	633
At 31 March 2017	<u>2,153</u>	<u>9,349</u>	<u>11,502</u>
Net book value			
At 31 March 2017	<u>1,039</u>	<u>-</u>	<u>1,039</u>
At 31 March 2016	<u>1,672</u>	<u>-</u>	<u>1,672</u>

9 Investments

Listed investments at market value	Fixed interest stocks £	Equities £	Total £
At 1 April 2016	61,233	140,176	201,409
Additions	-	4,763	4,763
Disposals	-	(35,404)	(35,404)
Change in market value	3,674	15,817	19,491
At 31 March 2017	64,907	125,352	190,259
Historical cost at 31 March 2017	62,177	87,806	149,983
Historical cost at 31 March 2016	62,177	104,042	166,219

Cash of £51,882 (2016 - £23,452) was also held with Rathbones and is included in the balance sheet as cash on deposit.

10 Debtors

	2017 £	2016 £
Trade debtors	971	433
Other debtors	108,592	1,903
Prepayments	945	1,146
	<u>110,508</u>	<u>3,482</u>

11 Creditors

	2017 £	2016 £
Trade creditors	26	2,425
Other creditors	47	737
Accruals	1,666	1,083
Deferred income	7,279	9,678
	<u>9,018</u>	<u>13,923</u>

12 Funds

	At 1 April 2016 £	Net deficit £	At 31 March 2017 £
Unrestricted funds	430,448	83,748	514,196
Restricted funds	-	4,500	4,500
Total funds	<u>430,448</u>	<u>88,248</u>	<u>518,696</u>

The restricted fund is an appeal for repair of the East Window in the Winchester Cathedral.

Five year summary

	2017 £	2016 £	2015 £	2014 £	2013 £
Income					
Subscriptions:					
Life Membership	4,500	3,850	4,010	3,920	4,250
Gift Aided (including tax)	63,131	64,301	63,364	70,682	65,385
Non Gift Aided	20,078	18,091	13,363	18,642	17,089
	<u>87,709</u>	<u>86,242</u>	<u>80,737</u>	<u>93,244</u>	<u>86,724</u>
Legacies	131,775	15,100	33,247	45,920	54,252
Donations	56,020	84,301	95,969	167,959	4,471
Investment income	6,872	7,657	9,248	11,643	13,842
Other income	14,033	12,650	9,578	11,743	4,507
	<u>296,409</u>	<u>205,950</u>	<u>228,779</u>	<u>330,509</u>	<u>163,796</u>
Expenditure	<u>65,206</u>	<u>75,303</u>	<u>67,905</u>	<u>71,772</u>	<u>64,777</u>
Surplus of income over expenditure	<u>231,203</u>	<u>130,647</u>	<u>160,874</u>	<u>258,737</u>	<u>99,019</u>
Grants to the Chapter of Winchester	162,443	154,709	205,503	287,565	18,537
	<u>68,760</u>	<u>(24,062)</u>	<u>(44,629)</u>	<u>(28,828)</u>	<u>80,482</u>
Surplus/(deficit) for the year	<u>68,760</u>	<u>(24,062)</u>	<u>(44,629)</u>	<u>(28,828)</u>	<u>80,482</u>
Investment gains/(losses)	19,488	(4,690)	19,560	(724)	34,118
Reserves brought forward	430,448	459,200	484,269	513,821	399,221
	<u>518,696</u>	<u>430,448</u>	<u>459,200</u>	<u>484,269</u>	<u>513,821</u>
Reserves carried forward	<u>518,696</u>	<u>430,448</u>	<u>459,200</u>	<u>484,269</u>	<u>513,821</u>
Represented by:					
Fixed assets - tangible	1,039	1,672	1,390	1,167	1,500
Investments at market value	190,259	201,409	216,065	211,849	437,994
Deposits	336,223	457,851	601,610	748,728	338,833
Cash, stock and debtors	113,938	16,326	20,429	61,409	36,694
	<u>641,459</u>	<u>677,258</u>	<u>839,494</u>	<u>1,023,153</u>	<u>815,021</u>
Less:					
Grants outstanding	(113,745)	(232,887)	(370,457)	(524,607)	(286,322)
Other liabilities	(9,018)	(13,923)	(38,596)	(14,277)	(14,878)
	<u>518,696</u>	<u>430,448</u>	<u>459,200</u>	<u>484,269</u>	<u>513,821</u>