

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017



Charity Number: 1051072

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017

TRUSTEES

Christopher Muhley – Chair
Ralph Abel Smith
Professor Tim Blinko
Moiria Dean
The Very Reverend Jeffrey John
Pete Letanka (from March 2017)
Andrew Lucas
Christopher Melliush
Lady Shelagh Nichols
John Palmer (from March 2017)
Peter Trevelyan
Gini Trower (from March 2017)

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 with one of the finest cathedral choirs of boys and men in the country; a girls' choir, formed in 1995, displaying the same high standard; a distinctive Harrison & Harrison organ; various voluntary choirs and music groups which add further dimension to the Cathedral's worship; and a regular programme of innovative musical events and concerts. The Trust helps support and develop the Cathedral's tradition of choral worship and promotes music of the highest quality. Unlike many of the ancient cathedrals, St Albans Cathedral has no historic endowment to support its music and the costs of the choirs and the upkeep of the organs have to be found from operating income.

The board of trustees took the opportunity during 2017 to review and confirm the Trust's vision. The Trust's current vision is to enable and sustain a flourishing and financially secure musical life at the Cathedral encompassing:

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

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 office and finance team.

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 in St Albans Cathedral's financial statements.

FINANCIAL SUPPORT TO THE CATHEDRAL'S MUSIC

The Trust made grants to St Albans Cathedral in the year amounting to £81,357 (2016: £123,088). This comprised:

- £66,357 (2016: £64,838) to support the day to day costs of the Cathedral's music, representing the investment income from the Trust's endowment funds;
- £6,000 (2016: £6,000) to also support the day to day costs of the Cathedral's music, as an annual grant from the Trust's unrestricted funds;
- £4,000 (2016: £4,000) to support the work of the Cathedral's development office, which provides significant fundraising and operational support to the Trust;
- £5,000 to support the Cathedral Choir Tour to Madrid in June 2017.

FUNDRAISING AND DONOR ENGAGEMENT

The Trust has continued to secure donations through patron subscriptions, fundraising and endowments. A legacy was also received in the year.

Alban Foundation

The Trust is delighted to continue to work in partnership with the St Albans Cathedral Alban Foundation, a body which helps nurture and develop future fundraising strategies for the Cathedral, capitalising on the success of the Cathedral's major fundraising appeal for its Alban, Britain's First Saint project, the Alban Appeal. In doing so the Alban Foundation supports the Cathedral in its determination of future fundraising priorities and supports the promotion of the Trust, along with the St Albans Cathedral Education Trust and the Fraternity of the Friends of St Albans Abbey. The Chair of the Trust is an ex-officio member of the Alban Foundation.

Endowments

The generosity of donors past and present means the total number of endowed lay clerks now stands at 4 and the number of endowed choristers stands at 35.

The Trust is also grateful to two further donors for new endowments to the 'Endow a Day's Music' programme, with the number of endowed days now standing at 42.

Legacies

A legacy of £28,330 was received in the year from the late Michael Sutton, who deeply appreciated the work of the Cathedral's choir and music team. The Trust is enormously 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.

Organ Appeal

A further £750 (2016: £1,050) was donated to the Organ Appeal through the 'Sponsor a Pipe' scheme, which the Trust launched in 2008.

FUNDRAISING AND DONOR ENGAGEMENT (continued)

Residual distributions from historic Cathedral campaigns

The Cathedral made two final distributions during the year to the Trust from its now-closed fundraising campaigns. An amount of £11,925 was received into general donations within unrestricted funds and £16,470 into The Endow a Day's Music Fund within endowments.

Events

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

Guitar Recital

A lunchtime guitar recital was held in the Cathedral's Lady Chapel featuring the classical guitarist Michael Butten performing a repertoire of English, German, Spanish and Italian music. The retiring collection was shared between the Trust and the Cathedral.

Outreach Concert

The Trust promoted, at a net contribution of £3,213, a highly successful outreach concert at St Michael's Church, Bishop's Stortford featuring the Cathedral Choir. The concert programme, together with the Trust's promotional material, communicated the role and support of the Trust very effectively. The annual outreach concert is an important part of the work of the Trust, taking the Cathedral's high-quality music-making out and into the Diocese.

Young Musician of the Year Competition

2017 was the sixth year of this competition and the standard of performances submitted was as strong as ever. From around 60 online entrants, shortlisted applicants were invited to compete at the coveted finals in the Cathedral. The event generated excellent coverage and the Trust was delighted to have 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.

Patrons Evensong

This annual event provides an excellent opportunity to engage with the Trust's many patrons.

Advent Procession and Dinner

With Advent falling on 27 November in 2016 and 3 December in 2017, these timings mean there is no event to report on in this financial year.

FINANCIAL REVIEW

Overall position

The Trust's net assets at the end of the year totalled £2,418,137 (2016: £2,105,413).

Investments

Funds held for long-term endowment purposes are invested with CCLA Investment Management Ltd 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 £2,262,116 at the end of the year (2016: £1,987,096). Capital additions in-year to the fund amounted to £51,218 (2016: £212,418). The net annual gain on the fund, arising from revaluations, amounted to £223,802 (2016: £149,701).

The Trust's deposit investments are held in the CCLA CBF Deposit Fund and amounted to £147,744 at the end of the year (2016: £102,980).

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 £220,429 at the end of the year (2016: £168,370). Of these unrestricted funds, £52,166 (2016: £15,878) represent free reserves, the remainder being designated for specific purposes. The in-year legacy receipt and final distribution from the Cathedral's historic fundraising campaigns has bolstered the current level of free reserves. The board of trustees will review during 2018 how it might make best use of these additional funds, both in the near-term and longer-term.

Risk management

Careful consideration is given to the major risks to which the Trust is exposed. The board of trustees is ultimately responsible for regularly reviewing and assessing the risks faced by the Trust in all areas of its work, and for ensuring effective risk management and internal controls are in place to manage the Trust's risk exposure appropriately. The board of trustees recognise that any risk management system can only manage risks and not eliminate them 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 to mitigate financial control and compliance risk. The Trust constantly reviews ways to further its profile and reputation to mitigate against any fundraising risk.

PUBLIC BENEFIT

The board of trustees confirm that 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.

FUTURE PLANS

Music patrons

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.

2018 events

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

- Outreach Concert at St Peter's Church, Berkhamsted
- Lunchtime Guitar Recital by Michael Butten
- Young Musician of the Year Competition 2018
- Joint Cathedral Choirs and St Albans Bach Choir Concert performing Mendelssohn's Elijah
- Patrons Evensong
- Advent Procession and Dinner

Nave organ

The Cathedral continues the process of evaluating options for a new nave section for the Cathedral's organ, with inherent complexities over its positioning and location. Should a feasible option land up not being possible, the Trust will in due course explore how funding set aside for this project might be used towards the next organ cleaning and reordering.

Choir chaperone

The Trust has agreed to make a grant of £5,000 in 2018 towards the cost of the Cathedral's new choir chaperone. This is a highly-important new role within the Cathedral's music team, maintaining good safeguarding practice and engagement with choristers and choir parents. It is hoped the Trust will be able to continue its contribution towards this role into the future.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The board of trustees is formally responsible for a number of activities in relation to the financial statements. The trustees are responsible for preparing an annual report and financial statements for each financial year in accordance with applicable law and regulations, as set out in the notes to the financial statements, 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.

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 applicable Accounting and Reporting by Charities: Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to be financially viable.

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Christopher Muhley
Chair

On behalf of the board of trustees
13 March 2018

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 2017 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 2017, 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 8, 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
Statutory Auditor

Mercer & Hole is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total 2017 £	Total 2016 £
Income and endowments							
Donations	3	30,715	-	1,087	51,220	83,022	82,386
Legacies		28,330	-	-	-	28,330	100,000
Fundraising and charitable events	4	1,424	-	-	-	1,424	9,531
Investments		20	152	175	66,357	66,704	65,727
Total income		60,489	152	1,262	117,577	179,480	257,644
Expenditure							
Grants for the benefit of St Albans Cathedral towards music	5	15,000	-	-	66,357	81,357	123,088
Cost of fundraising and charitable events	4	4,540	-	-	-	4,540	15,580
Maintenance of Hurford Organ		150	-	-	-	150	197
Publicity, printing and postage		1,890	-	-	-	1,890	1,060
Sundry expenditure		221	-	-	-	221	216
Audit fee		2,400	-	-	-	2,400	2,280
Total expenditure		24,201	-	-	66,357	90,558	142,707
Net income/(expenditure) before gains/(losses) on investments		36,288	152	1,262	51,220	88,922	21,469
Net gains/(losses) on investments	6	-	15,619	8,246	199,937	223,802	149,701
Net income/(expenditure)		36,288	15,771	9,508	251,157	312,724	264,638
Reconciliation of funds							
Total funds brought forward		15,878	152,492	111,647	1,825,396	2,105,413	1,840,775
Total funds carried forward		52,166	168,263	121,155	2,076,553	2,418,137	2,105,413

All amounts above derive from continuing operations and the Trust has no recognised gains or losses other than those passing through the Statement of Financial Activities.

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BALANCE SHEET AS AT 30 NOVEMBER 2017

	Note	Total 2017 £	Total 2016 £
Fixed assets			
Investments	6	2,262,116	1,987,096
Current assets			
Debtors	7	80	308
Short term cash deposit investments		147,744	102,980
Cash at bank		9,691	16,438
		157,515	119,726
Current liabilities			
Creditors	8	(1,494)	(1,409)
		156,021	118,317
Net assets		2,418,137	2,105,413
The funds of the charity			
Endowment funds	9	2,076,553	1,825,396
Restricted funds	10	121,155	111,647
Designated funds	11	168,263	152,492
Unrestricted funds		52,166	15,878
		2,418,137	2,105,413
Total charity funds	12	2,418,137	2,105,413

The financial statements on pages 12 to 22 were approved by the Trust's board of trustees on 13 March 2018 and signed on its behalf by:



Christopher Muhley
Trustee

NOTES TO THE FINANCIAL STATEMENTS

I. 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, as modified by the revaluation of investments to market value as necessary. The financial statements have been prepared in accordance with (1) 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 on 16 July 2014; (2) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); (3) applicable United Kingdom Generally Accepted Accounting Practice as it applies from 1 January 2015; and (4) the Charities Act 2011.

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 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. Where 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.

Gift Aid income 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.

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. 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. The movement in valuation of investments is shown in the Statement of Financial Activities and comprises both realised and unrealised gains and losses. 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 as set out in the Balance Sheet and related notes to the financial statements, and their measurement bases, are as follows.

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 endowment funds. Endowments are established when donors provide funds on the condition that they must be retained in order to generate investment income.

Significant areas of judgement in the application of accounting policies

In preparing the financial statements, the board of trustees 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.

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

With respect to the Trust's next reporting period, the year ending 30 November 2018, the most significant areas of uncertainty and judgements involving estimates about the future that may affect the carrying value of assets and liabilities held by the Trust are as follows.

Legacy income:

In applying the Trust's accounting policies to legacy income, the board 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 2017 £nil of legacy income has been recognised in the financial statements that has not yet been physically received.

Listed investments:

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 2017 the value of the Trust's listed investments amounted to £2,262,116 (see note 6).

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.

3. Donations

	2017 £	2016 £
Unrestricted funds		
General donations	27,770	15,774
Gift Aid	<u>2,945</u>	<u>3,014</u>
	<u>30,715</u>	<u>18,788</u>
Restricted funds		
Organ Appeal	750	1,050
Gift Aid	<u>337</u>	<u>131</u>
	<u>1,087</u>	<u>1,181</u>
Endowment funds		
Endow a Day's Music	39,370	11,000
Ford Choristership	3,173	3,674
Lois Scott Choristership	-	20,000
Parkinson Choristership	-	20,000
Gift Aid	<u>8,677</u>	<u>7,743</u>
	<u>51,220</u>	<u>62,417</u>
Total donations	<u><u>83,022</u></u>	<u><u>82,386</u></u>

Two one-off donations from St Albans Cathedral are included in the current year amounts above, relating to the final distribution from the Cathedral's now-closed fundraising campaigns. These comprise £11,925 into general donations within unrestricted funds and £16,470 into Endow a Day's Music within endowment funds.

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4. Fundraising and charitable events income and expenditure

	Income £	Expenses £	Surplus/ (deficit) £
Events 2016-17			
Guitar Recital	406	-	406
Outreach Concert	100	3,313	(3,213)
Young Musician of the Year Competition	918	1,018	(100)
Patrons Evensong	-	209	(209)
	<u>1,424</u>	<u>4,540</u>	<u>(3,116)</u>
Events 2015-16			
Advent Procession and Dinner	1,009	-	1,009
Cathedral Choirs Book Launch	-	113	(113)
Outreach Concert	250	3,099	(2,849)
Young Musician of the Year Competition	1,139	1,050	89
Recital St Paul's Walden Bury	1,125	120	1,005
Abbey Girls Choir 20 th Anniversary Evensong	-	139	(139)
Cathedral Choirs Concert	-	9,640	(9,640)
Hymnathon	2,020	-	2,020
Patrons Evensong	-	179	(179)
Advent Procession and Dinner	3,988	1,240	2,748
	<u>9,531</u>	<u>15,580</u>	<u>(6,049)</u>

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

	2017 £	2016 £
Unrestricted funds		
Cathedral music	6,000	6,000
Cathedral development team	4,000	4,000
Cathedral choir tour	5,000	-
	<u>15,000</u>	<u>10,000</u>
Designated funds		
New pianos for Cathedral	-	48,250
Endowment funds		
Endow a Day's Music	13,518	12,878
Choristerships and Scholarships	52,839	51,960
	<u>66,357</u>	<u>64,838</u>
Total grants	<u>81,357</u>	<u>123,088</u>

As at 30 November 2017, the Trust had committed £18,000 from its unrestricted funds, along with the investment income that will be earned on its endowments, for the benefit of St Albans Cathedral towards music to be paid during the year to 30 November 2018.

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6. Investments

	2017	2016
	£	£
Valuation at 1 December	1,987,096	1,624,977
Additions	51,218	212,418
Withdrawals	-	-
Net increase on revaluation	223,802	149,701
Valuation at 30 November	<u>2,262,116</u>	<u>1,987,096</u>

The Trust's investments are held in a pooled common investment fund with CCLA. 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 2017 is £1,530,120 (2016: £1,478,902).

7. Debtors

	2017	2016
	£	£
All due within one year	-	-
Amount due from St Albans Cathedral	-	-
Prepayments and accrued income	80	308
	<u>80</u>	<u>308</u>

8. Creditors

	2017	2016
	£	£
All due within one year	-	-
Amount due to St Albans Cathedral	-	329
Accruals and deferred income	1,494	1,080
	<u>1,494</u>	<u>1,409</u>

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9. Endowment funds

	Balance	Movement in resources			Reval'n	Balance
	1 Dec 2016	Incoming	Outgoing	Transfer		30 Nov 2017
	£	£	£	£	£	£
The Endow a Day's Music Fund	365,146	56,565	(13,518)	-	40,538	448,731
The Bassett Legacy Fund	30,456	1,101	(1,101)	-	3,324	33,780
The Ouseley Trust Fund	61,990	2,241	(2,241)	-	6,765	68,755
The Laing Choristership	29,879	1,080	(1,080)	-	3,261	33,140
The Alban 2000 Fund	67,270	2,432	(2,432)	-	7,341	74,611
The Steel Trust Scholarship	35,032	1,266	(1,266)	-	3,823	38,855
The Pilling Trust Choristership	43,192	1,561	(1,561)	-	4,714	47,906
The Fraternity of Friends Fund	42,812	1,548	(1,548)	-	4,672	47,484
The Friends of Cathedral Music Fund	42,656	1,542	(1,542)	-	4,655	47,311
The Wixamtree Trust Fund	41,153	1,488	(1,488)	-	4,491	45,644
The Kirby Laing Foundation Fund	41,153	1,488	(1,488)	-	4,491	45,644
The Parnell Scholarship	40,192	1,453	(1,453)	-	4,386	44,578
The Pallant Trust Scholarship	41,402	1,497	(1,497)	-	4,518	45,920
The Leathersellers Scholarship	38,003	1,374	(1,374)	-	4,147	42,150
The Fraternity of Friends (Hunt) Fund	37,104	1,341	(1,341)	-	4,049	41,153
The Steel Trust (No 2) Scholarship	33,974	1,228	(1,228)	-	3,709	37,683
The (John) Stocker Choristership	34,410	1,244	(1,244)	-	3,755	38,165
The Elles Carver Choristership	36,055	1,303	(1,303)	-	3,935	39,990
The Berryman Fund (Bowland Trust)	31,975	1,156	(1,156)	-	3,490	35,465
The Guy Whalley Choristership	33,843	1,223	(1,223)	-	3,693	37,536
The Atkinson Scholarship	38,050	1,376	(1,376)	-	4,152	42,202
The Hurford Scholarship	42,271	1,528	(1,528)	-	4,613	46,884
The Wixamtree Trust (No 2) Fund	29,722	1,075	(1,075)	-	3,243	32,965
The Blossom Choristership	29,857	1,079	(1,079)	-	3,258	33,115
The Andrews Choristership	42,477	1,536	(1,536)	-	4,635	47,112
The Foxton Choristership	48,258	1,745	(1,745)	-	5,266	53,524
The Rosecroft Lay Clerkship	82,829	2,994	(2,994)	-	9,039	91,868
The Fraternity of Friends (No 2) Fund	42,878	1,550	(1,550)	-	4,679	47,557
The Griffiths Choristership	33,997	1,229	(1,229)	-	3,710	37,707
The Filkin Choristership	33,997	1,229	(1,229)	-	3,710	37,707
The St Ronan Choristership	34,903	1,262	(1,262)	-	3,808	38,711
The Freeman Choristership	34,169	1,235	(1,235)	-	3,729	37,898
The Mainstone Choristership	25,890	936	(936)	-	2,825	28,715
The Fayrfax Scholarship	63,233	2,286	(2,286)	-	6,900	70,133
The Oram Scholarship	29,302	1,059	(1,059)	-	3,197	32,499
The Salisbury Choristership	35,479	1,283	(1,283)	-	3,872	39,351
The Ford Choristership	3,842	3,361	(188)	-	472	7,487
The Lois Scott Choristership	26,639	963	(963)	-	2,908	29,547
The Parkinson Choristership	19,906	5,720	(720)	-	2,164	27,070
	1,825,396	117,577	(66,357)	-	199,937	2,076,553

The Endow a Day's Music Fund supports the total cost of daily music at the Cathedral.

All other endowment funds are used for the purposes of endowing a chorister or lay clerk within the Cathedral.

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10. Restricted funds

	Balance 1 Dec 2016 £	Movement in resources			Reval'n £	Balance 30 Nov 2017 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	111,647	1,262	-	-	8,246	121,155
	111,647	1,262	-	-	8,246	121,155

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

11. Designated funds

	Balance 1 Dec 2016 £	Movement in resources			Reval'n £	Balance 30 Nov 2017 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	100,535	139	-	-	8,246	108,920
Salisbury Legacy Fund	51,957	13	-	-	7,373	59,343
	152,492	152	-	-	15,619	168,263

The Lyne Legacy Fund has currently been set aside to support the Organ Appeal.

Following the funding of new pianos for the Cathedral in 2016, the Salisbury Legacy Fund has currently been set aside to fund potential music related costs associated with the Cathedral's Alban, Britain's First Saint project or its successor appeal.

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12. Analysis of net assets between funds

2017	Unrestricted Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £
Investments	-	121,446	64,117	2,076,553	2,262,116
Debtors	80	-	-	-	80
Short term deposit investments	45,639	45,067	57,038	-	147,744
Cash at bank	7,941	1,750	-	-	9,691
Creditors	(1,494)	-	-	-	(1,494)
Total net assets	52,166	168,263	121,155	2,076,553	2,418,137
2016 comparatives	Unrestricted Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £
Investments	-	105,828	55,872	1,825,396	1,987,096
Debtors	308	-	-	-	308
Short term deposit investments	2,291	44,914	55,775	-	102,980
Cash at bank	14,688	1,750	-	-	16,438
Creditors	(1,409)	-	-	-	(1,409)
Total net assets	15,878	152,492	111,647	1,825,396	2,105,413

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

	Unrestricted Funds 2016 £	Designated Funds 2016 £	Restricted Funds 2016 £	Endowment Funds 2016 £	Total 2016 £
Income and endowments					
Donations	18,788	-	1,181	62,417	82,386
Legacies	-	100,000	-	-	100,000
Fundraising and charitable events	9,531	-	-	-	9,531
Investments	28	571	290	64,838	65,727
Total income	28,347	100,571	1,471	127,255	257,644
Expenditure					
Grants for the benefit of St Albans Cathedral towards music	10,000	48,250	-	64,838	123,088
Cost of fundraising and charitable events	15,580	-	-	-	15,580
Maintenance of Hurford Organ	-	-	-	-	-
Publicity, printing and postage	1,543	-	-	-	1,543
Sundry expenditure	216	-	-	-	216
Audit fee	2,280	-	-	-	2,280
Total expenditure	29,619	48,250	-	64,838	142,707
Net income/(expenditure) before gains/(losses) on investments	(1,272)	52,321	1,471	62,417	114,937
Net gains/(losses) on investments	-	5,828	5,871	138,002	149,701
Net income/(expenditure) and net movement in funds	(1,272)	58,149	7,342	200,419	264,638
Reconciliation of funds					
Total funds brought forward	17,150	94,343	104,305	1,624,977	1,840,775
Total funds carried forward	15,878	152,492	111,647	1,825,396	2,105,413

14. Transactions with related parties and connected entities

There have been no transactions between the Trust and related parties during the reporting period (2016: 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 £81,357 in the year (2016: £123,088). The Cathedral made a one-off donation from its now-closed fundraising campaigns to the Trust of £28,395 in the year (2016: nil). The net balance owed to/by the Trust at the end of the year is £nil (2016: owed to/by the Trust £329).