

THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2017**

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

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

THE ASSOCIATION OF ENGLISH CATHEDRALS

Contents	Page
Report of the Executive Committee	1- 7
Report of the Independent Examiner	9
Statement of Financial Activities	9-10
Income and Expenditure Account	11
Balance Sheet	12
Statement of cash flows	13
Notes to the Financial Statements	14 - 16

THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDING 31 DECEMBER 2017

The members of the Executive Committee have pleasure in presenting their report and the financial statements of the Association for the year ended 31 December 2017 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)).

Reference and administrative information

Principal address

The principal address of the Association is:

8 Kingswood Drive
London
SE19 1UR

Executive

The names of the persons who were members of the Executive Committee (trustees of the charity and directors of the company) at any time during the year ended 31 December 2017 or have been appointed since that date were as follows:

The Very Rev'd Adrian Dorber, Dean of Lichfield (Chair)
The Very Rev'd Vivienne Faull, Dean of York
The Very Rev'd Roger Bush, Dean of Truro
Mrs Annabelle Boyes, Receiver General and Canon Treasurer, Winchester Cathedral
(from January 2018)
The Rev'd Canon Julie Gittoes, Canon, Guildford Cathedral
The Very Rev'd Rogers Govender, Dean of Manchester
The Very Rev'd Jonathan Greener, Dean of Exeter
The Very Rev'd Peter Howell-Jones, Dean of Blackburn
Mrs Caroline Jarvis, Chapter Clerk, Southwell Minster (to December 2017)
Mrs Caroline Robinson, Treasurer, Chelmsford Cathedral
Mr Paul Robinson, Chapter member, Lincoln Cathedral
The Rev'd Canon David Stone, Sub-Dean, Coventry Cathedral
The Rev'd Canon Celia Thomson, Canon, Gloucester Cathedral

Senior staff

Mrs Sarah King, Executive Director

Principal advisers

Bankers

The Co-operative Bank
PO Box 250, Delf House
Southway
Skelmersdale WN8 6WT

Independent Examiner

Curtis Juman CPFA
Chartered Accountant
The Chapter Office
20 Dean's Yard
London SW1P 3PA

THE ASSOCIATION OF ENGLISH CATHEDRALS

Structure, governance and management

Governing document

The Association of English Cathedrals was established as an unincorporated association in 1990. The company limited by guarantee number 06726262 was incorporated on 16 October 2008 and became a registered charity on 25 February 2009. The Association is governed by its Articles of Association as adopted on 14 June 2016.

The members of the Association are the administrative bodies of the 42 English Anglican Cathedrals. Westminster Abbey and St George's Chapel, Windsor are associate members. In the event of the Association winding up, each member undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the Association, all remaining assets shall be given or transferred to another charity having the same or similar objects to the Association in accordance with charity law.

Organisational structure and decision making

The trustees of the Association of English Cathedrals are known as Executive Committee members and are also the company directors. The management of the Association is vested in the Executive Committee, which is responsible for delivery of the Association's objects and setting the strategic direction. The Committee manages and exercises all the powers of the charity in accordance with the Memorandum and Articles of Association.

The Executive Committee is assisted in its work by a number of working groups, formed of Executive Committee members and others with relevant expertise and experience. The working groups are formed to deliver specific projects and meet as and when required. Notes of all meetings are given to the Executive Committee.

The Executive Committee delegates day-to-day running of the Association to the Executive Director, Sarah King.

Executive Committee recruitment and appointment

The members elect nine members of the Executive Committee. The nine members must include no fewer than four deans and no fewer than four other Chapter members (excluding administrators); no fewer than three members must come from each Province of the Church of England. There are three ex-officio trustees: the Chair of the Deans' Conference, the Chair of the Cathedrals Administration and Finance Association and another member of the Executive Committee of that Association. At every annual general meeting one-third, or the number nearest to (but not greater than) one third, of the elected Committee members retire from office, but are eligible for re-appointment by the members. Those standing down are those who have been longest in office since their last appointment or re-appointment. There is no fixed term for appointment as a Committee member.

The Executive Committee has the power to co-opt new members but those co-opted have to stand for election at the following annual general meeting. Co-options are made to provide an appropriate balance of skills, experience and gender, and to ensure that cathedrals of different types and with a geographical spread are represented on the Committee.

Remuneration

Staff salaries are increased each year in January in line with the pay rises given at Lichfield Cathedral. In addition, the salary of the Executive Director was reviewed in July 2017 and brought in line with the salaries being paid to administrators at middle-ranking cathedrals.

THE ASSOCIATION OF ENGLISH CATHEDRALS

Objectives and activities

Object

The object of the Association of English Cathedrals is to advance the Christian religion for the benefit of the public in accordance with the doctrines of the Church of England and to further the mission of the Anglican religion by:

- (1) Supporting the English Anglican cathedrals (the members of the Charity) and Westminster Abbey and St George's Chapel, Windsor in their work of advancing the Christian religion by representing the common interests of cathedrals both in national and ecclesiastical contexts.
- (2) Working with the National Church Institutions and other parts of the Church of England in furthering the mission and work of cathedrals;
- (3) Working with the Churches' Legislation Advisory Service and other appropriate ecumenical bodies in furthering the mission and work of cathedrals;
- (4) Working with the Government and its agencies to represent the interests of cathedrals and achieve an environment where cathedrals are enabled to fulfil their mission and work;
- (5) Debating and proposing policies and other matters affecting cathedrals, including their role in advancing education; community development; arts, culture and heritage; and environmental protection and improvement. Also assisting in developing their role in promoting religious and racial harmony and equality and diversity; and
- (6) Encouraging the development and sharing of best practice between cathedrals.

Information about the activities undertaken during the year is set out below in the section describing achievements and performance. The Executive members consider that all activities undertaken have been for the public benefit, and that they have paid due regard to guidance from the Charity Commission in determining what work is done.

Executive Committee

The membership of the Executive Committee changed with the resignation of Caroline Jarvis on 31 December 2017 on her retirement as Chapter Clerk at Southwell Minster. Annabelle Boyes joined the Executive on 31 January 2018 following her appointment as Chair of the Cathedrals Administration and Finance Association. At the Annual General Meeting Roger Bush, Peter Howell-Jones and Paul Robinson were re-elected to the Committee.

Achievements and performance

The Executive Committee met on seven occasions during the year period. At six of these meetings, the Committee discussed matters of interest to the members, agreed actions and reviewed progress. An additional all-day meeting was held in November. This meeting, at the Royal Foundation of St Katherine, provided an opportunity to reflect, review the AEC's strategy, and identify how best the Association can work to support member cathedrals. An Annual General Meeting attended by representatives of the Association's members was held as usual in June.

Regular activities which continued through the year included the provision of induction training for new Chapter members. Three training courses were run, one at York Minster in March, a second at Southwark in June and the third, a 24-hour session, in October at the Royal Foundation of St Katherine. These have proved an invaluable opportunity for those attending to understand more about the role and ways of working of cathedrals and to develop a bigger picture of cathedral life, enabling them to discharge their responsibilities with greater knowledge and skill.

THE ASSOCIATION OF ENGLISH CATHEDRALS

The Executive continues to work closely with the Church of England's National Safeguarding Team and the cathedral lead on safeguarding matters, the Very Rev'd Stephen Lake, Dean of Gloucester, to ensure that cathedrals are alert to and implement best practice in safeguarding, recognising the importance of providing the best possible care to children and adults at risk in cathedral contexts.

Following well-publicised issues highlighted in Visitations, in April 2017 the Archbishops' Council established a Cathedrals Working Group (CWG) 'to look at whether the current Cathedrals Measure is adequate, and to consider revising it'. The AEC has worked with the CWG as it has carried out its work and encouraged liaison between the CWG and cathedrals. The CWG Chair, the Bishop of Stepney, spoke at the AEC AGM about the terms of reference for the Group and how it was planning to conduct its work. He spoke again at a day conference in January 2018 following the issuing of the CWG's draft report and consultation. The AEC Executive submitted a response to the draft report on behalf of cathedrals and will continue to work with the Group as it finalises its report and considers implementation issues. The Very Rev'd Vivienne Faull, a member of the Executive Committee, was appointed as the CWG Vice-Chair.

In response to the negative publicity about cathedrals arising from specific issues at a limited number of cathedrals and following the creation of the CWG, the AEC Executive decided to create a one-year Communications Project to improve the profile of cathedrals in traditional and social media at a national level and to encourage the development of communications skills in cathedrals. Cathedrals were asked to contribute to the costs of engaging media professionals to assist with this work. Jane Bower started in August on traditional media and Ashley Spooner was appointed in December to tackle social media. There have been a number of positive stories and images of cathedrals in the national press and increased coverage in local press. The social media presence of the AEC, working with cathedrals, has grown significantly, enabling cathedrals to reach people who are less likely to read traditional media and to interest them in cathedrals.

During the year, there has been work on a number of projects to which the Executive has delegated day-to-day oversight to working groups.

The National Cathedrals' Conference Working Group has continued to develop plans for the conference, 'Sacred space: common ground' in Manchester from 17 to 20 September 2018. The conference will bring together those working in different areas of cathedral life and replace the series of conferences held each year by different networking groups. Work on devising a conference programme and booking speakers has gone well. A website, www.sacredspace2018.org, was launched in June to provide information about the conference and act as the booking portal. Invitations were sent to cathedrals and to cathedral networks. At the date of this report, over 350 delegates had booked to come. In late December 2017, the Allchurches Trust agreed to give the AEC £40,000 as a bursary fund to enable the more financially challenged cathedrals to send full delegations to the conference. Grants were allocated in March 2018. The AEC Executive is very grateful to the Allchurches Trust for its support, which recognises the value of the conference in bringing people together.

The Chapter Training Working Group made good progress in taking forward the project to provide training to Chapters in the areas of financial management and sustainability, governance, strategic marketing for growth and team working. With funding from the Church Commissioners for the project, the Group recommended to the AEC Executive the appointment of Directory for Social Change as the project delivery partner. Course content plans were approved and the DSC project manager started work on arranging dates for training sessions. The first of the finance sessions was held in January 2018; the feedback was excellent. The various sessions will be rolled out to Chapters during 2018 and early 2019. The project has clearly identified outputs and outcomes and these will be monitored by the Executive.

THE ASSOCIATION OF ENGLISH CATHEDRALS

Early in 2017, the Executive set up a Working Group for a new project, the Cathedral Project Support Panel, with the Very Rev'd Jonathan Greener as chair. The aim is to create a panel of expert volunteers who will provide support to cathedrals in developing and managing projects. Cathedrals often lack resources to scope out robust project plans and to tackle problems that arise during their implementation. The project will run for an initial two year trial period. Grant funding of £50,000 has been generously provided by the Allchurches Trust. In September 2017, a part-time Project Coordinator, Dale Copley, started work. During the autumn of 2017, prospective panel members were invited to express interest and the Working Group approved the appointment of approximately 50 volunteers to the Panel, with a wide range of relevant skills and experience. A number of cathedrals have now been assisted by panel members with devising major projects and preparing for bids to the Heritage Lottery Fund and advice on specialist topics. Recruitment to the Panel continues.

A Working Group was also established with the aim of delivering a day conference at which cathedrals could explore ideas for generating sustainable income streams in ways which are compatible with and enhance their mission. A very well attended conference, Money for Mission, generously hosted by CCLA, was held in London in January 2018.

Following on from work done in 2014/15 in devising a Self-Evaluation Framework for use by Chapters, the Executive asked the Very Rev'd Peter Bradley to set up a Working Group to develop a Peer Review process. The Group met on two occasions and has made good progress on formulating an approach. The aim is to conduct trial reviews in late 2018 and roll out Peer Reviews to cathedrals thereafter.

The Executive worked with the Cathedrals and Church Buildings Division of the Church of England on the final stages of the World War I Cathedrals Grant Scheme. The AEC continues to work with partners to make a case to the Government for ongoing support for cathedral fabric.

The AEC has continued its membership of the Churches Legislation Advisory Service and the Charity Tax Group so that it can work with the wider church and charity sector, and also to provide information to cathedrals on relevant legislative changes and developments in charity taxation. The AEC, as a member, works closely with the Heritage Alliance, the biggest alliance of heritage interests in England furthering the interests of heritage organisations. It is also a member of the Heritage Alliance's Historic Religious Buildings' Group. The AEC continues to work in partnership with the Association of Leading Visitor Attractions, sharing information and participating in seminars and meetings, ensuring that cathedrals, which are important tourist attractions, are supported in improving their visitor and education offers.

Executive members and the Executive Director worked with Government Departments and other national bodies on a number of issues relating to cathedrals and appropriate action has been taken to represent the interests of cathedrals by commenting on forthcoming legislation, both church and state.

The Executive liaises with the Church Commissioners on behalf of cathedrals. The Very Rev'd Jonathan Greener is a Commissioner and the Very Rev'd Vivienne Faull is a member of the Archbishops' Spending Plan Task Group.

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

THE ASSOCIATION OF ENGLISH CATHEDRALS

Financial review

Results of the period

Income exceeded expenditure by £106,791 (year ended 31 December 2016 £4,950). The excess of unrestricted income over expenditure was £3,073 (year ended 31 December 2016, £5,027), and the excess of restricted income over expenditure was £103,718 (restricted expenditure over income, year ended 31 December 2016, £77). Restricted income was considerably higher than in earlier years largely due to the number of projects being undertaken funded by grants received in 2017 for which expenditure will be incurred in subsequent years. In particular, the Allchurches Trust gave £40,000 to fund bursaries at the 2018 National Cathedrals Conference, and £50,000 to fund the work of the Cathedral Projects Support Panel for an initial two year trial period, of which £44,122 was carried forward to 2018 and 2019.

Reserve policy and future prospects

Reserves are needed to bridge the gap between the spending and receiving of resources and to cover unplanned expenditure. Income from subscriptions and contributions to employment costs is received at one point in the year, whereas expenditure, including salary payments, continues throughout the year. The projects on which Executive Committee is embarking require some expenditure before grant and other income is received, in particular the National Cathedrals Conference. Whereas in normal times Executive Committee members aim to maintain a reserve equivalent to six months expenditure for cash flow purposes, the members are seeking to increase reserves to fund project cash flows.

At the year end, free reserves were £34,657 (2016, £30,113) which is in line with the policy.

Fundraising activity

The Association does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The Association has not received any complaints about its fundraising activities and practices.

Risk management

The members of the Executive regularly consider the risks which the Association may face. They are satisfied that there are adequate reserves in place to mitigate any financial risk, and deem any reputational risk to be slight. The principal risk facing the Association is the loss of the Executive Director, which is mitigated by a three-month notice period and adequately documented work. In respect of other risks, they consider there are adequate contingency plans appropriate to the size of the Association in place to lessen their effect.

Plans for future periods

The Executive Committee continues to review how it can best support cathedrals in their work. It will continue to run and establish projects which support Chapters and staff working in cathedrals to develop well-governed, strategically focussed and sustainable cathedrals. Plans include reviewing resource levels and seeking more grant funding, as over the last 10 years existing resources have become stretched.

Going concern

The Executive Committee expects the Association to have adequate resources to continue in operational existence for the foreseeable future. It continues to adopt the going concern basis of accounting in preparing the annual financial statements.

THE ASSOCIATION OF ENGLISH CATHEDRALS

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Association of English Cathedrals for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the provisions of the Memorandum and Articles of Association. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the Independent Examiner

To the knowledge and belief of the Executive Committee, there is no relevant information of which the charitable company's Independent Examiner is not aware, and it has taken all necessary care to ensure and establish that the Independent Examiner is aware of any relevant information.

By order of the Executive Committee



Adrian Dorber
Chair

12 April 2018

THE ASSOCIATION OF ENGLISH CATHEDRALS

REPORT OF THE INDEPENDENT EXAMINER TO THE MEMBERS OF THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF ENGLISH CATHEDRALS

I report on the accounts of the Association for the year ended 31 December 2017, which are set out on pages 9 to 16.

Respective responsibilities of members of the Executive Committee and examiner

The members of the Executive Committee as trustees (and who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

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 accounts 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 accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements: to keep accounting records in accordance with section 386 of the Companies Act 2006; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

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



Curtis Juman, CPFA

12 April 2018

THE ASSOCIATION OF ENGLISH CATHEDRALS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted funds £	Restricted funds £	Total 31.12.17 £	Unrestricted funds £	Restricted funds £	Total 31.12.16 £
Income from donations							
Membership subscriptions		17,600	-	17,600	17,600	-	17,600
Grants	5	-	103,800	103,800	-	-	-
		17,600	103,800	121,400	17,600	-	17,600
Income from charitable activities							
Contributions to staff costs		-	32,856	32,856	-	16,175	16,175
Contributions to Communications Project	5	-	24,000	24,000	-	-	-
Chapter training course fees		3,010	-	3,010	3,335	-	3,335
Other income		413	-	413	-	-	-
		3,423	56,856	60,279	3,335	16,175	19,510
Income from investments							
Bank deposit interest		22	-	22	28	-	28
Total income		21,045	160,656	181,701	20,963	16,175	37,138
Expenditure on:							
Charitable activities							
Staff costs	6	-	29,755	29,755	646	16,252	16,898
Executive meetings	7	5,586	-	5,586	6,171	-	6,171
Working groups		2,896	-	2,896	1,074	-	1,074
Communications Project		-	10,838	10,838	-	-	-
Chapter Training		2,469	13,800	16,269	3,154	-	3,154
Cathedral Projects Support Panel expenses		-	2,545	2,545	-	-	-
Conferences		744	-	744	461	-	461
English cathedrals website		306	-	306	306	-	306
Legal fees		2,400	-	2,400	-	-	-
Subscriptions		1,128	-	1,128	818	-	818
Photographs		-	-	-	2,489	-	2,489
		15,529	56,938	72,467	15,119	16,252	31,371
Other							
Insurance		410	-	410	325	-	325
Other		2,033	-	2,033	492	-	492
		2,443	-	2,443	817	-	817
Total expenditure		17,972	56,938	74,910	15,936	16,252	32,188

THE ASSOCIATION OF ENGLISH CATHEDRALS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

Note	Unrestricted funds £	Restricted funds £	Total 31.12.17 £	Unrestricted funds £	Restricted funds £	Total 31.12.16 £
Net income/ (expenditure)						
Transfers between funds	3,073	103,718	106,791	5,027	(77)	4,950
Net movements in funds						
	3,073	103,718	106,791	5,027	(77)	4,950
Reconciliation of funds:						
Total funds brought forward	30,173	-	30,173	25,146	77	25,223
Total funds carried forward	£33,246	£103,718	£136,964	£30,173	£0	£30,173

THE ASSOCIATION OF ENGLISH CATHEDRALS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31.12.2017 £	Year ended 31.12.2016 £
Income		
Membership subscriptions	17,600	17,600
Grants	103,800	-
Contributions to staff costs	32,856	16,175
Contributions to Communications Project	24,000	-
Chapter training courses fees	3,010	3,335
Bank interest	22	28
Other income	413	-
<i>Total income</i>	<i>181,701</i>	<i>37,138</i>
Expenditure		
Executive meetings	5,586	6,171
Staff costs and expenses	29,755	16,898
Chapter training courses	2,469	3,154
Legal fees	2,400	-
Cathedral Project Support Panel expenses	2,545	-
Chapter Training Project	13,800	-
Communications Project	10,838	-
Working groups	2,896	1,074
Subscriptions	1,128	818
English cathedrals website	306	306
Conferences	744	461
Photographs	-	2,489
Insurance	410	326
Other	2,033	492
<i>Total expenditure</i>	<i>74,910</i>	<i>32,188</i>
Operating surplus for the year	<u>£106,791</u>	<u>£4,950</u>

This Income and Expenditure Account is included in the Financial Statements in compliance with the Companies Act 1985.

THE ASSOCIATION OF ENGLISH CATHEDRALS

BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	Year ended 31.12.2017 £	Year ended 31.12.2016 £
Current assets:			
Debtors	3	1,559	60
Cash at bank		138,375	30,113
		139,934	30,173
Liabilities:			
Creditors: amounts due within one year	4	2,970	-
Net current assets		<u>£136,964</u>	<u>£30,173</u>
The funds of the Charity:			
Restricted funds	5	103,718	-
Unrestricted funds		33,246	30,173
Total Charity funds		<u>£136,964</u>	<u>£30,173</u>

The company is entitled to exemption from audit under Section 477(2) of the Companies Act 2006 for the year ended 31 December 2017.

The trustees have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006. The trustees acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and;
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 393 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

Approved by the Executive Committee on 12 April 2018 and
signed on their behalf by:



Adrian Dorber
Chair

THE ASSOCIATION OF ENGLISH CATHEDRALS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31.12.2017 £	Year ended 31.12.2016 £
Cash flows from operating activities:		
Cash receipts	180,180	37,900
Cash payments	(71,940)	(33,405)
<i>Net cash provided by operating activities</i>	<i>108,240</i>	<i>4,495</i>
Cash flows from investing activities:		
Interest	22	28
<i>Net cash provided by investing activities</i>	<i>22</i>	<i>28</i>
Change in cash in the reporting period	108,262	4,523
Cash at beginning of the reporting period	30,113	25,590
Cash at end of the reporting period	£138,375	£30,113
Reconciliation of net income to net cash flow from operating activities		
Net income/ (expenditure) for the reporting period (as per the statement of financial activities)	£ 106,791	£ 4,950
Adjustments for:		
Interest	(22)	(28)
(Increase)/ decrease in debtors	(1,499)	825
Increase/ (decrease) in creditors	2,970	(1,252)
Net cash provided by operating activities	£108,240	£4,495
Analysis of cash		
	Year ended 31.12.2017 £	Year ended 31.12.2016 £
Cash at bank	138,375	30,113
Total cash	£138,375	£30,113

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

I ACCOUNTING POLICIES

Accounting convention

The Financial Statements are prepared under the historical cost convention. The format of the Financial Statement accords with the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP (FRS102)), the Charities Act 2011, and with applicable UK accounting standards.

Incoming resources

Incoming resources are recognised when they are invoiced (for example subscriptions) or when received (including donations and bank interest). Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the Statement of Financial Activities.

Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Association to pay out resources.

Fund accounting

Unrestricted funds are available to use to further any of the purposes of the Association. Restricted funds are given for particular areas of the Association's work or for specific projects.

2 LEGAL STATUS OF THE ASSOCIATION

The Association is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.

3 DEBTORS AND PREPAYMENTS

	Year ended 31.12.2017	Year ended 31.12.2016
	£	£
Trade debtors	1,559	60
Prepayments	-	-
Total	£1,559	£60

4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31.12.2017	Year ended 31.12.2016
Trade creditors	£2,970	-

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

5 ANALYSIS OF RESTRICTED FUNDS

	Staff Costs	Chapter Training Project	Cathedral Projects Support Panel	Comms Project	Allchurches Bursary Fund	Total
	£	£	£	£	£	£
Balance at 1 January 2017	-	-	-	-	-	-
Income	32,856	13,800	50,000	24,000	40,000	160,656
Expenditure	26,422	13,800	5,878	10,838	-	56,938
Transfers between funds	-	-	-	-	-	-
Balance at 31 December 2017	£6,434	£0	£44,122	£13,162	£40,000	£103,718

Fund balances are represented by cash.

Staff Costs Fund: Amounts contributed by cathedrals to the costs of employing the Executive Director.

Chapter Training Project Fund: Established to account for grants from the Church Commissioners relating to the Chapter Training Project.

Cathedral Projects Support Panel Fund: Set up because of a donation from the Allchurches Trust to fund a Support Panel of expert volunteers to give advice to cathedrals on projects to ensure they are well conceived, planned and executed.

Communications Project Fund: Amounts contributed by cathedrals to a one year project to improve the profile of cathedrals in traditional and social media.

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

6 PAID EMPLOYEES

The Association employs two part-time members of staff (total 0.9 FTE)(2016, one member of staff 0.4 FTE) and reimburses their expenses (£2,671, year ended 31 December 2016 £1,246).

	Year ended 31.12.2017	Year ended 31.12.2016
	£	£
Salaries	26,738	15,252
National insurance	-	-
Pension costs	1,053	400
Total	£27,791	£15,652

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

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

The Association of English Cathedrals participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. The CWPF has a section known

THE ASSOCIATION OF ENGLISH CATHEDRALS

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)

as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014. The Association participates in this latter section only.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable (£1,053, year ended 31 December 2016, £400).

A valuation of the scheme is carried out once every three years. Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out as at the next CWPF valuation date, 31 December 2016.

7 EXECUTIVE MEMBERS REMUNERATION, BENEFITS AND EXPENSES

No member of the Executive Committee was paid any remuneration or received any other benefits from an employment with the Charity.

Members of the Executive Committee had their travel and subsistence expenses reimbursed but no other payments were made to Executive Committee members.

	Year ended 31.12.2017	Year ended 31.12.2016
No. of members who were paid expenses	10	13
Travel and subsistence expenses	£4,186	£4,959

8 RELATED PARTY TRANSACTIONS

There were no related party transactions.