

Financial Statements

Winchester Cathedral Trust

For the Year Ended 31 March 2018

Winchester Cathedral Trust
Financial statements for the year ended 31 March 2018

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The Trustees present their report together with financial statements for the year ended 31 March 2018.

Legal and administrative details

Charity registration number	287400
Registered office	9 The Close Winchester SO23 9LS
Trustees	Lady Mary Fagan LG DCVO, (Chairman) The Rt Hon The Lord Ashburton KG, KCVO, DL (Resigned October 2017) Mr Nigel Atkinson, Her Majesty's Lord-Lieutenant of Hampshire Sir James Butler CBE DL (Resigned June 2017) Mr Michael Campbell MBE, DL Mr Alan Lovell, DL Mr Nigel McNair Scott, DL The Very Reverend Catherine Ogle (Appointed June 2017) Mr Bruce Parker MBE Mr John Steel The Duke of Wellington OBE DL
Bankers	National Westminster Bank plc 105 High Street Winchester SO23 9AW
Independent auditor	Mazars LLP Merck House Seldown Lane Poole BH15 1TW

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Objectives and policies

The Trust's objects are to raise funds and receive donations to apply to any charitable purpose connected with Winchester Cathedral. This includes the general upkeep of the Cathedral and the improvement and repair of all other buildings in the Cathedral Close, and the receipt and distribution of funds raised to meet the costs of choristers.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

Organisation

The Trust is managed by trustees. The governing document of the Charity is its Constitution adopted 27 June 1983, amended 31 October 2003 and 15 March 2013, which provides, inter alia, for the appointment and election of trustees. The Trustees shall be maintained at not less than five and that at least one of their number shall be a member of the Chapter of the Cathedral. It is the practice of the Trust to provide induction and familiarisation of the Cathedral and the Trust to new members as required.

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems or procedures have been established to manage those risks.

Review of the year

Fundraising Campaign:

On 23 September 2012, the Campaign was officially launched at Winchester Cathedral and considerable progress has been made. The Campaign embraces the following projects:

- repair of the Cathedral Quire roof, Presbytery vaults and clerestory windows
- renewal of the Cathedral's sound, audiovisual and lighting systems
- improved access to the Winchester Bible and interpretation of the Bible and the Mortuary Chests
- development of learning opportunities and the provision of improved educational facilities.

During the year, income of £207,399 (2017: £1,294,922) was received in legacies, donations and investment income (see Note 5 to the Accounts) for the fundraising campaign.

We have recognised in donations for the fundraising campaign an expected grant of £168,000, which will be received in the coming year.

Grants will be made available to the Chapter of Winchester Cathedral as the project progresses. During the year the Trust granted £1,000,000 (2017: £500,000) to the Cathedral projects. Remaining funds and reserves are maintained in order to provide future funding for the Cathedral when they require support. As such reserves are held and invested so that the correct level of liquidity is maintained to meet the anticipated needs of the project, whilst maximising the investment returns.

Fundraising for Choristers:

Donations continue to be received by the Trust for chorister funding by sympathetic donors (referred to collectively as the 'Music Fundraising Group'). Donors have agreed to enter into declarations of intent for fixed sums payable generally over a five year period. Monies raised are paid over to the Cathedral in accordance with the terms of the Trust Deed.

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Legacies:

In the year ended 31 March 2018 we received from the estate of John Robin Bishop a legacy of £256,151, of which we recognised £195,516 as legacies receivable in the previous year.

We also received in the accounts a legacy of £100,139 from the estate of Bryan Cyril Head, of which we recognised £100,000 as legacies receivable in the prior year.

All legacy income has been included under Unrestricted funds.

During the year ended 31 March 2017 we recognised legacies receivable from the estate of John Robin Bishop for £195,516, and we had received an interim distribution of £33,750. In addition we recognised legacies receivable of £100,000 from the estate of Bryan Cyril Head.

We received a residual £225 from the estate of Anthony John Ashley Petty.

Funding and reserves

Future donations received, whether for choristers or for the Campaign, will be donated (after settling resources expended in managing the trust) to the Chapter of Winchester Cathedral.

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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees at their meeting on 25 October 2018 and signed on their behalf by:

Lady Mary Fagan LG DCVO
 Chairman



Independent auditor's report to the trustees of Winchester Cathedral Trust

Opinion

We have audited the financial statements of Winchester Cathedral Trust (the 'charity') for the year ended 31 March 2018 which comprise 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its income and expenditure for the year then ended;
- 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 FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Independent auditor's report to the trustees of Winchester Cathedral Trust (continued)

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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' 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 Trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 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

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

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

Use of the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

Mazars LLP

Mazars LLP
Chartered Accountants and Statutory Auditor

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

Date: 2/11/18

Principal accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) 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 Charities Act 2011.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. There are no significant areas of uncertainty that affect the financial statements.

The principal accounting policies have remained unchanged from the previous year and are set out below.

Contingent liabilities

A contingent liability is identified and disclosed resulting from a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control, a present obligation where settlement is either not considered probable, or the amount has not been communicated and that amount cannot be estimated reliably.

Income

Donations and legacies

Donations, including legacy income, is recognised in the period in which the charity is legally entitled to the receipt and the amount can be measured with reasonable certainty.

Investment income

Interest on bank deposits is accounted for when receivable.

Resources expended

Resources expended are included in the Statement of Financial Activities (SOFA) on an accruals basis, inclusive of VAT which cannot be recovered. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA.

Governance costs

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These include costs related to statutory audit and legal fees.

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.

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Statement of financial activities

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £ (Note 8)
	Note				
Incoming resources from generated funds					
Voluntary income:					
- legacies and donations		60,775	209,303	270,078	1,621,948
Investment income		-	3,031	3,031	7,090
Total incoming resources		<u>60,775</u>	<u>212,334</u>	<u>273,109</u>	<u>1,629,038</u>
Resources expended					
Costs of generating funds	1	-	47,863	47,863	79,182
Charitable activities	2	-	1,004,935	1,004,935	504,625
Total resources expended		<u>-</u>	<u>1,052,798</u>	<u>1,052,798</u>	<u>583,807</u>
Net incoming / (outgoing) resources and net movement in funds for the year					
		60,775	(840,464)	(779,689)	1,045,231
Reconciliation of funds					
Fund balances brought forward		598,489	2,219,914	2,818,403	1,773,172
Fund balances carried forward	5	<u>659,264</u>	<u>1,379,450</u>	<u>2,038,714</u>	<u>2,818,403</u>

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Balance Sheet

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Total 2017 £ (Note 8)
Current assets					
Debtors	3	-	168,416	168,416	502,571
Investments and deposits		-	400,000	400,000	400,000
Cash at bank and in hand		659,264	814,094	1,473,358	1,921,760
		<u>659,264</u>	<u>1,382,510</u>	<u>2,041,774</u>	<u>2,824,331</u>
Current liabilities					
Creditors	4	-	3,060	3,060	5,928
		<u>-</u>	<u>3,060</u>	<u>3,060</u>	<u>5,928</u>
Total assets less current liabilities		<u>659,274</u>	<u>1,379,450</u>	<u>2,038,714</u>	<u>2,818,403</u>
Representing:					
Fund balances		<u>659,264</u>	<u>1,379,450</u>	<u>2,038,714</u>	<u>2,818,403</u>

The financial statements were approved by the Trustees on the 25 October 2018 and are signed on their behalf by:

Lady Mary Fagan LG DCVO

Mr John Steel

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Statement of cash flows

	2018 £	2017 £
Cash flow from operating activities		
Net movement in funds	(779,689)	1,045,231
Adjustments for:		
Investment Income	(3,031)	(7,090)
Decrease / (Increase) in debtors	334,155	499,679
(Decrease) / Increase in creditors	(2,868)	1,535
Net cash generated from operating activities	(451,433)	539,997
Cash flow from investing activities		
Investment income	3,031	7,090
Net Cash flow from investing activities	3,031	7,090
Net (Decrease) / Increase in cash and deposits	(448,402)	547,087
Cash and deposits at beginning of year	2,321,760	1,774,673
Cash and deposits at end of year	1,873,358	2,321,760

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

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Notes to the financial statements

1 Costs of generating funds

	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Fundraising campaign	-	44,594	44,594	76,101
Governance costs (auditors remuneration)	-	3,150	3,150	2,900
Bank Charges	-	119	119	181
	<u>-</u>	<u>47,863</u>	<u>47,863</u>	<u>79,182</u>

No trustee received any remuneration from the charity (2017: £Nil). During the current or prior year, no trustee was reimbursed expenses.

2 Donations to the Chapter of Winchester

	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Choristers	-	4,935	4,935	4,625
Campaign	-	1,000,000	1,000,000	500,000
	<u>-</u>	<u>1,004,935</u>	<u>1,004,935</u>	<u>504,625</u>

3 Debtors

	2018	2017
	£	£
Gift Aid tax recoverable	323	6,938
Prepayments	93	117
Legacies receivable	-	295,516
Donations receivable	168,000	200,000
	<u>168,416</u>	<u>502,571</u>

4 Creditors

	2018	2017
	£	£
Chapter of Winchester	-	3,048
Other	3,060	2,880
	<u>3,060</u>	<u>5,928</u>

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

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5 Restricted Funds

	At 1st April 2017 £	Income £	Expenditure £	At 31st March 2018 £
Campaign	2,219,914	207,399	1,047,863	1,379,450
Choristers	-	4,935	4,935	-
	<u>2,219,914</u>	<u>212,334</u>	<u>1,052,798</u>	<u>1,379,450</u>

Campaign – funds restricted for the fundraising campaign launched in September 2012

Choristers – funds to support the choristers

As at 31 March 2018, the cumulative amount of donations earmarked for specific projects within the Campaign Fund were:

	2018 £	2017 £
Education	1,235,207	1,116,678
Fabric	-	742,702
Bible & Triforium	17,979	329,357
Sound & Light	-	-
General	126,264	31,177
Total	<u>1,379,450</u>	<u>2,219,914</u>

6 Related party transactions

During the year employment costs of £42,106 (2017 £71,612) were paid through the payroll of Winchester Cathedral, and were reimbursed by the Trust.

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Notes to the financial statements

7 Analysis of prior year total funds

Statement of financial activities

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
Incoming resources from generated funds				
Voluntary income:				
- legacies and donations		329,491	1,292,457	1,621,948
Investment income		-	7,090	7,090
Total incoming resources		<u>329,491</u>	<u>1,299,547</u>	<u>1,629,038</u>
Resources expended				
Cost of generating funds	1	-	79,182	79,182
Charitable activities:	2	-	504,625	504,625
Total resources expended		<u>-</u>	<u>583,807</u>	<u>583,807</u>
Net incoming resources and net movement in funds for the year		329,491	715,740	1,045,231
Reconciliation of funds				
Fund balances brought forward		268,998	1,504,174	1,773,172
Fund balances carried forward	5	<u>598,489</u>	<u>2,219,914</u>	<u>2,818,403</u>

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

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Notes to the financial statements

8 Analysis of prior year total funds (continued)

Balance Sheet

	Note	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
Current assets				
Debtors	3	295,516	207,055	502,571
Investments and deposits		-	400,000	400,000
Cash at bank and in hand		302,973	1,618,787	1,921,760
		<u>598,489</u>	<u>2,225,842</u>	<u>2,824,331</u>
Current liabilities				
Creditors	4	-	5,928	5,928
Total assets less current liabilities		<u>598,489</u>	<u>2,219,914</u>	<u>2,818,403</u>
Representing:				
Fund balances		<u>598,489</u>	<u>2,219,914</u>	<u>2,818,403</u>

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