

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



Charity Number: 1051072

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2018

TRUSTEES

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

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. It has two of the finest cathedral choirs in the country, a magnificent Harrison & Harrison organ, a busy programme of innovative musical events and concerts, and various voluntary choirs and music groups which add further dimension to the Cathedral's worship. The Trust supports and develops the Cathedral's tradition of choral worship and promotes music of the highest quality in the Cathedral. Unlike many of the ancient cathedrals, St Albans Cathedral has no historic endowment to support its music. The costs of the choirs and the upkeep of the Cathedral's organs all have to be found from operating income.

The Trust's current vision is to enable and sustain a flourishing and financially secure musical life at the Cathedral through:

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

The Cathedral Choir and the Abbey Girls Choir rehearse both before and after school four times a week. Throughout term time they sing Evensong Tuesday to Saturday and at several services on Sunday, along with many other special services during the year. Their work is all the more remarkable because the choristers do not attend a special choir school, but come from a wide variety of backgrounds and attend a number of different local schools.

The Cathedral's Harrison & Harrison organ was built in 1962 to a design by Peter Hurford and Ralph Downes. It was the first organ to be installed in an English cathedral in the twentieth century on the classical principles of voicing, layout and chorus design. The organ can be heard being played almost every day, either for choir rehearsal, organ practice or service accompaniment.

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 and finance teams.

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 for information in St Albans Cathedral's financial statements.

THE TRUST'S FINANCIAL SUPPORT TO THE CATHEDRAL'S MUSIC

The Trust made grants to St Albans Cathedral in the year amounting to £104,678 (2017: £81,357). This comprised:

- £69,178 (2017: £66,357) to support the day to day costs of the Cathedral's music, representing the investment income from the Trust's endowment funds;
- £6,000 (2017: £6,000) to additionally support the day to day costs of the Cathedral's music, as an annual grant from the Trust's unrestricted funds;
- £4,000 (2017: £4,000) to support the work of the Cathedral's development team, which provides significant fundraising and operational support to the Trust;
- £3,000 to support the Abbey Girls Choir tour to Sweden in February 2018;
- £5,000 to support the provision of the Cathedral's choir chaperone, a newly established role critical for both proper safeguarding, pastoral care, and engagement between choristers and choir parents; and
- £17,500 towards the purchase of a Peter Collins rehearsal organ for the Cathedral's Song School, funded from the Trust's Lyne Legacy Fund, a designated fund set aside to support the Cathedral's organs.

FUNDRAISING AND DONOR ENGAGEMENT

The Trust has continued to secure donations through patron subscriptions, fundraising and endowments.

Alban Foundation

The Trust is delighted to continue to work in partnership with the St Albans Cathedral Alban Foundation, which helps nurture, develop and promote fundraising for the Cathedral, capitalising on the success of the Alban Appeal, the Cathedral's major fundraising appeal for its Alban, Britain's First Saint development project. 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.

FUNDRAISING AND DONOR ENGAGEMENT (continued)

Endowments

The generosity of donors past and present enables the Trust to support 4 endowed lay clerks and 35 endowed choristers. The Trust is also grateful to all those who have supported the 'Endow a Day's Music' programme, including a new endowment to this fund received during the year, with the number of endowed days standing at 43 at the end of the year.

Legacies

The Trust is ever 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 £590 (2017: £750) was donated to the Organ Appeal through the 'Sponsor a Pipe' scheme, which the Trust launched in 2008.

General donations

General donations of £13,778 (2017 comparable: £15,845) were received in the year from the Trust's many patrons and other donors.

Events

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

Advent Procession and Dinner

The 2017 Advent Procession and Dinner took place on 3 December 2017, raising £2,781 after expenses towards the work of the Trust.

Guitar Recital

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

Outreach Concert

The Trust is delighted to continue to promote its highly successful annual outreach concert featuring the Cathedral Choir, this year held at St Peter's Church, Berkhamsted. The Trust provided financial support of £3,389. The concert programme, together with the Trust's promotional material, communicates the role and support of the Trust very effectively. The concert is an important part of the Trust's work, taking the Cathedral's high-quality music-making out and into the Diocese.

Young Musician of the Year Competition

2018 was the seventh year of this competition and the standard of performances submitted was as strong as ever. Shortlisted applicants are invited to compete at the coveted finals in the Cathedral. Although this year's number of applications were less than in previous years, the event still generated good coverage. The competition combines 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. Music is unfortunately becoming an ever lower priority in schools, frequently due to funding or resourcing constraints and other curriculum pressures. The Trust very much hopes the competition can continue while it remains sustainable to do so.

FUNDRAISING AND DONOR ENGAGEMENT (continued)

Events (continued)

Cathedral Choirs Concert

The Cathedral's choirs joined with the St Albans Bach Choir and Sinfonia Verdi in a wonderful performance of Mendelssohn's Elijah. The Trust typically seeks to support a concert of this scale and size every two years or so. The costs of the concert were shared with St Albans Bach Choir, with the Trust contributing £10,506.

Patrons Evensong

This annual event provides an excellent opportunity to engage with the Trust's many patrons over Evensong and afterwards with the Dean of St Albans Cathedral.

Cape Crusaders Jazz Concert

The Trust hosted a terrific candlelit concert of jazz featuring Pete Letanka, a trustee, raising £2,450 for the Trust. Over seventy people attended the concert in the delightful and unique setting of St Nicholas Church, Great Munden. The Cape Crusaders are a sextet ensemble of piano, bass, drums, trumpet, saxophone and trombone, inspired by the music of the South African jazz pianist, Abdullah Ibrahim. The ensemble not only perform and record, but also seek to inspire young people to take an active interest in music via creative music workshops.

FINANCIAL REVIEW

Overall position

The Trust's net assets at the end of the year totalled £2,495,017 (2017: £2,418,137).

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 £2,369,628 at the end of the year (2017: £2,262,116). Capital additions to the fund over the course of the year amounted to £10,646 (2017: £51,218). The net annual gain on the fund, arising from revaluations, amounted to £96,866 (2017: £223,802).

The Trust's short-term deposit investments are held in the CCLA CBF Deposit Fund and amounted to £118,058 at the end of the year (2017: £147,744).

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 £197,985 at the end of the year (2017: £220,429). Of these unrestricted funds, £37,985 (2017: £52,166) represent free reserves, the remainder being designated for specific purposes. The Trust's free reserves were bolstered back in 2017 from the 2016 position of £15,878, principally through the combination of a legacy receipt and the final distribution from the Cathedral's historic fundraising campaigns. The board of trustees continues to review on an ongoing basis how it might make best use of these additional funds, both in the near-term and longer-term. The new grant towards the cost of the Cathedral's choir chaperone is one example of this.

FINANCIAL REVIEW (continued)

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 recognises any risk management and internal control system can only manage risks to a reasonable level 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 covering each of these risk areas. The Trust uses the Cathedral's finance team for transactional processing, financial reporting and compliance activities, and the Cathedral's development team for fundraising advice and support. The Trust monitors its profile, reputation and presence on an ongoing basis.

PUBLIC BENEFIT

The board of trustees confirms 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

Donor engagement

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. A new leaflet 'How you can support music in St Albans Cathedral' has been produced and is available in the Cathedral and promoted at relevant events.

Events

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

- 2018 Advent Procession and Dinner
- Lunchtime Guitar & Tenor Recital by Michael Butten and Joel Williams
- Outreach Concert at St Andrew's Church, Bedford
- Young Musician of the Year Competition 2019
- Sponsored bike ride between St Albans Cathedral and Westminster Abbey in conjunction with the Friends of Cathedral Music Diamond Fund for Choristers
- Patrons Evensong

A piano recital fundraiser and a candlelit music and dinner fundraiser are also being explored.

Choir chaperone

Following the Trust's grant this year towards the cost of the Cathedral's new choir chaperone, the Trust anticipates continuing its financial contribution towards this important role into the future.

Nave organ

The Cathedral still continues its process of evaluating options for a new nave section for the Cathedral's organ, with inherent complexities over its positioning and location. As yet there remains no consensus on a way forward. Should a feasible option land up not being possible, the Trust will in due course explore how funding set aside for this project within the Organ Appeal Fund might be best used towards future organ cleaning, reordering and improvement.

FUTURE PLANS (continued)

Song School

The Chapter House Song School will come back into use during 2019 following completion of the Cathedral's works associated with its Alban, Britain's First Saint development project. It is hoped the Cathedral's choirs will be able to continue to use the temporary Deanery Song School used during the works as an additional space. The Trust is conscious funding may be required to support any required improvements or future alterations to the new combined Song School facilities. The Trust may look to the Salisbury Legacy Fund as a potential source of funding, in line with its stated designation.

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.

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
12 March 2019

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 2018 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 2018, 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 9, 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, 72 London Road, St Albans, AL1 1NS

Statutory Auditor

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

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2017-18

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 NOVEMBER 2018

	Note	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
Income and endowments							
Donations	3	16,130	-	640	10,644	27,414	83,022
Legacies		405	-	-	-	405	28,330
Fundraising and charitable events	4	8,529	-	-	-	8,529	1,424
Investments		154	183	228	69,178	69,743	66,704
Total income		25,218	183	868	79,822	106,091	179,480
Expenditure							
Grants for the benefit of St Albans Cathedral towards music	5	18,000	17,500	-	69,178	104,678	81,357
Cost of fundraising and charitable events	4	17,692	-	-	-	17,692	4,540
Maintenance of Hurford Organ		-	-	-	-	-	150
Publicity, printing and postage		1,247	-	-	-	1,247	1,890
Sundry expenditure		-	-	-	-	-	221
Audit fee		2,460	-	-	-	2,460	2,400
Total expenditure		39,399	17,500	-	69,178	126,077	90,558
Net income/(expenditure) before gains/(losses) on investments		(14,181)	(17,317)	868	10,644	(19,986)	88,922
Net gains/(losses) on investments	6	-	9,054	4,780	83,032	96,866	223,802
Net income/(expenditure) and net movement in funds		(14,181)	(8,263)	5,648	93,676	76,880	312,724
Reconciliation of funds		-	-	-	-	-	-
Total funds brought forward		52,166	168,263	121,155	2,076,553	2,418,137	2,105,413
Total funds carried forward		37,985	160,000	126,803	2,170,229	2,495,017	2,418,137

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.

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2017-18

BALANCE SHEET AS AT 30 NOVEMBER 2018

	Note	Total 2018 £	Total 2017 £
Fixed assets			
Investments	6	2,369,628	2,262,116
Current assets			
Debtors	7	80	80
Short term cash deposit investments		118,058	147,744
Cash at bank		8,485	9,691
		126,623	157,515
Current liabilities			
Creditors	8	(1,234)	(1,494)
		125,389	156,021
Net assets		2,495,017	2,418,137
The funds of the charity			
Endowment funds	9	2,170,229	2,076,553
Restricted funds	10	126,803	121,155
Designated funds	11	160,000	168,263
Unrestricted funds		37,985	52,166
		2,495,017	2,418,137
Total charity funds	12	2,495,017	2,418,137

The financial statements on pages 12 to 23 were approved by the Trust's board of trustees on 12 March 2019 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.

Income is received by way of donations from patrons, fundraising events, appeals, legacies, endowments and other general donations. Pledged donations are not recognised until they are received as too much uncertainty over their receipt remains. Gift Aid on donations 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.

Legacies are accounted for on a receivable basis when they meet the income recognition criteria set out above. Typically this will only be after grant of probate, the executors have established there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met. 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, and on any surpluses from trading activities carried out in furtherance of the Trust's primary objectives, providing any income, profits and surpluses are applied solely for charitable purposes. 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. Realised and unrealised gains and losses relating to the movement in valuation or sale of listed investments are shown in the Statement of Financial Activities in the year in which they arise. 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, and their measurement bases, are as follows. The only class of financial instrument measured at fair value as opposed to amortised cost or cost less impairment is listed investments within fixed asset investments, the carrying amount of which is provided in note 6.

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 the form of endowment, in line with the Trust's retention of such income as capital in order to generate investment income. The Trust's endowment is expendable, meaning the board of trustees can at some point in the future determine it is in the best interests of the Trust to spend or apply the endowment capital. The board of trustees has no current plans to do so.

Significant areas of judgement in the application of accounting policies

In preparing the financial statements, the board of trustees may have to 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.

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

With respect to the Trust's next reporting period, the year ending 30 November 2019, the most significant areas of uncertainty from judgements involving estimates about the future that may affect the carrying value of assets and liabilities held by the Trust as at 30 November 2018 are as follows.

Legacy income:

In applying the Trust's accounting policies to legacy income, the board of trustees 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 2018 £nil (2017: £nil) of legacy income has been recognised in the financial statements that has not yet been physically received.

Listed investments:

Although not impacted by judgement involving estimates about the future as the fair value of listed investments can be accurately obtained at any one point in time, the following disclosure is provided due to the relative significance of the Trust's listed investments to overall net assets. 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 2018 the value of the Trust's listed investments amounted to £2,369,628 (2017: £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.

ST ALBANS CATHEDRAL MUSIC TRUST
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3. Donations

	2018 £	2017 £
Unrestricted funds		
General donations	13,778	27,770
Gift Aid	<u>2,352</u>	<u>2,945</u>
	<u>16,130</u>	<u>30,715</u>
Restricted funds		
Organ Appeal	590	750
Gift Aid	<u>50</u>	<u>337</u>
	<u>640</u>	<u>1,087</u>
Endowment funds		
Endow a Day's Music	8,000	39,370
The Burton (Ford) Choristership	668	3,173
Gift Aid	<u>1,976</u>	<u>8,677</u>
	<u>10,644</u>	<u>51,220</u>
Total donations	<u>27,414</u>	<u>83,022</u>

Two one-off donations from St Albans Cathedral are included in the comparative 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.

4. Fundraising and charitable events income and expenditure

	Income £	Expenses £	Surplus/ (deficit) £
2018			
Advent Procession and Dinner	4,262	1,481	2,781
Guitar Recital	216	-	216
Outreach Concert	-	3,389	(3,389)
Young Musician of the Year Competition	371	1,030	(659)
Cathedral Choirs Concert	-	10,506	(10,506)
Patrons Evensong	-	56	(56)
Cape Crusaders Jazz Concert	3,680	1,230	2,450
	<u>8,529</u>	<u>17,692</u>	<u>(9,163)</u>
2017 comparatives			
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>

ST ALBANS CATHEDRAL MUSIC TRUST
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5. Grants for the benefit of St Albans Cathedral towards music

	2018	2017
	£	£
Unrestricted funds		
Cathedral music	6,000	6,000
Cathedral development team	4,000	4,000
Cathedral Choir tour	-	5,000
Abbey Girls Choir tour	3,000	-
Cathedral choir chaperone	<u>5,000</u>	<u>-</u>
	<u>18,000</u>	<u>15,000</u>
Designated funds		
New rehearsal organ for Cathedral Song School	<u>17,500</u>	<u>-</u>
Endowment funds		
Endow a Day's Music	14,953	13,518
Choristerships and Scholarships	<u>54,225</u>	<u>52,839</u>
	<u>69,178</u>	<u>66,357</u>
Total grants	<u>104,678</u>	<u>81,357</u>

As at 30 November 2018, the Trust had committed £15,000 from its unrestricted funds, along with the usual investment income that will be earned on its endowment funds, for the benefit of St Albans Cathedral towards music to be paid during the year to 30 November 2019.

6. Investments

	2018	2017
	£	£
Valuation at 1 December	2,262,116	1,987,096
Additions	10,646	51,218
Withdrawals	-	-
Net gain on revaluation	96,866	223,802
Valuation at 30 November	<u>2,369,628</u>	<u>2,262,116</u>

The Trust's investments are held in a pooled common investment fund with CCLA Investment Management Ltd in its CBF Investment Fund. 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 2018 is £1,540,766 (2017: £1,530,120).

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7. Debtors

	2018	2017
All due within one year	£	£
Amount due from St Albans Cathedral	-	-
Prepayments and accrued income	80	80
	<u>80</u>	<u>80</u>
	<u><u>80</u></u>	<u><u>80</u></u>

8. Creditors

	2018	2017
All due within one year	£	£
Amount due to St Albans Cathedral	-	-
Accruals and deferred income	1,234	1,494
	<u>1,234</u>	<u>1,494</u>
	<u><u>1,234</u></u>	<u><u>1,494</u></u>

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9. Endowment funds

	Balance 1 Dec 2017	Movement in resources			Reval'n	Balance 30 Nov 2018
	£	Incoming	Outgoing	Transfer	£	£
The Endow a Day's Music Fund	448,731	24,428	(14,953)	-	18,029	476,235
The Bassett Legacy Fund	33,780	2,290	(2,290)	-	2,745	36,525
The Ouseley Trust Fund	68,755	1,125	(1,125)	-	1,349	70,104
The Laing Choristership	33,140	1,104	(1,104)	-	1,323	34,463
The Alban 2000 Fund	74,611	2,484	(2,484)	-	2,979	77,590
The Steel Trust Scholarship	38,855	1,294	(1,294)	-	1,552	40,407
The Pilling Trust Choristership	47,906	1,595	(1,595)	-	1,913	49,819
The Fraternity of Friends Fund	47,484	1,581	(1,581)	-	1,896	49,380
The Friends of Cathedral Music Fund	47,311	1,575	(1,575)	-	1,889	49,200
The Wixamtree Trust Fund	45,644	1,520	(1,520)	-	1,822	47,466
The Kirby Laing Foundation Fund	45,644	1,520	(1,520)	-	1,822	47,466
The Parnell Scholarship	44,578	1,484	(1,484)	-	1,780	46,358
The Pallant Trust Scholarship	45,920	1,529	(1,529)	-	1,834	47,754
The Leathersellers Scholarship	42,150	1,404	(1,404)	-	1,683	43,833
The Fraternity of Friends (Hunt) Fund	41,153	1,370	(1,370)	-	1,643	42,796
The Steel Trust (No 2) Scholarship	37,683	1,255	(1,255)	-	1,505	39,188
The (John) Stocker Choristership	38,165	1,271	(1,271)	-	1,524	39,689
The Elles Carver Choristership	39,990	1,332	(1,332)	-	1,597	41,587
The Berryman Fund (Bowland Trust)	35,465	1,181	(1,181)	-	1,416	36,881
The Guy Whalley Choristership	37,536	1,250	(1,250)	-	1,499	39,035
The Atkinson Scholarship	42,202	1,405	(1,405)	-	1,685	43,887
The Hurford Scholarship	46,884	1,561	(1,561)	-	1,872	48,756
The Wixamtree Trust (No 2) Fund	32,965	1,098	(1,098)	-	1,316	34,281
The Blossom Choristership	33,115	1,103	(1,103)	-	1,322	34,437
The Andrews Choristership	47,112	1,569	(1,569)	-	1,881	48,993
The Foxton Choristership	53,524	1,782	(1,782)	-	2,137	55,661
The Rosecroft Lay Clerkship	91,868	3,059	(3,059)	-	3,668	95,536
The Fraternity of Friends (No 2) Fund	47,557	1,584	(1,584)	-	1,899	49,456
The Griffiths Choristership	37,707	1,256	(1,256)	-	1,505	39,212
The Filkin Choristership	37,707	1,256	(1,256)	-	1,505	39,212
The St Ronan Choristership	38,711	1,289	(1,289)	-	1,546	40,257
The Freeman Choristership	37,898	1,262	(1,262)	-	1,513	39,411
The Mainstone Choristership	28,715	956	(956)	-	1,147	29,862
The Fayrfax Scholarship	70,133	2,335	(2,335)	-	2,800	72,933
The Oram Scholarship	32,499	1,082	(1,082)	-	1,298	33,797
The Salisbury Choristership	39,351	1,310	(1,310)	-	1,571	40,922
The Burton (Ford) Choristership	7,487	1,438	(269)	-	306	8,962
The Lois Scott Choristership	29,547	984	(984)	-	1,180	30,727
The Parkinson Choristership	27,070	901	(901)	-	1,081	28,151
	2,076,553	79,822	(69,178)	-	83,032	2,170,229

The Endow a Day's Music Fund supports the total cost of daily music at the Cathedral. Donors to the fund select a date on which their gift is recognised.

All other Endowment Funds are used for the purposes of sustaining the financial costs of a chorister or lay clerk within the Cathedral. Donors are associated in perpetuity with a particular chorister's or lay clerk's place in the choirs.

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2017-18

10. Restricted funds

	Balance 1 Dec 2017 £	Movement in resources			Reval'n £	Balance 30 Nov 2018 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	121,155	868	-	-	4,780	126,803
	121,155	868	-	-	4,780	126,803

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 2017 £	Movement in resources			Reval'n £	Balance 30 Nov 2018 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	108,920	177	(17,500)	-	4,780	96,377
Salisbury Legacy Fund	59,343	6	-	-	4,274	63,623
	168,263	183	(17,500)	-	9,054	160,000

The Lyne Legacy Fund is currently set aside to support the Cathedral's organs. £17,500 was used in the year to fund the purchase of a Peter Collins rehearsal organ for the Cathedral's Song School.

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

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ANNUAL REPORT 2017-18

12. Analysis of net assets between funds

2018	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £
Investments	-	130,501	68,898	2,170,229	2,369,628
Debtors	80	-	-	-	80
Short term cash deposit investments	30,793	29,499	57,766	-	118,058
Cash at bank	8,346	-	139	-	8,485
Creditors	(1,234)	-	-	-	(1,234)
Total net assets	37,985	160,000	126,803	2,170,229	2,495,017

2017 comparatives	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total 2017 £
Investments	-	121,446	64,117	2,076,553	2,262,116
Debtors	80	-	-	-	80
Short term cash 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

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2017-18

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

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total 2017 £
Income and endowments					
Donations	30,715	-	1,087	51,220	83,022
Legacies	28,330	-	-	-	28,330
Fundraising and charitable events	1,424	-	-	-	1,424
Investments	20	152	175	66,357	66,704
Total income	60,489	152	1,262	117,577	179,480
Expenditure					
Grants for the benefit of St Albans Cathedral towards music	15,000	-	-	66,357	81,357
Cost of fundraising and charitable events	4,540	-	-	-	4,540
Maintenance of Hurford Organ	150	-	-	-	150
Publicity, printing and postage	1,890	-	-	-	1,890
Sundry expenditure	221	-	-	-	221
Audit fee	2,400	-	-	-	2,400
Total expenditure	24,201	-	-	66,357	90,558
Net income/(expenditure) before gains/(losses) on investments	36,288	152	1,262	51,220	88,922
Net gains/(losses) on investments	-	15,619	8,246	199,937	223,802
Net income/(expenditure) and net movement in funds	36,288	15,771	9,508	251,157	312,724
Reconciliation of funds					
Total funds brought forward	15,878	152,492	111,647	1,825,396	2,105,413
Total funds carried forward	52,166	168,263	121,155	2,076,553	2,418,137

14. Transactions with related parties and connected entities

There have been no transactions between the Trust and related parties during the reporting period (2017: 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 £104,678 in the year (2017: £81,357). The Cathedral made a one-off donation from its now-closed fundraising campaigns to the Trust in the comparative year of £28,395. The net balance owed to/by the Trust at the end of the year is £nil (2017: owed to/by the Trust £nil).

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



Charity Number: 1051072

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2018

TRUSTEES

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

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. It has two of the finest cathedral choirs in the country, a magnificent Harrison & Harrison organ, a busy programme of innovative musical events and concerts, and various voluntary choirs and music groups which add further dimension to the Cathedral's worship. The Trust supports and develops the Cathedral's tradition of choral worship and promotes music of the highest quality in the Cathedral. Unlike many of the ancient cathedrals, St Albans Cathedral has no historic endowment to support its music. The costs of the choirs and the upkeep of the Cathedral's organs all have to be found from operating income.

The Trust's current vision is to enable and sustain a flourishing and financially secure musical life at the Cathedral through:

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

The Cathedral Choir and the Abbey Girls Choir rehearse both before and after school four times a week. Throughout term time they sing Evensong Tuesday to Saturday and at several services on Sunday, along with many other special services during the year. Their work is all the more remarkable because the choristers do not attend a special choir school, but come from a wide variety of backgrounds and attend a number of different local schools.

The Cathedral's Harrison & Harrison organ was built in 1962 to a design by Peter Hurford and Ralph Downes. It was the first organ to be installed in an English cathedral in the twentieth century on the classical principles of voicing, layout and chorus design. The organ can be heard being played almost every day, either for choir rehearsal, organ practice or service accompaniment.

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 and finance teams.

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 for information in St Albans Cathedral's financial statements.

THE TRUST'S FINANCIAL SUPPORT TO THE CATHEDRAL'S MUSIC

The Trust made grants to St Albans Cathedral in the year amounting to £104,678 (2017: £81,357). This comprised:

- £69,178 (2017: £66,357) to support the day to day costs of the Cathedral's music, representing the investment income from the Trust's endowment funds;
- £6,000 (2017: £6,000) to additionally support the day to day costs of the Cathedral's music, as an annual grant from the Trust's unrestricted funds;
- £4,000 (2017: £4,000) to support the work of the Cathedral's development team, which provides significant fundraising and operational support to the Trust;
- £3,000 to support the Abbey Girls Choir tour to Sweden in February 2018;
- £5,000 to support the provision of the Cathedral's choir chaperone, a newly established role critical for both proper safeguarding, pastoral care, and engagement between choristers and choir parents; and
- £17,500 towards the purchase of a Peter Collins rehearsal organ for the Cathedral's Song School, funded from the Trust's Lyne Legacy Fund, a designated fund set aside to support the Cathedral's organs.

FUNDRAISING AND DONOR ENGAGEMENT

The Trust has continued to secure donations through patron subscriptions, fundraising and endowments.

Alban Foundation

The Trust is delighted to continue to work in partnership with the St Albans Cathedral Alban Foundation, which helps nurture, develop and promote fundraising for the Cathedral, capitalising on the success of the Alban Appeal, the Cathedral's major fundraising appeal for its Alban, Britain's First Saint development project. 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.

FUNDRAISING AND DONOR ENGAGEMENT (continued)

Endowments

The generosity of donors past and present enables the Trust to support 4 endowed lay clerks and 35 endowed choristers. The Trust is also grateful to all those who have supported the 'Endow a Day's Music' programme, including a new endowment to this fund received during the year, with the number of endowed days standing at 43 at the end of the year.

Legacies

The Trust is ever 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 £590 (2017: £750) was donated to the Organ Appeal through the 'Sponsor a Pipe' scheme, which the Trust launched in 2008.

General donations

General donations of £13,778 (2017 comparable: £15,845) were received in the year from the Trust's many patrons and other donors.

Events

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

Advent Procession and Dinner

The 2017 Advent Procession and Dinner took place on 3 December 2017, raising £2,781 after expenses towards the work of the Trust.

Guitar Recital

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

Outreach Concert

The Trust is delighted to continue to promote its highly successful annual outreach concert featuring the Cathedral Choir, this year held at St Peter's Church, Berkhamsted. The Trust provided financial support of £3,389. The concert programme, together with the Trust's promotional material, communicates the role and support of the Trust very effectively. The concert is an important part of the Trust's work, taking the Cathedral's high-quality music-making out and into the Diocese.

Young Musician of the Year Competition

2018 was the seventh year of this competition and the standard of performances submitted was as strong as ever. Shortlisted applicants are invited to compete at the coveted finals in the Cathedral. Although this year's number of applications were less than in previous years, the event still generated good coverage. The competition combines 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. Music is unfortunately becoming an ever lower priority in schools, frequently due to funding or resourcing constraints and other curriculum pressures. The Trust very much hopes the competition can continue while it remains sustainable to do so.

FUNDRAISING AND DONOR ENGAGEMENT (continued)

Events (continued)

Cathedral Choirs Concert

The Cathedral's choirs joined with the St Albans Bach Choir and Sinfonia Verdi in a wonderful performance of Mendelssohn's Elijah. The Trust typically seeks to support a concert of this scale and size every two years or so. The costs of the concert were shared with St Albans Bach Choir, with the Trust contributing £10,506.

Patrons Evensong

This annual event provides an excellent opportunity to engage with the Trust's many patrons over Evensong and afterwards with the Dean of St Albans Cathedral.

Cape Crusaders Jazz Concert

The Trust hosted a terrific candlelit concert of jazz featuring Pete Letanka, a trustee, raising £2,450 for the Trust. Over seventy people attended the concert in the delightful and unique setting of St Nicholas Church, Great Munden. The Cape Crusaders are a sextet ensemble of piano, bass, drums, trumpet, saxophone and trombone, inspired by the music of the South African jazz pianist, Abdullah Ibrahim. The ensemble not only perform and record, but also seek to inspire young people to take an active interest in music via creative music workshops.

FINANCIAL REVIEW

Overall position

The Trust's net assets at the end of the year totalled £2,495,017 (2017: £2,418,137).

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 £2,369,628 at the end of the year (2017: £2,262,116). Capital additions to the fund over the course of the year amounted to £10,646 (2017: £51,218). The net annual gain on the fund, arising from revaluations, amounted to £96,866 (2017: £223,802).

The Trust's short-term deposit investments are held in the CCLA CBF Deposit Fund and amounted to £118,058 at the end of the year (2017: £147,744).

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 £197,985 at the end of the year (2017: £220,429). Of these unrestricted funds, £37,985 (2017: £52,166) represent free reserves, the remainder being designated for specific purposes. The Trust's free reserves were bolstered back in 2017 from the 2016 position of £15,878, principally through the combination of a legacy receipt and the final distribution from the Cathedral's historic fundraising campaigns. The board of trustees continues to review on an ongoing basis how it might make best use of these additional funds, both in the near-term and longer-term. The new grant towards the cost of the Cathedral's choir chaperone is one example of this.

FINANCIAL REVIEW (continued)

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 recognises any risk management and internal control system can only manage risks to a reasonable level 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 covering each of these risk areas. The Trust uses the Cathedral's finance team for transactional processing, financial reporting and compliance activities, and the Cathedral's development team for fundraising advice and support. The Trust monitors its profile, reputation and presence on an ongoing basis.

PUBLIC BENEFIT

The board of trustees confirms 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

Donor engagement

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. A new leaflet 'How you can support music in St Albans Cathedral' has been produced and is available in the Cathedral and promoted at relevant events.

Events

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

- 2018 Advent Procession and Dinner
- Lunchtime Guitar & Tenor Recital by Michael Butten and Joel Williams
- Outreach Concert at St Andrew's Church, Bedford
- Young Musician of the Year Competition 2019
- Sponsored bike ride between St Albans Cathedral and Westminster Abbey in conjunction with the Friends of Cathedral Music Diamond Fund for Choristers
- Patrons Evensong

A piano recital fundraiser and a candlelit music and dinner fundraiser are also being explored.

Choir chaperone

Following the Trust's grant this year towards the cost of the Cathedral's new choir chaperone, the Trust anticipates continuing its financial contribution towards this important role into the future.

Nave organ

The Cathedral still continues its process of evaluating options for a new nave section for the Cathedral's organ, with inherent complexities over its positioning and location. As yet there remains no consensus on a way forward. Should a feasible option land up not being possible, the Trust will in due course explore how funding set aside for this project within the Organ Appeal Fund might be best used towards future organ cleaning, reordering and improvement.

FUTURE PLANS (continued)

Song School

The Chapter House Song School will come back into use during 2019 following completion of the Cathedral's works associated with its Alban, Britain's First Saint development project. It is hoped the Cathedral's choirs will be able to continue to use the temporary Deanery Song School used during the works as an additional space. The Trust is conscious funding may be required to support any required improvements or future alterations to the new combined Song School facilities. The Trust may look to the Salisbury Legacy Fund as a potential source of funding, in line with its stated designation.

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.

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
12 March 2019

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 2018 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 2018, 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 9, 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, 72 London Road, St Albans, AL1 1NS
Statutory Auditor
Mercer & Hole is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

ST ALBANS CATHEDRAL MUSIC TRUST
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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 NOVEMBER 2018

	Note	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
Income and endowments							
Donations	3	16,130	-	640	10,644	27,414	83,022
Legacies		405	-	-	-	405	28,330
Fundraising and charitable events	4	8,529	-	-	-	8,529	1,424
Investments		154	183	228	69,178	69,743	66,704
Total income		25,218	183	868	79,822	106,091	179,480
Expenditure							
Grants for the benefit of St Albans Cathedral towards music	5	18,000	17,500	-	69,178	104,678	81,357
Cost of fundraising and charitable events	4	17,692	-	-	-	17,692	4,540
Maintenance of Hurford Organ		-	-	-	-	-	150
Publicity, printing and postage		1,247	-	-	-	1,247	1,890
Sundry expenditure		-	-	-	-	-	221
Audit fee		2,460	-	-	-	2,460	2,400
Total expenditure		39,399	17,500	-	69,178	126,077	90,558
Net income/(expenditure) before gains/(losses) on investments		(14,181)	(17,317)	868	10,644	(19,986)	88,922
Net gains/(losses) on investments	6	-	9,054	4,780	83,032	96,866	223,802
Net income/(expenditure) and net movement in funds		(14,181)	(8,263)	5,648	93,676	76,880	312,724
Reconciliation of funds		-	-	-	-	-	-
Total funds brought forward		52,166	168,263	121,155	2,076,553	2,418,137	2,105,413
Total funds carried forward		37,985	160,000	126,803	2,170,229	2,495,017	2,418,137

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.

ST ALBANS CATHEDRAL MUSIC TRUST
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BALANCE SHEET AS AT 30 NOVEMBER 2018

	Note	Total 2018 £	Total 2017 £
Fixed assets			
Investments	6	2,369,628	2,262,116
Current assets			
Debtors	7	80	80
Short term cash deposit investments		118,058	147,744
Cash at bank		8,485	9,691
		126,623	157,515
Current liabilities			
Creditors	8	(1,234)	(1,494)
		125,389	156,021
Net assets		2,495,017	2,418,137
The funds of the charity			
Endowment funds	9	2,170,229	2,076,553
Restricted funds	10	126,803	121,155
Designated funds	11	160,000	168,263
Unrestricted funds		37,985	52,166
		2,495,017	2,418,137
Total charity funds	12	2,495,017	2,418,137

The financial statements on pages 12 to 23 were approved by the Trust's board of trustees on 12 March 2019 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.

Income is received by way of donations from patrons, fundraising events, appeals, legacies, endowments and other general donations. Pledged donations are not recognised until they are received as too much uncertainty over their receipt remains. Gift Aid on donations 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.

Legacies are accounted for on a receivable basis when they meet the income recognition criteria set out above. Typically this will only be after grant of probate, the executors have established there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met. 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, and on any surpluses from trading activities carried out in furtherance of the Trust's primary objectives, providing any income, profits and surpluses are applied solely for charitable purposes. 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. Realised and unrealised gains and losses relating to the movement in valuation or sale of listed investments are shown in the Statement of Financial Activities in the year in which they arise. 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, and their measurement bases, are as follows. The only class of financial instrument measured at fair value as opposed to amortised cost or cost less impairment is listed investments within fixed asset investments, the carrying amount of which is provided in note 6.

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 the form of endowment, in line with the Trust's retention of such income as capital in order to generate investment income. The Trust's endowment is expendable, meaning the board of trustees can at some point in the future determine it is in the best interests of the Trust to spend or apply the endowment capital. The board of trustees has no current plans to do so.

Significant areas of judgement in the application of accounting policies

In preparing the financial statements, the board of trustees may have to 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.

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

With respect to the Trust's next reporting period, the year ending 30 November 2019, the most significant areas of uncertainty from judgements involving estimates about the future that may affect the carrying value of assets and liabilities held by the Trust as at 30 November 2018 are as follows.

Legacy income:

In applying the Trust's accounting policies to legacy income, the board of trustees 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 2018 £nil (2017: £nil) of legacy income has been recognised in the financial statements that has not yet been physically received.

Listed investments:

Although not impacted by judgement involving estimates about the future as the fair value of listed investments can be accurately obtained at any one point in time, the following disclosure is provided due to the relative significance of the Trust's listed investments to overall net assets. 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 2018 the value of the Trust's listed investments amounted to £2,369,628 (2017: £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.

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3. Donations

	2018 £	2017 £
Unrestricted funds		
General donations	13,778	27,770
Gift Aid	<u>2,352</u>	<u>2,945</u>
	<u>16,130</u>	<u>30,715</u>
Restricted funds		
Organ Appeal	590	750
Gift Aid	<u>50</u>	<u>337</u>
	<u>640</u>	<u>1,087</u>
Endowment funds		
Endow a Day's Music	8,000	39,370
The Burton (Ford) Choristership	668	3,173
Gift Aid	<u>1,976</u>	<u>8,677</u>
	<u>10,644</u>	<u>51,220</u>
Total donations	<u>27,414</u>	<u>83,022</u>

Two one-off donations from St Albans Cathedral are included in the comparative 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.

4. Fundraising and charitable events income and expenditure

	Income £	Expenses £	Surplus/ (deficit) £
2018			
Advent Procession and Dinner	4,262	1,481	2,781
Guitar Recital	216	-	216
Outreach Concert	-	3,389	(3,389)
Young Musician of the Year Competition	371	1,030	(659)
Cathedral Choirs Concert	-	10,506	(10,506)
Patrons Evensong	-	56	(56)
Cape Crusaders Jazz Concert	3,680	1,230	2,450
	<u>8,529</u>	<u>17,692</u>	<u>(9,163)</u>
2017 comparatives			
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>

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

	2018	2017
	£	£
Unrestricted funds		
Cathedral music	6,000	6,000
Cathedral development team	4,000	4,000
Cathedral Choir tour	-	5,000
Abbey Girls Choir tour	3,000	-
Cathedral choir chaperone	<u>5,000</u>	<u>-</u>
	<u>18,000</u>	<u>15,000</u>
Designated funds		
New rehearsal organ for Cathedral Song School	<u>17,500</u>	<u>-</u>
Endowment funds		
Endow a Day's Music	14,953	13,518
Choristerships and Scholarships	<u>54,225</u>	<u>52,839</u>
	<u>69,178</u>	<u>66,357</u>
Total grants	<u>104,678</u>	<u>81,357</u>

As at 30 November 2018, the Trust had committed £15,000 from its unrestricted funds, along with the usual investment income that will be earned on its endowment funds, for the benefit of St Albans Cathedral towards music to be paid during the year to 30 November 2019.

6. Investments

	2018	2017
	£	£
Valuation at 1 December	2,262,116	1,987,096
Additions	10,646	51,218
Withdrawals	-	-
Net gain on revaluation	96,866	223,802
Valuation at 30 November	<u>2,369,628</u>	<u>2,262,116</u>

The Trust's investments are held in a pooled common investment fund with CCLA Investment Management Ltd in its CBF Investment Fund. 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 2018 is £1,540,766 (2017: £1,530,120).

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7. Debtors

	2018	2017
All due within one year	£	£
Amount due from St Albans Cathedral	-	-
Prepayments and accrued income	80	80
	<u>80</u>	<u>80</u>
	<u><u>80</u></u>	<u><u>80</u></u>

8. Creditors

	2018	2017
All due within one year	£	£
Amount due to St Albans Cathedral	-	-
Accruals and deferred income	1,234	1,494
	<u>1,234</u>	<u>1,494</u>
	<u><u>1,234</u></u>	<u><u>1,494</u></u>

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9. Endowment funds

	Balance 1 Dec 2017	Movement in resources			Reval'n	Balance 30 Nov 2018
	£	Incoming £	Outgoing £	Transfer £	£	£
The Endow a Day's Music Fund	448,731	24,428	(14,953)	-	18,029	476,235
The Bassett Legacy Fund	33,780	2,290	(2,290)	-	2,745	36,525
The Ouseley Trust Fund	68,755	1,125	(1,125)	-	1,349	70,104
The Laing Choristership	33,140	1,104	(1,104)	-	1,323	34,463
The Alban 2000 Fund	74,611	2,484	(2,484)	-	2,979	77,590
The Steel Trust Scholarship	38,855	1,294	(1,294)	-	1,552	40,407
The Pilling Trust Choristership	47,906	1,595	(1,595)	-	1,913	49,819
The Fraternity of Friends Fund	47,484	1,581	(1,581)	-	1,896	49,380
The Friends of Cathedral Music Fund	47,311	1,575	(1,575)	-	1,889	49,200
The Wixamtree Trust Fund	45,644	1,520	(1,520)	-	1,822	47,466
The Kirby Laing Foundation Fund	45,644	1,520	(1,520)	-	1,822	47,466
The Parnell Scholarship	44,578	1,484	(1,484)	-	1,780	46,358
The Pallant Trust Scholarship	45,920	1,529	(1,529)	-	1,834	47,754
The Leathersellers Scholarship	42,150	1,404	(1,404)	-	1,683	43,833
The Fraternity of Friends (Hunt) Fund	41,153	1,370	(1,370)	-	1,643	42,796
The Steel Trust (No 2) Scholarship	37,683	1,255	(1,255)	-	1,505	39,188
The (John) Stocker Choristership	38,165	1,271	(1,271)	-	1,524	39,689
The Elles Carver Choristership	39,990	1,332	(1,332)	-	1,597	41,587
The Berryman Fund (Bowland Trust)	35,465	1,181	(1,181)	-	1,416	36,881
The Guy Whalley Choristership	37,536	1,250	(1,250)	-	1,499	39,035
The Atkinson Scholarship	42,202	1,405	(1,405)	-	1,685	43,887
The Hurford Scholarship	46,884	1,561	(1,561)	-	1,872	48,756
The Wixamtree Trust (No 2) Fund	32,965	1,098	(1,098)	-	1,316	34,281
The Blossom Choristership	33,115	1,103	(1,103)	-	1,322	34,437
The Andrews Choristership	47,112	1,569	(1,569)	-	1,881	48,993
The Foxton Choristership	53,524	1,782	(1,782)	-	2,137	55,661
The Rosecroft Lay Clerkship	91,868	3,059	(3,059)	-	3,668	95,536
The Fraternity of Friends (No 2) Fund	47,557	1,584	(1,584)	-	1,899	49,456
The Griffiths Choristership	37,707	1,256	(1,256)	-	1,505	39,212
The Filkin Choristership	37,707	1,256	(1,256)	-	1,505	39,212
The St Ronan Choristership	38,711	1,289	(1,289)	-	1,546	40,257
The Freeman Choristership	37,898	1,262	(1,262)	-	1,513	39,411
The Mainstone Choristership	28,715	956	(956)	-	1,147	29,862
The Fayrfax Scholarship	70,133	2,335	(2,335)	-	2,800	72,933
The Oram Scholarship	32,499	1,082	(1,082)	-	1,298	33,797
The Salisbury Choristership	39,351	1,310	(1,310)	-	1,571	40,922
The Burton (Ford) Choristership	7,487	1,438	(269)	-	306	8,962
The Lois Scott Choristership	29,547	984	(984)	-	1,180	30,727
The Parkinson Choristership	27,070	901	(901)	-	1,081	28,151
	2,076,553	79,822	(69,178)	-	83,032	2,170,229

The Endow a Day's Music Fund supports the total cost of daily music at the Cathedral. Donors to the fund select a date on which their gift is recognised.

All other Endowment Funds are used for the purposes of sustaining the financial costs of a chorister or lay clerk within the Cathedral. Donors are associated in perpetuity with a particular chorister's or lay clerk's place in the choirs.

ST ALBANS CATHEDRAL MUSIC TRUST
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10. Restricted funds

	Balance 1 Dec 2017 £	Movement in resources			Reval'n £	Balance 30 Nov 2018 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	121,155	868	-	-	4,780	126,803
	121,155	868	-	-	4,780	126,803

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 2017 £	Movement in resources			Reval'n £	Balance 30 Nov 2018 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	108,920	177	(17,500)	-	4,780	96,377
Salisbury Legacy Fund	59,343	6	-	-	4,274	63,623
	168,263	183	(17,500)	-	9,054	160,000

The Lyne Legacy Fund is currently set aside to support the Cathedral's organs. £17,500 was used in the year to fund the purchase of a Peter Collins rehearsal organ for the Cathedral's Song School.

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

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12. Analysis of net assets between funds

2018	Unrestricted Funds 2018 £	Designated Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £
Investments	-	130,501	68,898	2,170,229	2,369,628
Debtors	80	-	-	-	80
Short term cash deposit investments	30,793	29,499	57,766	-	118,058
Cash at bank	8,346	-	139	-	8,485
Creditors	(1,234)	-	-	-	(1,234)
Total net assets	37,985	160,000	126,803	2,170,229	2,495,017

2017 comparatives	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total 2017 £
Investments	-	121,446	64,117	2,076,553	2,262,116
Debtors	80	-	-	-	80
Short term cash 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

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

	Unrestricted Funds 2017 £	Designated Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	Total 2017 £
Income and endowments					
Donations	30,715	-	1,087	51,220	83,022
Legacies	28,330	-	-	-	28,330
Fundraising and charitable events	1,424	-	-	-	1,424
Investments	20	152	175	66,357	66,704
Total income	60,489	152	1,262	117,577	179,480
Expenditure					
Grants for the benefit of St Albans Cathedral towards music	15,000	-	-	66,357	81,357
Cost of fundraising and charitable events	4,540	-	-	-	4,540
Maintenance of Hurford Organ	150	-	-	-	150
Publicity, printing and postage	1,890	-	-	-	1,890
Sundry expenditure	221	-	-	-	221
Audit fee	2,400	-	-	-	2,400
Total expenditure	24,201	-	-	66,357	90,558
Net income/(expenditure) before gains/(losses) on investments	36,288	152	1,262	51,220	88,922
Net gains/(losses) on investments	-	15,619	8,246	199,937	223,802
Net income/(expenditure) and net movement in funds	36,288	15,771	9,508	251,157	312,724
Reconciliation of funds					
Total funds brought forward	15,878	152,492	111,647	1,825,396	2,105,413
Total funds carried forward	52,166	168,263	121,155	2,076,553	2,418,137

14. Transactions with related parties and connected entities

There have been no transactions between the Trust and related parties during the reporting period (2017: 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 £104,678 in the year (2017: £81,357). The Cathedral made a one-off donation from its now-closed fundraising campaigns to the Trust in the comparative year of £28,395. The net balance owed to/by the Trust at the end of the year is £nil (2017: owed to/by the Trust £nil).

**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 2018 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 2018, 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 9, 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, 72 London Road, St Albans, AL1 1NS
Statutory Auditor

18 March 2019

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