

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
LEICESTER CATHEDRAL MUSIC FOUNDATION

Duncan & Toplis Limited, Statutory Auditor
3 Princes Court
Royal Way
Loughborough
Leicestershire
LE11 5XR

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FOR THE YEAR ENDED 31 DECEMBER 2022

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LEICESTER CATHEDRAL MUSIC FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees of the Leicester Cathedral Music Foundation present their annual report for the year ended 31 December 2022 and confirm they comply with the requirements of the Charities Act 1993, as amended by the Charities Act 2006 and subsequently by the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

LEICESTER CATHEDRAL MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Objectives and aims

Objects

The Objects of the CIO are, for the public benefit:

1. The advancement of education in music by, but not limited to:
 - i) The granting of scholarships and bursaries to musicians, choristers and choirs;
 - ii) The provision and maintenance of music, musical instruments and other facilities for providing music;
 - iii) The training of musicians and choristers; and
 - iv) The provision of musical and choral education in schools, churches and the wider community; and
2. The advancement of the Christian religion in accordance with the precepts of the Church of England.

Review of activities in 2022

Quality of Performance

The quality of singing from all groups has steadily improved and the repertoire increased.

DioSing

In 2023 Leicester Cathedral has joined the National Schools' Singing Programme, as one of six Anglican cathedrals (the others being Derby, Sheffield, Liverpool, Newcastle and York). The scheme has been running for a while in Roman Catholic dioceses and is based on the model of the RC Diocese of Leeds' Schools' Singing Programme. This gives us £75,000 in funding from the Hamish Ogston Foundation over the next five academic years, (£25,000 in the first year and £5,000 less each year in years two to five).

Our bid for funding from the Rank Foundation was also successful: they are giving us £20,000 per annum for the next three academic years. This means that the project is virtually fully funded until the end of the academic year 2025-2026 and facilitates the expansion to at least 14 schools. We currently have nine on our books. These grants will enable us to employ a third full-time member of music staff, whose job will be principally to deliver DioSing, but will also be available to assist with training of choristers in supporting skills (aural, theory) and to conduct the choirs on occasion

Together With Leicester Cathedral

This has been a great success and formed the basis of our most recent funding application to the Cathedral Music Trust. We will know the outcome of that in May 2023. Included in that application was funding for an organ scholar, which would enable us to continue Together With visits at a rate of up to two per month without compromising the schedule of choral services at the cathedral. Even without the organ scholar, we hope to continue them at a rate of roughly one a month and dates up to the early part of 2024 have been identified.

Singing lessons

Currently all senior girls, young songmen and choral scholars have singing lessons, currently funded by the Cathedral Music Trust. A number have done exams with great success. Two senior girl choristers sang at the Guild of St Martin dinner.

Commission

Cecilia McDowall is being commissioned to write an anthem for the celebrations in 2024 of the reopening of the Cathedral and the golden anniversary of the girls' choir at Leicester Cathedral.

Grand Piano

We have a significant donation from a single benefactor for the purchase of a Steinway grand piano for the Cathedral. A professional pianist, is advising on this.

Trustees' induction and training

All current trustees are also trustees of other charitable organisations and well experienced in the nature of the role and legal responsibilities. New trustees will receive an induction, be made aware of the role of a trustee as laid down by the Charity Commission and, if appropriate, attend appropriate training and development seminars to help them develop their role.

Public benefit

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

LEICESTER CATHEDRAL MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Achievements

The Charitable Incorporated Organisation (CIO) fundraises primarily through institutions, trust and foundations together with event-based fundraising and individual donations. The CIO does not engage in cold-calling or street-based fundraising and all activities undertaken are directly monitored and controlled by the Trustees. It has not received any complaints in the year in connection with the propriety of its fundraising. The charity is aware of the need to protect potentially vulnerable donors and in the small number of cases where this is applicable it does so through their families.

The CIO has received funds totalling £92,668 from trusts and private individuals, including grants of £29,700 from the Cathedral Music Trust. £3,000 from the Edington Music Festival. £3,000 from William Hercock Limited and a donation of £2,000 from the Sir Andrew Martin Trust. It has also received total donations of £36,000 (plus associated Gift Aid) for the provision of a Grand Piano in Leicester Cathedral. This donation was given solely for the purposes of purchasing a Grand Piano for the Cathedral, suitable for professional concert use

The interest earned from investments totalled £15,313, of which £9,109 was transferred to the Music Scholarship Fund to support Choral Scholarships, with the remainder supporting the general work of the foundation. Three Choral Scholars were appointed in November 2022.

FINANCIAL REVIEW

Financial position

At the year-end, the unrestricted funds had a cash balance of £96,384 and an overall balance of £68,460 as there were outstanding creditors of £27,924.

The restricted funds had a cash balance of £117,459, an investment balance of £36,439, outstanding creditors of £6,688 and an overall balance of £147,210.

The endowment funds had an overall balance of £420,546.

Reserves policy

The Trustees consider that an appropriate level of unrestricted reserves should be sufficient to cover any Governance Costs, around £8,300. The current level of unrestricted reserves, £68,460, comfortably exceeds this amount and this is available to develop the work of the Choir, the continuation of the DioSing programme and support the salary of the Assistant Director of Music.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing statute

Leicester Cathedral Music Foundation is a Charitable Incorporated Organisation (CIO) whose only voting members are its charity trustees. It was incorporated on 5 November 2015.

Organisational structure

The Music Foundation is of significant importance in supporting Chapter and particularly the College of Canons to achieve its aims and it uses the staffing resources of the Cathedral to meet these. The trustees meet regularly to have oversight of its fundraising activities and annually to receive the report and accounts prepared by the Administrator and Finance Manager. The day to day operation is carried out by the Cathedral staff and senior team, in close consultation with the Trustees who meet on a regular basis, and with the College of Canons; the Cathedral Chapter receives updates at each of its meetings.

LEICESTER CATHEDRAL MUSIC FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The main purpose of the charity is to raise money to enable the Dean and Chapter of Leicester Cathedral to achieve its purpose as described in the objects of the charity. The Trustees are involved in fundraising activities with other staff from the Cathedral and in this way have direct input to the development of strategies and their implementation. The Trustees are acutely aware of their responsibilities with regard to the money raised and that it is only to be used for the purpose given. They have established controls to mitigate any risks in the treatment of funds.

It is the Chapter that would commission any expenditure and therefore any risk would fall to them. In making decisions to commit to work in the Cathedral the Chapter would need to be mindful of the need to ensure that funds exist either from the Music Foundation or other sources.

Safeguarding

The Trust operates within the Safeguarding Policy and Procedures of Leicester Cathedral which is constructed using the Church of England National Safeguarding Policy and Procedures adapted to this local Cathedral context.

Impact of the coronavirus pandemic

In early 2020 the coronavirus pandemic impacted the fundraising operations of the charity. Whilst the levels of private giving and revenue grants did not decline significantly, it reduced the ability to attract new donors, and this has been addressed by the introduction of the Guild of St Katherine in 2023. The book value of the investments significantly declined in 2022, and it impacted on the dividend income as well.

The Trustees consider that the charity has sufficient reserves to continue to meet its charitable objectives.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1164872

Principal address

Cathedral Office
St Martins House
7 Peacock Lane
Leicester
Leicestershire
LE1 5PZ

Trustees

Very Rev D Monteith (resigned 17.12.22)
Canon Prof R Allison
Lady J Gretton
Reverend D Johnson
Mr P Leech
Canon P Russell (resigned 20.1.23)
Mr T R Hercock
Rev K Rooms (appointed 17.12.22)

Auditors

Duncan & Toplis Limited, Statutory Auditor
3 Princes Court
Royal Way
Loughborough
Leicestershire
LE11 5XR

Solicitors

Revd T Kirkman MA (Cantab)
Latham and Co Solicitors
Charnwood House, 2 Forest Road
Leicester
LE11 3NP

LEICESTER CATHEDRAL MUSIC FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Administrator
Jonathan Kerry
Chief Executive, Diocesan Secretary and Cathedral Administrator

Finance Manager
Trevor Peel
Financial Controller - Leicester Cathedral

Bankers
Barclays Bank plc
1 - 3 Haymarket Towers Branch
Humberstone Gate
Leicester
LE1 1WA

Investment Managers
CCLA Investment Management Ltd
1 Angel Lane
London
EC 4R 3AB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the [Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Mr T R Hercock - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LEICESTER CATHEDRAL MUSIC FOUNDATION

Opinion

We have audited the financial statements of Leicester Cathedral Music Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LEICESTER CATHEDRAL MUSIC FOUNDATION

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial experience, knowledge of the sector, a review of regulatory and legal correspondence and through discussions with Trustees and other key management obtained as part of the work required by auditing standards. We have also discussed with the Trustees and other key management the policies and procedures relating to compliance with laws and regulations. We communicated laws and regulations throughout the team and remained alert to any indications of non-compliance throughout the audit. The potential impact of different laws and regulations varies considerably.

Firstly, the charity is subject to laws and regulations that directly impact the financial statements (for example financial reporting legislation) and we have assessed the extent of compliance with such laws as part of our financial statements audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including risk of override of controls) and determined that the principal risks were related to management bias in judgemental areas of the financial statements such as income recognition, as well as the risk of inappropriate journal entries to manipulate reported surplus/deficit. Audit procedures performed by the engagement team included the identification and testing of unusual material nominal ledger entries and challenging management on key assumptions and judgements made in the preparation of the financial statements. We carried out detailed substantive tests on material income streams, including reviewing the supporting documentation used to determine the recognition of income, ensuring it is consistent and recognised in the correct period, and we have reviewed and assessed the knowledge and expertise of the investment managers and verified the valuations and income from the investments to third party confirmations.

Secondly, the charity is subject to other laws and regulations where the consequence for non-compliance could have a material effect on the amounts or disclosures in the financial statements. We identified the following areas as those most likely to have such an effect: Written restrictions or designations imposed by grant providers or donors. Again, we have reviewed the supporting documentation for all material income streams and assured ourselves that any written conditions have been adhered to as applicable. We note that given the nature of the charity, there are no specific laws and regulations governing the activities, aside from Companies Act 2006, Charities Act 2011, Charitable Incorporated Organisations (General) regulations 2012 and the applicable accounting standards.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other key management and inspection. This inspection included reading minutes of meetings of those charged with governance and discussing with both those charged with governance and the key management to confirm that to their knowledge they were not aware of any instances of non-compliance. Through these procedures, if we became aware of any non-compliance, we considered the impact on the procedures performed on the related financial statement items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. As with any audit, there is a greater risk of non-detection of irregularities as these may involve collusion, intentional omissions of the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
LEICESTER CATHEDRAL MUSIC FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditors' 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.

Duncan & Toplis Limited, Statutory Auditor
3 Princes Court
Royal Way
Loughborough
Leicestershire
LE11 5XR

Date:

LEICESTER CATHEDRAL MUSIC FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	17,968	74,700	-	92,668	112,522
Investment income	4	4,249	11,064	-	15,313	10,709
Total		<u>22,217</u>	<u>85,764</u>	<u>-</u>	<u>107,981</u>	<u>123,231</u>
EXPENDITURE ON						
Raising funds		4,000	-	-	4,000	-
Charitable activities	5					
Charitable activities		23,543	7,991	-	31,534	17,100
Other running costs		8,339	-	-	8,339	5,295
Total		<u>35,882</u>	<u>7,991</u>	<u>-</u>	<u>43,873</u>	<u>22,395</u>
Net gains/(losses) on investments		<u>-</u>	<u>(4,838)</u>	<u>(57,538)</u>	<u>(62,376)</u>	<u>47,374</u>
NET INCOME/(EXPENDITURE)		(13,665)	72,935	(57,538)	1,732	148,210
RECONCILIATION OF FUNDS						
Total funds brought forward		82,125	74,275	478,084	634,484	486,274
TOTAL FUNDS CARRIED FORWARD		<u><u>68,460</u></u>	<u><u>147,210</u></u>	<u><u>420,546</u></u>	<u><u>636,216</u></u>	<u><u>634,484</u></u>

The notes form part of these financial statements

LEICESTER CATHEDRAL MUSIC FOUNDATION

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2022

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS						
Investments	9	-	36,439	420,546	456,985	519,361
CURRENT ASSETS						
Debtors	10	-	-	-	-	8,114
Cash at bank		96,384	117,459	-	213,843	113,383
		<u>96,384</u>	<u>117,459</u>	<u>-</u>	<u>213,843</u>	<u>121,497</u>
CREDITORS						
Amounts falling due within one year	11	(27,924)	(6,688)	-	(34,612)	(6,374)
		<u>68,460</u>	<u>110,771</u>	<u>-</u>	<u>179,231</u>	<u>115,123</u>
NET CURRENT ASSETS						
		<u>68,460</u>	<u>110,771</u>	<u>-</u>	<u>179,231</u>	<u>115,123</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		68,460	147,210	420,546	636,216	634,484
		<u>68,460</u>	<u>147,210</u>	<u>420,546</u>	<u>636,216</u>	<u>634,484</u>
NET ASSETS						
		<u>68,460</u>	<u>147,210</u>	<u>420,546</u>	<u>636,216</u>	<u>634,484</u>
FUNDS	12					
Unrestricted funds					68,460	82,125
Restricted funds					147,210	74,275
Endowment funds					420,546	478,084
					<u>636,216</u>	<u>634,484</u>
TOTAL FUNDS					<u>636,216</u>	<u>634,484</u>

The financial statements were approved by the Board of Trustees and authorised for issue on and
were signed on its behalf by:

.....
Mr T R Hercok - Trustee

LEICESTER CATHEDRAL MUSIC FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	85,147	155,921
Net cash provided by operating activities		<u>85,147</u>	<u>155,921</u>
Cash flows from investing activities			
Purchase of fixed asset investments		-	(211,091)
Dividends received		15,313	10,709
Net cash provided by/(used in) investing activities		<u>15,313</u>	<u>(200,382)</u>
Cash flows from financing activities			
Income attributable to endowment		-	57,803
Net cash provided by financing activities		<u>-</u>	<u>57,803</u>
Change in cash and cash equivalents in the reporting period		<u>100,460</u>	<u>13,342</u>
Cash and cash equivalents at the beginning of the reporting period		<u>113,383</u>	<u>100,041</u>
Cash and cash equivalents at the end of the reporting period		<u><u>213,843</u></u>	<u><u>113,383</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	1,732	148,210
Adjustments for:		
Losses/(gain) on investments	62,376	(47,374)
Dividends received	(15,313)	(10,709)
Income attributable to endowment	-	(57,803)
Decrease in debtors	8,114	123,967
Increase/(decrease) in creditors	28,238	(370)
Net cash provided by operations	<u>85,147</u>	<u>155,921</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
Net cash			
Cash at bank	<u>113,383</u>	<u>100,460</u>	<u>213,843</u>
	<u>113,383</u>	<u>100,460</u>	<u>213,843</u>
Total	<u>113,383</u>	<u>100,460</u>	<u>213,843</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Leicester Cathedral Music Foundation is a Charitable Incorporated Organisation (CIO) registered in England and Wales, whose only voting members are its trustees. The charity's registered number is 1152990 and the Company registration number is CE000600. The principal address of the charity is St Martins House, 7 Peacock Lane, Leicester, LE1 5PZ.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The financial statements cover the individual entity.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts (financial statements) have been prepared in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants whether "capital" grants or "revenue" grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either:

- The charity is aware that probate has been granted
The estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will
- be made
- or when a distribution is received from the estate.

Receipt of a legacy in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Expenses are accounted for inclusive (where applicable) of any VAT which cannot be recovered.

2. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the charity in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the charity for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Financial instruments

The charity has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Investments

Fixed asset investments are measured at fair value if the shares are publicly traded or can otherwise be measured reliably. The fair value is represented by the bid price at the financial reporting date.

Realised and unrealised gains or losses on investments are accounted for in full within the particular fund of which the investment forms a part.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	41,341	102,816
Gift aid	10,333	906
Grants	40,994	8,800
	<u>92,668</u>	<u>112,522</u>

Grants received, included in the above, are as follows:

	2022	2021
	£	£
Grants in support of mission	<u>40,994</u>	<u>8,800</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Income from listed investments	<u>15,313</u>	<u>10,709</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs	Totals
	£	£	£
Charitable activities	31,534	-	31,534
Other running costs	-	8,339	8,339
	<u>31,534</u>	<u>8,339</u>	<u>39,873</u>

6. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	5,803	2,682
Preparation of the financial statements	<u>2,490</u>	<u>2,226</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Employees

Excluding trustees, there were no employees for the charity during the current or prior year. As the charity does not employ staff there were no staff or key management remuneration costs.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	10,392	44,327	57,803	112,522
Investment income	2,589	8,120	-	10,709
Total	<u>12,981</u>	<u>52,447</u>	<u>57,803</u>	<u>123,231</u>
EXPENDITURE ON				
Charitable activities				
Charitable activities	17,100	-	-	17,100
Other running costs	5,295	-	-	5,295
Total	<u>22,395</u>	<u>-</u>	<u>-</u>	<u>22,395</u>
Net gains on investments	<u>-</u>	<u>-</u>	<u>47,374</u>	<u>47,374</u>
NET INCOME/(EXPENDITURE)	(9,414)	52,447	105,177	148,210
RECONCILIATION OF FUNDS				
Total funds brought forward	91,539	21,828	372,907	486,274
TOTAL FUNDS CARRIED FORWARD	<u>82,125</u>	<u>74,275</u>	<u>478,084</u>	<u>634,484</u>

9. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	519,361
Revaluations	(62,376)
At 31 December 2022	<u>456,985</u>
NET BOOK VALUE	
At 31 December 2022	<u>456,985</u>
At 31 December 2021	<u>519,361</u>

The quoted investments are principally holdings in CBF Investment and Property Funds which are mutual funds managed by CCLA Investment Managers Ltd.

LEICESTER CATHEDRAL MUSIC FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed by parent	-	7,880
Accrued income	-	234
	<u>-</u>	<u>8,114</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed to parent	20,105	842
Other creditors	14,507	5,532
	<u>34,612</u>	<u>6,374</u>

12. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At 31.12.22
	£	£	£
Unrestricted funds			
General fund	82,125	(13,665)	68,460
Restricted funds			
Music Scholarship Fund	29,948	7,289	37,237
Choir Scholarship Fund	41,277	(4,838)	36,439
Allan Warren Award	3,050	-	3,050
Grand Piano Fund	-	45,000	45,000
Cathedral Music Trust	-	25,484	25,484
	<u>74,275</u>	<u>72,935</u>	<u>147,210</u>
Endowment funds			
Alderman Newton Trust	111,185	(13,035)	98,150
Ouseley Trust	46,334	(5,432)	40,902
Friends of Cathedral Music Choral Scholar Fund	39,060	(6,551)	32,509
Thomas Topps Charity	71,254	(7,875)	63,379
Friends of Cathedral Music	152,448	(17,868)	134,580
Friends of the Cathedral Music ADM Fund	39,386	(4,618)	34,768
Ousley Church Music ADM Fund	18,417	(2,159)	16,258
	<u>478,084</u>	<u>(57,538)</u>	<u>420,546</u>
TOTAL FUNDS	<u>634,484</u>	<u>1,732</u>	<u>636,216</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	22,217	(35,882)	-	(13,665)
Restricted funds				
Music Scholarship Fund	9,109	(1,820)	-	7,289
Choir Scholarship Fund	-	-	(4,838)	(4,838)
Grand Piano Fund	45,000	-	-	45,000
Cathedral Music Trust	29,700	(4,216)	-	25,484
Assistant Director of Music Fund	1,955	(1,955)	-	-
	<u>85,764</u>	<u>(7,991)</u>	<u>(4,838)</u>	<u>72,935</u>
Endowment funds				
Alderman Newton Trust	-	-	(13,035)	(13,035)
Ouseley Trust	-	-	(5,432)	(5,432)
Friends of Cathedral Music Choral Scholar Fund	-	-	(6,551)	(6,551)
Thomas Topps Charity	-	-	(7,875)	(7,875)
Friends of Cathedral Music	-	-	(17,868)	(17,868)
Friends of the Cathedral Music ADM Fund	-	-	(4,618)	(4,618)
Ousley Church Music ADM Fund	-	-	(2,159)	(2,159)
	<u>-</u>	<u>-</u>	<u>(57,538)</u>	<u>(57,538)</u>
TOTAL FUNDS	<u>107,981</u>	<u>(43,873)</u>	<u>(62,376)</u>	<u>1,732</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	91,539	(9,414)	82,125
Restricted funds			
Music Scholarship Fund	21,828	8,120	29,948
Choir Scholarship Fund	-	41,277	41,277
Allan Warren Award	-	3,050	3,050
	<u>21,828</u>	<u>52,447</u>	<u>74,275</u>
Endowment funds			
Alderman Newton Trust	97,240	13,945	111,185
Ouseley Trust	40,523	5,811	46,334
Friends of Cathedral Music Choral Scholar Fund	33,574	5,486	39,060
Thomas Topps Charity	62,369	8,885	71,254
Friends of Cathedral Music	139,201	13,247	152,448
Friends of the Cathedral Music ADM Fund	-	39,386	39,386
Ousley Church Music ADM Fund	-	18,417	18,417
	<u>372,907</u>	<u>105,177</u>	<u>478,084</u>
TOTAL FUNDS	<u>486,274</u>	<u>148,210</u>	<u>634,484</u>

12. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	12,981	(22,395)	-	(9,414)
Restricted funds				
Music Scholarship Fund	8,120	-	-	8,120
Choir Scholarship Fund	41,277	-	-	41,277
Allan Warren Award	3,050	-	-	3,050
	<u>52,447</u>	<u>-</u>	<u>-</u>	<u>52,447</u>
Endowment funds				
Alderman Newton Trust	-	-	13,945	13,945
Ouseley Trust	-	-	5,811	5,811
Friends of Cathedral Music Choral Scholar Fund	-	-	5,486	5,486
Thomas Topps Charity	-	-	8,885	8,885
Friends of Cathedral Music	-	-	13,247	13,247
Friends of the Cathedral Music ADM Fund	39,386	-	-	39,386
Ousley Church Music ADM Fund	18,417	-	-	18,417
	<u>57,803</u>	<u>-</u>	<u>47,374</u>	<u>105,177</u>
TOTAL FUNDS	<u>123,231</u>	<u>(22,395)</u>	<u>47,374</u>	<u>148,210</u>

Restricted Funds

Music Scholarship Fund

The fund receives the income earned from the endowment funds dedicated to music and scholarships.

Choir Scholarship Fund

For payment of Chorister scholarships, this fund was previously held by the Cathedral and was previously known as the BE Fund, GT Fund and William Alan North Fund.

Allan Warren Award

To be given at the discretion of the Director of Music to young people (under 18s) who sing in the Cathedral Choir. The award is to support musical development for those who play violin, viola, cello or double base.

The Grand Piano Fund

The sole purpose of the fund is to purchase a grand piano for the Cathedral suitable for professional concert use.

The Cathedral Music Trust

The grant received into this fund is for the 2022/23 Academic years and is mainly focused on DioSing.

Assistant Director of Music Fund

The return on the investment in the Friends of Cathedral Music ADM Fund is allocated to be used towards the salary of the Assistant Director of Music.

Endowment Funds

Alderman Newton Trust

This fund was given in 2008 and the income is to be used for Choral Scholarships.

Ouseley Trust

This fund was given in 2008 and the income is to be used for Choral Scholarships.

Friends of Cathedral Music Choral Scholar Fund

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. MOVEMENT IN FUNDS - continued

This fund arose as a result of a grant from the Friends of Cathedral Music and the income will be used to provide Choir Scholarships in future years.

Thomas Topps Charity

This fund represents a historic endowment dating from 1874. The income is used towards Choral Scholarships.

Friends of Cathedral Music

This fund was given in 2016 and held by the Cathedral as a restricted fund. Once moved to the Foundation, an Endowment Fund was set up and the interest from this is towards the general work of the Foundation. In 2020 as part of the closure of the GT Player Charity further funding was given to support the work of the Music Foundation.

Friends of Cathedral Music ADM Fund

Established towards the end of 2013 following a grant from the Friends of Cathedral Music the return on the investment is to be used towards the salary of the Assistant Director of Music.

Ouseley Church Music ADM Fund

An additional fund established to support the role of the Assistant Director of Music.

13. RELATED PARTY DISCLOSURES

The Foundation made Grants to the Cathedral in relation to the musical work of the Cathedral. At the end of the year the charity owed the Cathedral £20,105 (£842 in 2021). At the end of the year the Cathedral owed the charity £NIL (£7,880 in 2021).

The Music Foundation is vital in supporting the work of the Cathedral Chapter and the College of Canons in developing the musical life of the Cathedral in all its aspects. The trustees of the Music Foundation are nominated by Leicester Cathedral. The results of the Leicester Cathedral Music Foundation have, therefore, been included in the consolidated results of Leicester Cathedral.

During the year, the Foundation received donations from Trustees totalling £280 (£580 in 2021). The Foundation also received a grant of £3,000 (£nil in 2021) from William Hercock Limited, a company owned by one of the trustees.

14. ULTIMATE CONTROLLING PARTY

The charity is controlled by its ultimate parent, Leicester Cathedral. Copies of the consolidated accounts can be obtained from the Cathedral office: St Martin's House, 7 Peacock Lane, Leicester, LE1 5PZ.

The object of the ultimate parent is being a centre of worship and mission for the advancement of the Christian religion in accordance with the precepts of the Church of England.

The Cathedral works towards these aims with the services and events they hold at the Cathedral and in the wider community.

The parent can exercise control via its common trustees.

15. FINANCIAL INSTRUMENTS

The carrying amount of the charity's financial instruments are as follows:

	2022 £	2021 £
Financial assets at fair value through income and expenditure		
Listed investments	456,985	519,361

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2022 £	2021 £
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through net income/expenditure	(62,376)	47,374

15. FINANCIAL INSTRUMENTS - continued

The total dividend income from financial assets that are measured at fair value through the income statement was £15,313 (2021 - £10,709).