

CATHEDRAL
MUSIC TRUST

ANNUAL REPORT 2020



The Trustees present their Annual Report together with the audited financial statements of the Charity for the year 1 January 2020 to 31 December 2020.

The Trustees confirm the Annual Report and financial statements comply with the statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019)

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CHAIR'S FOREWORD

What an extraordinary year! Soon after our Gathering of Friends at Worcester in March 2020, the country was shut down, with no opportunity to meet, no churches open and our choirs and organs silent. In early April, the devastating impact that the pandemic would have on cathedrals' income, and the funding of their choirs, became clear. In an historic partnership with the Ouseley Church Music Trust and the Choir Schools' Association, the Cathedral Choirs' Emergency Fund was created, ultimately providing, with the Church Commissioners and the generosity of the public, over £2 million to sustain our cherished professional singers through these troubled times.

But our focus in 2020 was not on the Emergency Fund alone. Plans for restructuring the charity, already well underway, grew in urgency as the scale of the longer-term impact of the pandemic on cathedrals and their musicians became apparent. Hence, in July 2020, Cathedral Music Trust was launched.

The Trust has grown out of the generous work of the Friends of Cathedral Music, an organisation of dedicated advocates who have supported cathedral music and musicians for over 60 years. Our Friends continue as an active part of Cathedral Music Trust, but the Trust has a more robust incorporated structure and greatly strengthened intent. We aim to significantly increase our funding of cathedral music, raise the impact of our advocacy, encourage nationwide excellence and widen diversity in participation.

Choral music lies at the very heart of our great cathedrals, themselves so often the architectural and spiritual centre of our great cities. The breadth of musical excellence in choral foundations, heard day in, day out (in normal times) across the UK, is unique and admired throughout the world, and, even with its long history, standards have never been as high as they are today. Cathedral music is a national treasure that should be celebrated with pride by us all.

On behalf of the Trustees, and our dynamic new professional staff, I thank all who have contributed time, ideas and funds to this charity - and those whom we now welcome as new donors or subscribers - thereby enabling cathedral music to continue to provide, in the words of the Dean of Durham, "a delight for the mind and a solace for the heart".



PETER ALLWOOD

Chair of Cathedral Music Trust

OBJECTIVES

The object of the Charity as specified in its Constitution is to “advance the education of the public in the art of music with special reference to the Choral Service in Cathedrals, Collegiate Churches and Chapels and other appropriate places of worship”. The charity has taken on the activities of its predecessor charity, Friends of Cathedral Music.

The Charity's overall aim is to be a voice for cathedral music through advocacy, education, excellence and assistance. It works to achieve this by increasing public awareness, knowledge and appreciation of cathedral music, by supporting and encouraging all those involved in making cathedral music, and by awarding grants to individuals, choirs and choral foundations. The specific objectives of the Charity, reaffirmed by the Trustees in 2020, are:



To encourage the pursuit of excellence in choral and organ music



To support cathedrals, choirs and choristers in need



To campaign on behalf of cathedral music

Public Benefit

The Trustees confirm that they have had regard to the guidance issued by the Charity Commission on the subject of public benefit. The Charity's three main activities which provide public benefit are the provision of financial and non-financial support to those engaged in making cathedral music; its publications, which are sent to associate members and are available to the general public through cathedrals; and its gatherings, which are open to members and non-members.

Almost all services at which cathedral music is offered are free for anyone to attend. The Trustees consider that by providing support to those who are engaged in making cathedral music, they are ensuring its continued availability for all without charge. On this basis, the Trustees are satisfied that the Charity provides a benefit to the public.



ACTIVITIES

In order to achieve its objectives, the Charity's strategy is to pursue the following main areas of activity:

Financial support for those engaged in making cathedral music. The Charity makes grants to cathedrals, churches, collegiate chapels and other choral foundations to assist with the costs they incur in making cathedral music. These grants may be in the form of capital grants, for example grants towards the endowment of choral scholarships or the purchase of capital items and music; revenue grants; or chorister support grants, which ensure that choristers whose continued membership of a cathedral or collegiate choir is threatened for financial reasons can continue singing. In 2021, cathedrals and choral foundations will be invited to apply for revenue grants only, to help fund the core costs of music during a period when their finances are under severe strain.

Education. The Charity seeks to advance the education of the public in cathedral music through two main activities: its gatherings and its publications. Normally, three or four national gatherings are organised annually,

centred on one or more cathedrals, and always involve members of the choral foundations in those places. In addition, several smaller local gatherings are usually held each year. The programme of events for each gathering is different, but most include an education element, which might take the form of a talk or workshop. Gatherings are open to everyone. In-person gatherings have been suspended since April 2020, but the Charity is now running a series of online gatherings and events. The Charity's magazine *Cathedral Music* and the house journal *Cathedral Voice* are both published twice each year, and all associate members receive a copy. Copies of *Cathedral Music* are also provided free of charge to cathedrals.

Public relations and marketing programmes. The Charity publicises its activities regularly and maintains a website (www.cathedralmusictrust.org.uk), which gives information about the Charity's purpose and activities and about cathedral music more generally. The Charity engages in public debate on important issues relating to cathedral music, including through social

media, and actively supports departments of music in cathedrals which need assistance. The Charity works to increase its subscriber base and therefore its income. It also seeks to understand and satisfy the needs of its associate members and potential members and to solicit grants, donations and legacies.

Diversity, Equality and Inclusion. The Trustees stress their commitment to diversity, equality and inclusion both within the Charity and in

cathedral music more generally. The Charity believes that everyone has the right to benefit from learning, experiencing and making cathedral music. It is committed to playing its part in ensuring that everyone can access opportunities to fulfil their potential on a fair and equitable basis. The Charity is especially committed to enabling children from a diverse range of backgrounds to experience the many benefits that come from being a chorister.



ACHIEVEMENTS AND PERFORMANCE IN 2020

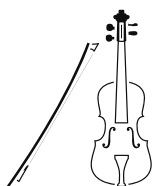
in 2020, Cathedral Music Trust:



Raised over £1 million for the Cathedral Choirs' Emergency Fund (CCEF) with the Charity's partners the Ouseley Church Music Trust and the Choir Schools' Association and secured matched funding of a further £1 million from the Church Commissioners



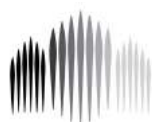
Through CCEF, made grants totalling £1 million to 42 choral foundations



Supported innovative and creative fundraising events during the Covid-19 pandemic



Held an in-person national gathering in March and an online national gathering and AGM in December



Successfully launched the Charitable Incorporated Organisation Cathedral Music Trust, the successor charity to Friends of Cathedral Music



Established a partnership with the Genesis Foundation



TRUSTEES' REVIEW

The onset of the Covid-19 pandemic in March 2020 brought about a rapid reassessment of how the Charity could best support cathedral music at a time of crisis. The closure of places of worship and the silencing of choirs and organs had a devastating impact on cathedrals' income and their ability to fund their choirs. In response, the Charity set up the Cathedral Choirs' Emergency Fund (CCEF) in partnership with the Ouseley Church Music Trust and the Choir Schools' Association. By December 2020 the campaign had reached its target of raising £1 million and had also secured matched funding of £1 million from the Church Commissioners. Funds raised by the appeal were paid out in two tranches, in September and December 2020. In total £1 million was awarded in grants to 42 choral foundations, ensuring with the Church Commissioners that redundancies of singers for financial reasons were avoided in all Anglican and Roman Catholic cathedrals across the UK.

The Charity managed or supported a number of very successful fundraising projects as part of the CCEF appeal. These included a virtual

performance of Bach's *Toccata and Fugue in D Minor* by 54 leading organists playing in cathedrals, college chapels and major churches in the UK, Republic of Ireland and America; and a lockdown recording of *Sing Forever* performed by 269 singers from 44 cathedrals and choral groups.

The Charity's normal programme of events was curtailed in 2020 because of the pandemic. A successful National Gathering was held in Worcester in early March which was attended by 177 people. Remaining in-person events in 2020 were cancelled. A virtual gathering was held in December 2020, incorporating Friends of Cathedral Music's AGM which had been postponed from June 2020. 142 people registered to attend the gathering, which included discussions, interviews and short performances as well as the AGM. The Charity intends to continue a programme of online events as a way of engaging supporters and associate members who may find it difficult to attend in-person events.

Following their review of the governance model of the Charity in 2019, the Trustees determined to move to an incorporated structure in early 2020. A new Charitable Incorporated Organisation, Cathedral Music Trust, was registered with the Charity Commission in February 2020. The Trustees resolved to transfer the assets and liabilities of Friends of Cathedral Music to the new successor charity in May 2020. The public launch of Cathedral Music Trust in July 2020 was well received and the Charity is now in a stronger position to champion and support cathedral music and musicians. At the same time the Trustees decided to professionalise the Charity's operations. The Charity now has four part-time employees who ensure the smooth running of the Charity.

The Charity's two publications, *Cathedral Music* and *Cathedral Voice*, were each produced twice in 2020 and continue to be appreciated by their readers. The Trustees thank the Editors and the Production Manager for their work on these publications.

The number of people subscribing to the Charity decreased slightly during the year to 3,292 (2019: 3,457). The recruitment of new associate members was offset by the loss of subscribers through death, resignation or failure to renew their subscription. The

average subscription paid in 2020 was £43.26 (2019: £41.92).

The Membership Secretary retired in December 2020 and the Trustees thank him for maintaining the membership records and communications with Friends. The Charity has implemented a Customer Relationship Management system which will enable it to manage and communicate with donors, supporters and associate members more effectively in future.

The Charity's presence on social media continues to grow. At the end of 2020, the Charity's Facebook page had 739 followers, and the Friends of Cathedral Music group close to 8,000 members. The Charity had 2,269 Twitter followers, from the UK and abroad.

The Diamond Fund for Choristers (DFC) raised over £60,000 in 2020 including £25,000 from the Mosawi Foundation. Grants from DFC totalling £14,600 were made in 2020 to five institutions. The accounts reflect two grants awarded in previous years that were returned to us in 2020. The Trustees thank the Diamond Fund team for their work which has resulted not only in additional funds being raised for the Charity's purposes but also in increased awareness of the Charity and its work.





FINANCIAL REVIEW, OPERATING MODEL AND RISKS

Financial review

The Statement of Financial Activities is set out on page 22 and shows a surplus for the year before revaluation of investments of £572,025 (2019: a deficit of £79,717). Income amounted to £1,799,863 (2019: £543,869) which includes restricted income of £877,692 (2019: £81,854). £751,491 of this related to the Cathedral Choirs' Emergency Fund. Income from legacies and bequests was £508,466 (2019: £58,193). Net gains on investments amounted to £231,693 (2019: £642,996) resulting in an overall surplus for the year of £803,718 (2019: £563,279).

Principal funding

The Charity gains its income from two regular sources: investment income £165,732, (2019: £170,391) and subscriptions £196,858 (2019: £172,357).

Legacy income being variable and less predictable, is not budgeted. A small surplus of £2,753 (2019: a loss of £413) was made from the sale of Christmas cards and merchandise.

Fundraised income from individuals was received for the Diamond Fund for Chorists totalling £35,172 (2019: £24,581) and through the Cathedral Choirs' Emergency Fund totalling £228,873. The Charity is registered with the Fundraising Regulator.

Legacy policy

The Charity's legacy policy provides that, unless a will states otherwise, legacies received as a result of wills written in 2013 and before will be treated as capital and will be added to the endowment fund. Legacies received as a result of wills written after 1 January 2014 will be treated either as revenue or capital at the discretion of the Trustees.

Investment policy and performance

Investments continued to be held with Schroder and the CBF Church of England Funds. The amounts invested have been built up from legacy receipts.

The Trust's financial objective is to generate a stream of income rising in line with inflation, and to balance the needs of current and future beneficiaries. The investment objective of these assets is inflation (CPI) plus 4% per annum. This objective allows for annual distributions of income representing up to 4% of capital and the preservation of the real value of the endowment.

The Trustees are satisfied with the performance of these investments during the year.

Principal risks and uncertainties

The Trustees keep under regular review the principal risks to which the Charity is exposed and have established appropriate systems to manage them. The oversight of risk management lies with the Finance & Audit Committee which reports to the Board. The risk register identifies the following key strategic risks to the Charity and summarises action being taken to mitigate them:

1. Reputational and/or financial risk, including from fundraising: The Charity has appointed a Chair of Development Committee and a Development Director to oversee and implement fundraising initiatives. The Charity is registered with the Fundraising Regulator and the Fundraising Preference Service.
2. Non-compliance with relevant regulatory requirements: the Charity is taking steps to ensure that all personnel understand and adhere to organisational policies, including requiring all volunteers to sign a Volunteers' Agreement. Policies are reviewed and updated regularly.
3. Inadequate budgetary control: the Charity's finance function is being professionalised and management accounts circulated to Trustees regularly. Seed funding has been raised to pay for staff costs to the end of 2021. Grants to choral foundations are not committed unless funds are available to pay them.
4. Cyber security and technology risk: IT and data protection policies have been revised and security updates implemented when required. The recent implementation of iMIS, the Charity's new customer relationship management system, will provide better and more secure management of data.

Reserves policy

The Charity maintains a Capital Fund (an expendable endowment fund), which comprises investments and bank deposits. Legacies have been allocated to this fund in line with the legacy policy together with the associated capital gains (or losses) on the associated investments in accordance with its

stated policy. The income generated by these investments is used to finance the activities of the Charity.

The designated Grant Fund exists to ensure that the Charity can maintain its ability to make grants at a reasonably consistent level from year to year. A surplus in any one year may be allocated to the Grant Fund in order to support the Charity's grant-giving capacity in the following year or years.

Beyond these funds, the Trustees regard it as necessary to maintain free reserves at least equivalent to three months' operating expenditure. This level of reserves will enable the Charity to maintain its operations in the event of an unexpected shortfall of one or more sources of income.

Reserves at the year end were £6,890,462 (2019: £6,086,744), split between endowment funds of £5,741,181 (2019: £5,381,147), restricted funds of £217,443 (2019: £138,833) and unrestricted funds of £931,838 (2019: £566,764) of which £350,000 (2019: £300,000) has been designated for the grant fund, £18,778 (2019: £29,832) for the new CRM system, £25,000 (2019: £25,000) for an organ scholarship and £10,000 for a Chorister Support Fund.

At 31 December 2020, the Charity's free reserves amounted to £528,060 (2019: £211,932). This is equivalent to approximately six months of the Charity's total expenditure which the Board considers appropriate this year given the ongoing financial uncertainty faced by the Trust's beneficiaries. The Charity is reviewing its reserves policy in the light of its restructuring and professionalisation.

Going Concern

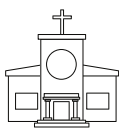
After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

FUTURE PLANS

the Charity's plans for 2021 and beyond include:



The Trustees intend to make available at least £250,000 in grants to choral foundations in 2021



Subject to government restrictions in force at the time, it is hoped to hold an in-person National Gathering in Autumn 2021



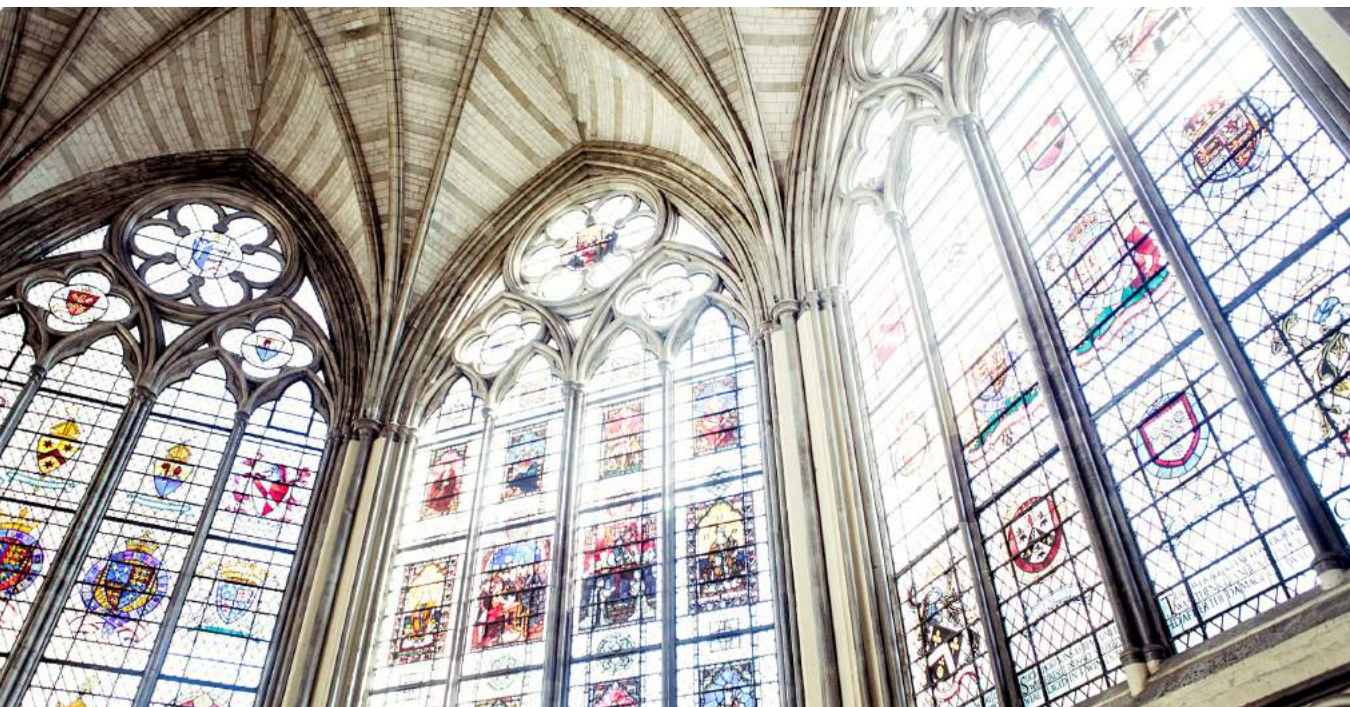
A series of online events, fundraising initiatives and virtual gatherings is scheduled



The Charity will continue to produce its publications *Cathedral Music* (in May and November) and *Cathedral Voice* (in February and August) during 2021, and will make use of its new Customer Relationship Management system to produce and circulate online newsletters



The Diamond Fund for Choristers will continue its work raising funds under the auspices of Cathedral Music Trust until the end of 2021, after which all fundraising, including for choristers, will be managed by Cathedral Music Trust



GOVERNANCE AND MANAGEMENT

Cathedral Music Trust was registered with the Charity Commission as a charitable incorporated organisation on 5 February 2020, with charity number 1187769. The governing document of the Charity is its constitution. The Trustees of the predecessor charity, Friends of Cathedral Music (FCM), formally resolved to approve the transfer of FCM's assets to the Charity on 2 May 2020. The subsequent transfer of all activities, assets and liabilities took place on 1 July 2020. Cathedral Music Trust was publicly launched on 8 July 2020 and since that time the Charity's finances and operations have been managed through Cathedral Music Trust. The constitution of FCM was amended by resolution of FCM's members at the (delayed) AGM in December 2020, with the effect of simplifying and updating FCM's constitution and dovetailing FCM within Cathedral Music Trust. As resolved at the AGM, the Trustees of Cathedral Music Trust are the Trustees of FCM from time to time.

The constitution of the Charity now provides for a maximum of 12 Trustees (15 until 2023). At 31 December 2020 the Charity had 13 Trustees (2019 – 16 Trustees). Under the constitution, new Trustees are appointed by resolution passed at a properly convened meeting of the

Charity's trustees. The Trustees regularly review the composition of the Board to ensure an appropriate balance of knowledge and experience. New Trustees are provided with an induction pack in line with Charity Commission guidance.

During 2020, the Trustees met six times, once in person and five times via videoconference.

The committee structure of the Charity was reviewed following incorporation. The Board of Trustees is now supported by four committees: Finance & Audit Committee; Development Committee; Friends Committee (formerly Membership Committee) and Grants Committee (formerly Cathedral Liaison Committee). On average, each committee meets twice a year. The Board receives reports of committee meetings and considers their recommendations.

Following the establishment of Cathedral Music Trust, the Trustees decided to professionalise the running of the Charity. At 31 December 2020, the Charity had four paid employees, all of whom worked part time: Development Director, Operations Director, Communications and Marketing Officer and Administration Officer.

The Charity benefits from a partnership with the Genesis Foundation, which supports the position of Communications and Marketing Officer. The Charity also contracts the services of two freelancers, a Finance Director and a Finance Administrator. The Charity provides honoraria to the Editors of *Cathedral Music* and *Cathedral Voice* and to the Production Manager, and until 31 December 2020 had a service contract with the Membership Secretary.

The Charity relies heavily on the commitment of its many volunteers, who give generously of their time and energy. The Trustees are grateful to the Charity's managers, officers, diocesan representatives and other volunteers. At 31 December 2020, over 70 individuals served the Charity as volunteers.

Relations with other organisations

In 2020, the Charity formed the Cathedral Choirs' Emergency Fund with the Ouseley

Church Music Trust and the Choir Schools' Association. The fund has now closed. The Charity will continue to work closely with these and other organisations which seek to promote cathedral music.

Fundraising

In 2020, the Charity supported a number of innovative and digital fund-raising projects as part of the Cathedral Choirs' Emergency Fund appeal. The Charity raised the majority of its individual giving income through JustGiving. The Charity is now broadening its fund-raising efforts through a professional in-house team and our Development Director is a member of the Chartered Institute of Fundraising. The Diamond Fund for Choristers, part of the Charity, will cease active fundraising at the end of 2021. The Charity has not received any complaints about fundraising activity during the year. Where donors have placed restrictions on their gifts, the amounts have been included within restricted funds.





LEGAL AND ADMINISTRATIVE INFORMATION

The Trustees serving at 31 December 2020 were:

Peter Allwood (Chair)
Gavin Ralston (Chair, Finance & Audit Committee) (from 31 October 2020)
Isobel Pinder (Secretary)
Sooty Asquith (Editor, *Cathedral Music*)
Rosemary Downey (Chair, Friends Committee and National Gatherings Manager)
Christopher Gower
Jason Groves
James Lancelot (Chair, Grants Committee)
Jonathan Macdonald (Chair, Development Committee) (from 31 October 2020)
Heather Morgan
James Mustard
Ann Parsons (Lead Safeguarding Trustee)
Peter Smith (Assistant Grants Secretary)

In addition, the following served as Trustees during 2020 until their resignation or expiry of term of appointment:

Jane Capon (1 May 2020)
Terry Duffy (1 May 2020)
Maurice Kenwick-Piercy (1 May 2020)
Neil Page (2 December 2020)
Peter Gould (12 December 2020)

Charity registered number
 285121 (Friends of Cathedral Music);
 1187769 (Cathedral Music Trust)

Principal office
 27 Old Gloucester Street, London, WC1N 3AX

Independent auditors
 Peters Elworthy & Moore, Salisbury House,
 Station Road, Cambridge, CB1 2LA

Bankers
 Santander Commercial Bank plc, Customer Service Centre, Bootle, L30 4GB
 CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Lawyers
 Veale Wasbrough Vizards LLP, Second Floor, 3 Brindley Place, Birmingham, B1 2JB

Investment Managers
 CCLA Investment Management Limited, 80 Cheapside, London, EC2V 6DZ
 Schroder Investments Limited, PO Box 6100, Basildon, SS15 5NJ

Trustees' responsibilities statement

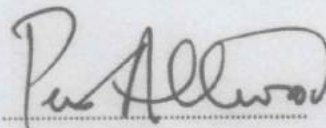
The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and 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
- make judgments and accounting estimates that are reasonable and prudent
- 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 are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

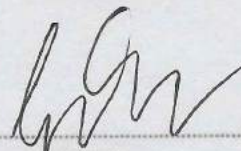
This report was approved by the Trustees on 24 April 2021 and signed on their behalf by:



Peter Allwood

Chair

Date: 28-4-21



Gavin Ralston

Chair, Finance and Audit Committee

Date: 03-05-21

CATHEDRAL MUSIC TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHEDRAL MUSIC TRUST

OPINION

We have audited the financial statements of Cathedral Music Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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 United Kingdom, 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

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.

CATHEDRAL MUSIC TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHEDRAL MUSIC TRUST (CONTINUED)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 Trustees' Report 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 Trustees' Responsibilities Statement, 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.

CATHEDRAL MUSIC TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHEDRAL MUSIC TRUST (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- we obtained an understanding of the entity's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the entity; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- performed analytical procedures to identify any unusual or unexpected relationships; and
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- we reviewed minutes of meetings of those charged with governance; and
- reviewing correspondence with relevant regulators and the charity's legal advisors.

CATHEDRAL MUSIC TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHEDRAL MUSIC TRUST (CONTINUED)

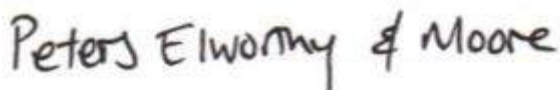
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' Report.

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 19 May 2021

Peters Elworthy & Moore are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

CATHEDRAL MUSIC TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Membership and other donations and legacies | 3 | 592,846 | 877,625 | 148,341 | 1,618,812 | 313,602 |
| Charitable activities | 4 | 11,481 | - | - | 11,481 | 54,957 |
| Other trading activities | 5 | 9,184 | - | - | 9,184 | 4,919 |
| Investments | 6 | 160,319 | 67 | - | 160,386 | 170,391 |
| TOTAL INCOME AND ENDOWMENTS | | 773,830 | 877,692 | 148,341 | 1,799,863 | 543,869 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 7 | 95,988 | 29,825 | - | 125,813 | 98,529 |
| Charitable activities | 8 | 62,768 | 1,039,257 | - | 1,102,025 | 525,057 |
| TOTAL EXPENDITURE | | 158,756 | 1,069,082 | - | 1,227,838 | 623,586 |
| NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS | | 615,074 | (191,390) | 148,341 | 572,025 | (79,717) |
| Net gains / (loss) on investments | 14 | - | - | 231,693 | 231,693 | 642,996 |
| NET INCOME/(EXPENDITURE) | | 615,074 | (191,390) | 380,034 | 803,718 | 563,279 |
| Transfers between funds | 17 | (250,000) | 270,000 | (20,000) | - | - |
| NET MOVEMENT IN FUNDS | | 365,074 | 78,610 | 360,034 | 803,718 | 563,279 |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 566,764 | 138,833 | 5,381,147 | 6,086,744 | 5,523,465 |
| TOTAL FUNDS CARRIED FORWARD | | 931,838 | 217,443 | 5,741,181 | 6,890,462 | 6,086,744 |

The Statement of Financial Activities includes all gains and losses recognised in the year.

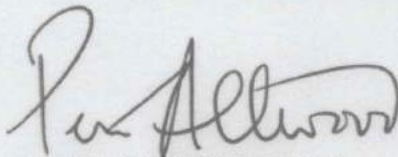
The notes on pages 25 to 43 form part of these financial statements.

CATHEDRAL MUSIC TRUST

BALANCE SHEET
AS AT 31 DECEMBER 2020

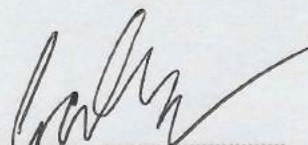
| | Note | 2020 £ | 2019 £ |
|--|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investments | 14 | 5,576,172 | 4,944,479 |
| | | <u>5,576,172</u> | <u>4,944,479</u> |
| CURRENT ASSETS | | | |
| Stocks | | 166 | 3,183 |
| Debtors | 15 | 228,210 | 146,888 |
| Cash at bank and in hand | | 1,148,753 | 1,023,252 |
| | | <u>1,377,129</u> | <u>1,173,323</u> |
| Creditors: amounts falling due within one year | 16 | (62,839) | (31,058) |
| NET CURRENT ASSETS | | <u>1,314,290</u> | <u>1,142,265</u> |
| TOTAL NET ASSETS | | <u><u>6,890,462</u></u> | <u><u>6,086,744</u></u> |
| CHARITY FUNDS | | | |
| Endowment funds | 17 | 5,741,181 | 5,381,147 |
| Restricted funds | 17 | 217,443 | 138,833 |
| Unrestricted funds | 17 | 931,838 | 566,764 |
| TOTAL FUNDS | | <u><u>6,890,462</u></u> | <u><u>6,086,744</u></u> |

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



Peter Allwood
Chair

Date: 28-4-21



Gavin Ralston
Chair, Finance and Audit Committee

Date: 03-05-21

The notes on pages 25 to 43 form part of these financial statements.

CATHEDRAL MUSIC TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash used in operating activities | 19 | 364,070 | 346,970 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Dividends, interests and rents from investments | | 161,431 | 167,531 |
| Purchase of investments | | (400,000) | - |
| NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES | | (238,569) | 167,531 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | | 125,501 | 514,501 |
| Cash and cash equivalents at the beginning of the year | | 1,023,252 | 508,751 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 20 | 1,148,753 | 1,023,252 |

The notes on pages 25 to 43 form part of these financial statements

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (Second edition October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity merged with The Friends of Cathedral Music on 1 July 2020. Cathedral Music Trust have followed the guidance in the Charities SORP (FRS 102) (second edition - October 2019) and applied merger accounting to the results for the year ended 31 December 2020. As such the prior year comparatives are prepared on the basis that the merged structure has always been in place.

Cathedral Music Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees 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 Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted and endowment 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 costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 GOING CONCERN

The Trustees have reviewed the financial position of the Charity and have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly the financial statements will continue to be prepared on a going concern basis.

1.4 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator or executor for the estate has communicated in writing the amount. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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. Dividends are recognised

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (CONTINUED)

1.4 INCOME (CONTINUED)

once the dividend has been declared and notification has been received of the dividend due.

Members' voluntary subscriptions are recognised when received, whilst publication and event income is recognised at the date of publication or when the event takes place.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 EXPENDITURE

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of generating funds consist of the purchase and distribution of items for resale and costs of publicity and servicing the membership function.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of unconditional grant offers these are accrued once the recipients have been notified of the grant awards. The notification gives the recipients a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

Costs of charitable activities include grants awarded and the costs associated with gatherings and publications.

As the Charity is not registered for VAT, all VAT incurred is charged against the relevant category of expenditure.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

1.6 ALLOCATION OF SUPPORT AND GOVERNANCE COSTS

Support costs comprise governance costs and other administrative costs which cannot easily be allocated to a specific charitable activity. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees as well as the expenses associated with meetings of the Trustees and its Committees. Support costs comprise expenses for travel, administration and legal costs and are apportioned as set out in note 10. Support costs relating to charitable activities have been apportioned based on the estimated proportion of time or cost involved with each category of expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. ACCOUNTING POLICIES (CONTINUED)

1.7 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Short term investments is cash on deposit with a maturity date of less than one year which is being held for investment purposes rather than to meet short term cash commitments as they fall due.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 DEBTORS

Other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No critical accounting estimates and assumptions have been made by management in preparing these financial statements.

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|-------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Voluntary subscriptions | 165,732 | - | - | 165,732 | 170,786 |
| Legacies | 357,393 | 2,732 | 148,341 | 508,466 | 58,193 |
| Other donations | 69,721 | 874,893 | - | 944,614 | 84,623 |
| | <u>592,846</u> | <u>877,625</u> | <u>148,341</u> | <u>1,618,812</u> | <u>313,602</u> |
| TOTAL 2019 | <u>261,446</u> | <u>81,163</u> | <u>(29,007)</u> | <u>313,602</u> | |

In 2020, £751,492 (2019: £Nil) of restricted donations relates to the Cathedral Choirs Emergency Fund.

4. INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---|------------------------------------|-----------------------------|-----------------------------|
| Publications - Cathedral Music advertising | 3,426 | 3,426 | 1,332 |
| Events - National Gatherings | 7,876 | 7,876 | 28,030 |
| Events - Diamond Fund for Choristers activities (DFC) | - | - | 22,510 |
| Events - Other | 179 | 179 | 3,085 |
| | <u>11,481</u> | <u>11,481</u> | <u>54,957</u> |
| TOTAL 2019 | <u>54,957</u> | <u>54,957</u> | |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. INCOME FROM OTHER TRADING ACTIVITIES

Income from fundraising events

| | Unrestricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|--|---------------------------------------|-----------------------------|
| Sale of Christmas cards | 6,128 | 6,128 | 3,436 |
| Sale of other merchandise and royalties received | 3,056 | 3,056 | 1,483 |
| | <u>9,184</u> | <u>9,184</u> | <u>4,919</u> |
| | <u><u>4,919</u></u> | <u><u>4,919</u></u> | |
| TOTAL 2019 | | | |

6. INVESTMENT INCOME

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------|--|--|---------------------------------------|-----------------------------|
| Dividends and interest | 159,878 | - | 159,878 | 167,269 |
| Interest on cash deposits | 441 | 67 | 508 | 3,122 |
| | <u>160,319</u> | <u>67</u> | <u>160,386</u> | <u>170,391</u> |
| | <u><u>169,700</u></u> | <u><u>691</u></u> | <u><u>170,391</u></u> | |
| TOTAL 2019 | | | | |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. EXPENDITURE ON RAISING FUNDS

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Purchase and distribution of Christmas cards | 2,564 | - | 2,564 | 3,034 |
| Purchase and distribution of other merchandise | 3,867 | - | 3,867 | 2,806 |
| Membership | 19,751 | - | 19,751 | 19,285 |
| Marketing, publicity and fundraising | 14,781 | 8,358 | 23,139 | 43,777 |
| Allocated support costs (note 10) | 53,131 | 13,391 | 66,522 | 29,627 |
| Staff costs - salaries | 1,855 | 7,900 | 9,755 | - |
| Staff costs - social security costs | 39 | 176 | 215 | - |
| | 95,988 | 29,825 | 125,813 | 98,529 |
| TOTAL 2019 | 87,111 | 11,418 | 98,529 | |

8. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2020 £ | Grant funding of activities 2020 £ | Support costs 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--------------|---|--|-------------------------------|-----------------------------|-----------------------------|
| Publications | 46,856 | - | 4,774 | 51,630 | 63,634 |
| Events | 7,442 | - | - | 7,442 | 50,774 |
| Grant making | - | 1,039,257 | 3,696 | 1,042,953 | 410,649 |
| | 54,298 | 1,039,257 | 8,470 | 1,102,025 | 525,057 |
| TOTAL 2019 | 98,455 | 408,617 | 17,985 | 525,057 | |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

| | Total funds 2020 £ | Total funds 2019 £ |
|---------------------------------------|---------------------------------------|-----------------------------|
| Publications - Cathedral Music | 27,759 | 31,393 |
| Publications - Cathedral Voice | 19,097 | 16,288 |
| Events - Costs of National Gatherings | 7,265 | 29,363 |
| Events - Diamond Fund for Choristers | - | 18,630 |
| Other events | 177 | 2,781 |
| | 54,298 | 98,455 |

All direct costs in 2020 and 2019 related to unrestricted funds.

9. ANALYSIS OF GRANTS

| | Grants to Institutions 2020 £ | Grants to Individuals 2020 £ | Total funds 2020 £ | Total funds 2019 £ |
|--|--|---|---------------------------------------|-----------------------------|
| Direct financial support for cathedral music | 1,039,257 | - | 1,039,257 | 408,617 |
| TOTAL 2019 | 408,117 | 500 | 408,617 | |

All grants in both 2020 and 2019 have been made from restricted funds after £250,000 transfers made into the fund from unrestricted funds.

During the year £1,010,050 of grants were awarded to 42 choral foundations from the Cathedral Choirs' Emergency Fund. Eight additional institutions were supported through other restricted funds.

During the year 66 (2019: 35) grants were awarded to 50 institutions and no grants (2019: 1) to an individual as shown below.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. ANALYSIS OF GRANTS (CONTINUED)

During the year 66 grants (2019: 35) were awarded to 50 institutions as shown below:

2020

£

Recipient

| | |
|------------------------------------|-------------------------|
| Belfast Cathedral | 20,000 |
| Birmingham Cathedral | 660 |
| Blackburn Cathedral | 19,800 |
| Bradford Cathedral | 14,500 |
| Brecon Cathedral | 28,300 |
| Carlisle Cathedral | 12,300 |
| Chelmsford Cathedral | 3,650 |
| Chester Cathedral | 16,650 |
| Chichester Cathedral | 16,800 |
| Christ Church Cathedral School | 4,000 |
| Christ Church Cathedral, Dublin | 20,000 |
| Coventry Cathedral | 16,700 |
| Derby Cathedral | 21,650 |
| St Mary's Cathedral, Edinburgh | 75,100 |
| Ely Cathedral | 17,850 |
| Exeter Cathedral | 35,650 |
| Gloucester Cathedral | 35,650 |
| Guildford Cathedral | 28,521 |
| Hereford Cathedral | 36,650 |
| King's Rochester | 3,000 |
| Leicester Cathedral | 21,650 |
| Leeds Cathedral | 5,500 |
| Lichfield Cathedral | 35,650 |
| Lincoln Cathedral | 51,700 |
| Liverpool Metropolitan Cathedral | 22,872 |
| Llandaff Cathedral | 6,700 |
| Manchester Cathedral | 1,654 |
| Newport Cathedral | 4,000 |
| Peterborough Cathedral | 51,700 |
| Portsmouth Cathedral | 38,650 |
| Ripon Cathedral | 35,650 |
| Rochester Cathedral | 25,650 |
| Southwark Anglican Cathedral | 35,300 |
| St German's Cathedral, Isle of Man | 2,700 |
| St George's Cathedral, Southwark | 12,400 |
| Salisbury Cathedral | 1,000 |
| St Alban's Cathedral | 26,650 |
| St Asaph Cathedral | 24,300 |
| St David's Cathedral | 29,600 |
| St Edmund's School, Canterbury | 4,000 |
| St Mary's Church, Swansea | 500 |
| St Mary's Cathedral, Dublin | 21,700 |
| St Patrick's Cathedral, Dublin | 10,000 |
| Tewkesbury Abbey Foundation | 9,500 |
| King's School, Ely | 1,500 |
| Truro Cathedral | 37,000 |
| Wakefield Cathedral | 25,650 |
| Westminster Abbey | 20,000 |
| Westminster Cathedral | 20,000 |
| Worcester Cathedral | 35,650 |
| Refunds | (7,000) |
| Total | <u><u>1,039,257</u></u> |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. SUPPORT AND GOVERNANCE COSTS

| | Support 2020 £ | Governance 2020 £ | 2020 £ | 2019 £ |
|------------------------------------|----------------------|-------------------------|---------------|---------------|
| General administrative costs | 25,146 | - | 25,146 | 30,177 |
| Support staff costs | 29,450 | - | 29,450 | - |
| Board meeting costs and legal fees | - | 7,924 | 7,924 | 7,216 |
| Audit and accountancy fees | - | 12,473 | 12,473 | 10,219 |
| | <u>54,596</u> | <u>20,397</u> | <u>74,993</u> | <u>47,612</u> |
| TOTAL 2019 | <u>29,627</u> | <u>17,985</u> | <u>47,612</u> | |

Allocation

All costs are allocated as far as possible directly to the category of expenditure to which they relate. All governance costs and support costs which cannot be allocated directly to a category of expenditure are allocated: charitable activities: 5% (2019: 5%) to grants, 5% (2019: 5%) to publications; costs of raising funds: 85% (2019: 65%) to raising funds and 5% (2019: 30%) to events.

| | |
|-----------------------------|------------------------|
| Cost of raising funds | £66,522 (2019:£29,627) |
| Grant making activities | £3,696 (2019:£2,032) |
| Other charitable activities | £4,774 (2019: £15,953) |

11. AUDITORS' REMUNERATION

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | 7,000 | 7,230 |
| Fees payable to the Charity's auditor in respect of other services | <u>5,473</u> | <u>2,989</u> |

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. STAFF COSTS

| | 2020 £ | 2019 £ |
|-----------------------|---------------|-----------|
| Wages and salaries | 39,205 | - |
| Social security costs | 215 | - |
| | <u>39,420</u> | <u>-</u> |

The average number of persons employed by the Charity during the year was as follows:

| | 2020 No. | 2019 No. |
|---------------|-------------|-------------|
| Support staff | <u>1</u> | <u>-</u> |

No employee received remuneration amounting to more than £60,000 in either year.

13. KEY MANAGEMENT AND TRUSTEES' EXPENSES

The trustees are considered to be the key management personnel of the Charity and all gave their time and expertise freely without any form of remuneration or other benefit in cash or kind in either 2020 or 2019.

Mrs S Asquith received an Honorarium of £3,200 (2019: £3,200) in her capacity as Editor of Cathedral Music. A total of £1,279 (2019: £7,446) was reimbursed to 9 trustees (2019: 16) in respect of travelling expenses for attending meetings and other events on behalf of the Charity.

No expenses were paid to trustees in respect of costs associated with organising National Gatherings and for attending meetings and other events on behalf of the Charity (2019: none).

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS

| | £ |
|----------------------------|------------------|
| COST OR VALUATION | |
| At 1 January 2020 | 4,944,479 |
| Additions | 400,000 |
| Revaluations | 231,693 |
| AT 31 DECEMBER 2020 | 5,576,172 |
| NET BOOK VALUE | |
| AT 31 DECEMBER 2020 | 5,576,172 |
| AT 31 DECEMBER 2019 | 4,944,479 |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in collective investment funds, unit trusts and open-ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives or similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. DEBTORS

| | 2020 £ | 2019 £ |
|---------------|----------------|----------------|
| Other debtors | 216,128 | 143,305 |
| Prepayments | 12,082 | 3,583 |
| | <u>228,210</u> | <u>146,888</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 3,619 | 6,105 |
| Other taxation and social security | 5,147 | - |
| Grants payable | 33,273 | 10,333 |
| Other creditors | 20,800 | 14,620 |
| | <u>62,839</u> | <u>31,058</u> |

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

| | Balance at 1 January 2020 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2020 £ |
|-------------------------------------|-----------------------------------|-------------------------|---------------------------|--------------------------|-------------------------|--|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Grant fund | 300,000 | - | - | 50,000 | - | 350,000 |
| CRM system | 29,832 | - | (11,054) | - | - | 18,778 |
| Organ scholarship | 25,000 | - | - | - | - | 25,000 |
| Chorister Support Fund | - | 10,000 | - | - | - | 10,000 |
| | <u>354,832</u> | <u>10,000</u> | <u>(11,054)</u> | <u>50,000</u> | <u>-</u> | <u>403,778</u> |
| GENERAL FUNDS | | | | | | |
| General funds | 211,932 | 763,830 | (147,702) | (300,000) | - | 528,060 |
| TOTAL UNRESTRICTED FUNDS | <u>566,764</u> | <u>773,830</u> | <u>(158,756)</u> | <u>(250,000)</u> | <u>-</u> | <u>931,838</u> |
| ENDOWMENT FUNDS | | | | | | |
| Endowment funds | 5,381,147 | 148,341 | - | (20,000) | 231,693 | 5,741,181 |
| RESTRICTED FUNDS | | | | | | |
| Oswald Allan | 19,895 | - | (7,000) | - | - | 12,895 |
| Tony Harvey Scholarship | 9,404 | - | (1,000) | - | - | 8,404 |
| Swire Trust | 5,000 | - | (4,605) | - | - | 395 |
| Diamond Fund for Choristers | 45,410 | 35,172 | (1,057) | 20,000 | - | 99,525 |
| Linbury Trust | 35,289 | 10,000 | - | (30,000) | - | 15,289 |
| Mosawi Foundation | 20,204 | 25,000 | (20,150) | (10,000) | - | 15,054 |
| Tanner Trust | 2,000 | 5,000 | (1,588) | - | - | 5,412 |
| Choralevensong.org | 1,631 | 534 | (2,165) | - | - | - |
| Cathedral Choirs' Emergency Fund | - | 751,492 | (1,010,050) | 260,000 | - | 1,442 |
| Seed funding | - | 37,994 | (18,735) | 30,000 | - | 49,259 |
| Genesis Foundation | - | 12,500 | (2,732) | - | - | 9,768 |
| | <u>138,833</u> | <u>877,692</u> | <u>(1,069,082)</u> | <u>270,000</u> | <u>-</u> | <u>217,443</u> |
| TOTAL OF FUNDS | <u><u>6,086,744</u></u> | <u><u>1,799,863</u></u> | <u><u>(1,227,838)</u></u> | <u><u>-</u></u> | <u><u>231,693</u></u> | <u><u>6,890,462</u></u> |

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. STATEMENT OF FUNDS (CONTINUED)

Purpose of funds

Oswald Allan

Funds received "to support traditional choirs of boys and men." The Trustees are using the funds received to pay grants both to institutions and to support individual choristers as shown in note 8.

Tony Harvey Scholarship

The Tony Harvey Scholarship was established "for the benefit of male Choral Scholars at English cathedrals." Arrangements with the Cathedral Organists' Association are in place to identify suitable recipients. One application was received in 2020 (2019: one).

Diamond Fund for Choristers and DFC Events Fund

To raise funds to support Cathedral Choristers. 2020 income includes funds received from the Atlas Fund (£3,000) and the John and Ruth Howard Trust (£10,000). Transfers in relate to a reallocation of funds based on their donation restrictions.

Linbury Trust

To engage a contractor to administer the Diamond Fund for Choristers. The transfer relates to the Development Director's salary who is involved in the administration of the Diamond Fund for Choristers.

Swire Trust

Funds brought forward to partially fund a contractor to administer the Diamond Fund for Choristers.

Mosawi Foundation

Grants to support choristers. An element of amounts given were in relation to the Diamond Fund for Choristers, the transfer represents staff costs in relation to time spent on the Diamond Fund for Choristers.

Tanner Trust

Funds brought forward supported the costs of running the Diamond Fund for Choristers. Funds received in 2020 were donated for IT equipment for new staff.

Choralevensong.org

Funds received to support the development and maintenance of the website choralevensong.org

Genesis Foundation

To support the role of Marketing and Communications Officer which was recruited in November 2020.

Seed funding

To cover incremental staff costs following the transition to an incorporated structure. Staff were recruited towards the end of 2020 and remaining funds will continue to be used for this purpose in 2021.

Cathedral Choirs' Emergency Fund

To raise funds in partnership with the Ouseley Church Music Trust and the Choir Schools' Association in response of the COVID-19 pandemic to support Anglican and Roman Catholic cathedrals across the UK.

Designated funds and transfers

Designated funds represent amounts set aside by the Trustees to fund future grant payments and for the CRM system.

The Dr Eric Pitts Organ Scholarship Fund was set up by the Council of Friends of Cathedral Music, out of a generous bequest, to provide an annual scholarship to support a cathedral organ scholar.

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 January 2019 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2019 £ |
|---------------------------------|--------------------------------------|----------------|------------------|--------------------------|-------------------------|--|
| UNRESTRICTED FUNDS | | | | | | |
| DESIGNATED FUNDS | | | | | | |
| Grant fund | 518,000 | - | (264,000) | 46,000 | - | 300,000 |
| CRM system | 25,000 | - | (25,168) | 30,000 | - | 29,832 |
| Organ scholarship | - | - | - | 25,000 | - | 25,000 |
| | 543,000 | - | (289,168) | 101,000 | - | 354,832 |
| GENERAL FUNDS | | | | | | |
| General funds | 293 | 491,022 | (178,383) | (101,000) | - | 211,932 |
| TOTAL UNRESTRICTED FUNDS | 543,293 | 491,022 | (467,551) | - | - | 566,764 |
| ENDOWMENT FUNDS | | | | | | |
| Endowment funds | 4,767,158 | (29,007) | - | - | 642,996 | 5,381,147 |
| RESTRICTED FUNDS | | | | | | |
| Oswald Allan | 99,397 | 248 | (79,750) | - | - | 19,895 |
| Tony Harvey Scholarship | 9,879 | 25 | (500) | - | - | 9,404 |
| Swire Trust | 3,284 | 5,000 | (3,284) | - | - | 5,000 |
| Diamond Fund for Choristers | 81,196 | 24,581 | (60,367) | - | - | 45,410 |
| Linbury Trust | 15,505 | 20,000 | (216) | - | - | 35,289 |
| Mosawi Foundation | 204 | 25,000 | (5,000) | - | - | 20,204 |
| Tanner Trust | 2,000 | 4,000 | (4,000) | - | - | 2,000 |
| Choralevsong.org | 1,549 | 3,000 | (2,918) | - | - | 1,631 |
| | 213,014 | 81,854 | (156,035) | - | - | 138,833 |
| TOTAL OF FUNDS | 5,523,465 | 543,869 | (623,586) | - | 642,996 | 6,086,744 |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total funds 2020 £ |
|-------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Fixed asset investments | - | - | 5,576,172 | 5,576,172 |
| Current assets | 962,027 | 250,093 | 165,009 | 1,377,129 |
| Creditors due within one year | (30,189) | (32,650) | - | (62,839) |
| TOTAL | 931,838 | 217,443 | 5,741,181 | 6,890,462 |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Endowment funds 2019 £ | Total funds 2019 £ |
|-------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Fixed asset investments | - | - | 4,944,479 | 4,944,479 |
| Current assets | 587,489 | 149,166 | 436,668 | 1,173,323 |
| Creditors due within one year | (20,725) | (10,333) | - | (31,058) |
| TOTAL | 566,764 | 138,833 | 5,381,147 | 6,086,744 |

CATHEDRAL MUSIC TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Net income for the period (as per Statement of Financial Activities) | 803,718 | 563,279 |
| ADJUSTMENTS FOR: | | |
| (Gains)/losses on investments | (231,693) | (642,996) |
| Dividends and interest | (160,386) | (170,391) |
| Decrease/(increase) in stocks | 3,017 | (485) |
| (Increase)/decrease in debtors | (82,367) | 599,818 |
| Increase/(decrease) in creditors | 31,781 | (2,255) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 364,070 | 346,970 |

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Cash in hand | 1,148,753 | 1,023,252 |
| TOTAL CASH AND CASH EQUIVALENTS | 1,148,753 | 1,023,252 |

21. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 January 2020 £ | Cash flows £ | At 31 December 2020 £ |
|--------------------------|---------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 1,023,252 | 125,501 | 1,148,753 |
| | 1,023,252 | 125,501 | 1,148,753 |

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. CONTINGENT LIABILITIES

Prior to 31 December 2016, the Trustees of Friends of Cathedral Music agreed to provide financial support up to a maximum of £60,000 to assist with re-forming the Cathedral choir at Llandaff Cathedral following the appointment of a new Director of Music. During the year to 31 December 2016, a grant of £10,000 was made to Llandaff Cathedral. The remaining balance of £50,000 will be charged to the Statement of Financial Activities should further requests for support be received and approved.

23. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year or in the previous year.

24. MERGER

Cathedral Music Trust was registered with the Charity Commission as a charitable incorporated organisation on 5 February 2020, with charity number 1187769. The governing document of the Charity is its constitution. The Trustees of the predecessor charity, Friends of Cathedral Music (FCM), formally resolved to approve the transfer of FCM's assets to the Charity on 2 May 2020. The transfer took place under a written resolution with effect from 1 July 2020. Cathedral Music Trust was publicly launched on 8 July 2020 and since that time the Charity's finances and operations have been managed through Cathedral Music Trust.

Analysis of principal SOFA components for the current reporting period

| | Friends of Cathedral Music (pre- merger) | Cathedral Music Trust (pre-merger) | Charity (post merger) | Combined total |
|-----------------------------------|---|--|--------------------------|-------------------|
| | £ | £ | £ | £ |
| Total income | 794,120 | - | 1,005,743 | 1,799,863 |
| Total expenditure | (64,487) | - | (1,163,351) | (1,227,838) |
| Net income/(expenditure) | 729,633 | - | (157,607) | 572,025 |
| Net gains/(losses) on investments | (134,987) | - | 366,680 | 231,693 |
| Net movement in funds | 594,646 | - | 209,073 | 803,178 |

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24. MERGER (CONTINUED)

Analysis of principal SOFA components for the previous reporting period

| | Friends of Cathedral Music (pre- merger) £ | Cathedral Music Trust (pre-merger) £ | Combined total £ |
|------------------------------------|--|---|------------------------|
| Total income | 543,869 | - | 543,869 |
| Total expenditure | (623,586) | - | (623,586) |
| Net income/(expenditure) | (79,717) | - | (79,717) |
| Net gains/(losses) on investments | 642,996 | - | 642,996 |
| Net movement in funds | 563,279 | - | 563,279 |
| Total funds brought forward | 5,523,465 | - | 5,523,465 |
| Total funds carried forward | 6,086,744 | - | 6,086,744 |

Analysis of net assets at the date of merger

| | Friends of Cathedral Music (pre- merger) £ | Cathedral Music Trust (pre-merger) £ | Combined total £ |
|------------------------|--|---|------------------------|
| Net assets | 6,481,477 | - | 6,481,477 |
| Represented by: | | | |
| Unrestricted funds | 828,783 | - | 851,515 |
| Restricted funds | 258,192 | - | 255,461 |
| Endowment funds | 5,394,502 | - | 5,374,501 |
| Total funds | 6,481,477 | - | 6,481,477 |