

CATHEDRAL
MUSIC TRUST

ANNUAL REPORT 2021



The Trustees present their Annual Report together with the audited financial statements of the Charity for the year 1 January 2021 to 31 December 2021.

The Trustees confirm that 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).

CONTENTS

4	Chair's Foreword
5	Objectives
6	Activities
7	Achievements and Performance in 2021
8	Trustees' Review
10	The impact of our grants
11	Future Plans
12	Financial Review, Operating Model, and Risks
15	Governance and Management
16	Legal and Administrative Information
18	Independent Auditors' Report
22	Statement of Financial Activities
23	Balance Sheet
24	Statement of Cash Flows
25	Notes to the Financial Statements



CHAIR'S FOREWORD

We all know of the huge excitement in cathedrals and colleges across the land as a chorister is chosen to sing the solo in *Once in Royal* at Christmas. But it is a rare moment in the musical year when the focus is on a single child, for one of the great joys in the performance of sacred choral music is its corporate nature, its teamwork. Where else do children and adults work so closely together day by day, relying on each other's advanced skill and learning?

Yet this element was missing again at the outset of 2021 as the virus lingered on and further lockdowns were imposed. Diligent directors kept their music-making alive, and their music communities sustained, through online rehearsals and recordings, whilst all could see the inevitability of repertoire, resilience and technical skill slipping away. And with cathedrals unable to rebuild their income streams, choirs continued to be faced by more existential threats.

It is therefore remarkable, and a credit to cathedral leaders, that the great majority of cathedral choirs survived intact, with few reductions in professional singers, and top lines, though younger and less experienced, still functioning and enthusiastic.

The need for funding assistance was great, as evidenced in the size and number of grant applications we received. Our response was to increase the funds reserved for disbursement, make substantial grants towards core costs, and engage in a reconsideration of the nature of our grant-giving processes.

2021, as the first full year of the Trust, with its new, ambitious and hard-working professional team, was a year of re-evaluation across all that we do. The operational infrastructure was thoroughly rebuilt, volunteer roles re-shaped,

contacts, networks and partnerships re-established and communications re-designed; and with the work of the Diamond Fund for Choristers absorbed into the central fundraising effort, the strategy for generation of funds was re-developed.

Most importantly, trustees have re-considered how the charity can best support cathedrals in maintaining the highest musical standards whilst also making the opportunity available to the broadest constituency. The trustees have sought professional assistance in this, and the results of detailed research and consultation will emerge in 2022 to inform our long-term strategy.

Cathedral choirs imagined a return to 'normal' post-pandemic, but are discovering the advantages of new, innovative ways of working. Similarly, continuing the long-established work of the Friends of Cathedral Music, the Trust has emerged wearing a new coat, a new heart, ambitious to sing the praises of cathedral music, increase support for its musicians and encourage all to recognise choirs as beacons of excellence in our national cultural landscape.

On behalf of the trustees, I should like to thank all who have contributed in any way to this important work.



PETER ALLWOOD
Chair of Cathedral Music Trust

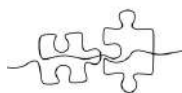
OBJECTIVES

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, and has the same formal object.

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 extending its range of grants to choirs and choral foundations. Its objectives 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

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.

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 subscribers and are available to the general public through cathedrals and the Charity's website; and its events, both online and in person, which are open to everyone.

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 and non-financial support for those engaged in making cathedral music. The Charity makes grants to cathedrals, churches and collegiate chapels to assist with the costs they incur in making cathedral music. In 2020 and 2021 the Charity provided financial support in the form of revenue grants only, to help fund the current costs of music at a time of extreme difficulty. The Charity also actively provides advice and non-financial support to choral foundations and departments of music in need of assistance.

Education. The Charity seeks to advance the education of the public in cathedral music through two main activities: its events and its publications. In 2020 and 2021 the Charity ran a series of online events and seminars, and in-person events resumed towards the end of 2021. In-person events are normally centred on one or more cathedrals and involve members of the choral foundations in those places. The Charity's magazine *Cathedral Music* is published twice each year. It is circulated to all subscribers, provided free of charge to cathedrals, and available to read on the Charity's website.

Public relations and marketing programmes.

The Charity publicises its activities regularly and maintains a website, 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 online events. The Charity works to increase its supporter base and therefore its income. It also seeks to understand and satisfy the needs of its subscribers and potential supporters and to solicit grants, donations and legacies.

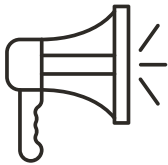
Diversity, Equality and Inclusion. The Trustees stress their commitment to diversity, equality and inclusion both within the Charity and in cathedral music more generally. The Charity believes that everyone has the right to benefit from learning, experiencing and making cathedral music. It is committed to playing its part in ensuring that everyone can access opportunities to fulfil their potential on a fair and equitable basis.

ACHIEVEMENTS AND PERFORMANCE IN 2021

in 2021, Cathedral Music Trust:



Awarded nearly half a million pounds in grants to 35 choral foundations



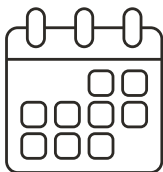
Announced Alexander Armstrong as the Charity's Ambassador



Brought together 50 choristers from 10 choral foundations for a concert at Coventry Cathedral



Launched a new and informative website



Organised a series of entertaining and innovative virtual events and campaigns



Held our first in-person event since the pandemic



TRUSTEES' REVIEW

The continuation of the pandemic throughout 2021 tested the resilience of choral foundations and their ability to deal with severe financial and musical challenges. In response, the Trustees extended our policy of providing financial assistance with the core costs of running music departments. We were pleased to disburse £450,530 in revenue grants to 35 cathedrals and choral foundations and this support for cathedral music was warmly welcomed. At a time when the sector was still feeling the devastating effects of the global pandemic, our grants proved a lifeline to many choral foundations, providing the security to continue employing key staff and offering stability and continuity for choristers, back rows and congregations.

We were delighted to announce Alexander Armstrong as the Trust's Ambassador, and thank him for the wide recognition and promotion he gives to cathedral music and its role in the country's cultural heritage.

We were also very pleased to announce our strategic partnership with the Genesis Foundation to nurture the next generation of choral singers, organists and composers, as well as a joint composition competition for the organ together with York Minster and Banks Publications.

The Trust held several virtual events for Friends and supporters during 2021, including

a panel discussion on The Future of Choral Evensong, a service of Virtual Compline in March, a 'behind-the-scenes' tour of Canterbury Cathedral's new organ in April and the Cathedral Music Challenge, a highly entertaining online quiz hosted by our Ambassador Alexander Armstrong in May.

We also launched two online campaigns: #ServicesAtSunset, which aimed to inspire individuals to step into their local cathedrals, chapels and churches to experience the transcendent experience of attending choral evensong or vespers in person again; and the Trust's digital Advent Calendar, which showcased 24 video contributions from choirs, organists and individual singers, encouraging public engagement with cathedral music and raising over £25,000.

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I have enjoyed being involved in the grant review process and being able to assist our applicants in overcoming the challenges presented by the pandemic as well as contributing to new activities emerging in the more recent round of grants. It was also a real treat to visit my local cathedral during our Services at Sunset campaign and meet colleagues in person for the first time.

Jessica Lock, Finance Director



In a year still overshadowed by the Covid-19 pandemic, Cathedral Music Trust has responded with characteristic imagination, resilience and enterprise to deliver on its commitment as a voice for cathedral music. It has been particularly inspiring to see people brought together from all walks of life to take part in the Trust's programme of in-person and virtual events throughout the year, each inspired and united by their passion to support all that cathedral music has to offer.

Natasha Morris, Development Director

Our first in-person event since the onset of the pandemic took place at Gloucester Cathedral in September, where 50 people attended our first gathering since early March 2020. Our Derby National Gathering followed in November, attended by over 100 people and featuring the first performance of The Derby Service by Alison Willis, jointly funded by the Trust and Derby Cathedral.

We had an audience of 250 for the Diamond Fund for Choristers Concert 'I Was Glad!' at Coventry Cathedral in October 2021, attended by HRH The Duchess of Gloucester and John Rutter. Over 50 choristers from 10 choral foundations across the Midlands were brought together for the concert, conducted by Rachel Mahon.

Our two publications, *Cathedral Music* and *Cathedral Voice*, were each produced twice in 2021 and continue to be appreciated by their readers. In September 2021, *Cathedral Voice* transitioned to a digital format distributed quarterly and now has a regular readership of just under 4,500. The Trustees thank the Editors and the Production Manager for their work on these publications, and record their gratitude to the Editor of *Cathedral Voice* and to the Production Manager, who both retired in 2021.

Our subscriber base remains steady, at around 3,000 in total. Our presence on social media continues to grow and 2021 saw increased investment in digital activities. At the end of 2021, the Charity's Facebook page had 1325 (2020: 739) followers and the Friends of Cathedral Music group 8,833. The Charity had 3,008 Twitter followers (2020: 2,269). A new Instagram account had 793 followers (2020: 0). Social media was a crucial tool in running campaigns in 2021, with over four million accounts reached via Twitter and 408,596 accounts reached via Facebook.

2021 saw the launch of Cathedral Music Trust's new website. As well as providing information about who we are and what we do, the site now enables Friends and supporters to engage with us online, for example by booking for events and making donations. In the course of the year over 25,500 individuals used the website.



For me, a highlight of the year was the launch of Cathedral Music Trust's new website. Together with a fresh, clean look, it gives the Trust the opportunity to engage meaningfully with our Friends and supporters and to spread the word about the value of cathedral music.

Cathryn Dew, Operations Director

The Trustees record their thanks to the Diamond Fund for Choristers ("DFC"), a restricted fund set up in 2016 to support choristers. The Diamond Fund for Choristers concluded its activities at the end of 2021, bringing in £618,293 since 2016. The activities of DFC have now been absorbed into the Trust's Development Department, and support for choristers remains a core element of the Trust's work.



Young singers at Lichfield Cathedral

THE IMPACT OF OUR GRANTS

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The soprano choral scholars are an exciting addition to the choir, for whom we could not provide the training and opportunity without the support of Cathedral Music Trust.

Lichfield Cathedral



Guildford Cathedral choristers meet Alexander Armstrong

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Worship and music being at the heart of cathedral life, this grant has kept it beating.

Guildford Cathedral

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The choir can only sing to the standard expected if all the choristers have had adequate vocal training. It's a wonderful thing to witness young children gaining satisfaction from singing beautiful, and sometimes challenging, music at a high level. They develop a genuine interest in the repertoire and also the beginnings of an appreciation of the spiritual impact their performances have on worshippers.

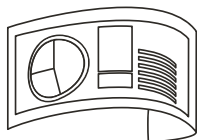
Carlisle Cathedral



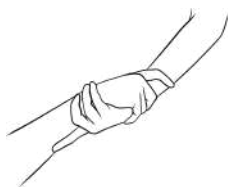
Carlisle Cathedral choristers

FUTURE PLANS

the Charity's plans for 2022 and beyond include:



A review of the Trust's strategy and forward plans, assisted by a leading UK arts consultancy



Launch of its Future Leaders Group, a forum for young people with connections to or an interest in the world of cathedral music to develop skills to enable them to become leaders of the future and to ensure that the voices of young people are at the heart of what the Charity does



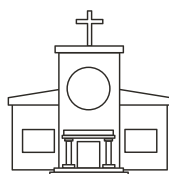
Around £400,000 in grants to be made available to choral foundations in 2022



A service of Evensong attended by HRH the Duchess of Gloucester at St Paul's Cathedral to celebrate the work of the Trust's Diamond Fund for Choristers



Our first online education conference for people working in cathedral music



In-person gatherings at Peterborough (March), Chichester (May) and Dublin (October) as well as local in-person events (subject to COVID-19 restrictions)



FINANCIAL REVIEW, OPERATING MODEL AND RISKS

Financial review

The Trust set its budget for 2021 recognising the need to provide additional support to its beneficiaries during the pandemic and acknowledging the continued investment in professionalising the Charity's operations. By the year end, the Charity had achieved a surplus of £32,655 on unrestricted funds (2020: £615,074) due to £247,671 legacy income, which is not budgeted, and a significant increase in donations following the creation of a new Development Department.

Unrestricted income was £180,538 lower than in 2020 because of a reduction in unrestricted legacy income. This was partially offset by increases of £42,294 in unrestricted donations, £22,401 in investment income and £9,460 in subscriptions. Restricted income has decreased as the Cathedral Choirs' Emergency Fund (CCEF), a one-off fund which raised approximately £750,000 to mitigate the worst effects of the pandemic, ended in 2020.

Unrestricted expenditure is £153,185 higher than the previous year (including transfers to restricted funds) as the Charity awarded grant funding from unrestricted funds of £369,855 (2020: £250,000) and increased investment in fundraising and marketing by £26,041. The charity was able to use £189,364 of restricted funding to support its activities in 2021 (2020: £59,032 excluding CCEF).

This meant that in total in 2021 it was able to award £450,530 in grants to choral foundations. In addition, £147,037 legacy income has been added to the Endowment Fund (2020: £148,341) to fund future charitable activity as well as the full investment gain of £829,119 (2020: £231,693).

Reserves at 31 December 2021 were £7,818,855 (2020: £6,890,462), split between endowment funds of £6,717,337 (2020: £5,741,181), restricted funds of £137,025 (2020: £217,443) and unrestricted funds of £964,493 (2020: £931,838) of which £350,000 (2020: £350,000) has been designated for the Grant Fund, £60,000 as a new Discretionary Fund, £21,000 (2020: £25,000) for an organ scholarship and £10,000 (2020 £19,000) for the new CRM system.

Principal funding

The Charity earns its income from three principal sources: investment income £182,787 (2020: £160,386); subscriptions £175,192 (2020: £165,732); and unrestricted donations £112,015 (2020: £69,721, excluding income received through the CCEF).

DFC raised £33,701 in 2021 (2020: £35,172). DFC ceased active fundraising at the end of 2021 and its activities have been absorbed into the Charity's Development Department.

Legacy policy

The Charity's legacy policy provides that, unless a will states otherwise, legacies received from wills written in 2013 or earlier will be treated as capital and will be added to the Endowment Fund, whereas legacies received from 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 in the CBF Church of England Funds managed by CCLA and with Schrodors. The amounts invested have been built up from legacy receipts and other surpluses.

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 portfolio's total return on investment over the past 12 months was 18.2% (2020: 8%). 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 has 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. 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.

2. Cyber security and technology risk: IT and data protection policies have been revised and security updates and additional safeguards implemented when required.

3. Inadequate budgetary control: the Charity now employs a professional Finance Director. Detailed budgets are prepared and progress against budgets monitored. Management accounts are circulated to and reviewed by Trustees regularly. Grants to choral foundations are not committed unless funds are available to pay them.

4. Reputational and/or financial risk, including from fundraising: The Charity employs a professional Development Director to oversee and implement fundraising initiatives. All fundraising is now undertaken through the Charity. The Charity is registered with the Fundraising Regulator and the Fundraising Preference Service.

Reserves policy

The Charity maintains 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 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.

Beyond these funds, the Trustees regard it as necessary to maintain free reserves at least equivalent to three months' operating expenditure plus the budgeted annual grant 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. For 2022, the minimum level of free reserves needed for this purpose is £501,400. At 31 December 2021, the Charity's general funds amounted to £523,165 (2020: £528,060).

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.





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. All activities, assets and liabilities of its predecessor charity, Friends of Cathedral Music, were transferred to Cathedral Music Trust in 2020.

The constitution of the Charity provides for a maximum of 12 trustees (15 until 2023). At 31 December 2021, the Charity had 12 trustees (2020 – 13 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 2021, the Trustees met five times, once in person and four times via videoconference.

The Board of Trustees is supported by four committees: Finance & Audit Committee; Development Committee; Friends Committee and Grants Committee. On average, each committee meets three times a year. The Board receives reports of committee meetings and considers their recommendations.

At 31 December 2021, the Charity had five paid employees (all of whom worked part-time):

Development Director, Operations Director, Finance 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 a freelance Finance Administrator. In 2021 the Charity provided honoraria to the Editors of Cathedral Music and Cathedral Voice and to the Production Manager.

The Charity relies heavily on the commitment of its many volunteers, who give generously of their time and energy. The Trustees are grateful to all its volunteers. At 31 December 2021, almost 40 individuals served the Charity as official volunteers.

Relations with other organisations

The Charity continues to work closely with organisations which seek to promote cathedral music.

Fundraising

The Charity is broadening its fundraising efforts through a professional in-house team and its Development Director is a member of the Chartered Institute of Fundraising. 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 2021 were:

Peter Allwood (Chair)
Sooty Asquith (Editor, Cathedral Music)
Rosemary Downey (Chair, Friends Committee)
Christopher Gower (resigned 31 December 2021)
Jason Groves
James Lancelot (Chair, Grants Committee)
Jonathan Macdonald (Chair, Development Committee)
Heather Morgan
James Mustard
Ann Parsons (Lead Safeguarding Trustee)
Isobel Pinder (Secretary)
Gavin Ralston (Chair, Finance & Audit Committee)
Peter Smith

Charity registered number

1187769 (Cathedral Music Trust); 285121 (Friends of Cathedral Music)

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 Unit Trusts Limited, PO Box 1402,
Sunderland, SR43 4AF

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 23 April 2022 and signed on their behalf by



.....
Peter Allwood
Chair

Date: 23 April 2022



.....
Gavin Ralston
Chair, Finance and Audit Committee
Date: 23 April 2022

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 2021 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information contained within the annual report. 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 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

- 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 and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company 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

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:

- the senior statutory auditor 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.

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:

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.

CATHEDRAL MUSIC TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHEDRAL MUSIC TRUST

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.

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

Peters, Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Cambridge
CB1 2LA

Date: 09 May 2022

CATHEDRAL MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
	Note					
INCOME FROM:						
Donations and legacies	2	387,841	100,260	147,037	635,138	1,618,812
Charitable activities	3	15,435	1,569	-	17,004	11,481
Other trading activities	4	8,540	-	-	8,540	9,184
Investments	5	182,780	7	-	182,787	160,386
TOTAL INCOME		594,596	101,836	147,037	843,469	1,799,863
EXPENDITURE ON:						
Raising funds	6	43,190	108,664	-	151,854	125,813
Charitable activities	7	511,641	80,700	-	592,341	1,102,025
TOTAL EXPENDITURE		554,831	189,364	-	744,195	1,227,838
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS		32,655	(80,418)	147,037	99,274	572,025
Net gains on investments	14	-	-	829,119	829,119	231,693
NET INCOME / (EXPENDITURE)		32,655	(80,418)	976,156	928,393	803,718
Transfers between funds	16	(7,110)	7,110	-	-	-
NET MOVEMENT IN FUNDS		32,655	(80,418)	976,156	928,393	803,718
RECONCILIATION OF FUNDS:						
Total funds brought forward		931,838	217,443	5,741,181	6,890,462	6,086,744
TOTAL FUNDS CARRIED FORWARD:		964,493	137,025	6,717,337	7,818,855	6,890,462

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

The notes on pages 25 to 40 form part of these financial statements.

CATHEDRAL MUSIC TRUST

REGISTERED NUMBER 1187769

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	14		6,905,291		5,576,172
			<u>6,905,291</u>		<u>5,576,172</u>
CURRENT ASSETS					
Stocks		339		166	
Debtors	15	139,313		228,210	
Cash at bank and in hand		815,756		1,148,753	
		<u>955,408</u>		<u>1,377,129</u>	
CREDITORS: amounts falling due within one year	16	41,844		62,839	
NET CURRENT ASSETS			913,564		1,314,290
TOTAL NET ASSETS			<u>7,818,855</u>		<u>6,890,462</u>
CHARITY FUNDS					
Endowment funds	17		6,717,337		5,741,181
Restricted funds	17		137,025		217,443
Unrestricted funds	17		964,493		931,838
TOTAL FUNDS			<u>7,818,855</u>		<u>6,890,462</u>

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



Peter Allwood
Chair

Date: 23 April 2022



Gavin Ralston
Chair, Finance and Audit Committee

Date: 23 April 2022

The notes on pages 25 to 40 form part of these financial statements.

CATHEDRAL MUSIC TRUST

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in) / from operating activities	18	<u>(6,900)</u>	<u>364,070</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		173,903	161,431
Net purchase of investments		(500,000)	(400,000)
NET CASH USED IN INVESTING ACTIVITIES		<u>(326,097)</u>	<u>(238,569)</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		1,148,753	1,023,252
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	<u>815,756</u>	<u>1,148,753</u>

The notes on pages 25 to 40 form part of these financial statements.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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.

Legacies 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 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.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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. 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. Staff costs are allocated on the basis of time spent.

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. This consists of the purchase and distribution of items for resale, publicity and servicing the membership function.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs. This includes grants awarded and the costs associated with gatherings, other events and publications. Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. These are unconditional grant offers and are accrued once the recipients have been notified of the grant awards.

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 the statutory audit and legal fees as well as the costs of Trustee and Committee meetings. Support costs comprise travel expenses, 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 staff time involved with each category of expenditure.

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.

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. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.10 DEBTORS

Trade and 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.

1.13 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 2021

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Subscriptions	175,192	-	-	175,192	165,732
Legacies	100,634	-	147,037	247,671	508,466
Other donations	112,015	100,260	-	212,275	944,614
	<u>387,841</u>	<u>100,260</u>	<u>147,037</u>	<u>635,138</u>	<u>1,618,812</u>
Total 2020	<u>592,846</u>	<u>877,625</u>	<u>148,341</u>	<u>1,618,812</u>	

In 2020, £751,492 of restricted donations related to the Cathedral Choirs' Emergency Fund.

3 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
National Gatherings	6,053	-	-	6,053	7,876
Other events	6,927	1,569	-	8,496	179
Publications	2,455	-	-	2,455	3,426
	<u>15,435</u>	<u>1,569</u>	<u>-</u>	<u>17,004</u>	<u>11,481</u>
Total 2020	<u>11,481</u>	<u>-</u>	<u>-</u>	<u>11,481</u>	

4 FUNDRAISING INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Sale of Christmas cards	8,416	-	-	8,416	6,128
Sale of other merchandise	124	-	-	124	3,056
	<u>8,540</u>	<u>-</u>	<u>-</u>	<u>8,540</u>	<u>9,184</u>
Total 2020	<u>9,184</u>	<u>-</u>	<u>-</u>	<u>9,184</u>	

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5 INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Dividends and interest	182,763	-	-	182,763	159,878
Interest on cash deposits	17	7	-	24	508
	<u>182,780</u>	<u>7</u>	<u>-</u>	<u>182,787</u>	<u>160,386</u>
Total 2020	<u>160,319</u>	<u>67</u>	<u>-</u>	<u>160,386</u>	

6 FUNDRAISING EXPENDITURE

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Direct fundraising costs	16,148	4,354	-	20,502	23,139
Marketing	5,081	-	-	5,081	-
Christmas cards	3,649	-	-	3,649	2,564
Other merchandise	4	-	-	4	3,867
Membership	3,396	-	-	3,396	19,751
Support costs	14,912	104,310	-	119,222	76,492
	<u>43,190</u>	<u>108,664</u>	<u>-</u>	<u>151,854</u>	<u>125,813</u>
Total 2020	<u>95,988</u>	<u>29,825</u>	<u>-</u>	<u>125,813</u>	

Restricted support costs include staff costs funded by Genesis Foundation and other donors.

7 CHARITABLE EXPENDITURE

	Activities undertaken 2021 £	Grant funding 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Financial support for cathedral music	-	450,530	32,515	483,045	1,042,953
Publications	35,993	-	32,515	68,508	51,630
Events	8,273	-	32,515	40,788	7,442
	<u>44,266</u>	<u>450,530</u>	<u>97,545</u>	<u>592,341</u>	<u>1,102,025</u>
Total 2020	<u>54,298</u>	<u>1,039,257</u>	<u>8,470</u>	<u>1,102,025</u>	

In 2020, £1,039,257 of the charitable expenditure was restricted (including a £250,000 transfer from the Charity's unrestricted funds) and £62,768 was attributable to unrestricted funds.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8 PUBLICATIONS AND EVENTS

	Total 2021 £	Total 2020 £
Cathedral Music	23,288	27,759
Cathedral Voice	12,705	19,097
National Gatherings	7,458	7,265
Other events	815	177
	<u>44,266</u>	<u>54,298</u>

All direct costs in 2021 and 2020 related to unrestricted funds.

9 FINANCIAL SUPPORT

	Grants to institutions 2021 £	Grants to individuals 2021 £	Total funds 2021 £	Total funds 2020 £
Direct financial support for cathedral music	450,530	-	450,530	1,039,257
	<u>450,530</u>	<u>-</u>	<u>450,530</u>	<u>1,039,257</u>
Total 2020	<u>1,039,257</u>	<u>-</u>	<u>1,039,257</u>	

During the year, £80,675 of grants were awarded to 17 choral foundations from restricted funds and £369,830 to 28 choral foundations from unrestricted funds.

In 2020, £1,010,050 of grants were awarded to 42 choral foundations from the Cathedral Choirs' Emergency Fund. All grants in 2020 were made from restricted funds after £250,000 transferred into the Emergency Fund from unrestricted funds.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9 FINANCIAL SUPPORT (CONTINUED)

During the year, 41 grants were awarded to 35 institutions as shown below:

	2021 £
Recipient	
Arundel Cathedral	3,000
St Anne's Cathedral, Belfast	5,000
Birmingham Cathedral	780
Bradford Cathedral	15,000
Brentwood Cathedral	2,000
Carlisle Cathedral	5,000
Chester Cathedral	20,000
Chichester Cathedral	16,000
Derby Cathedral	5,500
Durham Cathedral	20,000
Exeter Cathedral	30,000
Gloucester Cathedral	5,000
Guildford Cathedral	21,000
Hexham Abbey	10,000
Cathedral Isle of Man	7,000
Leeds Cathedral	8,000
Leeds Minster	6,000
Leicester Cathedral	21,000
Lichfield Cathedral	16,000
Liverpool Cathedral	16,000
Newcastle Cathedral	16,000
Peterborough Cathedral	20,000
Ripon Cathedral	20,000
Rochester Cathedral	5,000
Salisbury Cathedral	1,000
St Edmundsbury Cathedral	10,000
St Mary's Cathedral, Swansea	1,500
St Mary's Cathedral, Warwick	15,000
St Paul's Cathedral	25,000
Tewkesbury Abbey	10,000
Truro Cathedral	16,000
Wakefield Cathedral	10,000
Wells Cathedral	25,000
Worcester Cathedral	30,000
York Minster	13,750
Total	450,530

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10 SUPPORT AND GOVERNANCE COSTS

	Support £	Governance £	Total 2021 £	Total 2020 £
Staff costs	131,605	-	131,605	39,419
Administration	35,436	-	35,436	25,146
Legal and professional fees	-	30,616	30,616	7,403
Board meetings costs	-	2,354	2,354	521
Audit and accountancy fees	-	16,756	16,756	12,473
	<u>167,041</u>	<u>49,726</u>	<u>216,767</u>	<u>84,962</u>
Total 2020	<u>64,565</u>	<u>20,397</u>	<u>84,962</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 as follows: 15% to grants (2020: 5%), 15% to publications (2020: 5%), 15% to events (2020: 5%), 45% to fundraising (2020: 65%) and 10% to marketing (2020: nil).

		2021	2020
Raising funds	Fundraising	97,545	76,492
	Marketing	21,677	-
		<u>119,222</u>	<u>76,492</u>
Charitable activities	Grants	32,515	3,696
	Events	32,515	2,387
	Publications	32,515	2,387
		<u>97,545</u>	<u>8,470</u>
		<u>216,767</u>	<u>84,962</u>

11 AUDITORS' REMUNERATION

	2021 £	2020 £
Auditors' remuneration - audit	7,000	7,000
Auditors' remuneration - other services	<u>956</u>	<u>5,473</u>

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12 STAFF COSTS

	2021 £	2020 £
Wages and salaries	121,467	39,205
Social security costs	7,489	215
Pension costs	2,649	-
	<u>131,605</u>	<u>39,420</u>

The number of staff employed by the charity during the year was as follows:

	Average head count basis		Full-time equivalent basis	
	2021 No.	2020 No.	2021 No.	2020 No.
Fundraising	1.0	0.1	0.5	0.1
Marketing	1.0	0.3	1.1	0.2
Charitable operations	2.0	0.8	1.5	0.6
Administration and Finance	0.7	-	0.3	-
	<u>4.7</u>	<u>1.3</u>	<u>3.4</u>	<u>1.0</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.

One Trustee received an Honorarium of £3,200 in her capacity as Editor of Cathedral Music (2020: £3,200).

Travel and subsistence expenses totalling £929 were reimbursed to five Trustees (2020: £1,279 to nine Trustees).

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14 FIXED ASSET INVESTMENTS

	Total £
MARKET VALUE	
At 1 January 2021	5,576,172
Additions	500,000
Revaluations	829,119
At 31 December 2021	<u>6,905,291</u>

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 five year period will normally be corrected.

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15 DEBTORS

	2021 £	2020 £
Trade debtors	737	-
Accrued income	122,633	216,128
Prepayments	15,943	12,082
	<u>139,313</u>	<u>228,210</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	17,859	3,619
Other taxation and social security	5,733	5,147
Grants payable	3,750	33,273
Other creditors	14,502	20,800
	<u>41,844</u>	<u>62,839</u>

RECONCILIATION OF GRANT MOVEMENTS

	2021 £	2020 £
Creditors brought forward	33,273	10,333
Commitments made in the year	450,530	1,046,257
Grants paid	(480,053)	(1,016,317)
Refunds	-	(7,000)
Grants carried forward	<u>3,750</u>	<u>33,273</u>

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17 STATEMENT OF FUNDS

CURRENT YEAR

	Balance at 01 January 2021 £	Income £	Expenditure £	Transfers in / (out) £	Gains/ (Losses) £	Balance at 31 December 2021 £
UNRESTRICTED FUNDS						
Designated funds:						
Grant Fund	350,000	-	(355,855)	355,855	-	350,000
Discretionary Fund	-	-	-	60,000	-	60,000
Organ Scholarship	25,000	-	(4,000)	-	-	21,000
Chorister Support Grant	10,000	-	(10,000)	-	-	-
CRM System	18,778	-	(8,450)	-	-	10,328
	<u>403,778</u>	<u>-</u>	<u>(378,305)</u>	<u>415,855</u>	<u>-</u>	<u>441,328</u>
General funds	528,060	594,596	(176,526)	(422,965)	-	523,165
	<u>931,838</u>	<u>594,596</u>	<u>(554,831)</u>	<u>(7,110)</u>	<u>-</u>	<u>964,493</u>
ENDOWMENT FUND	5,741,181	147,037			829,119	6,717,337
	<u>5,741,181</u>	<u>147,037</u>	<u>-</u>	<u>-</u>	<u>829,119</u>	<u>6,717,337</u>
RESTRICTED FUNDS						
Diamond Fund for						
Choristers	99,525	33,701	(37,579)	-	-	95,647
Linbury Trust	15,289	-	(15,289)	-	-	-
Mosawi Foundation	15,054	20,000	(20,000)	-	-	15,054
Oswald Allan	12,895	-	(12,895)	-	-	-
Tony Harvey Scholarship	8,404	-	(3,000)	-	-	5,404
Tanner Trust	5,412	5,000	(4,937)	-	-	5,475
Swire Trust	395	2,500	(2,895)	-	-	-
The George Cadbury Fund	-	10,000	(10,000)	-	-	-
Cathedral Choirs'						
Emergency Fund	1,442	635	(25)	(2,052)	-	-
Genesis Foundation	9,768	25,000	(19,323)	-	-	15,445
Other restricted funding	49,259	5,000	(63,421)	9,162	-	-
	<u>217,443</u>	<u>101,836</u>	<u>(189,364)</u>	<u>7,110</u>	<u>-</u>	<u>137,025</u>
Total of funds	<u>6,890,462</u>	<u>843,469</u>	<u>(744,195)</u>	<u>-</u>	<u>829,119</u>	<u>7,818,855</u>

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 202

17 STATEMENT OF FUNDS (CONTINUED)

PURPOSE OF FUNDS

Diamond Fund for Choristers	To support cathedral choristers
Linbury Trust	To enable the charity to support greater churches and the costs required for choirs and fees for music services
Mosawi Foundation	To award support grants to choristers
Oswald Allan	To support traditional choirs of boys and men
Tony Harvey Scholarship	For the benefit of male choral scholars at English cathedrals
Tanner Trust	Funds brought forward were for IT equipment for new staff. Funds received in 2021 are for our summit on outreach and education held in January 2022.
Swire Trust	To administer the Diamond Fund for Choristers
The George Cadbury Fund	To support our ongoing funding programme for choirs in need
Cathedral Choirs' Emergency Fund	To support cathedrals across the UK in response to the COVID-19 pandemic in partnership with the Ouseley Church Music Trust and the Choir Schools' Association
Genesis Foundation	To fund the role of Marketing and Communications Officer
Other restricted funding	To cover incremental staff costs following the charity's incorporation

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 202

17 STATEMENT OF FUNDS (CONTINUED)

PRIOR YEAR

	Balance at 01 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
Organ Scholarship	25,000	-	-	-	-	25,000
Chorister Support Grant	-	10,000	-	-	-	10,000
CRM System	29,832	-	(11,054)	-	-	18,778
	<u>354,832</u>	<u>10,000</u>	<u>(11,054)</u>	<u>50,000</u>	<u>-</u>	<u>403,778</u>
General funds	211,932	763,830	(147,702)	(300,000)	-	528,060
	<u>566,764</u>	<u>773,830</u>	<u>(158,756)</u>	<u>(250,000)</u>	<u>-</u>	<u>931,838</u>
ENDOWMENT FUND	5,381,147	148,341	-	(20,000)	231,693	5,741,181
	<u>5,381,147</u>	<u>148,341</u>	<u>-</u>	<u>(20,000)</u>	<u>231,693</u>	<u>5,741,181</u>
RESTRICTED FUNDS						
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
Oswald Allan	19,895	-	(7,000)	-	-	12,895
Tony Harvey Scholarship	9,404	-	(1,000)	-	-	8,404
Tanner Trust	2,000	5,000	(1,588)	-	-	5,412
Swire Trust	5,000	-	(4,605)	-	-	395
Cathedral Choirs'						
Emergency Fund	-	751,492	(1,010,050)	260,000	-	1,442
Genesis Foundation	-	12,500	(2,732)	-	-	9,768
Other restricted funding	1,631	38,528	(20,900)	30,000	-	49,259
	<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>6,086,744</u>	<u>1,799,863</u>	<u>(1,227,838)</u>	<u>-</u>	<u>231,693</u>	<u>6,890,462</u>

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 202

18 ANALYSIS OF NET ASSETS

CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Fixed asset investments	187,954	-	6,717,337	6,905,291
Current assets	816,383	139,025	-	955,408
Creditors due within one year	(39,844)	(2,000)	-	(41,844)
	<u>964,493</u>	<u>137,025</u>	<u>6,717,337</u>	<u>7,818,855</u>

PRIOR YEAR

	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)
	<u>931,838</u>	<u>217,443</u>	<u>5,741,181</u>	<u>6,890,462</u>

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	928,393	803,718
Adjustment for:		
Gains on investments	(829,119)	(231,693)
Dividends and interest from investments	(182,787)	(160,386)
Decrease/(increase) in stocks	(173)	3,017
Decrease/(increase) in debtors	97,781	(82,367)
(Decrease)/increase in creditors	(20,995)	31,781
Net cash used in operating activities	<u>(6,900)</u>	<u>364,070</u>

CATHEDRAL MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 202

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	187,453	585,660
Cash held on deposit as part of investment portfolio	628,303	563,093
Total	<u>815,756</u>	<u>1,148,753</u>

21 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,148,753	(332,997)	815,756
	<u>1,148,753</u>	<u>(332,997)</u>	<u>815,756</u>

22 RELATED PARTY TRANSACTIONS

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