

REGISTERED CHARITY NUMBER: 207096

Registered Charity No. 207096

Patron: HRH The Prince of Wales KG KT PC GCB

President: The Bishop of Exeter

Vice Presidents: Her Majesty's Lord-Lieutenant for Devon

The Chairman of Devon County Council

The Right Worshipful the Mayor of Exeter

The Right Worshipful the Mayor of Plymouth

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

**FOR
THE FRIENDS OF EXETER CATHEDRAL**

Honorary Treasurer:

Peter Balsom

Secretary:

Peter J. Pryor

Auditors:

Bush & Co Limited, Chartered Accountants

2 Barnfield Crescent, Exeter, Devon, EX1 1QT

Bankers:

National Westminster Bank PLC

Exeter Bank Branch, High St, Exeter, Devon, EX1 1TS

Investment Advisors:

CCLA Investment Management Ltd

25 Queen Victoria St, London, EC4A 3DF

Charles Stanley & Co Ltd

Broadwalk House, Southmead Way, Exeter, EX1 1TS

The Council:

The Very Revd Jonathan Greener

Dean

Mr Peter Balsom

Treasurer

Mr Chris Paterson

Chairman

Mr Joe Radnick

Deputy Chairman

Mrs Anne Foreman

The Rev Canon Ian Morter

Mr Peter Owen-Powson

Mr James Frampton

[co-opted from 25 August 2020]

Mrs Fiona Thompson

Mrs Diane Walker

Mr Jonathan Walker

Dr Rouben Ayres

Bush & Co Limited
Statutory Auditors
2 Barnfield Crescent
Exeter
Devon
EX1 1QT

THE FRIENDS OF EXETER CATHEDRAL

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FOR THE YEAR ENDED 31 DECEMBER 2020

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Registered Charity No. 207096

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THE FRIENDS OF EXETER CATHEDRAL
ANNUAL REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020

The members of the Council, who for the purposes of this report are the trustees, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and Activities

The object of The Friends of Exeter Cathedral (The Friends) is to co-operate with the Dean and Chapter, principally through financial support, in furthering the religious and other charitable work of the Cathedral Church of St Peter in Exeter by:

- Arousing and maintaining public interest in the Cathedral including the encouragement of the interest and participation of young people.
- Assisting and supporting the Dean and Chapter in maintaining, improving and adding to the fabric, furniture, ornaments, services and music of the Cathedral and in maintaining, adding to, and improving the precincts thereof (excluding the houses of residence) and in the publication of literature having reference to the Cathedral.
- Establishing and maintaining scholarships for those seeking to enter the Cathedral School at Exeter as choristers.
- Maintaining and adding to the books and archives of the Cathedral Library.
- Publishing literature furthering the objects of The Friends, including an annual report.
- Such other means as the Council from time to time thinks fit.

There have been no policy changes during the year.

Public benefit

As shown elsewhere in this report, the whole of our annual income, after allowing for small amounts of administration expenditure, is available for the benefit of the Dean and Chapter of Exeter Cathedral, which has stood for over a thousand years, and since the Reformation has been a pillar of the Church of England. Being one of the major donors to the Cathedral and its mission, the Friends help maintain the fabric, support its music and library and its educational and spiritual aims. The Council members have had due regard to the Charity Commission's guidance on public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Full details of the grants in aid to the Dean and Chapter appear in the Financial Statements. The Council of The Friends look to be able to continue the support as in the past.

FINANCIAL REVIEW

Financial position

Total incoming resources reduced by £774,359 to £412,319 including sums received for the Endowment Fabric Fund [see note 16]. The Trustees are able to report that dividends and interest received are accounted for on a receivable basis as per Note 1 on page 11, some sums are held on deposit pending being drawn by the Dean and Chapter. Total resources expended increased by £166,353 to £509,753 as sums paid to the Dean and Chapter increased by £178,689 to £468,718 an exceptionally high level due to an Extraordinary Grant of £250,000 to assist with the effect of the Coronavirus Pandemic on the finances of the Cathedral, the net effect being that net incoming resources before other recognised gains or losses decreased by £940,712 to a deficit of £97,434. There was an increase in the valuation of investments of £442,966. Accordingly, the increase in funds held was £345,532.

THE FRIENDS OF EXETER CATHEDRAL
ANNUAL REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Investment policy and objectives

The investment policy is to maintain a balanced portfolio of investments, and aiming to adopt the Ethical Investment policies of the Church of England, so as to enjoy the optimum income compatible with sustaining, in real terms, the capital value of the portfolio.

Reserves policy

Under the constitution all the resources may be applied towards the charity objectives. It is the policy of the Council, however, to recognise that the charity has prospective obligations in perpetuity and accordingly, subject to any overriding direction from the donor, to invest the endowment funds to secure the optimum income compatible with maintaining, in real terms, the capital value of the portfolio. With the current level (May 2021) of bank base rate of 0.1% pa, income on cash balances remains at a very low historical level. Therefore, such cash balances have been kept to a minimum level consistent with the anticipated demands for draw down of grants. The balance of funds not required are invested in a selection of managed funds (mainly equities and property) operated by CCLA Investment Management Limited and a segregated fund of equities managed by Charles Stanley & Co Limited. The charity's unrestricted free reserves at the year end were £6,119,360.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The Charity was founded in 1929 by the Charity Commissioners' Scheme and is currently governed by a revised Constitution approved by the Charity Commissioners and dated 29 June 1992. The constitution was amended at the Annual General Meeting on 25 June 1999 and again at the Annual General Meeting on 29 June 2000 each of the amendments being subsequently approved by the Charity Commissioners. Amendments made at the Annual General Meeting on 28 June 2013 did not require Charity Commission approval.

Organisational structure

The affairs of The Friends are managed by a Council consisting of not less than eight and not more than twelve members elected at Annual General Meetings in accordance with the Constitution, and up to five members who may be co-opted by the Council itself. The Council has power to appoint sub-committees. No remuneration is paid to any member of Council.

The following documents are provided to assist new members in their new role:

- a) A copy of the Charity Commission's Guidance "The Essential Trustee; what you need to know".
- b) A copy of the last financial statements.
- c) A copy of the Charity's Constitution.
- d) A copy of the last minutes.

Risk management

The Council considers that the principal risk to which the charity is exposed is loss of capital due to fluctuations in the markets which could lead to a sudden drop in income. To counter this risk a cash reserve is maintained at least equal to the amount currently committed to the Dean and Chapter for the following twelve months so that commitments made are certain to be honoured. The Council employs professional fund managers to help mitigate the consequences of market fluctuations.

**THE FRIENDS OF EXETER CATHEDRAL
ANNUAL REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2020**

THE MEMBERS OF THE COUNCIL'S RESPONSIBILITIES

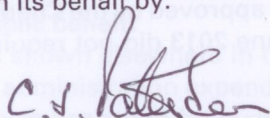
The members of the Council are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the members of the Council 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the members of the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

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

Approved by the Council of The Friends of Exeter Cathedral on 25 May 2021 and signed on its behalf by:



Chris Paterson - Chairman



P. Privett - Honorary Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FRIENDS OF EXETER CATHEDRAL

Opinion

We have audited the financial statements of The Friends of Exeter Cathedral (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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE FRIENDS OF EXETER CATHEDRAL

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, 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 they 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.

Our responsibilities for the audit of the financial statements

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

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

Bush & Co Limited
Statutory Auditors

Bush & Co

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
2 Barnfield Crescent
Exeter Devon
EX1 1QT

Date:

THE FRIENDS OF EXETER CATHEDRAL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	107,331	41,283	4,187	152,801	940,212
Other trading activities	3	2,582	-	-	2,582	9,475
Investment income	4	181,073	15,477	60,386	256,936	236,991
Total		290,986	56,760	64,573	412,319	1,186,678
EXPENDITURE ON						
Raising funds		27,485	-	11,605	39,090	48,771
Charitable activities						
Grants and donations		339,336	131,327	-	470,663	294,629
Total	5	366,821	131,327	11,605	509,753	343,400
Net gains/(losses) on investments		334,792	30,343	77,831	442,966	1,040,973
NET INCOME/(EXPENDITURE)		258,957	(44,224)	130,799	345,532	1,884,251
RECONCILIATION OF FUNDS						
Total funds brought forward		5,860,995	532,015	1,968,552	8,361,562	6,477,311
TOTAL FUNDS CARRIED FORWARD		<u>6,119,952</u>	<u>487,791</u>	<u>2,099,351</u>	<u>8,707,094</u>	<u>8,361,562</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

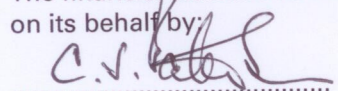
The notes form part of these financial statements

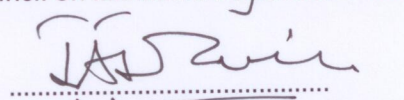
THE FRIENDS OF EXETER CATHEDRAL

BALANCE SHEET AT 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted funds £	Endowment fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	10	592	-	-	592	514
Investments	11	5,937,377	552,765	2,052,740	8,542,882	8,189,328
		5,937,969	552,765	2,052,740	8,543,474	8,189,842
CURRENT ASSETS						
Stocks	12	619	-	-	619	974
Debtors	13	52,267	-	-	52,267	7,647
Investments	14	-	35,000	-	35,000	35,000
Cash at bank and in hand		218,246	(95,005)	46,611	169,852	252,258
		271,132	(60,005)	46,611	257,738	295,879
CREDITORS						
Amounts falling due within one year	15	(89,149)	(4,969)	-	(94,118)	(124,159)
NET CURRENT ASSETS		181,983	(64,974)	46,611	163,620	171,720
NET ASSETS		6,119,952	487,791	2,099,351	8,707,094	8,361,562
FUNDS						
Unrestricted funds:						
General fund					6,119,952	5,860,995
Restricted funds:	16					
Music Fund					257,193	250,478
Choral Music Fund					174,769	164,948
Norman England Fund					55,829	116,589
					487,791	532,015
Endowment funds:	16					
Endowment fabric fund					2,099,351	1,968,552
TOTAL FUNDS					8,707,094	8,361,562

The financial statements were approved by the Council on 25 May 2021 and were signed on its behalf by:


Chris Paterson- Chairman


Joe Roderick - Deputy Chairman

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	1	(428,225)	681,410
Cash flows from investing activities:			
Dividends, interest and rents from investment		256,936	236,991
Purchase of equipment		(529)	(716)
Proceeds from sale of investments		250,000	369,922
Purchase of investments		<u>(160,588)</u>	<u>(1,190,373)</u>
Net cash provided/(used in) by investing activities		345,819	(584,176)
Change in cash and cash equivalents in the reporting period		(82,406)	97,234
Cash and cash equivalents at the beginning of the reporting period		<u>252,258</u>	<u>155,024</u>
Cash and cash equivalents at the end of the reporting period	2	<u>169,852</u>	<u>252,258</u>

Voluntary income is received by way of donations and membership fees and is included in full in the Statement of Financial Activities when receivable. Legacies are included for as income when the representatives of the estate have agreed to transfer the assets to the charity or when the charity has received a legacy or residuary bequest from a will or by transfer.

- Incoming resources from charitable trading activity are accounted for when earned.
- Investment income is included when receivable.

Expenditure

Expenditure is recognized on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services to beneficiaries. Grants and donations are awarded on approval by the Charity's Council in accordance with the objects of the charity. The grants are charged to the accounts for the period in which they are approved for payment.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate basis.

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

NOTES TO THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
	£	£
Net income for the reporting period (as per the statement of financial activities)	345,532	1,884,251
Adjustments for:		
Depreciation charges	451	293
Gains on investments	(442,966)	(1,040,973)
Dividends, interest and rents from investment	(256,936)	(236,991)
(Increase)/decrease in stocks	355	493
(Increase)/decrease in debtors	(44,620)	86,855
Increase/(decrease) in creditors	(30,041)	(12,518)
Net cash provided by operating activities	<u>(428,225)</u>	<u>681,410</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	169,316	11,848
Notice deposits (less than 3 months)	<u>536</u>	<u>240,410</u>
Total cash and cash equivalents	<u>169,852</u>	<u>252,258</u>

NET ASSETS	5,113,952	487,791	2,099,351	8,707,094	5,351,553
FUNDS					
Unrestricted funds:					
General fund				5,113,952	5,351,553
Restricted funds:					
Music Fund				257,183	250,478
Choral Music Fund				174,765	164,342
Norman England Fund				55,029	116,595
				<u>487,791</u>	<u>532,015</u>
Endowment funds:					
Endowment fabric fund				2,099,351	1,348,857
TOTAL FUNDS				<u>8,707,094</u>	<u>6,699,568</u>

The financial statements were approved by the Council on 25 May 2021 and were signed on its behalf by

Chris Paterson- Chairman

Joe Radcliffe- Deputy Chairman

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis as there are no material uncertainties about the charity's ability to continue operating.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of donations and membership fees and is included in full in the Statement of Financial Activities when receivable. Legacies are accounted for as income once the representatives of the estate have advised the amount receivable whether received as a pecuniary or residuary bequest or subject to a life tenancy. Assets received by way of legacies are included as legacy income at market value on the date of transfer.
- Incoming resources from charitable trading activity are accounted for when earned.
- Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Costs of generating funds compromise the costs associated with attracting voluntary income and the costs of fundraising.
- Charitable activities compromises those costs incurred by the charity in the delivery of its activities and services for beneficiaries. Grants and donations are awarded on approval by the Charity's Council in accordance with the objects of the charity. The grants are charged to the accounts for the period in which they are approved for payment.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly and others are apportioned on an appropriate basis.

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are stated at cost. Additions under £150 are not capitalised.

Depreciation is provided so as to write off the cost of tangible assets on a straight line basis over their estimated useful lives at the following annual rates.

Office equipment - 33%

Investments

Investments are stated at market value at the balance sheet date which gives rise to unrealised gains and losses which are included in the statement of financial activities. Realised gains and losses arising on disposal of investments are separately identified in the Statement of Financial Activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Current asset investments

Current asset investments includes short term highly liquid investments with a maturity greater than three months but less than one year from the date of opening of the deposit.

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 opening of the deposit.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Financial instruments

The charity only has financial assets and 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.

Taxation

As a charity, The Friends of Exeter Cathedral is not liable to taxation on its investment income, or on any surplus arising from its activities, and so no taxation provision is required in the financial statements.

Fund accounting

The charity's unrestricted funds consist of general funds which the charity can use for its own purposes. The Charity's endowment "fabric" fund consists of amounts to be used specifically for the maintenance of the fabric of the cathedral. The Charity's restricted funds consist of amounts to be used for choral music of cathedral, other musical purposes in the cathedral, and for maintaining the fabric of the cathedral.

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	54,718	956,722
Legacies	66,452	(49,694)
Membership subscriptions	<u>31,631</u>	<u>33,184</u>
	<u>152,801</u>	<u>940,212</u>

In 2020 £41,283 of the donations were restricted (2019: £100) and £4,187 was endowment income (2019: £951,183).

Legacies advised and receivable:

	£
Ann Barter	2,500
James Baker	11,064
John Loarridge	6,000
Jean Hall	10,000
Arthur Brown	3,000
Mona Harrison	1,000
Doris Wilson	<u>32,888</u>
	<u>66,452</u>

All of the legacies relate to Unrestricted Funds.

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Charitable trading income	1,850	1,712
Festival income	-	310
Friends Gatherings income	<u>732</u>	<u>7,453</u>
	<u>2,582</u>	<u>9,475</u>

In 2020 of the other trading activities all £2,582 was unrestricted income (2019: 9,475).

4. INVESTMENT INCOME

	2020	2019
	£	£
Investment income from quoted investments	254,512	233,219
Deposit account interest	<u>2,424</u>	<u>3,772</u>
	<u>256,936</u>	<u>236,991</u>

In 2020 of the investment income £15,477 was restricted (2019: £15,658) and £ 60,386 was endowment income (2019: £40,229).

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

5. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Charitable Activities Grants & Donations £	Raising Funds £	2020 Total £	2019 Total £
Grants (Note 7)	Direct	468,718	-	468,718	290,029
Cost of sales (Note 6)	Direct	-	1,314	1,314	1,088
Festival costs	Direct	-	-	-	378
Friends Gatherings costs	Direct	-	362	362	4,457
Postage	Usage	-	574	574	352
Stationery and telephone	Usage	-	-	-	572
Wages	Staff time	1,631	14,682	16,313	15,397
Investments management charge	Direct	-	11,605	11,605	11,459
Depreciation	Usage	-	451	451	293
90 th Anniversary Costs	Direct	-	-	-	3,276
Repairs and renewals	Usage	-	226	226	-
Sundry expenses	Direct	-	734	734	1,171
Annual report	Usage	-	3,582	3,582	3,660
Newsletter	Usage	-	2,730	2,730	2,826
Audit fees	Direct	314	2,830	3,144	3,060
Legal Fees	Direct	-	-	-	5,382
		<u>470,663</u>	<u>39,090</u>	<u>509,753</u>	<u>343,400</u>

In 2020 of the total expenditure £68,383 was expenditure from restricted funds (2019: £63,439) and £11,605 was expenditure from endowment funds (2019: £45,459).

6. CHARITABLE TRADING

	2020 £	2019 £
Sales		
Christmas cards	1775	1,442
Ties	75	270
	<u>1,850</u>	<u>1,712</u>
Cost of Sales		
Christmas cards	(1,266)	(960)
Ties	(48)	(128)
	<u>(1,314)</u>	<u>(1,088)</u>
Gross profit on trading activities	<u>536</u>	<u>624</u>

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

7. CHARITABLE GRANTS AND DONATIONS

	2020 £	2019 £
Grants to the Dean and Chapter for the benefit of the Cathedral	468,718	290,029

The grants to Dean and Chapter for the benefit of the Cathedral are analysed as follows:

	2020 £	2019 £
Flower fund	1,500	1,500
Library & archive	5,000	5,000
Clock maintenance	200	200
Bells maintenance	250	250
East End Windows	(1,266)	12,000
Fire Alarm System	-	12,500
Hoist	-	12,000
Exceptional Pandemic Grant from Reserves	250,000	-
Special Appeal to Members for Pandemic Costs	41,283	-
Choral scholarships	15,000	15,000
Environmental Monitoring	-	11,000
South Quire Materials (England Fund)	26,500	40,000
South Clerestory Quire Project (England Fund)	-	1,919
South Nave Aisle Window	35,000	-
Education of stonemasons	1,707	3,500
Image Screen	12,000	2,500
Electrification of Bells	-	15,000
Photography Scala Book	-	3,000
Monument Repairs	3,000	3,000
North Porch	20,000	8,000
Stonemasons (England Fund -2020)	36,444	121,226
Extraction of Salcombe Stone	10,000	14,000
Organ Maintenance	12,100	8,434
	468,718	290,029

8. COUNCIL OF MEMBERS REMUNERATION AND BENEFITS

There were no remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019 for Council Members.

Council members' expenses

There were no Council members' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	<u>16,313</u>	<u>15,397</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Administration	<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

10. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2020	5,735
Additions	529
Disposals	<u>(3,338)</u>
As at 31 December 2020	<u>2,926</u>
DEPRECIATION	
At 1 January 2020	5,221
Charge for year	451
Eliminated on disposal	<u>(3,338)</u>
At 31 December 2020	<u>2,334</u>
NET BOOK VALUE	
At 31 December 2020	<u>592</u>
At 31 December 2019	<u>514</u>

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

11. FIXED ASSET INVESTMENTS

Analysis of change in investments during the year:

	2020 £	2019 £
Market value at 1 January 2020	8,189,328	6,287,904
Additions at cost	160,588	1,190,373
Disposals	(250,000)	(329,922)
Net Gain on revaluation	442,966	1,040,973
	<hr/>	<hr/>
Market value at 31 December 2020	<u>8,542,882</u>	<u>8,189,328</u>
	<hr/>	<hr/>
Cost at 31 December 2020	<u>6,176,125</u>	<u>5,023,528</u>
	<hr/>	<hr/>
CBF Investment Fund	7,013,151	6,651,294
Church of England Property Fund	425,869	448,148
	<hr/>	<hr/>
Charles Stanley Portfolio - listed	950,803	981,609
Charles Stanley Portfolio - cash	71,886	28,700
Cambridge & Counties Fixed Rate Bond	81,173	79,577
	<hr/>	<hr/>
	<u>8,542,882</u>	<u>8,189,328</u>

12. STOCKS

	2020 £	2019 £
Ties & Cards	<u>619</u>	<u>974</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Income tax recoverable	10,958	3,641
Legacies receivable	39,888	4,000
Other debtors	<u>1,421</u>	<u>6</u>
	<hr/>	<hr/>
	<u>52,267</u>	<u>7,647</u>

14. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Cash equivalents on deposit	<u>35,000</u>	<u>35,000</u>

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Grants outstanding to Dean and Chapter	82,395	112,384
Accrued expenses	<u>11,723</u>	<u>11,775</u>
	<u>94,118</u>	<u>124,159</u>

16. MOVEMENT IN FUNDS

Endowment Fabric Fund

	At 1 Jan 2020 £	Incoming Resources £	Resources Expended £	Gains and Losses £	At 31 Dec 2020 £
Endowment Fund	<u>1,968,552</u>	<u>64,573</u>	<u>(11,605)</u>	<u>77,831</u>	<u>2,099,351</u>

The fund is represented by:

	2020 £	2019 £
CBF Deposit Account	-	129,753
NatWest Bank	46,611	-
Charles Stanley Portfolio	1,022,689	1,010,309
Accrued expenses	-	(6,682)
CBF Church of England Investment Fund	<u>1,030,051</u>	<u>835,172</u>
	<u>2,099,351</u>	<u>1,968,552</u>

By Deed of Gift dated 7 November 1997, £10,000 was donated by Mr J F G Michelmores as a Permanent Endowment for the repair and maintenance of the Fabric of the Cathedral and the permanent fixtures therein.

Various donations and legacies have been given for the Fabric Fund over the years and further sums may be added with or without any provision for the accumulation of income.

In the Year to 31 December 2020 the Trustees of the Exeter Cathedral Preservation Trust used their Power of Advancement to transfer investments and funds to the value of £2,631 (2019: £835,109) to the Friends of Exeter Cathedral with the proviso that it is held in the Fabric Endowment Fund.

In the Year to 31 December 2019 there was a 90th Anniversary fundraising appeal which raised £116,074 which is held in the Fabric Endowment Fund. A further £1,306 was raised in 2020.

The notes form part of these financial statements

THE FRIENDS OF EXETER CATHEDRAL

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

16. MOVEMENT IN FUNDS - continued

Restricted Fund

	At 1 Jan 2020	Incoming Resources	Resources Expended	Gains and Losses	At 31 Dec 2020
	£	£	£	£	£
Music Fund	250,478	8,020	(19,600)	18,295	257,193
Choral Music Fund	164,948	5,273	(7,500)	12,048	174,769
	<u>415,426</u>	<u>13,293</u>	<u>(27,100)</u>	<u>30,343</u>	<u>431,962</u>

Legacies of £112,754 were received in 2009 to be used on choral music in Exeter Cathedral, £230,675 in 2012 and £10,000 in 2018 to be used for the purposes of Music in Exeter Cathedral. A Legacy of £25,000 was received in 2016 for the maintenance of the Organ, of which £9,033 was granted in the year, the fund is now exhausted.

A special appeal was made to Members of the Friends to make a contribution to running expenses of the Cathedral as there was a shortfall of income due to the Covid Pandemic. A sum of £41,283 was raised and paid over to the Dean and Chapter, it is included in the list of grants as per note 7. It is not included in the summary above.

The fund is represented by:

	2020 £	2019 £
CBF Deposit Account	536	(23,592)
NatWest Bank	(35,197)	-
CBF Church of England Investment Fund	471,592	441,249
Sundry Creditors	<u>(4,969)</u>	<u>(2,231)</u>
	<u>431,962</u>	<u>415,426</u>

Norman England Fund (Restricted)

A sum of £255,840 was received from the N W J England Trust No 1. It was the express wish of the Donor and The Trustees that the whole of the Fund be used towards the repair and maintenance of the Fabric of Exeter Cathedral and for no other purpose. Any expenditure is to be agreed on an annual basis. It is not an endowment fund.

Interest of £2,184 was received in the year and grants of £62,944 were made. The funds carried forward of £55,829 are held in term bonds in two banks pending an agreement with the Dean and Chapter as to which project will be funded by these monies.

THE FRIENDS OF EXETER CATHEDRAL

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

Legacies Receivable

The Charity has been notified of legacies not received by 31 December 2020 but which have been included in the Statement of Financial Activities at a figure of £39,888 as The Council have made a reasonable estimate of the sum to be received.

17. RELATED PARTY DISCLOSURES

In the year under review, the Very Revd Jonathan Greener was a member of the Chapter of Exeter Cathedral as well as being Dean of Exeter Cathedral and member of the Council of the Friends of Exeter Cathedral. Grants made to the Chapter totalled £468,718 (2019: £290,029) as detailed in Note 7. There were no other related party transactions for the year ended 31 December 2020.