

ELY CATHEDRAL TRUST

REGISTERED CHARITY: 264803

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2020



ELY CATHEDRAL TRUST

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CHARITY PARTICULARS

Patron:	The Late H.R.H. The Prince Philip, Duke of Edinburgh KG, KT
Trustees:	The Very Reverend M Bonney (ex officio, Dean of Ely) David Green (Chairman) Mr C F M Rawlinson MBE Mrs J Lewin-Smith DL Mr I Pattinson Canon P Evans Reverend Canon Dr. J Martin Canon T Bellis Isobel Philippa Newport-Mangell (appointed 7 September 2020) Revd Dr Sir Ralph Waller (appointed 7 September 2020)
Correspondence Address:	The Chapter House The College Ely Cambs CB7 4DL
Investment Managers:	CCLA 80 Cheapside London EC2V 6DZ
Principal Bankers:	Barclays Bank Plc 28 High Street Ely Cambs CB7 4LA
Auditors:	Price Bailey LLP Chartered Accountants and Statutory Auditors 6 High Street Ely Cambridgeshire CB7 4JU

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and audited financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 12 and comply with the Charity's Trust Deed, applicable 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, published in October 2019.

Constitution and objects

The Ely Cathedral Trust is constituted under a Trust Deed dated 16 October 1972 and is a registered charity no. 264803.

The objective of the Trust is primarily to pay or apply the income of the Trust Fund to:

- The repair and maintenance of the fabric of the Cathedral;
- The repair and maintenance of the organ and other appurtenances of the Cathedral;
- The support and advancement of the Cathedral Choirs;
- The repair and maintenance of secular buildings in the vicinity of the Cathedral and occupied or used for ecclesiastical or other charitable purposes connected with the Cathedral; and
- The repayment of sums borrowed and applied for the benefit of the Cathedral.

The Trustees may further pay or apply the income of the Trust Fund in furtherance of all or any of the following objectives:

- Such charitable purposes connected with the Cathedral as the Trustees shall from time to time determine in their absolute discretion;
- Such other charitable purposes or such charitable foundations as the Trustees not being less than seven in number shall from time to time by deed executed with their unanimous consent declare.

The Trustees shall have power from time to time in their absolute discretion if they shall so think fit to pay or apply any part or parts of the whole of the capital of the Trust Fund in any manner in which they are authorised to pay the income thereof. The Trustees measure their performance by way of ensuring the Trust is able to finance the Cathedral's needs both in the short term and the longer term.

The Trustees have considered the Charity Commission's guidance on public benefit and they consider that the charity is fulfilling its obligations in this respect when reviewing the Trust's aims and objectives, in planning future activities, and setting the grant making policy for the year fulfils the Trust's public benefit purpose as it helps ensure that the Cathedral is able to operate.

Organisation

Trustees are appointed by the Cathedral Chapter. The Trustees who have served during the year and since the year end are set out on page 1. The Trustees meet at least three times a year to review policy and operations.

The organisational structure for day to day decision making is under the control of the Chairman of the Trust in consultation with the members and assisted by the Chief Operating Officer of the Cathedral. This arrangement is monitored by the meetings of the Trustees which are arranged at sufficiently frequent intervals.

New Trustees are appointed with the specific needs of the Trust in mind at the time of the vacancy, in terms of skills, expertise, experience and knowledge of the relevant field of activity and advice which the Trustees need. New Trustee induction involves the provision of a copy of the governing documents, minutes of prior meetings and a formal tour of The Cathedral and associated entities. When necessary, Chapter seeks help from one or more of its external and professional advisors.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Grant-making Policy

The Trust has established a grant-making policy to achieve its objects for the public benefit. While Trustees are routinely informed of the Cathedral's needs by Chapter, and would consider any requests under exceptional circumstances during the financial year, a procedure is in place that after Chapter's Annual Budget Review, Trustees are presented with formal proposals approved by Chapter for grants for the following financial year. Trustees consider these requests and the capacity of the Trust's funds to do so, during a meeting of the Board of Trustees and advise Chapter accordingly.

Financial Review and Investment Policy

The detailed results for the year ended 31 December are set out on page 9 of the accounts. The Trust did not fund any exceptional large fabric projects this year but did approve an unrestricted grant of £250,000 during the year to help sustain the Cathedral through the pandemic. This will be repeated in 2021 as the Cathedral has a further period of enforced closure. There was a significant increase in the value of the investment portfolio so despite this additional grant, the total funds grew by 3.4%.

Investment strategy is set by the Trustees and reviewed annually, with Trustees aiming to achieve a balance between income generation and capital growth, cognisant of the risk profile of investments and respecting the advice of the Investment Managers.

The Trustees have invested the available funds with CCLA in their CBF Investment Fund. The Fund aims to generate capital appreciation and rising income while choosing investments that are in line with Ethical Investment Advisory Group guidelines. It has a diversified portfolio with substantial investments in equities both in the UK and overseas.

The benchmarks for the fund are set as general long term objectives of: achieving an average annual total return in excess of inflation over the course of a business cycle; maintaining the true value of income after inflation; and limiting volatility to 75% or less of that of the UK equity market. The fund managers also use a composite comparator index in order to help us to compare performance over the shorter term. This index is composed of seven other indices covering equities, property and fixed income instruments in the geographical markets in which they invest.

The Trust continues to seek to strengthen its assets while meeting its obligations and appropriate funding requests.

Funds Policy

It is the policy of the Trust to maintain sufficient funds to cover management, administration and support costs and to respond to requests from Chapter to meet the cost of projects approved by the Trustees in line with the Trust's objectives and to manage the endowment funds in the long term. These costs are met by unrestricted income in the Trust. Total unrestricted reserves at the start of the year were £515,818 with a carried forward balance of £306,305.

Fund-Raising Standards Information CA162A

The Trust raises some funds from the public.

- I. The Trust undertakes fund-raising through our internal resources and we do not commission a professional fund-raiser/commercial participator for these;
- II. The Trust is not subject to an undertaking to be bound by any voluntary scheme for regulating fund-raising, or voluntary standard for fund-raising in respect of activities on behalf of the charity;
- III. The Trust monitors fund-raising activities via the Trustee board;
- IV. The Trust received no complaints about activities for the purpose of fund-raising ;
- V. The Trust has adopted principles of GDPR legislation and also has safeguarding policies to protect the data of vulnerable people and other members of the public from:
 - a) Unreasonable intrusion on a persons' privacy;
 - b) Unreasonable persistent approaches for the purpose of soliciting or otherwise procuring money or other property on behalf of the charity;
 - c) Placing undue pressure on a person to give money or other property.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The principal risk faced by the Trust lies predominantly in the performance of investments, with the possibility of insufficient funding being available to meet the needs of the Cathedral. A secondary risk is that an economic downturn could jeopardise the generation of legacies, donations and subscriptions which continue to fuel the Trust's capability to meet its commitments.

The Trustees consider variability of returns on investments to constitute the charity's major financial risk. The Trust manages these investment risks by retaining expert advisers and operating an investment policy that provides for a high diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

Future plans

The Trust's immediate planned objective is to meet its agreed 2021 grant of £694,895 (2020 - £699,409).

COVID-19

These accounts refer to the year in which we hope we will have seen the worst of this pandemic. Thanks to a well-diversified investment portfolio, the Trust accounts have not been particularly badly affected. The investment portfolio has been fairly stable, as has the dividend income. The Trust has no trading activities, so the direct impact of the pandemic have been limited. There has been some slightly positive impact, as we have seen an increase in donations from individual supporters. This is in large part because we have embraced technology and found new ways to facilitate electronic donations to the Trust by members of the public. Trustees have been pleased to grant an additional £250,000 to the Cathedral during the year. A pledge for the same amount has been made again in 2021 as the Cathedral continues to need additional support in rebuilding income as lockdown measures are gradually eased.

Our investment portfolio has so far remained fairly constant in value into 2021 so we would hope that, as businesses reopen and confidence increases, we will not see any large reductions in the stock market. The Cathedral itself is likely to continue to need ongoing support from the Trust for the coming months. It faces ongoing restrictions on large services and events and the Trustees have continued to offer support to the Cathedral in this difficult time, for which we know the Cathedral is very grateful.

H.R.H The Prince Philip, Duke of Edinburgh

All of us at Ely Cathedral and Ely Cathedral Trust were greatly saddened by the news of the death of HRH Prince Philip, The Duke of Edinburgh. We are truly grateful for all that he did in support of Ely Cathedral and in his role as Patron of the Order of St. Etheldreda. His Royal Highness will be remembered with much fondness, particularly for his patronage of the Great Restoration, which was acknowledged by his presence at a memorable dinner in the Nave. His Royal highness also visited here on other occasions, most recently for the centenary celebrations of the Diocese of Ely in 2009. The Cathedral marked his passing with services, prayers and floral tributes. We extend our condolences and sympathy to Her Majesty the Queen and other members of the Royal Family. May he rest in peace and rise in glory.

Statement of disclosure to auditors

In so far as the Trustees are aware

- (a) there is no relevant audit information of which the charity's auditors are unaware, and
- (b) the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustees on 20 May 2021

and signed on their behalf by: David Green



STATEMENT OF TRUSTEES' RESPONSIBILITIES

Trustees' responsibilities in relation to financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ELY CATHEDRAL TRUST

Opinion

We have audited the financial statements of Ely Cathedral Trust (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, 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 incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ELY CATHEDRAL TRUST

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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; 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 set out on page 5, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and how it operates and considered the risk of the charity not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity this included employment law and health & safety.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ELY CATHEDRAL TRUST

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Reviewing minutes of Board meetings, reviewing any correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management of the charity. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- Management override: To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk and evaluated the business rationale of significant transactions to identify large or unusual transactions. We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including treatment of legacies and the valuation of investments, and a retrospective review of estimates from prior periods.


Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Price Bailey LLP,
Chartered Accountants & Statutory Auditors,
6 High Street
Ely
Cambridgeshire
CB7 4JU

Dated: 25/05/2021

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		2020			2019
		Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income and endowments from:					
Donations and legacies	2	121,197	41,887	28,716	191,800
Charitable activities		-	-	-	-
Investments	3	13,798	88,921	152,793	255,512
Total income and endowments		<u>134,995</u>	<u>130,808</u>	<u>181,509</u>	<u>447,312</u>
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities	4	375,492	148,906	166,073	690,471
Total expenditure		<u>375,492</u>	<u>148,906</u>	<u>166,073</u>	<u>690,471</u>
Gains on Investments		<u>30,984</u>	<u>192,896</u>	<u>331,453</u>	<u>555,333</u>
Net (expenditure)/income for the year		<u>(209,513)</u>	<u>174,798</u>	<u>346,889</u>	<u>312,174</u>
Net movement in funds		<u>(209,513)</u>	<u>174,798</u>	<u>346,889</u>	<u>312,174</u>
Reconciliation of funds:					
Total funds brought forward		<u>515,818</u>	<u>3,246,074</u>	<u>5,577,726</u>	<u>9,339,618</u>
Total funds carried forward		<u>306,305</u>	<u>3,420,872</u>	<u>5,924,615</u>	<u>9,651,792</u>

All income and expenditure derive from continuing activities.

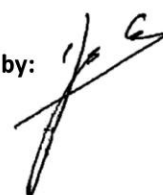
The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 12 to 21 form part of these accounts

BALANCE SHEET AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
FIXED ASSETS			
Investments	5	9,279,793	9,174,460
CURRENT ASSETS			
Debtors	6	155,508	82,875
Investment Fund Deposits & Cash at Bank		223,421	110,216
		<u>378,929</u>	<u>193,091</u>
LIABILITIES:			
Creditors: Amounts falling due within one Year	7	<u>6,930</u>	<u>27,933</u>
Net Current Assets		<u>371,999</u>	<u>165,158</u>
NET ASSETS		<u>9,651,792</u>	<u>9,339,618</u>
CHARITY FUNDS:			
Unrestricted funds		306,305	515,818
Restricted funds	8	3,420,872	3,246,074
Endowment funds	8	<u>5,924,615</u>	<u>5,577,726</u>
Total Fund Balances	9	<u><u>9,651,792</u></u>	<u><u>9,339,618</u></u>

The financial statements were approved by the Board of Trustees on 20 May 2021 and signed on their behalf by:



The notes on pages 12 to 21 form part of these accounts

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> <u>£</u>	<u>2019</u> <u>£</u>
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	13	<u>(658,908)</u>	<u>(298,365)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		255,844	275,703
Sale of investments		450,000	-
Net cash provided by investing activities		<u>705,844</u>	<u>275,703</u>
Cash flows from financing activities:			
Receipt of endowment		66,269	33,123
Net cash provided by financing activities		<u>66,269</u>	<u>33,123</u>
Change in cash and cash equivalents in the reporting period		113,205	10,461
Cash and cash equivalents at the beginning of the reporting period		110,216	99,755
Cash and cash equivalents at the end of the reporting period	14	<u><u>223,421</u></u>	<u><u>110,216</u></u>

The notes on pages 12 to 21 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES**a. Basis of Accounting**

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b. Going concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the gains and losses on revaluation of these investments each year.

The trustees have prepared cash flow forecasts for a period of 12 months from the year end which demonstrate that the cash reserves will continue to meet liabilities as they fall due.

The trustees continue to adopt the going concern basis in preparing these financial statements.

c. Income

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified or the charity is aware of the granting of probate, and the criteria for income recognition has not been met, then the legacy is treated as a contingent asset and disclosed if material.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES – (continued)**d. Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes support costs for fund- raising and event organisation;
- Expenditure on charitable activities includes grants made, governance costs and an apportionment of support costs.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance, the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

e. Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors. Investment income, gains and losses are allocated to the appropriate fund.

f. Funds

Restricted Funds are funds which have been given for particular purposes or projects. The Trust's Restricted Funds are restricted to providing grants for the maintenance of the Cathedral and other buildings related to it and for the advancement of the Cathedral Music.

Endowment Funds represent funds which must be held permanently by the Charity to generate income to be applied for the purposes for which the Endowment was created. Details of these funds are set out in note 8.

Unrestricted funds are funds given for no particular purpose or projects, to be spent as Trustees decide.

g. Cash and cash equivalents

Cash at bank and cash 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.

h. Debtors

Other debtors are recognised at the settlement amount due.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES – (continued)**i. Creditors**

Creditors are recognised where the charity has a present obligation resulting 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

j. 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. At the balance sheet date, fixed assets are recorded at market value (note 5 - which details the unrealised gains) and all other assets and liabilities are recorded at cost (which is their fair value).

k. Estimates and judgements

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. Although these estimates are based on the trustee's best knowledge of the amount, events or actions, actual results ultimately differ from these estimates. The trustees do not consider there to be any material estimates and judgements.

2. INCOME FROM DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts	125,531	107,638
Legacies	66,269	36,000
	<u>191,800</u>	<u>143,638</u>

3. INCOME FROM INVESTMENTS

	2020	2019
	£	£
Investment fund - dividends and interest	255,274	275,578
Interest – deposits	238	125
	<u>255,512</u>	<u>275,703</u>

4. CHARITABLE ACTIVITIES

	2020	2019
	£	£
Grants to Ely Cathedral (note 11)	668,658	411,005
Support costs and governance	21,813	7,516
	<u>690,471</u>	<u>418,521</u>

The Trust has no direct employees.

The grant's analysis is given in Note 11. All of the amounts are granted to Ely Cathedral. The support costs figures above relate to printing postage stationery, Trustees indemnity insurance, other office costs of £14,013 (2019: £1,396) and audit fees of £7,800 (2019: £6,120) which are allocated to charitable expenditure.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. FIXED ASSET INVESTMENTS

	2020	2019
	£	£
Market value at 1 January 2020	9,174,460	7,736,480
Fund additions	-	-
Proceeds	(450,000)	-
Gain in year	555,333	1,437,980
	<u>9,279,793</u>	<u>9,174,460</u>

The investment portfolio showed an increase in value at 31 December 2020.

All investments are held in the CBF Church of England investment fund income shares.
Investments at fair value comprise:

	2020	2019
	£	£
Equities – UK	942,827	1,165,157
Overseas equities	6,301,907	5,247,792
Property / other assets	1,721,402	2,266,090
Cash	313,657	495,421
	<u>9,279,793</u>	<u>9,174,460</u>

The historical cost of investments is £4,850,223 (2019: £5,300,223)

6. DEBTORS

	2020	2019
	£	£
Income Tax Recoverable	10,004	3,000
Accrued income	66,666	79,875
Legacy	48,699	-
Ely Cathedral Enterprises Limited	2,700	2,700
Ely Cathedral Chapter	27,439	-
	<u>155,508</u>	<u>82,875</u>

7. CREDITORS - Amounts Falling Due Within One Year

	2020	2019
	£	£
Accruals	6,930	6,212
Ely Cathedral Chapter	-	21,721
	<u>6,930</u>	<u>27,933</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. FUND RECONCILIATION**Restricted Funds**

	The Trust's Restricted Funds'
	£
Balance at 1 January 2020	3,246,074
Net Movement for Year	
Income	130,808
Expenditure	(148,906)
Gains	192,896
	<hr/>
Balance at 31 December 2020	3,420,872
	<hr/>

These restricted funds represent amounts restricted for the following purposes: music fund of £2,833,278 (2019: £2,718,098); visitor facilities of £18,925 (2019: £17,255) and for the maintenance of the fabric of £561,857 (2019: £504,307); 25th anniversary fund £6,812 (2019: £6,414)

	The Trust Restricted Funds'
	£
Balance at 1 January 2019	2,726,302
Net Movement for Year	
Income	168,023
Expenditure	(144,501)
Gains	496,250
	<hr/>
Balance at 31 December 2019	3,246,074
	<hr/>

Endowment Funds	Balance at 1 January 2020	Income	Expenditure	(Losses)/ gains	Balance at 31 December 2020
21 st Century Endowment	4,128,806	113,102	107,100	245,352	4,380,160
Friends of Cathedral					
Music Choristership	68,554	1,878	3,000	4,074	71,506
Octagon Choristership	178,883	4,900	3,500	10,630	190,913
Ouseley Trust Choristership	152,603	4,180	3,500	9,068	162,351
Sinclair Choristership	923	8,576	9,473	55	81
Rawlinson Fund Choristership	228,433	16,257	12,000	13,574	246,264
Garfield Weston Choristership	394,802	10,815	12,000	23,461	417,078
Lantern Choristership	125,399	13,601	3,500	7,452	142,952
Quanea Choristership	299,323	8,200	12,000	17,787	313,310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Endowment Funds	5,577,726	181,509	166,073	331,453	5,924,615
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

Endowment Funds	Balance at 1 January 2019	Income	Expenditure	(Losses)/ gains	Balance at 31 December 2019
21 st Century Endowment	3,479,102	121,418	104,990	633,276	4,128,806
Friends of Cathedral Music Choristership	58,594	2,045	2,750	10,665	68,554
Octagon Choristership	156,447	5,460	11,500	28,476	178,883
Ouseley Trust Choristership	128,070	4,470	3,250	23,313	152,603
Sinclair Choristership	2,403	9,582	11,500	438	923
Rawlinson Fund Choristership	188,947	16,594	11,500	34,392	228,433
Garfield Weston Choristership	333,877	11,652	11,500	60,773	394,802
Lantern Choristership	96,781	17,001	6,000	17,617	125,399
Quanea Choristership	255,418	8,914	11,500	46,491	299,323
Total Endowment Funds	4,699,639	197,136	174,490	855,441	5,577,726

The Trust now has nine endowed funds, eight of which are to support Ely Cathedral Choristers:

The Friends of Cathedral Music Chorister, Octagon Choristership, the Ouseley Trust Choristership, the Sinclair Choristership and the Rawlinson Fund Choristership, Garfield Weston Choristership, Lantern Choristership and Quanea Choristership were each set up to fund choristerships.

The ninth fund is the 21st Century Endowment Fund and its purpose is to maximise income for when Ely Cathedral needs further extensive major restoration. The 21st Century Endowment Fund is split between permanent and expendable as follows:-

	<u>Permanent</u> £	<u>Expendable</u> £	<u>Total</u> £
Balance at 1 January 2020	3,519,801	609,005	4,128,806
Net movement	219,123	32,231	251,354
Balance at 31 December 2020	3,738,924	641,236	4,380,160

	<u>Permanent</u> £	<u>Expendable</u> £	<u>Total</u> £
Balance at 1 January 2019	2,951,954	527,148	3,479,102
Net movement	567,847	81,857	649,704
Balance at 31 December 2019	3,519,801	609,005	4,128,806

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2020 are represented by:

	As Trustees Decide £	The Trust Restricted Funds' £	21 st Century £	Sinclair £	Octagon Choristership £	Garfield Weston £	Lantern £	Rawlinson £	Ouseley £	Friends of Cathedral £	Quanea £	Total Endowment £	Total £
Investments	294,500	3,289,025	4,211,340	78	183,555	401,003	137,442	236,773	156,094	68,750	301,234	5,696,268	9,279,793
Debtors	4,936	55,116	70,572	1	3,076	6,719	2,304	3,967	2,616	1,152	5,048	95,456	155,508
Bank	7,089	79,187	101,393	2	4,419	9,655	3,309	5,701	3,758	1,655	7,253	137,145	223,421
Creditors	(220)	(2,456)	(3,145)	(0)	(137)	(299)	(103)	(177)	(117)	(51)	(225)	(4,254)	(6,930)
Total Net Assets	306,305	3,420,872	4,380,160	81	190,913	417,078	142,952	246,264	162,351	71,506	313,310	5,924,615	9,651,792

Fund balances at 31 December 2019 are represented by:

	As Trustees Decide £	The Trust Restricted Funds' £	21 st Century £	Sinclair £	Octagon Choristership £	Garfield Weston £	Lantern £	Rawlinson £	Ouseley £	Friends of Cathedral £	Quanea £	Total Endowment £	Total £
Investments	506,697	3,188,669	4,055,794	908	175,720	387,821	123,181	224,394	149,904	67,342	294,030	5,479,094	9,174,460
Debtors	4,577	28,805	36,637	8	1,587	3,503	1,113	2,027	1,354	608	2,656	49,493	82,875
Bank	6,087	38,308	48,724	10	2,111	4,659	1,480	2,695	1,801	809	3,532	65,821	110,216
Creditors	(1,543)	(9,708)	(12,349)	(3)	(535)	(1,181)	(375)	(683)	(456)	(205)	(895)	(16,682)	(27,935)
Total Net Assets	515,818	3,246,074	4,128,806	923	178,883	394,802	125,398	228,433	152,603	68,554	299,323	5,577,726	9,339,616

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. TRUSTEES' REMUNERATION

During the year, no Trustee received nor waived any remuneration (2019 – nil). No expenses were reimbursed to the Trustees in the year (2019 – nil).

11. RELATED PARTY DISCLOSURES

In accordance with the Trust's objects, it makes grants to Ely Cathedral to assist with restoration and maintenance, maintenance of the Choirs, reimburses the Cathedral for management and administration costs incurred on its behalf.

During the year the following other transactions took place.

	2020	2019
	£	£
Grants expenditure		
Choristers	207,880	200,000
Other grants to Ely Cathedral	103,679	106,005
Fabric and maintenance grant	107,100	105,000
Covid grant	250,000	-
	<hr/>	<hr/>
Total	668,659	411,005
	<hr/>	<hr/>

The amount due to Ely Cathedral Trust at 31 December 2020 to Ely Cathedral Chapter totalled £27,439 (2019 – amount owed by Ely Cathedral Trust: £21,721).

The amount due to Ely Cathedral Trust at 31 December 2020 to Ely Cathedral Enterprises Limited totalled £2,700 (2019 – £2,700).

In addition 7 Trustees (2019: 6) gave donations to the Trust during the year of £11,300 (2019 - £11,550).

There were no other related party transactions (2019 – none).

12. CONTINGENT ASSETS

During the year Ely Cathedral Trust was notified that it was a beneficiary of an estate. It is understood that this estate includes two properties although full details of the values of these properties and any other assets and liabilities of the estate are yet to be confirmed. As a result, despite it being probable that they will receive a legacy from this estate, the value cannot be reliably measured and therefore has not been recognised within the current years figures. The legacy has been estimated at £200,000.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£	£
Net income for the year		
(as per the statement of financial activities)	312,174	1,439,623
Adjustments for:		
Gifts of endowment	(66,269)	(33,123)
Losses/(gains) on investments	(555,333)	(1,437,980)
Dividends, interest and rents from investments	(255,844)	(275,703)
(Increase)/ decrease in debtors	(72,633)	(9,719)
Increase/(decrease) in creditors	(21,003)	18,537
Net cash provided by/(used in) operating activities	<u>(658,908)</u>	<u>(298,365)</u>

14. Analysis of changes in net debt

	At 1 January	Cash flow	At 31 December
	2020		2020
	£	£	£
Cash in hand	99,424	121,431	220,855
Cash held as part of the investment portfolio	10,792	(8,226)	2,566
Total	<u>110,216</u>	<u>113,205</u>	<u>223,421</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. Comparative Statement of Financial Activities (see page 9)

		Unrestricted Funds	Restricted Funds	2019 Endowment Funds	Total
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income and endowments from:					
Donations and legacies	2	37,638	72,877	33,123	143,638
Charitable activities		3,940			3,940
Investments	3	16,544	95,146	164,013	275,703
Total income and endowments		<u>58,122</u>	<u>168,023</u>	<u>197,136</u>	<u>423,281</u>
Expenditure on:					
Raising funds		3,117	-	-	3,117
Charitable activities	4	99,530	144,501	174,490	418,521
Total expenditure		<u>102,647</u>	<u>144,501</u>	<u>174,490</u>	<u>421,638</u>
Net (losses)/gains on Investments		<u>86,289</u>	<u>496,250</u>	<u>855,441</u>	<u>1,437,980</u>
Net income/(expenditure) for the year		<u>41,764</u>	<u>519,772</u>	<u>878,087</u>	<u>1,439,623</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>41,764</u>	<u>519,772</u>	<u>878,087</u>	<u>1,439,623</u>
Reconciliation of funds:					
Total funds brought forward		<u>474,054</u>	<u>2,726,302</u>	<u>4,699,639</u>	<u>7,899,995</u>
Total funds carried forward		<u>515,818</u>	<u>3,246,074</u>	<u>5,577,726</u>	<u>9,339,618</u>