

ELY CATHEDRAL TRUST

REGISTERED CHARITY: 264803

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



ELY CATHEDRAL TRUST

INDEX	PAGE
Charity Particulars	1
Trustees' Annual Report	2 – 4
Statement of Trustees' Responsibilities	5
Auditors' Report	6 - 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Accounts	12 - 22

CHARITY PARTICULARS

Patron:	The Late H.R.H. The Prince Philip, Duke of Edinburgh KG, KT
Trustees:	Mr David Green (Chairman) The Very Reverend Mark Bonney DL (ex officio, Dean of Ely) Canon Paul Evans The Reverend Canon James Garrard Mr Peter Garside (from 1 January 2024) Mrs Jane Lewin-Smith DL JP Mrs Isobel Newport-Mangell Mr Ian Pattinson Mr Charles Rawlinson MBE (until 15 May 2023) The Reverend Canon Sir Ralph Waller KBE
Correspondence Address:	The Chapter House The College Ely Cambridgeshire CB7 4DL
Investment Managers:	CCLA 80 Cheapside London EC2V 6DZ
Principal Bankers:	Barclays Bank Plc 28 High Street Ely Cambridgeshire CB7 4LA
Auditors:	Price Bailey LLP Chartered Accountants and Statutory Auditors 6 High Street Ely Cambridgeshire CB7 4JU
Cathedral Staff:	Chief Operating Officer & Chapter Clerk – Jonathan Bell FCA DChA Chief Finance Officer – Alison Binstead FCA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and audited financial statements for the year ended 31 December 2023. 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

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's funds 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's funds 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 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 and Chief Finance 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, Trustees seek help from one or more of its external and professional advisors.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Grant-making

The Trust has established a grant-making approach to achieve its objectives 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 requests from the 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 2023 are set out on page 9 of the accounts. The Trust did not fund any exceptional large fabric projects this year.

There was a significant increase in the value of the investment portfolio (9.40%) to the year ended 31st December 2023.

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 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 The Church of England's 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 £1,275,701 with a carried forward balance of £2,821,826.

Fundraising 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 ;

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

- 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.

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 objective is to meet its agreed planned grants of £572,720 (2023 - £599,391).

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.

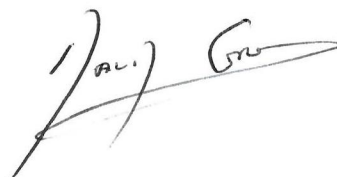
Statement of disclosure to auditors

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 25/4/24

and signed on their behalf by Mr D Green:



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 2023 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 2023, 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.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ELY CATHEDRAL TRUST

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.
- 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

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

Dated: 21 May 2024

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 2023

		Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total
	Note	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	2	66,731	-	222,015	67,193	355,939	1,575,728
Investments	3	37,432	36,296	92,208	150,846	316,782	281,489
Transfers from endowment	8	300,000	-	-	(300,000)	-	-
Total income and endowments		404,163	36,296	314,223	(81,961)	672,721	1,857,217
Expenditure on:							
Charitable activities	4	357,875	-	382,279	68,750	808,904	710,001
Total expenditure		357,875	-	382,279	68,750	808,904	710,001
Gains / (Losses) on Investments		114,926	111,383	283,149	463,283	972,741	(1,253,947)
Net (income)/expenditure for the year		161,214	147,679	215,093	312,572	836,558	(106,731)
Transfers between funds	8	1,384,911	(1,384,911)	-	-	-	-
Net movement in funds		1,546,125	(1,237,232)	215,093	312,572	836,558	(106,731)
Reconciliation of funds:							
Total funds brought forward		1,275,701	1,237,232	3,142,995	5,141,631	10,797,559	10,904,290
Total funds carried forward		2,821,826	-	3,358,088	5,454,203	11,634,117	10,797,559

All income and expenditure derive from continuing activities.

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

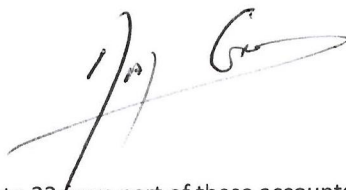
The notes on pages 12 to 22 form part of these accounts

BALANCE SHEET AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
FIXED ASSETS			
Investments	5	11,311,880	10,339,138
CURRENT ASSETS			
Debtors	6	141,692	72,351
Investment Fund Deposits & Cash at Bank		319,446	552,992
		<u>461,138</u>	<u>625,343</u>
LIABILITIES:			
Creditors: Amounts falling due within one Year	7	<u>138,901</u>	<u>166,922</u>
Net Current Assets		<u>322,237</u>	<u>458,421</u>
NET ASSETS		<u>11,634,117</u>	<u>10,797,559</u>
CHARITY FUNDS:			
Unrestricted funds			
General fund	8	2,821,826	1,275,701
Designated funds	8	-	1,237,232
Restricted funds	8	3,358,088	3,142,995
Endowment funds	8	<u>5,454,203</u>	<u>5,141,631</u>
Total Fund Balances	9	<u>11,634,117</u>	<u>10,797,559</u>

The financial statements were approved by the Board of Trustees on 25/4/24
behalf by Mr D Green:

and signed on their



The notes on pages 12 to 22 form part of these accounts

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> <u>£</u>	<u>2022</u> <u>£</u>
Cash flows from operating activities:			
Net cash used in operating activities	13	(617,523)	751,403
Cash flows from investing activities:			
Dividends, interest and rents from investments		316,784	281,489
Purchase of investments		-	(1,000,000)
Net cash provided by investing activities		316,784	(718,511)
Cash flows from financing activities:			
Receipt of endowment		67,193	180,292
Net cash provided by financing activities		67,193	180,292
Change in cash and cash equivalents in the reporting period		(233,546)	213,184
Cash and cash equivalents at the beginning of the reporting period		552,992	339,808
Cash and cash equivalents at the end of the reporting period	14	319,446	552,992

The notes on pages 12 to 22 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 United Kingdom and Republic of Ireland (FRS 102) - Charities SORP (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 charity adopts a total return approach to the 21st Century Endowment Fund investment. Note 8 explains how the unapplied total return and the use thereof is calculated. 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 date of the signing of the accounts 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 2023

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 fundraising 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.

The Trustees have accounted for the permanent 21st Century fund to account and report income and capital returns and charitable expenditure on a total return basis. The original unapplied total return was the amount of the fund over and above the base level of endowment as calculated at 29 April 2021 when the basis was adopted. The Trustees agreed this base level should be the value of the endowment as calculated as the original amount received uplifted for inflation linked to CPI totalling £1.973M. The total return each year remains part of the endowment fund, until it is transferred to the general fund and becomes "applied total return". The transfer is shown in the table in note 8 and on the SoFA. The indexation uplift for 2023 is 3.93% per The Office For National Statistics.

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 2023

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

	2023	2022
	£	£
Gifts	111,054	248,550
Legacies	244,885	1,327,178
	<u>355,939</u>	<u>1,575,728</u>

3. INCOME FROM INVESTMENTS

	2023	2022
	£	£
Investment fund - dividends and interest	316,782	281,489
	<u>316,782</u>	<u>281,489</u>

4. CHARITABLE ACTIVITIES

	2023	2022
	£	£
Grants to Ely Cathedral (note 11)	777,299	692,949
Support costs and governance	20,395	17,052
Fundraising costs	11,210	-
	<u>808,904</u>	<u>710,001</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 and other office costs of £8,995 (2022: £7,871) and audit fees of £11,400 (2022: £9,180) which are allocated to charitable expenditure.

5. FIXED ASSET INVESTMENTS

	2023	2022
	£	£
Market value at 1 January 2023	10,339,139	10,593,085
Proceeds	-	-
Additions	-	1,000,000
Gain / (Loss) in year	972,741	(1,253,947)
	<u>11,311,880</u>	<u>10,339,138</u>

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

	2023	2022
	£	£
Equities – UK	852,916	1,084,576
Overseas equities	7,137,796	6,011,175
Property / other assets	3,072,306	2,331,476
Cash	248,862	911,911
	<u>11,311,880</u>	<u>10,339,138</u>

The historical cost of investments is £5,850,223 (2022: £5,850,223)

6. DEBTORS

	2023	2022
	£	£
Accrued income	69,651	69,651
Legacy	69,041	-
Ely Cathedral Enterprises Limited	3,000	2,700
	<u>141,692</u>	<u>72,351</u>

7. CREDITORS - Amounts Falling Due Within One Year

	2023	2022
	£	£
Trade creditors	1,685	36
Accruals	9,901	8,582
Ely Cathedral Chapter	127,315	158,304
	<u>138,901</u>	<u>166,922</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. FUND RECONCILIATION

	Balance at 1 January 2023	Income	Expenditure	Gains/ (losses)	Transfers	Balance at 31 Dec 2023
Unrestricted Funds						
General Fund	1,275,701	404,163	(357,875)	114,926	1,384,911	2,821,826
Designated funds						
Organ Fund	1,237,232	36,296	-	111,383	(1,384,911)	-
Total Unrestricted Funds	2,512,933	440,459	(357,875)	226,309	-	2,821,826
Restricted Funds						
Maintenance of the Fabric Fund	394,397	210,617	(224,706)	35,530	-	415,838
25th Anniversary Fund	-	-	-	-	-	-
Music Fund	2,748,412	103,418	(157,573)	247,602	-	2,941,859
Visitor Facilities Fund	186	188	-	17	-	391
Total Restricted Funds	3,142,995	314,223	(382,279)	283,149	-	3,358,088
Endowment Funds						
21 st Century Endowment	3,406,430	(200,058)	-	306,962	-	3,513,334
Friends of Cathedral						
Music Choristership	69,904	2,050	(4,250)	6,298	-	74,002
Octagon Choristership	195,509	5,736	(4,250)	17,613	-	214,608
Ouseley Trust Choristership	165,230	4,848	(4,250)	14,886	-	180,714
Sinclair Choristership	150,000	9,626	(14,250)	13,513	-	158,889
Rawlinson Fund Choristership	256,570	62,525	(12,500)	23,157	-	329,752
Garfield Weston Choristership	418,550	12,278	(12,500)	37,663	-	455,991
Lantern Choristership	170,897	11,982	(4,250)	15,396	-	194,025
Quanea Choristership	308,541	9,052	(12,500)	27,795	-	332,888
Total Endowment Funds	5,141,631	(81,961)	(68,750)	463,283	-	5,454,203
Total Funds	10,797,559	672,721	(808,904)	972,741	-	11,634,117

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. FUND RECONCILIATION (continued)

	Balance at 1 January 2022	Income	Expenditure	Gains/ (losses)	Balance at 31 December 2022
Unrestricted Funds					
General Fund	279,314	1,372,309	(340,336)	(35,586)	1,275,701
Designated funds					
Organ Fund	1,029,000	326,563	-	(118,331)	1,237,232
Total Unrestricted Funds	1,308,314	1,698,872	(340,336)	(153,917)	2,512,933
Restricted Funds					
Maintenance of the Fabric Fund	558,512	25,516	(125,401)	(64,230)	394,397
25th Anniversary Fund	7,930	-	(7,930)	-	-
Music Fund	3,164,419	101,517	(153,631)	(363,893)	2,748,412
Visitor Facilities Fund	22,216	188	(22,218)	-	186
Total Restricted Funds	3,753,077	127,221	(309,180)	(428,123)	3,142,995
Endowment Funds					
21 st Century Endowment	4,069,338	(194,951)	-	(467,957)	3,406,430
Friends of Cathedral					
Music Choristership	80,141	2,069	(3,090)	(9,216)	69,904
Octagon Choristership	218,610	5,643	(3,605)	(25,139)	195,509
Ouseley Trust Choristership	185,366	4,785	(3,605)	(21,316)	165,230
Sinclair Choristership	-	159,500	(9,500)	-	150,000
Rawlinson Fund Choristership	284,283	17,339	(12,360)	(32,692)	256,570
Garfield Weston Choristership	473,102	12,213	(12,360)	(54,405)	418,550
Lantern Choristership	179,739	15,432	(3,605)	(20,669)	170,897
Quanea Choristership	352,320	9,094	(12,360)	(40,513)	308,541
Total Endowment Funds	5,842,899	31,124	(60,485)	(671,907)	5,141,631
Total Funds	10,904,290	1,857,217	(710,001)	(1,253,947)	10,797,559

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

The Friends of Cathedral Music Choristership, 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. See further details below:

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. FUND RECONCILIATION (continued)

	<u>Permanent Endowment</u> £	<u>Unapplied Total return</u> £	<u>Total</u> £
Balance at 31 December 2022	2,264,774	1,141,656	3,406,430
Investment returns (dividend and interest)	-	100,015	100,015
Investment returns (realised and unrealised gains/(losses))	-	306,889	306,889
Indexation of the capital in permanent endowment for investment	94,783	(94,783)	-
Net movement before application of income	94,783	312,121	406,904
Unapplied total return allocated to income in the period	-	(300,000)	(300,000)
Net movement in the year	94,783	12,121	106,904
Balance at 31 December 2023			
Trust for investment/permanent endowment	2,359,557	-	2,359,557
Unapplied total return	-	1,153,777	1,153,777
Balance at 31 December 2023	2,359,557	1,153,777	3,513,334

During 2021, Ely Cathedral Trust took advantage of section 4 of the Trusts Act 2013 to adopt a total return approach to the permanent endowment of the 21st Century Fund. The Trustees met and unanimously agreed this on the 29th April 2021 as being in the charity's interest. Due to the number of professionally qualified accountants and lawyers within the group, Trustees were comfortable that as a body they had the experience and the expertise to take the decision on the basis of information and advice received without the need for formal external professional advice. This approach has been limited to this one fund and will not apply to any other endowment funds held by the charity. The assets held that represent the value of the original endowment were established including any additional amounts that were not the result of the investment. There is no existing Charity Commission Order on this fund.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2023 are represented by:

	Unrestricted General Fund £	Unrestricted Designated Organ Fund £	The Trust Restricted Funds' £	21 st Century £	Sinclair £	Octagon Choris- tership £	Garfield Weston £	Lantern £	Rawl- inson £	Ouseley Cathedral £	Friends of Quanea £	Total Endow- ment £	Total £
Investments	2,932,631	-	3,292,706	3,268,688	157,145	204,822	438,489	179,037	268,791	173,100	73,234	5,086,543	11,311,880
Debtors	19,210	-	39,315	21,974	968	1,261	2,700	1,102	51,655	1,066	451	83,167	141,692
Bank	8,886	-	26,067	222,672	776	8,525	14,802	13,886	9,306	6,548	317	284,493	319,446
Creditors	(138,901)	-	-	-	-	-	-	-	-	-	-	-	(138,901)
Total Net Assets	2,821,826	-	3,358,088	3,513,334	158,889	214,608	455,991	194,025	329,752	180,714	74,002	5,454,203	11,634,117

Fund balances at 31 December 2022 are represented by:

	Unrestricted General Fund £	Unrestricted Designated Organ Fund £	The Trust Restricted Funds' £	21 st Century £	Sinclair £	Octagon Choris- tership £	Garfield Weston £	Lantern £	Rawl- inson £	Ouseley Cathedral £	Friends of Quanea £	Total Endow- ment £	Total £
Investments	1,221,543	1,184,704	3,009,555	3,261,806	143,632	187,208	400,780	163,641	245,677	158,215	66,936	4,923,336	10,339,138
Debtors	8,549	8,290	21,060	22,825	1,005	1,310	2,805	1,145	1,719	1,107	468	34,452	72,351
Bank	65,335	63,364	160,967	174,459	7,682	10,013	21,436	8,752	13,140	8,462	3,580	263,326	552,992
Creditors	(19,726)	(19,126)	(48,587)	(52,660)	(2,319)	(3,022)	(6,471)	(2,641)	(3,966)	(2,554)	(1,080)	(79,483)	(166,922)
Total Net Assets	1,275,701	1,237,232	3,142,995	3,406,430	150,000	195,509	418,550	170,897	256,570	165,230	69,904	5,141,631	10,797,559

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

10. TRUSTEES' REMUNERATION

During the year, no Trustee received nor waived any remuneration (2022 – nil). Nil expenses were reimbursed to the Trustees in the year (2022 – nil).

11. RELATED PARTY DISCLOSURES

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

During the year the following transactions took place with Ely Cathedral, all payables were restricted in the current and prior year:

	2023 £	2022 £
Grants expenditure		
Choristers	226,323	214,116
Other grants to Ely Cathedral	317,496	188,827
Fabric and maintenance grant	233,480	290,006
	<hr/>	<hr/>
Total	777,299	692,949
	<hr/>	<hr/>

The amount owed by Ely Cathedral Trust at 31 December 2023 to Ely Cathedral Chapter totalled £127,315 (2022 – £158,304).

The amount due to Ely Cathedral Trust at 31 December 2023 from Ely Cathedral Enterprises Limited totalled £3,000 (2022 – £2,700).

In addition 9 Trustees (2022: 6) gave donations to the Trust during the year of £9,050 (2022 - £11,300).

There were no other related party transactions (2022 – nil).

12. CONTINGENT ASSETS

As at the 31 December 2023 the Trust was aware of £602,673 (2022 - £156,000), which have not been recognised in these accounts as they have not met the income recognition criteria in the accounting policy 1(c).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023	2022
	£	£
Net income for the year		
As per the statement of financial activities	836,558	(106,731)
Adjustments for:		
Gifts of endowment	(67,193)	(180,292)
(Gains) / Loss on investments	(972,741)	1,253,948
Dividends, interest and rents from investments	(316,784)	(281,489)
(Increase) / decrease in debtors	(69,342)	10,158
(Decrease)/ increase in creditors	(28,021)	55,809
Net cash provided used in operating activities	<u>(617,523)</u>	<u>751,403</u>

14. Analysis of changes in net debt

	At 1 January 2023	Cash flow	At 31 December 2023
	£	£	£
Cash in hand	268,290	(49,408)	218,882
Cash held as part of the investment portfolio	284,702	(184,138)	100,564
Total	<u>552,992</u>	<u>(233,546)</u>	<u>319,446</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

		Unrestricted General Fund	Unrestricted Designated Funds	Restricted Funds	Endowment Funds	2022 Total
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Income and endowments from:						
Donations and legacies	2	1,364,321	-	31,115	180,292	1,575,728
Investments	3	7,988	26,563	96,106	150,832	281,489
Transfers from endowment	8	-	300,000	-	(300,000)	-
Total income and endowments		1,372,309	326,563	127,221	31,124	1,857,217
Expenditure on:						
Charitable activities	4	340,336	-	309,180	60,485	710,001
Total expenditure		340,336	-	309,180	60,485	710,001
(Losses)/ gains on Investments		(35,586)	(118,331)	(428,123)	(671,907)	(1,253,947)
Net (income)/expenditure for the year		996,387	208,232	(610,082)	(701,268)	(106,731)
Net movement in funds		996,387	208,232	(610,082)	(701,268)	(106,731)
Reconciliation of funds:						
Total funds brought forward		279,314	1,029,000	3,753,077	5,842,899	10,904,290
Total funds carried forward		1,275,701	1,237,232	3,142,995	5,141,631	10,797,559