

REGISTERED CHARITY NO: 273973

THE ASSOCIATION OF

THE FRIENDS OF ROCHESTER CATHEDRAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL
ANNUAL REPORT OF THE COUNCIL

The Council are pleased to present their report together with the financial statements of the charity for the year ended 31 December 2021.

ADMINISTRATIVE DETAILS

Charity registration number	273973
Principal office	Garth House The Precinct Rochester Kent, ME1 1SX
Members of the Council	President - The Dean of Rochester - The Very Revd. Dr P J Hesketh, DL Vice-President The Revd. Canon G Giles Chairman M Bailey Vice-Chairman N Allan Treasurer P Smith Administrator Mrs T Cliffe Chapter Clerk Representative S Lace Archdeaconry Representative M Chesterfield Archdeaconry Representative Mrs A Evans Archdeaconry Representative Canon A Vousden D Carder C Donaldson Mrs M Holtby B Jacobs M Jennings Mrs J Partington A Ratcliffe Mrs M Ratcliffe - died Mrs P Sait - resigned Mrs H Sinclair Mrs J Wallace Mrs A White
In addition the charity has the following posts:	
Patron	HRH The Duchess of Kent, GCVO
Visitor	The Lord Bishop of Rochester
Independent Examiner	R C Abel FCA CTA Aggarwal & Co Ltd 5 London Road, Rainham Gillingham Kent, ME8 7RG
Bankers	Lloyds Bank plc 142/146 High Street Chatham Kent, ME4 4DQ
Investment Advisers	Cazenove Capital Management Ltd 12 Moorgate London, EC2R 6DA

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GOVERNANCE

Governing Document

The Association of the Friends of Rochester Cathedral is an unincorporated association governed by its constitution adopted 11 June 1977 with four subsequent amendments, the last of which was 17 December 2019.

Recruitment and appointment of trustees

The activities of the charity are vested in a Council. The members of the Council are its trustees for the purposes of charity law and throughout this report are collectively referred to as The Council.

The members of the Council who have served during the year are set out on page 1.

The Council consists of a President, Vice-President, Treasurer, not more than twelve elected members, three nominated Archdeaconry members and a maximum of two co-opted members.

They are elected as follows:

- The President is the current Dean of Rochester;
- The Vice-President is a Residentiary Canon of Rochester nominated by the Dean and Chapter;
- A Chairman is nominated from the elected Council members and ratified annually at the Annual General Meeting;
- A Vice-Chairman is elected annually by the Council at the first Council Meeting following the AGM;
- The Treasurer is elected annually at the Annual General Meeting;
- One third of the elected members are appointed at the AGM; members who have served for two consecutive periods of three years shall not be eligible for further re-election until a period of one year has elapsed.

Organisation and decisions

The Council meets at least four times in each year. It has power to establish committees as necessary but all policy and financial matters shall be decided by the Council.

The Council consults and liaises with the Dean and Chapter as to the requirements of the Cathedral and particularly the condition and needs of its fabric and treasures. The Council makes proposals to the Dean and Chapter as to the manner in which the income and any permitted capital shall be spent to the greatest advantage of the Cathedral.

OBJECTIVES AND ACTIVITIES

Objects of the charity

The objects of the charity are to assist the Dean and Chapter to:

- preserve and maintain the fabric, fittings, ornaments, furniture and monuments of Rochester Cathedral and the lands used in connection therewith;
- preserve and maintain the worship and services in Rochester Cathedral;
- further the religious and charitable works of the Cathedral; and promote public interest in the charitable work and the life of the Cathedral.

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Aims and activities

To achieve its objects, the charity:

- offers membership to all who are interested in the aims of the charity;
- consults and liaises with the Dean and Chapter as to the requirements of the Cathedral;
- makes grants to the Dean and Chapter of income and permitted capital; and
- offer members a number of social events and visits.

The Council has complied with the duty in section 17(5) of the Charities Act 2011 to have regard to guidance published by the Charity Commission on public benefit.

The public and members have continued to benefit from the charity's activities. The charity continues to make grants to the Dean and Chapter for projects to maintain and improve the Cathedral.

Putting on social events is another way in which the members and their guests benefit from the social interaction.

ACHIEVEMENTS AND PERFORMANCE

During the year our investment portfolio increased in value by £ 108,421 an increase of 9.7%. A number of investments were sold and cash of £150,000 was withdrawn shortly before the year end. The monies are to be used to make further grants to the Dean and Chapter.

Income from the investments fell slightly from last year to £29,483 and represents a return of 2.6%. The Council consider our investments to be of a long term nature and in place to generate income.

FINANCIAL REVIEW

Review of the activities

The accounts are for the year ended 31 December 2021. Total income during the period was £150,544, a substantial increase of over last year due to the receipt of two legacies totalling £105,017, an increase in membership subscriptions and the return, post pandemic, to being able to hold social events.

Expenditure increased from £49,710 to £173,399, due largely to the grants to the Dean and Chapter for the upkeep of the Cathedral.

The grants approved and paid to the Dean and Chapter for the upkeep of Rochester Cathedral during the year were: -

	£
Garth maintenance	7,500
Catherdal lighting	138,096
	<u>145,596</u>

The result was expenditure exceeded income by £22,855 with an offset of investment gains to increase overall total funds of £1,275,150. Of these funds the unrestricted income funds at 31 December 2021 stood at £215,529.

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ANNUAL REPORT OF THE COUNCIL

Reserves policy

The Council have examined the level of free reserves (that is those funds not tied up in fixed assets and designated and restricted funds) the charity will require to sustain its operations over a period where income may be curtailed or delayed. The Council consider that the most appropriate level of free reserves at 31 December 2021 should equate to one year's pre-pandemic average charitable expenditure. The Council's best estimate of the amount required is £365,259. The actual free reserves were £200,657.

Investment policy

The Council has considered the most appropriate policy for investing the endowment funds which will be the main source of future income for the charity. They have found that specialised unit trusts designed for the charity sector meet their requirements to generate income and capital growth.

Since 31 December 2021 our investments have moved in line with the stock market. As we consider our investments to be of a long term nature, put in place to generate income, there is no proposal to consider encashment at the present time. However, there is some uncertainty as to the levels of income which may arise in the near future, the implications of which are presently are unquantifiable.

Responsibilities of The Council

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

Charity law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources for the financial 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Council 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, the Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council on

and signed on their behalf

P Smith

Treasurer

**INDEPENDENT EXAMINER'S REPORT
TO THE COUNCIL OF
THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL**

I report to the charity trustees ("the Council") on my examination of the accounts of the Association of the Friends of Rochester Cathedral ("the Charity") for the year ended 31 December 2021, which are set out on pages 6 to 10.

Responsibilities and basis of report

As the Council of the Charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Council's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commissioner under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

R C Abel FCA CTA
Aggarwal & Co Ltd
Chartered Accountants

5 London Road
Rainham
Gillingham
Kent, ME8 7RG

THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	note	Unrestricted income funds £	Endowment funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:					
Donations and legacies		106,872	-	106,872	2,550
Charitable activities					
- membership subscriptions		10,321	-	10,321	8,463
- social events		3,728	-	3,728	214
- book of memory		140	-	140	30
Investments		29,483	-	29,483	30,725
Total incoming resources		150,544	-	150,544	41,982
EXPENDITURE ON:					
Charitable activities					
- grants to Dean and Chapter for the upkeep of Rochester Cathedral		145,596	-	145,596	29,150
- social events		3,455	-	3,455	-
- support costs	3	18,809	-	18,809	15,289
		167,860	-	167,860	44,439
Other costs					
- investment management fees		746	4,793	5,539	5,271
Total resources expended		168,606	4,793	173,399	49,710
NET EXPENDITURE		(18,062)	(4,793)	(22,855)	(7,728)
Gains on revaluation of investments (2020 : losses)		14,598	93,823	108,421	(55,122)
NET MOVEMENT IN FUNDS		(3,463)	89,029	85,566	(62,850)
Total funds brought forward		218,992	970,592	1,189,584	1,252,434
TOTAL FUNDS CARRIED FORWARD		215,529	1,059,621	1,275,150	1,189,584

All income and expenditure derive from continuing activities.

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

The notes on pages 8 to 10 form part of these financial statements.

THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL
BALANCE SHEET
AT 31 DECEMBER 2021

	note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Investments	7		1,074,493		1,121,611
CURRENT ASSETS					
Stocks		1,419		1,419	
Debtors and prepayments		-		195	
Investments		5,388		5,388	
Cash at bank and in hand		194,634		61,744	
		201,441		68,746	
CREDITORS: amounts falling due within one year					
Other creditors and accruals		784		773	
NET CURRENT ASSETS			200,657		67,973
TOTAL ASSETS LESS CURRENT LIABILITIES			1,275,150		1,189,584
FUNDS OF THE CHARITY					
Endowment funds	8		1,059,621		970,592
Unrestricted income funds			215,529		218,992
TOTAL CHARITY FUNDS			1,275,150		1,189,584

The notes on pages 8 to 10 form part of these financial statements.

Approved by the Council on

and signed on their behalf

P Smith

Treasurer

THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

The Association of the Friends of Rochester Cathedral is an unincorporated association registered with the Charity Commission for England and Wales. The charity's registered number and principal address can be found on page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

(a) Accounting basis and standards

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at fair value.

(b) Income

Income is included in the period to which it relates and allocated to specific endowment, restricted or unrestricted funds as appropriate in accordance with any wishes of the donor. Income is not included in the Statement of Financial Activities net of expenditure.

Income received in advance for activities for generating funds, such as social events, is deferred until the completion of the event. Such amounts received are shown on the balance sheet as deferred income. This income is not usually received more than one year in advance of the function.

(c) Volunteers and donated services and facilities

No value is incorporated into these financial statements for the services provided by volunteers or where services are provided to the charity as a donation that would normally be purchased from suppliers.

(d) Expenditure and recognition of liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

(e) Investments

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

(f) Other financial instruments

The charity enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to and from banks and other third parties. Basic financial instruments are recognised at amortised cost, with changes recognised in the Statement of Financial Activities.

(g) Stocks

Stocks are included at the lower of cost and net realisable value. Stocks consists of publications for resale.

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FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

(h) Funds structure

The charity has endowment funds which primarily must be held permanently by the charity, principally as investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Part of the endowment funds are expendable where the trustees can exercise the power to convert the property into income.

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

3. SUPPORT COSTS

	2021	2020
	£	£
Salaries (of one part time employee)	10,295	8,471
Office rent and expenses	4,405	3,884
Printing postage and stationery	2,332	989
Annual Report	1,177	1,345
Independent examiner	600	600
	<u>18,809</u>	<u>15,289</u>

4. TRUSTEE REMUNERATION AND EXPENSES

Neither the trustees nor any person connected with them have received any remuneration or reimbursed expenses during the year.

5. RELATED PARTY TRANSACTIONS

There are no related party transactions in the current or preceding year.

6. TAXATION

The charity is a registered charity and no provision is considered necessary for taxation.

THE ASSOCIATION OF THE FRIENDS OF ROCHESTER CATHEDRAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. INVESTMENT ASSETS

	2021	2020
	£	£
Market value at beginning of year	1,121,611	1,182,004
Investments sold and cash withdrawn	(150,000)	-
Investment management fees	(5,539)	(5,271)
Net gains on revaluation (2020 : losses)	108,421	(55,122)
Market value at end of year	<u>1,074,493</u>	<u>1,121,611</u>
Investments comprise various managed unit funds:		
- UK and global equities	732,007	742,276
- Bonds	96,917	138,656
- Multi-asset funds	97,907	140,640
- Property	111,731	60,543
- Cash	35,931	39,496
	<u>1,074,493</u>	<u>1,121,611</u>

8. ENDOWMENT FUNDS

	Permanent	Expendable	Total
	£	£	£
Balance at 1 January 2021	691,092	279,500	970,592
Expenditure	(3,413)	(1,380)	(4,793)
Net gains on revaluation	66,805	27,018	93,823
Balance at 31 December 2021	<u>754,484</u>	<u>305,138</u>	<u>1,059,621</u>

9. ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted	Endowment	Total
	Funds	Funds	
	£	£	£
Fixed assets investments	14,872	1,059,621	1,074,493
Cash at bank and in hand	194,634	-	194,634
Other net current assets	6,023	-	6,023
	<u>215,529</u>	<u>1,059,621</u>	<u>1,275,150</u>