

REGISTERED CHARITY NO: 273973

THE ASSOCIATION OF

THE FRIENDS OF ROCHESTER CATHEDRAL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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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 2022.

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 N Allan Treasurer P Smith Administrator Mrs T Cliffe Chapter Clerk Representative S Lace Archdeaconry Representative M Chesterfield Archdeaconry Representative Mrs A Evans - retired Archdeaconry Representative Canon A Vousden A Bawtree - appointed S Berry - appointed D Carder C Donaldson Mrs M Holtby Mrs B Jacobs Mrs J Partington A Ratcliffe J Scott - appointed M Bailey - retired M Jennings - retired Mrs H Sinclair - retired Mrs J Wallace - retired 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 we made a substantial contribution of £340,255 to the Cathedral to fulfil our commitment to provide £500,000 in total towards their lighting project. The first payment was made in 2020, continued last year and was completed in May 2022. Full details of what has been achieved can be found on Rochester Cathedral's website at <https://www.rochestercathedral.org/articles/2021/10/15/rochester-cathedral-undergoes-work-to-improve-lighting-2s7wr-h4879>.

Our grant to the Cathedral would not have been possible without realising part of our investment portfolio. The Council decided to use just over one half of its expendable endowment fund to make this bequest. The timing of the realisations was opportune as since March 2022 the remaining investments in equities and bonds has declined in value.

As a result of the large grants from the endowment funds, the income fell but still equated to a return of 2.3% (2021 : 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 2022. Total income during the period was £37,659, a substantial fall from last year of £150,444 as that included donations and legacies of £106,872. Also, investment income has fallen following the sale of some investments for the reasons given in the preceding paragraphs.

Expenditure increased from £173,399 to £366,539. The increase is due to the grants to the Dean and Chapter for the upkeep of the Cathedral, this year amounting to £340,255 exclusively towards the lighting project. Other expenditure on social events and support costs remained unchanged.

With a loss on revaluation of the investments, the net movement in funds was a reduction of £379,604, of which £224,642 is attributable to the endowment funds. At the year-end date the endowment funds stood at £834,979 and unrestricted income funds at £60,567.

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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 designated, restricted and endowment 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 2022 should equate to one year's average charitable income, excluding legacies. The Council's best estimate of the amount required is about £42,000. The actual free reserves were £60,567.

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 2022 our investments have moved in line with stock markets. As we consider our investments to be of a long term nature, put in place to generate income, there is no proposal to consider further encashments 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 charity 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 3 April 2023 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 2022, 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.

Richard Abel

R C Abel FCA CTA
Aggarwal & Co Ltd
Chartered Accountants

11 April 2023

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 2022

	note	Unrestricted income funds £	Endowment funds £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:					
Donations and legacies		2,176	-	2,176	106,872
Charitable activities					
- membership subscriptions		8,645	-	8,645	10,321
- social events		4,309	-	4,309	3,728
- book of memory		60	-	60	140
Investments		22,469	-	22,469	29,483
Total incoming resources		37,659	-	37,659	150,544
EXPENDITURE ON:					
Charitable activities					
- grants to Dean and Chapter for the upkeep of Rochester Cathedral		170,255	170,000	340,255	145,596
- social events		3,090	-	3,090	3,455
- book of memory		80	-	80	-
- support costs	3	18,429	-	18,429	18,809
		191,854	170,000	361,854	167,860
Other costs					
- investment management fees		65	4,620	4,685	5,539
Total resources expended		191,919	174,620	366,539	173,399
NET EXPENDITURE		(154,260)	(174,620)	(328,880)	(22,855)
Loss on revaluation of investments (2021 : gains)		(702)	(50,022)	(50,724)	108,421
NET MOVEMENT IN FUNDS		(154,962)	(224,642)	(379,604)	85,566
Total funds brought forward		215,529	1,059,621	1,275,150	1,189,584
TOTAL FUNDS CARRIED FORWARD		60,567	834,979	895,546	1,275,150

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 2022

	note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Investments	7		849,084		1,074,493
CURRENT ASSETS					
Stocks		1,364		1,419	
Debtors and prepayments		30		-	
Investments		-		5,388	
Cash at bank and in hand		48,758		194,634	
		50,152		201,441	
CREDITORS: amounts falling due within one year					
Other creditors and accruals		(3,690)		(784)	
NET CURRENT ASSETS			46,462		200,657
TOTAL ASSETS LESS CURRENT LIABILITIES			895,546		1,275,150
FUNDS OF THE CHARITY					
Endowment funds	8		834,979		1,059,621
Unrestricted income funds			60,567		215,529
TOTAL CHARITY FUNDS			895,546		1,275,150

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

Approved by the Council on 3 April 2023 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 2022

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 2022

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

	2022	2021
	£	£
Salaries (of one part time employee)	9,971	10,295
Office rent and expenses	4,905	3,917
Insurance	554	488
Printing postage and stationery	1,799	2,332
Annual report	-	1,177
Independent examiner	1,200	600
	<u>18,429</u>	<u>18,809</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 2022

7. INVESTMENT ASSETS

	2022	2021
	£	£
Market value at beginning of year	1,074,493	1,121,611
Investments sold and cash withdrawn	(170,000)	(150,000)
Investment management fees	(4,685)	(5,539)
Net losses on revaluation (2021 : gains)	(50,724)	108,421
Market value at end of year	<u>849,084</u>	<u>1,074,493</u>
Investments comprise various managed unit funds:		
- UK and global equities	549,605	732,007
- Bonds	113,104	96,917
- Multi-asset funds	40,802	97,907
- Property	125,854	111,731
- Cash	19,719	35,931
	<u>849,084</u>	<u>1,074,493</u>

8. ENDOWMENT FUNDS

	Permanent	Expendable	Total
	£	£	£
Balance at 1 January 2022	754,484	305,137	1,059,621
Expenditure	(3,290)	(171,330)	(174,620)
Net losses on revaluation	(35,617)	(14,405)	(50,022)
Balance at 31 December 2022	<u>715,577</u>	<u>119,402</u>	<u>834,979</u>

9. ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted	Endowment	Total
	Funds	Funds	Funds
	£	£	£
Fixed assets investments	14,105	834,979	849,084
Cash at bank and in hand	48,758	-	48,758
Other net current assets	(2,296)	-	(2,296)
	<u>60,567</u>	<u>834,979</u>	<u>895,546</u>