

Registered Charity Number: 1033089

LINCOLN CATHEDRAL MUSIC FUND

**Annual Report and Statement of Accounts
for the year ended
31 March 2020**

LINCOLN CATHEDRAL MUSIC FUND

Trustees

The Dean, The Very Reverend Christine Wilson
The Subdean, The Reverend Canon John Patrick
The Precentor, The Reverend Canon Sally-Anne McDougall (Resigned 15 May 2020)
The Chancellor, The Reverend Canon Dr Paul Overend

Principal Address

4 Priorygate
Lincoln
LN2 1PL

Music Council

Mr Andrew Clark, Chairman (from September 2019)
Mr Tim Fell, Vice Chairman (from September 2019, replacing above)
Mr John Dickinson, (Chairman to September 2019)
Mrs Henrietta Reeve, Project Chair (Appointed September 2019)
Mrs Sarah Robinson,
The Very Revd Christine Wilson, Dean
The Revd Canon Sally-Anne McDougall, Precentor (Resigned May 2020)
Mrs Fiona Beemster (Resigned September 2019)
Mrs Gunilla Carlbon
Mrs Janis Daly
Mrs Sandra Grattrick
Dr Laurence Oliver
Mrs Michaela Philp (Resigned September 2019)
Mr Aric Prentice
Mrs Lindsey Sutton, (Appointed 27 January 2020)
Lady Charlotte Tyrwhitt
Mr Colin Walsh
Mrs Jenny Worth

Independent examiner

D J E Sewell FCA
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Investment managers

Cazenove Capital Management, Schroder & Co Limited

Objectives

To advance the education of the public in the art of liturgical and other music, both choral and instrumental at Lincoln Cathedral.

Registered charity number

1033089

LINCOLN CATHEDRAL MUSIC FUND

Trustees' Report for the year ended 31 March 2020

The Trustees present their report and the financial statements of the Charity for the year ended 31 March 2020.

1. Structure, Governance and Management

The Music Fund is a registered charity governed by a Trust Deed dated 28 January 1994, subject to a Deed of Variation dated 26 February 2002, to include girl as well as boy choristers. The charity is in the process of further amending its Trust Deed to remove "... South Humberside" as a geographical area of benefit within the objectives, as it no longer exists, and amend to "... North Lincolnshire and North East Lincolnshire".

The body of Trustees shall consist, when complete, of four ex officio trustees:

- The Dean of Lincoln
- The Precentor of Lincoln
- The Chancellor of Lincoln
- The Subdean of Lincoln

Day to day management of the Charity is delegated to the Lincoln Cathedral Music Council.

Governance

The Trustees shall hold at least two ordinary meetings in each year. The Trustees are elected at special meetings with no less than 21 days notice being given to the current Trustees. Every matter is determined by a majority of votes of the Trustees present at the meeting.

Policies

Policy agreed with respect to the release of capital to the Cathedral unrestricted fund:

- a) 3% of the capital value of the fund at the start of the financial year;
- b) Equivalent cost of five choral scholars; and,
- c) 50% of the net income of the fund during the year, excluding investment income and after the funding of the five choral scholars.

The Investment Policy of the Trustees seeks to produce the best financial return within an acceptable level of risk. The investment objective for long term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support the ongoing activities of the charity. In this way, income generation should continue to be sustainable in perpetuity. The investment object for short term reserves is to preserve capital value with minimal levels of risk, ensuring high liquidity of assets in order to meet short term cash flow needs. The current long term investment target is RPI +3.5% or better over a 10 year cycle.

The Trustees continue to monitor the major risks to which the Charity is exposed and keep under review the adequacy of systems, which they believe, are adequate and appropriate to the size of the charity and the nature of its operations. Particular to financial controls, the accounts are scrutinised by the Cathedral Chapter Finance Committee.

LINCOLN CATHEDRAL MUSIC FUND
Trustees' Report for the year ended 31 March 2020 (continued)

2. Objectives and Activities

The Music Fund aims to create a permanent music foundation to support the Lincoln Cathedral Choir, organists and organ for the benefit of future generations.

Strategies

Raising funds through annual giving, one-off donations, profit-making ticketed events, legacies, trust applications, promotional literature to past & potential donors and media coverage particular to giving opportunities.

3. Achievements and Performance

Events held during the financial year included:

Ceremony of Carols

Summer Concert at Fulbeck Hall

The Music Council works hard to make new contacts and to develop fresh fundraising ideas. The events were well attended and contributed to a successful year providing continued financial support for the benefit of the Lincoln Cathedral Choir and organists. Due to the coronavirus pandemic and national lockdown the Andrew Robson Bridge Day, due to be held in March 2020, was cancelled and our gratitude is expressed to all those who kindly donated their event contributions; we look forward to future years when such an event may again be possible.

4. Administrative Structure

The Corporate Body of Lincoln Cathedral has agreed to provide administrative support to the Trustees at no charge.

5. Financial Review

Total income during the year amounted to £312,870 (2019: £226,377) and £129,106 (2019: £119,849) of this was released to The Corporate Body of Lincoln Cathedral (hereafter referred to as Lincoln Cathedral) to help toward the annual costs of Choir and Organists.

Reserves policy:

The funds comprise an endowment of £155,000, a restricted fund £1,000 and unrestricted funds of £1,849,608. In view of the long term nature of the charity's objectives, the Trustees have elected to hold the majority of the unrestricted funds as investments operating as a de facto endowment.

At 31 March 2020, the value of the fund is £2,005,608.

6. Plans for the future

The charity remains committed to supporting the choir and organists of Lincoln Cathedral through supporting annual costs and continuing to build a de-facto endowment to support future provision. We must acknowledge that the coronavirus pandemic will continue to impact fundraising activities and events for the next financial period and beyond and that financial support given to Lincoln Cathedral may reduce accordingly. The charity will endeavour to adapt to social distancing measures and look for alternative methods of engagement by digital or other remote means to ensure the quality of cathedral music and investment in choral tradition perpetuates.

LINCOLN CATHEDRAL MUSIC FUND

Trustees' Report for the year ended 31 March 2020 (continued)

Trustees' Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- 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 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 applicable law, regulations and the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on behalf of the Trustees on



18/12/20

The Very Reverend Christine Wilson
Trustee

LINCOLN CATHEDRAL MUSIC FUND

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LINCOLN CATHEDRAL MUSIC FUND

I report to the Trustees on my examination of the accounts of Lincoln Cathedral Music Fund for the year ended 31 March 2020 which are set out on pages 6 to 12.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the 2011 Act"). The trustees are satisfied that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and have chosen instead to have an independent examination.

I report in respect of my examination of the charity's accounts as carried out under section 145 of the 2011 Act. In carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention 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 2011 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.



D J E Sewell, FCA
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Date: 22 December 2020

LINCOLN CATHEDRAL MUSIC FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2020

	Note	Unrestricted Fund 2020 £	Endowment Fund 2020 £	Restricted Fund 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from:						
Donations (including gift aid)		45,848	43,750	15,521	105,119	82,645
Legacies	2	81,232	-	-	81,232	10,500
Grants receivable	3	4,573	-	11,000	15,573	13,679
Events	5	16,163	-	-	16,163	17,737
Fixed Asset Investment Income		94,728	-	-	94,728	101,647
Interest Receivable		55	-	-	55	169
Total Incoming Resources:		242,599	43,750	26,521	312,870	226,377
Expenditure on:						
Cost of generating funds						
Cost of Charitable Activities		111,531	-	26,521	138,052	129,249
Events		2,826	-	-	2,826	4,248
Total Resources Expended:	4	114,357	-	26,521	140,878	133,497
Income before gains and losses		128,242	43,750	-	171,992	92,880
Other Recognised Gains and Losses:						
Net gains/(losses) on Investments		(360,518)	-	-	(360,518)	4,742
Net income for the year and movement in funds		(232,276)	43,750	-	(188,526)	97,622
Balances as at 1 April		2,081,884	111,250	1,000	2,194,134	2,096,512
Balances as at 31 March		1,849,608	155,000	1,000	2,005,608	2,194,134

LINCOLN CATHEDRAL MUSIC FUND

BALANCE SHEET

YEAR ENDED 31 MARCH 2020

	Note	2020		2019	
		£	£	£	£
FIXED ASSETS					
Investments	6		1,856,968		2,022,602
CURRENT ASSETS					
Sundry Debtors	7	72,888		29,343	
National Westminster Bank plc: Current Account		<u>95,805</u>		<u>148,753</u>	
		<u>168,693</u>		<u>178,096</u>	
Current Liabilities					
Sundry Creditors and Accruals	8	<u>20,053</u>		<u>6,564</u>	
NET CURRENT ASSETS			<u>148,640</u>		<u>171,532</u>
			<u>2,005,608</u>		<u>2,194,134</u>
Represented by:					
Restricted Funds			1,000		1,000
Endowment Funds			155,000		111,250
Unrestricted Funds			<u>1,849,608</u>		<u>2,081,884</u>
	9		<u>2,005,608</u>		<u>2,194,134</u>

Approved and authorised for issue on

 18/12/20

The Very Reverend Christine Wilson
Trustee

LINCOLN CATHEDRAL MUSIC FUND
Notes to the Accounts for the year ended 31 March 2020

1. ACCOUNTING POLICIES:

(a) Entity Status

The Trust is an unincorporated charity registered with the Charity Commission in England and Wales.

(b) Basis of accounting

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) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charity is a Public Benefit Entity as defined by FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Fair value movements are dealt with through the Statement of Financial Activities.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In view of the level of assets held, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Income

All income is included gross in the Statement of Financial Activities on the following bases:

- Legacies are included when they become receivable. A legacy is regarded as receivable when it has been received or if it becomes probable that the legacy will be received and that the value of the incoming resources can be measured reliably.
- Donations, gift aid, covenants and grants are included when they become receivable.
- Income Tax claims are included as recoverable.
- Bank interest and investment income are included when they become due.

(d) Expenditure

Expenditure is included in the Statement of Financial Activities as soon as it is incurred.

Governance costs comprise the annual accountancy charges as well as the costs of running the charity i.e. Trustee meetings.

(e) Purchase of equipment

Purchases of equipment are written-off in the Statement of Financial Activities in the year of purchase.

(f) Taxation

The Lincoln Cathedral Music Fund is a registered charity and the accounts are prepared on the basis that its activities are not liable to Income Tax or Corporation Tax.

(g) Investments

These are investments held in the UK and are included in the balance sheet at market value (Note 6), with realised and unrealised gains and losses included in the Statement of Financial Activities.

LINCOLN CATHEDRAL MUSIC FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

2. LEGACIES RECEIVABLE:	Unrestricted Funds 2020 £	Endowment Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
S Clarke	-	-	-	-	500
S Dodd-Sheppard	7,000	-	-	7,000	-
J R Drury	10,000	-	-	10,000	-
M Holloway	-	-	-	-	(1,000)
W F Ingram	5,000	-	-	5,000	-
C Lane	31,000	-	-	31,000	-
J S Leach	-	-	-	-	1,000
K Lidbetter	10,528	-	-	10,528	-
G Sykes	2,000	-	-	2,000	-
J Waring	-	-	-	-	10,000
C Williams	15,704	-	-	15,704	-
	81,232	-	-	81,232	10,500

All of the £10,500 received for the year ended 31 March 2019 related to unrestricted funds.

3. GRANTS RECEIVABLE:	Unrestricted Funds 2020 £	Endowment Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
The AH Worth Charitable Trust	-	-	5,000	5,000	3,000
The Association of Friends of Lincoln Cathedral	4,573	-	5,000	9,573	9,479
The Kochan Trust	-	-	1,000	1,000	1,000
Provincial Priory of Lincolnshire	-	-	-	-	200
	4,573	-	11,000	15,573	13,679

Of the £15,573 (2019: £13,679) grants received, £4,573 (2019: £4,679) related to unrestricted funds, Nil (2019: £Nil) to endowment funds and £11,000 (2019: £9,000) to restricted funds.

LINCOLN CATHEDRAL MUSIC FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

4. EXPENDITURE	Charitable Activities £	Events £	Total Funds 2020 £	Total Funds 2019 £
Event Expenditure	-	2,826	2,826	4,248
Investment Management Fees	5,234	-	5,234	4,955
Chapter Contribution	73,585	-	73,585	75,025
Choral Scholar Contribution	34,000	-	34,000	33,000
Chorister Contribution	21,521	-	21,521	11,824
Contribution to Utrecht Choir Tour	-	-	-	-
Sundry Expenses	1,682	-	1,682	2,501
Governance:				
Trustee Meetings	26	-	26	24
Accounts / Independent Examiners Fees	2,004	-	2,004	1,920
	138,052	2,826	140,878	133,497
Charged to Unrestricted Funds	111,531	2,826	114,357	108,622
Charged to Restricted Funds	26,521	-	26,521	24,875
	138,052	2,826	140,878	133,497

There are no salary costs for the year. No remuneration or expenses have been paid to any of the charity's trustees. No employee earned more than £60,000 per annum.

The chapter contribution is a donation to the Lincoln Cathedral General Fund to help towards the cost of music at Lincoln Cathedral in line with the policy outlined on page 2 of these accounts.

5. EVENTS	Incoming £	Outgoing £	2020 Net Contribution £	2019 Net Contribution £
Bridge Master Class	2,580	-	2,580	5,621
Ceremony of Carols	8,528	1,587	6,941	5,901
Play the Organ	625	50	575	400
Concerts and Services	4,430	1,189	3,241	1,567
	16,163	2,826	13,337	13,489

LINCOLN CATHEDRAL MUSIC FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

6. INVESTMENTS

	2020	2019
	£	£
Market value as at 1 April	2,022,602	2,022,855
Additions at Cost	200,000	-
Disposal Proceeds	(5,116)	(4,995)
Net gain/(loss) on revaluation in the year	(360,518)	4,742
Market value as at 31 March	1,856,968	2,022,602

Historical Cost at 31 March	1,604,089	1,589,205
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The investment comprises:

	No. Shares		2020	2019
	2020	2019	£	£
Charities Property Fund	272,690	272,690	346,943	354,142
M & G Securities				
Charifund	42,875	42,875	512,558	659,846
Global Dividend Income Unit - I	46,900	38,600	86,700	88,348
Cazenove Investment Fund				
Equity Income Trust for Charities - Unit Class S	1,437,045	1,437,045	551,968	717,948
Fidelity Global Dividend Fund				
Class W Income Units	115,249	50,000	203,989	89,800
Trojan Ethical Income Fund				
Class S Units	91,950	46,950	99,317	54,454
Capital Account			55,493	58,065
Market Value as at 31 March			1,856,968	2,022,602

All the fixed asset investments are in the UK.

7. DEBTORS

	Total Funds 2020	Total Funds 2019
	£	£
Trade Debtors	750	-
Legacies receivable	53,704	-
Gift Aid	695	8,058
Dividend income	17,739	21,285
	72,888	29,343

8. CREDITORS

	Total Funds 2020	Total Funds 2019
	£	£
Trade Creditors	1,489	554
Due to Lincoln Cathedral	14,874	2,885
Accruals	3,260	3,125
Deferred income	430	-
	20,053	6,564

LINCOLN CATHEDRAL MUSIC FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

9. MOVEMENT ON FUNDS

	Balance at 01-Apr-19 £	Incoming £	Outgoing £	Gains/(losses) £	Balance at 31-Mar-20 £
Restricted Funds					
Organ maintenance	1,000	-	-	-	1,000
Choristerships	-	21,521	(21,521)	-	-
Choral Scholarships	-	5,000	(5,000)	-	-
Total Restricted Funds	1,000	26,521	(26,521)	-	1,000
Endowment Funds					
Choristerships	111,250	43,750	-	-	155,000
Total Endowment Funds	111,250	43,750	-	-	155,000
Unrestricted Funds					
General Fund	2,081,884	242,599	(114,357)	(360,518)	1,849,608
TOTAL FUNDS	2,194,134	312,870	(140,878)	(360,518)	2,005,608

	Balance at 31-Mar-18 £	Incoming £	Outgoing £	Gains/(losses) £	Balance at 31-Mar-19 £
Restricted Funds					
Organ maintenance	1,000	-	-	-	1,000
Choristerships	-	14,125	(14,125)	-	-
Choral Scholarships	-	8,750	(8,750)	-	-
Total Restricted Funds	1,000	22,875	(22,875)	-	1,000
Endowment Funds					
Choristerships	80,000	31,250	-	-	111,250
Total Endowment Funds	80,000	31,250	-	-	111,250
Unrestricted Funds					
General Fund	2,015,512	172,252	(110,622)	4,742	2,081,884
TOTAL FUNDS	2,096,512	226,377	(133,497)	4,742	2,194,134

10. RESTRICTED FUNDS

Choristerships - relates to monies specifically granted to support choristerships.
Choral Scholarships - relates to monies specifically granted to support choral scholars.
Organ Maintenance - relates to legacy money received specifically to support organ/and or organ pipe maintenance.