

**Charity Number 1008295**

**Manchester Cathedral Development Trust**

Annual Report and Financial Statements

Year Ended

31 December 2021

# Manchester Cathedral Development Trust

## Annual report and financial statements for the year ended 31 December 2021

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# Manchester Cathedral Development Trust

## Annual report and financial statements for the year ended 31 December 2021

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### Legal and administrative information

#### Contact Address

Manchester Cathedral Development Trust  
Victoria Street  
Manchester  
M3 1SX

Telephone 0161-833-2220

### Legal Status

The charity was formed as a Trust under a Trust Deed dated 2 December 1991. It is a Registered Charity (1008295).

### Trustees

#### Lay Trustees:

Mr W. Smith JP, Lord Lieutenant for Greater Manchester – Chair – retired 31 May 2022

Mr R. E. Hough CBE DL LLB – Chair – appointed 7 December 2022

Mr D.R. Allinson – appointed 7 December 2022

Mr P. Deakin

Mrs M.E. McClintock MBE, BA

Mr J.P. Wainwright MA FRICS – retired 6 September 2022

#### Capitular Trustees:

The Dean of Manchester The Very Reverend R.M. Govender

The Reverend Canon J.N. Ashworth – appointed 13 February 2023

The Reverend Canon D.A. Holgate – retired 31 May 2022

The Reverend Canon M.Z. Wall

### Independent Examiner

Heather Wheelhouse ACA

BDO LLP

Bridgewater House

Counterslip

Bristol

BS1 6BX

### Bankers

Royal Bank of Scotland plc

St Ann Street

Manchester

M60 2SS

# Manchester Cathedral Development Trust

## Trustees' report for the year ended 31 December 2021

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The Trustees present their annual report and the un-audited financial statements for the year ended 31 December 2021.

### Structure, governance and management

The charity was formed as a Trust under a Trust Deed dated 2 December 1991. It is a Registered Charity (1008295).

Trustees who served during the year were as listed on page 1. There is provision for five Capitular Trustees being ex-officio trustees consisting of the Dean and four residential Canons of Manchester Cathedral together with four Lay Trustees. The Lay Trustees are appointed for a term of three years but may be reappointed. Trustees are recruited by a variety of methods including recommendations from existing Trustees. Each individual who has been recommended is then interviewed by the Chairman and other Trustees as appropriate and then elected by the Trustees. New Trustees are provided with an induction pack and are given regular presentations on the business of the charity at the Trustee meetings. The Trustees elect a lay chairman from their number, the Vice chair being the Dean of Manchester. Trustee meetings should be held twice a year and the quorum for a meeting is five trustees consisting of not less than three Capitular Trustees.

A Finance Committee which has been established with its main terms of reference being to:

- Review and monitor the accounting processes;
- Oversee preparation of the financial accounts.

The Trustees are responsible for setting the strategic direction of the charity.

### Risk Management

The trustees have performed a review of the risks that we believe could seriously affect the charity's performance, future prospects, reputation or its ability to deliver against its priorities. This development of our risk process has resulted in the inclusion of liquidity as a principal risk. The approval of grants to the Cathedral, our major cash outflow, is closely monitored with regular forecasts of cash requirements and regular management accounts that are reviewed by the trustees. The trustees are therefore satisfied that there are appropriate financial arrangements in place to ensure that the charity is able to carry out its objectives within its cash flow availability.

### Going Concern

The Trustees have revisited the going concern assessment in January 2023 following on from the outbreak of Covid-19 in early 2020 and the recent cost of living crisis. Although there has been some impact this has been quite minimal and has no material impact on the financial viability of the charity in the foreseeable future.

### Objectives and activities

The Trust is a registered charity whose objects are:-

The improvement, enhancement and major refurbishment of Manchester Cathedral, its fabric and grounds and any other land owned by or leased to the Trust, and the provision of new facilities and equipment of general benefit to Manchester Cathedral and the community served by Manchester Cathedral.

The carrying out and/or provision of financial assistance for the carrying out of new works or new additions to Manchester Cathedral including (but without prejudicing the generality of the foregoing) substantial works of decoration and restoration and renovation work which shall, in the reasonable opinion of the Trustees (and after consultation with the Cathedral Architect for the time being) be considered to be works which do not constitute part of the normal and routine costs of running Manchester Cathedral.

The assisting of the Dean and Canons in such other purposes and objects which the Dean and Canons wish to carry out and which the trustees consider to be encompassed within the foregoing objects.

The trustees have had due regard to the Charity Commission guidance on public benefit.

# Manchester Cathedral Development Trust

## Trustees' report for the year ended 31 December 2021

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### Objectives and activities (continued)

#### Governing Documentation Restriction

In raising income for the Charity the Trustees shall observe the following restriction:  
They shall not undertake any permanent trading activities in raising funds for the charitable objects as detailed above.

#### Achievements and performance

##### Fundraising Progress

The Trustees are currently working with the director of fundraising to develop the next phase of the Development Plan. During 2018 & 2020 a major exercise was undertaken examining use of space in the Cathedral including a number of workshops being held with various stakeholders. This project was funded by a Resilient Heritage Grant from the National Heritage Lottery Fund and the results will lead to outline concepts for improvements to the Cathedral fabric. Following this there will be a clear direction for fundraising.

Phase 2 of the lighting project is also being developed together with the refurbishment of the Cathedral Library.

Externally, there are a number of memorials being planned as part of the development of the public realm, with particular reference to Victoria Street works currently being carried out by Manchester City Council.

#### Financial Review

Total income for the year amounted to £45,331 compared to £158,746 in 2020. Grants of £51,950 were made to the Cathedral in the year (2020 - £Nil). Net expenditure for the year amounted to £15,480 (2020 - Net income £150,222). At 31 December 2021 restricted funds amounted to £76,612 and unrestricted funds amounted to £140,959. The Cathedral requests grants from the charity as the work progresses on the various projects. Currently, the next phase of the development project is being developed together with a fundraising strategy.

#### Reserves Policy

The Charity has attracted funding for specific purposes over the years including the new organ, new lighting and new liturgical furniture. The majority of these projects have now been completed and the grants have been paid to the Cathedral. A number of new sources of donations are being established particularly for the final phase of the new lighting, thus reducing the overall financial risk to the Charity.

There is no requirement to hold free reserves. At 31 December 2021 total reserves amounted to £217,571 (2020 - £233,051) of which £76,612 (2020 - £76,893) are restricted.

#### Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustees. The charity is not bound by any undertaking to be bound by any regulatory scheme.

# Manchester Cathedral Development Trust

Trustees' report  
for the year ended 31 December 2021

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## **Fundraising (continued)**

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not have to particularise this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

# Manchester Cathedral Development Trust

## Statement of responsibilities of the Trustees for the year ended 31 December 2021

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### Statement of responsibilities of the Trustees

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

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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. 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.

 R.E. HOUGH

This report was approved by the Trustees on 13 February 2023 and signed on behalf of the Trustees

# Manchester Cathedral Development Trust

Report of the independent examiner  
Year ended 31 December 2021

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MANCHESTER CATHEDRAL DEVELOPMENT TRUST

I report to the trustees on my examination of the accounts of the Trust for the year ended 31 December 2021 which are set out on pages 7 to 15.

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 31 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity's trustees as a body, for my work, for this report, or for the statement I have made.

### Responsibilities and basis for report

As the trustees 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 charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 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:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of the 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.

Signed:  DA15AED75D45453...

Heather Wheelhouse ACA  
BDO LLP  
Bridgewater House  
Counterslip  
Bristol  
BS1 6BX

Date: 17 February 2023

# Manchester Cathedral Development Trust

## Statement of financial activities for the year ended 31 December 2021

	Notes	Restricted funds £	Un- restricted funds £	2021 Total £	Restricted funds £	Un- restricted funds £	2020 Total £
<b>Income from:</b>							
Donations and legacies	2	23,500	21,806	45,306	4,000	154,666	158,666
Income from investments		-	25	25	-	80	80
<b>Total income</b>		23,500	21,831	45,331	4,000	154,746	158,746
<b>Expenditure on:</b>							
Charitable activities	3	25,388	35,423	60,811	-	8,524	8,524
<b>Total expenditure</b>		25,388	35,423	60,811	-	8,524	8,524
<b>Net (expenditure)/income</b>		(1,888)	(13,592)	(15,480)	4,000	148,222	150,222
<b>Reconciliation of funds:</b>							
Transfers between funds		1,607	(1,607)	-	-	-	-
<b>Net movement in funds</b>		(281)	(15,199)	(15,480)	4,000	146,222	150,222
<b>Funds brought forward</b>		76,893	156,158	233,051	72,893	9,936	82,829
<b>Funds carried forward</b>		76,612	140,959	217,571	78,893	156,158	233,051

All activities derive from continuing operations. All recognised gains and losses are included in the statement of financial activities.

The notes on pages 9 to 15 form part of these financial statements.

# Manchester Cathedral Development Trust

## Balance sheet as at 31 December 2021

	Notes	£	2021 £	£	2020 £
<b>Current assets</b>					
Debtors & prepayments	6	2,681		467	
Cash at bank and in hand		249,761		239,109	
		252,442		239,576	
<b>Creditors: amounts falling due within one year</b>					
Creditors & accruals	7	34,871		6,525	
<b>Net current assets</b>			217,571		233,051
<b>Net assets</b>			217,571		233,051
<b>Funds</b>					
Restricted funds	9		76,612		76,893
Unrestricted funds	10		140,959		156,158
			217,571		233,051

These financial statements were approved by the Trustees and authorised for issue on 13 February 2023.



R.M. Govender

The notes on pages 9 to 15 form part of these financial statements.

# Manchester Cathedral Development Trust

## Statement of Cash Flows for the year ended 31 December 2021

	Notes	2021 Total Funds £	2020 Total Funds £
<b>Net cash generated by operating activities</b>	<b>11</b>	10,627	150,966
<b>Cash flows from investing activities:</b>			
Interest and dividends		25	80
<b>Net cash provided by investing activities</b>		25	80
<b>Change in cash and cash equivalents in the year</b>		10,652	151,046
Cash and cash equivalents brought forward		239,109	88,063
Cash and cash equivalents carried forward		249,761	239,109

# Manchester Cathedral Development Trust

## Notes forming part of the financial statements for the year ended 31 December 2021

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### 1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities SORP (FRS 102)" effective January 2019, applicable UK Accounting Standards and the Charities Act 2011. As a result of this change there has been no overall impact on the net assets of the Charity but there has been a change in the disclosure of certain items. The particular accounting policies adopted by the Trustees are described below. The registered office of the charity is Manchester Cathedral, Victoria Street, Manchester M3 1SX.

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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 in GBP, being the functional currency, and are rounded to the nearest pound.

#### Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value.

#### Going Concern

The financial statements have been prepared on a going concern basis. In the current economic climate, the trustees acknowledge the effect of the current cost of living crisis and have reforecast the financial position and cash-flows for the period to 31 December 2023. The forecasts confirm that the charity can meet its obligations as they fall due.

The Trustees note that the charity has cash balances available that represent many years of non-discretionary expenditure. As such the Trustees are satisfied that the Charity can settle its obligations for a period of at least 12 months from the date of signing the financial statements and that it is appropriate for the financial statements to be prepared on a going concern basis.

#### Fund Accounting

Unrestricted general funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

#### Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised in the statement of financial activities when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be met.

# Manchester Cathedral Development Trust

## Notes forming part of the financial statements for the year ended 31 December 2021 *Continued*

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### 1. Accounting policies (continued)

#### Income (continued)

Legacy gifts are recognised on a case by case basis following the grant of probate when the executor of the estate has communicated in writing the amount of the legacy, that there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are within the control of the charity or have been met.

Investment income is included when receivable.

#### Direct Charitable Expenditure

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 settlement will be required and the amount of the obligation can be measured or estimated reliably. All expenditure is accounted for on an accruals basis.

Costs of raising funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services to Manchester Cathedral and the community served by Manchester Cathedral. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them including governance costs.

#### Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

There are not considered to be any key areas of judgement in these financial statements.

# Manchester Cathedral Development Trust

Notes forming part of the financial statements  
for the year ended 31 December 2021 *Continued*

## 2. Income

Year ended 31 December 2021

	Restricted funds £	Un- restricted funds £	2021 Total £
Income			
Donations and legacies	23,500	19,660	43,160
Tax recoverable under Gift Aid	-	2,146	2,146
	<u>23,500</u>	<u>21,806</u>	<u>45,306</u>
Income from investments			
Interest receivable on short term deposits	-	25	25
	<u>-</u>	<u>25</u>	<u>25</u>
<b>Total income</b>	<u><u>23,500</u></u>	<u><u>21,831</u></u>	<u><u>45,331</u></u>

Year ended 31 December 2020

	Restricted funds £	Un- restricted funds £	2020 Total £
Income			
Donations and legacies	4,000	153,976	157,976
Tax recoverable under Gift Aid	-	690	690
	<u>4,000</u>	<u>154,666</u>	<u>158,666</u>
Income from investments			
Interest receivable on short term deposits	-	80	80
	<u>-</u>	<u>80</u>	<u>80</u>
<b>Total income</b>	<u><u>4,000</u></u>	<u><u>154,746</u></u>	<u><u>158,746</u></u>

# Manchester Cathedral Development Trust

Notes forming part of the financial statements  
for the year ended 31 December 2021 *Continued*

## 3. Charitable expenditure

Year ended 31 December 2021

	Restricted funds £	Unrestricted funds £	2021 Total £
Grants			
Manchester Cathedral	23,500	28,450	51,950
Support costs	1,888	6,973	8,861
	<u>25,388</u>	<u>35,423</u>	<u>60,811</u>

Year ended 31 December 2020

	Restricted funds £	Unrestricted funds £	2020 Total £
Grants			
Manchester Cathedral	-	-	-
Support costs	-	8,524	8,524
	<u>-</u>	<u>8,524</u>	<u>8,524</u>

## 4. Support costs

	2021 Total £	2020 Total £
Support costs include:		
Finance costs	3,913	3,812
Governance costs – statutory accounts	1,025	1,000
Governance costs – independent examiners fee	3,690	3,281
Other costs	233	431
	<u>8,861</u>	<u>8,524</u>

Support costs including governance costs are charged to charitable expenditure and allocated between restricted and unrestricted funds based on the income for the fund in that year. The total support costs for the year amounted to £8,861 (2020: £8,524) and include postage, stationery, printing, professional fees, sundry expenses and audit fees.

There were no employees during the current or previous year.

## 5. Trustees Remuneration

No Trustees, or person related or connected by business to them, have received any remuneration or had expenses reimbursed from the Charity during the year. The Charity does not have any employees.

# Manchester Cathedral Development Trust

Notes forming part of the financial statements  
for the year ended 31 December 2021 *Continued*

<b>6.</b>	<b>Debtors and prepayments</b>	<b>2021</b>	<b>2020</b>			
		£	£			
	Gift aid recoverable	2,531	467			
	Other debtors	150	-			
		2,681	467			
		2,681	467			
<b>7.</b>	<b>Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>			
		£	£			
	Manchester Cathedral	28,450	-			
	Accruals	6,421	6,525			
		34,871	6,525			
		34,871	6,525			
<b>8.</b>	<b>Analysis of net assets between funds</b>	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total funds</b>		
		£	£	£		
	Fund balances at 31 December 2021 as represented by:					
	Net current assets	76,612	140,959	217,571		
		76,612	140,959	217,571		
		76,612	140,959	217,571		
	Fund balances at 31 December 2020 as represented by:					
	Net current assets	76,893	156,158	233,051		
		76,893	156,158	233,051		
		76,893	156,158	233,051		
<b>9.</b>	<b>Restricted Funds</b>					
	Restricted Funds 2021					
		<b>Brought forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Carried forward</b>
		£	£	£	£	£
	Organ fund	46,525	-	-	-	46,525
	Roof repair	-	20,000	(21,607)	1,607	-
	Lighting improvement fund	1,242	-	-	-	1,242
	Cathedral Fabric fund	29,126	3,500	(3,781)	-	28,845
		76,893	23,500	(25,388)	1,607	76,612
		76,893	23,500	(25,388)	1,607	76,612

# Manchester Cathedral Development Trust

Notes forming part of the financial statements  
for the year ended 31 December 2021 *Continued*

## 9. Restricted Funds (continued)

Restricted Funds 2020

	Brought forward £	Income £	Expenditure £	Transfer £	Carried forward £
Organ fund	46,525	-	-	-	46,525
Lighting improvement fund	1,242	-	-	-	1,242
Cathedral Fabric fund	25,126	4,000	-	-	29,126
	<u>72,893</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>76,893</u>

All restricted funds relate to repairs or improvements to Manchester Cathedral.

## 10. Unrestricted Funds

	Brought forward £	Income £	Expenditure £	Transfers £	Carried forward £
Unrestricted Funds 2021	156,158	21,831	(35,423)	(1,607)	140,959
Unrestricted Funds 2020	9,936	154,746	(8,524)	--	156,158

## 11. Cash flow

Reconciliation of net income to net cash generated by operating activities:	<b>2021</b>	<b>2020</b>
	£	£
Net movement in funds as per the statement of financial activities	(15,480)	150,222
Adjustments for:		
Deduct interest and dividend income shown in investing activities	(25)	(80)
(Increase)/decrease in debtors	(2,214)	1,947
Increase/(decrease) in creditors	28,346	(1,123)
Net cash generated by operating activities	<u>10,627</u>	<u>150,966</u>

## 12. Related Parties

The Capitular Trustees are members of the Chapter of Manchester Cathedral which received grants in the year amounting to £51,950 (2020 - £Nil) as set out in note 3 on page 12.

At 31 December 2021 £28,450 was owed to Manchester Cathedral (2020 - £Nil).