



St Albans Cathedral Music Trust

Annual Report and Financial Statements

For The Year Ended 30 November 2021

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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 30 NOVEMBER 2021

TRUSTEES

Christopher Muhley – Chair
Ralph Abel Smith
Keith Brown (from 9th March 2021)
Moira Dean
The Very Reverend Jeffrey John (to 31st March 2021)
The Very Reverend Joanne Kelly-Moore (from 4th December 2021)
Pete Letanka
Andrew Lucas
Christopher Melliush
Lady Shelagh Nichols (to 8th June 2021)
John Palmer
Richard Pinel (from 9th March 2021)
Gini Trower

St Albans Cathedral Music Trust is governed by a Trust Deed dated 30th October 1995 as subsequently amended on 9th November 2021. The Trust is registered as a charity by the Charity Commission (registration number 1051072).

PRINCIPAL ADDRESS

St Albans Cathedral
Sumpter Yard
St Albans
AL1 1BY

BANKERS

Barclays Bank plc
16-18 St Peters Street
St Albans
AL1 3NA

AUDITORS

Mercer & Hole
72 London Road
St Albans
AL1 1NS

TREASURER

Claire Stephenson
Head of Finance, St Albans Cathedral
Sumpter Yard
St Albans
AL1 1BY

INVESTMENT MANAGERS

CCLA Investment Management Ltd
Senator House, 85 Queen Victoria Street
London
EC4V 4ET

THE TRUST'S AIMS AND OBJECTIVES

The objects of the Trust as set out in its Trust Deed are:

- to promote and advance the education of the public in the art of music particularly at or in connection with the Cathedral and Abbey Church of St Alban;
- to promote and advance the Christian religion and public worship connected with it through the support of music at or in connection with the Cathedral and Abbey Church of St Alban.

The main aim of the Trust is to build a level of endowment sufficient to fund the day to day cost of St Alban Cathedral's music and to realise the Trust's vision for the Cathedral's musical life.

St Albans Cathedral has much to celebrate as a centre of musical excellence. Music is central to worship at the Cathedral. It expresses divine mysteries and human longings where words fail, and creates harmony out of difference. The Cathedral has two of the finest cathedral choirs in the country, a magnificent Harrison & Harrison organ, a busy programme of innovative musical events and concerts, and various voluntary choirs and music groups which add further dimension to the Cathedral's worship.

The Trust supports and develops the Cathedral's tradition of choral worship and promotes music of the highest quality in the Cathedral. Unlike many of the ancient cathedrals, St Albans Cathedral has no historic endowment to support its music. The costs of the choirs and the upkeep of the Cathedral's organs all have to be found from operating income.

The Trust's current vision is to enable and sustain a flourishing and financially secure musical life at the Cathedral through:

- daily choral services led by the cathedral choirs, with a continuing place for voluntary choirs and music groups;
- an organ which is sufficiently expressive and versatile for the Cathedral's use and for the International Organ Festival;
- high quality musical events with concert appearances by the Cathedral's own musicians and visiting performers;
- full orchestral works in the liturgical setting on occasions during the year;
- the sharing of the Cathedral's musical resources with others through an education programme that encourages children and young people to get involved in music and music-making, and by visits of the Cathedral's choirs to other parish churches;
- raising an endowment fund of £3m to meet the cost of maintaining the Cathedral's music and its instruments.

The cathedral choirs sing at services six days a week throughout term time, rehearsing both before and after school. Their work is all the more remarkable because the choristers do not attend a special choir school, but come from a wide variety of backgrounds and attend a number of different local schools. In addition to the daily round of choral services and rehearsal, the choirs take part in concerts, tours, broadcasts and recordings.

The Cathedral's Harrison & Harrison organ was built in 1962 to a design by Peter Hurford and Ralph Downes. It was the first organ to be installed in an English cathedral in the twentieth century on the classical principles of voicing, layout and chorus design. Containing over 4,500 pipes, varying from half and inch to 32 feet, each pipe plays its part in producing the glorious mixture of sounds that the organ delivers. The organ can be heard being played almost every day, either for choir rehearsal, organ practice or service accompaniment.

TRUST ADMINISTRATION

The board of trustees met on three occasions during the year to direct and monitor the work of the Trust. The Trust is supported in its day to day activities by St Albans Cathedral's development and finance teams.

The Trust Deed provides for two ex-officio trustees, namely the Dean of St Albans Cathedral and the Master of the Music of St Albans Cathedral. All other trustees are appointed by the board of trustees on the basis of suggested joint nominations from the two ex-officio trustees. Trustees hold office for a period of five years and may be reappointed for a further single term of five years. A trustee's term may be extended by up to two further years in exceptional circumstances and with the agreement of the board of trustees.

During the vacancy in the Dean of St Albans, the Cathedral's Acting Deans attended meetings of the board of trustees.

Trustees are selected for the skills and experience they can bring to the Trust, in particular expertise in music and fundraising. On appointment, trustees are briefed as necessary on the aims and objectives of the Trust and their legal responsibilities. All new trustees sign a model trustee declaration statement confirming their eligibility and responsibilities.

RELATIONSHIP WITH ST ALBANS CATHEDRAL

As an independent charity, the Trust is not controlled by St Albans Cathedral. Summarised results of the Trust's activities are disclosed for information in St Albans Cathedral's financial statements.

FINANCIAL SUPPORT FOR THE CATHEDRAL'S MUSIC

The Trust made grants to St Albans Cathedral in the year amounting to £124,309 (2020: £103,245). This comprised:

- £76,771 (2020: £73,995), being the investment income from the Trust's endowment funds in support of the day to day costs of the Cathedral's music;
- £6,000 (2020: £6,000) as an annual grant from the Trust's unrestricted funds to support of the day to day costs of the Cathedral's music;
- £4,000 (2020: £4,000) as an annual grant from the Trust's unrestricted funds to support the work of the Cathedral's development team, which provides significant fundraising and operational support to the Trust;
- £5,000 (2020: £5,000) as an annual grant from the Trust's unrestricted funds to support the provision of the Cathedral's choir chaperone, a role that is critical for both proper safeguarding, pastoral care, and engagement between choristers and choir parents;
- Further grants in 2021 comprised the following:
 - £22,738 towards the cost of refurbishment of the Song School, funded from the Salisbury Legacy Fund;
 - £9,800 towards the cost of enhancements to the Song School organ, funded from the Salisbury Legacy Fund;
- Further grants in 2020 comprised the following:
 - £11,750 towards the cost of microphones and livestreaming equipment installed by the Cathedral during the COVID-19 pandemic to enable music to be incorporated into online services, funded from the Salisbury Legacy Fund;
 - £2,500 to enable the recording of a series of online recordings by the Cathedral's choirs during the COVID-19 pandemic, funded from unrestricted funds.

THE TRUST'S FUNDRAISING AND DONOR ENGAGEMENT

The Trust receives donations through patron subscriptions, legacies, fundraising and endowments.

Alban Foundation

The Trust is delighted to continue to work in partnership with the St Albans Cathedral Alban Foundation. The foundation helps the Cathedral and its associated fundraising trusts to nurture, develop and promote fundraising, under the overall governance and direction of Chapter, the Cathedral's governing body. Its members play a pivotal role in fundraising activity, and support the stewardship and continued engagement of all those who have given financially in support of the Cathedral. The foundation supports Chapter in its determination of future fundraising priorities and works closely with this Trust, along with the St Albans Cathedral Education Trust and the Friends of St Albans Cathedral. The Chair of the Trust is an ex-officio member of the foundation.

Endowments

The generosity of donors past and present enables the Trust to support 4 endowed lay clerks and 35 endowed choristers. The Trust is also grateful to all those who support the 'Endow a Day's Music' programme, including 2 new endowment to this fund received during the year, with the number of endowed days now standing at 49 at the end of the year.

Legacies

The Trust is ever grateful to all who have contributed to the Trust by way of legacies. Legacy giving can often provide the Trust with the opportunity to make specific grants to the Cathedral in pursuit of the Trust's vision that it would otherwise be unable to do. Unrestricted legacies totalling £18,000 (2020: £5,000) were received in the year. A donation of £7,500 was also received from the Cathedral towards the 'Endow a Day's Music' programme in respect of specific recognition to a legacy received by the Cathedral in the year.

Donations

Donations of £18,482 (2020: £12,928) were received in the year from the Trust's many patrons and other donors, including those through the 'Adopt a Pipe' scheme. 'Adopting St Albans Cathedral' was launched by the Cathedral in 2019 as a new way for visitors and all who love the Cathedral to give their support to help safeguard its treasures for the next generation. One of the ways of giving is to 'Adopt a Pipe' from the magnificent Harrison & Harrison organ containing over 4,500 pipes. All gifts from 'Adopt a Pipe' are passed to the Trust, essentially as a successor scheme to the Trust's predecessor initiative along the same lines of 'Sponsor a Pipe'.

Fundraising Events

As a result of the ongoing COVID-19 pandemic, fundraising events were not able to resume in any meaningful form until September 2021.

Advent Procession and Dinner

The 2021 Advent Procession took place on 28 November 2021, raising £1,234 after expenses towards the work of the Trust. In light of COVID-19, it was agreed to cancel the usual annual dinner after this event.

CHARITABLE EVENTS IN SUPPORT OF THE CATHEDRAL'S MUSIC

As well as direct financial grants to St Albans Cathedral, the Trust seeks to support and promote the Cathedral's musical activity through various charitable events. Most of the year's activities had to be suspended due to the ongoing COVID-19 pandemic but were able to resume in September 2021.

Outreach Concert

The Trust's usual annual Outreach Concert could not take place.

St Albans Young Musicians Competition

Due to Covid-19 restrictions the tenth annual Young Musicians Competition had to be cancelled. The Trust has decided to take the opportunity to look afresh at the format of the competition to see how it can be best developed for future years.

Fayrfax Celebration

The 24th October 2021 marked the 500 year anniversary of the death of Robert Fayrfax, organist at St Albans Abbey between 1498 and 1502 and where he is buried. The occasion was marked by a talk and recital of his music and a special Evensong.

FUTURE PLANS AND ACTIVITIES

Donor Engagement

The Trust continues to produce a regular newsletter as an important means of promoting the aims and achievements of the Trust to both its patrons and wider audiences. A readily accessible leaflet titled 'How you can support music in St Albans Cathedral' has been produced and is available in the Cathedral and promoted at relevant events.

Fundraising Events

The Trust very much hopes that fundraising events will be able to return in greater number through 2022.

Charitable Events

The following events to support and promote the Cathedral's musical activity are scheduled to take place or have already taken place:

- Cathedral Choirs Concert
- Annual Patrons Evensong

Nave Organ

The Cathedral continues its longstanding and lengthy process of evaluating options for a new Nave section for the Cathedral's organ. A design has been found that will work acoustically, but this has inherent complexities over positioning and location that are not yet fully acceptable to the Cathedral's fabric regulators. The Trust is hopeful this position will change over time so that the project will be able to proceed. Funding remains set aside to support the project, comprising the Trust's Organ Appeal Fund and Lyne Legacy Fund.

Song School

The Trust has agreed to release up to £50,000 from the Salisbury Legacy Fund to enable the improvement of facilities in the Chapter House Song School, including new music desks, a modification to the new rehearsal organ and the purchase of a new rehearsal piano. £32,538 of this allocation has been utilised during the year. It is anticipated that the remaining allocation will be applied over the next couple of years.

THE TRUST'S FINANCIAL POSITION

Overall position

The Trust's net assets at the end of the year totalled £3,379,701 (2020: £2,954,734).

Investments

Funds held for long-term endowment purposes are invested with CCLA Investment Management in their CBF Investment Fund. CCLA manages investments for the Church of England, other charities and a number of local authorities. The Trust's investments in the CCLA CBF Investment Fund amounted to £3,228,930 (2020: £2,788,474) at the end of the year. Capital additions to the fund over the course of the year amounted to £14,700 (2020: £3,000). No withdrawals were made from the fund (2020: £Nil). The net annual gain on the fund arising from revaluations amounted to £425,756 (2020: £153,030).

The Trust's short-term deposit investments are held in the CCLA CBF Deposit Fund and amounted to £131,850 (2020: £154,235) at the end of the year.

Reserves

As the main aim of the Trust is to build a level of endowment sufficient to fund the day to day cost of the Cathedral's music and to realise the Trust's vision for the Cathedral's musical life, the vast majority of the Trust's funds are held as capital endowment funds. Where income has been donated to the Trust for specific purposes and has not been used in the year, this income is necessarily held in restricted income funds.

The Trust holds a relatively small level of free reserves in order to meet its financial liabilities, operational commitments and likely future ad-hoc grant funding. The Trust's total unrestricted funds stand at £222,555 (2020: £218,119) at the end of the year. Of these unrestricted funds, £58,557 (2020: £41,933) represent free reserves, the remainder being designated for specific purposes. The Trust aims to maintain its free reserves at a trend level of around £15,000 to £20,000. A combination of legacy receipts and the final distribution from the Cathedral's historic fundraising campaigns has meant the Trust's free reserves have been above this position in recent years. This is compounded by the reduction in the Cathedral's non-routine musical activities as a result of the COVID-19 pandemic. The board of trustees maintains an ongoing process to identify ways in which the Trust can best make use of these additional funds, both in the near-term and longer-term.

RISK MANAGEMENT

Careful consideration is given to the major risks and wider external environment to which the Trust is exposed. The board of trustees has ultimate responsibility for the Trust's overall risk management and internal control, recognising that any risk management and internal control framework can only manage risk to a reasonable level rather than to eliminate all risk of failure, and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

As a fundraising body, the Trust has specific risks to manage, principally in the areas of fundraising, financial control and compliance. Systems and procedures are in place covering each of these risk areas. The Trust uses the Cathedral's finance team for transactional processing, financial reporting and compliance activities, and the Cathedral's development team for fundraising advice and support. The Trust monitors its profile, reputation and presence on an ongoing basis.

PUBLIC BENEFIT

The board of trustees confirms it has complied with the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining its activities. By supporting St Albans Cathedral, the Trust helps promote religion and music of the highest standard that is available to all.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The board of trustees is responsible as follows with regard to the annual report and financial statements:

- preparing a statutory annual report and financial statements for each financial year in accordance with applicable law and regulations, which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period;
- stating that the financial statements comply in all material respects with the provisions of the Trust Deed, the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and with applicable law and United Kingdom Accounting Standards (together United Kingdom Generally Accepted Accounting Practice), as set out in the notes to the financial statements and subject to any material departures disclosed and explained in the financial statements;
- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to be financially viable.
- keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable the board of trustees to ensure the financial statements comply with applicable law and regulations; and
- safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board of trustees confirms the financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the provisions of the Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).



Christopher Muhley
Chair

On behalf of the board of trustees
8th March 2022

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF ST ALBANS CATHEDRAL MUSIC TRUST**

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 30th November 2021 set out on pages 11 to 23.

Responsibilities and basis of report

As the charity's trustees, 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 Trust'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 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 which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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.



Steve Robinson FCA
Mercer & Hole, 72 London Road, St Albans, AL1 1NS

4 April 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Unrestricted Funds 2021 £	Designated Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £	Total 2020 £
Income and endowments							
Donations	3	21,547	-	-	9,000	30,547	17,951
Legacies		18,000	-	-	-	18,000	5,000
Fundraising events	4	2,077	-	-	-	2,077	3,930
Charitable events	5	915	-	-	-	915	1,160
Investments		27	67	58	76,771	76,923	74,905
Total income		42,566	67	58	85,771	128,462	102,946
Expenditure							
Grants for the benefit of St Albans Cathedral towards music	6	15,000	32,538	-	76,771	124,309	103,245
Cost of fundraising events	4	-	-	-	-	-	1,343
Cost of charitable events	5	1,496	-	-	-	1,496	4,564
Publicity, printing and postage		534	-	-	-	534	508
Sundry expenditure		272	-	-	-	272	193
Audit fee		2,640	-	-	-	2,640	2,580
Total expenditure		19,942	32,538	-	76,771	129,251	112,433
Net income/(expenditure) before gains/(losses) on investments		22,624	(32,471)	58	9,000	(789)	(9,487)
Net gains/(losses) on investments	7	-	20,283	15,848	389,625	425,756	153,030
Net income/(expenditure)		22,624	(12,188)	15,906	398,625	424,967	143,543
Transfer between funds	10	(6,000)	-	-	6,000	-	-
Net movement in funds		16,624	(12,188)	15,906	404,625	424,967	143,543
Reconciliation of funds							
Total funds brought forward		41,933	176,186	145,948	2,590,667	2,954,734	2,811,191
Total funds carried forward		58,557	163,998	161,854	2,995,292	3,379,701	2,954,734

All amounts above relate to continuing operations and the Trust has no other recognised gains or losses.

BALANCE SHEET AS AT 30 NOVEMBER 2021

	Note	Total 2021 £	Total 2020 £
Fixed assets			
Investments	7	3,228,930	2,788,474
Current assets			
Debtors	8	3,692	80
Short term cash deposit investments		131,850	154,235
Cash at bank		19,525	11,945
		155,067	166,260
Current liabilities			
Creditors	9	(4,296)	-
Net current assets		150,771	166,260
Net assets		3,379,701	2,954,734
The charity's funds			
Endowment funds	10	2,995,292	2,590,667
Restricted funds	11	161,854	145,948
Designated funds	12	163,998	176,186
Unrestricted funds		58,557	41,933
Total funds	13	3,379,701	2,954,734

The financial statements on pages 11 to 23 were approved by the Trust's board of trustees on 8th March 2022 and signed on its behalf by



Christopher Muhley
Chair

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation and assessment of going concern

The financial statements have been prepared on a going concern basis under the historic cost convention, with items recognised at cost or transaction value, apart from investments which are held at market value. The financial statements have been prepared in accordance with (1) the second edition of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019; (2) the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in March 2018; (3) other applicable United Kingdom Generally Accepted Accounting Practice as it applies from 1 January 2019; and (4) the Charities Act 2011.

The financial statements have been prepared to give a true and fair view and have departed from the extant 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: Statement of Recommended Practice for charities preparing their financial statements in accordance with FRS 102, rather than following the since withdrawn Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005) as referenced in the regulations.

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in £ sterling, which is the functional currency. Monetary amounts in the financial statements are rounded to the nearest £.

The board of trustees consider that there are no material uncertainties related to events or conditions about the Trust's ability to continue as a going concern. The board is of the opinion that the Trust has sufficient ongoing income and cashflow to meet its liabilities as they fall due. The board has made its going concern assessment in respect of a period of at least one year from the date of approval of these financial statements.

Income

Income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability. If the use of income has been restricted, it is used for the specific purpose in the year or credited to an appropriate fund until it can be spent for the restricted purpose.

Income is received by way of donations from patrons, fundraising events, appeals, legacies, endowments and other general donations. Pledged donations are not recognised until they are received as too much uncertainty over their receipt remains. Gift Aid on donations is recognised when a claim is submitted to HMRC. Any Gift Aid recovered on a donation is considered to be part of that gift and is treated as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Legacies are accounted for on a receivable basis when they meet the income recognition criteria set out above. Typically this will only be after grant of probate, the executors have established there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met. Where legacies have been notified to the Trust and the criteria for income recognition have not been met, details of the legacy are disclosed if material in the notes to the financial statements.

Investment income is recognised on a receivable basis once it has been declared and notification has been received of the dividend due.

No amounts are included in the financial statements to reflect the value of services provided free of charge to the Trust by its many volunteers.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation to transfer economic benefits as a result of past transactions or events, it is probable that the transfer of economic benefit will be required in settlement and the monetary value of the settlement can be measured with sufficient reliability. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Taxation

The charity is entitled to certain tax exemptions on income and profits from investments, and on any surpluses from trading activities carried out in furtherance of the Trust's primary objectives, providing any income, profits and surpluses are applied solely for charitable purposes. Irrecoverable VAT is charged to the appropriate expenditure heading.

Investments

Listed investments are stated at market value as fair value at the balance sheet date. Realised and unrealised gains and losses relating to the movement in valuation or sale of listed investments are shown in the Statement of Financial Activities in the year in which they arise. Investments held on cash deposit are stated at face value at the balance sheet date. The carrying values of all investments are reviewed annually to establish if there has been any material impairment in their value.

Financial instruments

The Trust holds only basic financial instruments. The Trust's financial instruments, represented by its financial assets and financial liabilities, and their measurement bases, are as follows. The only class of financial instrument measured at fair value as opposed to amortised cost or cost less impairment is listed investments within fixed asset investments, the carrying amount of which is provided in note 7.

Financial assets:

Listed investments within fixed asset investments are held at fair value as set out above.

Amounts due from connected entities and accrued income within debtors are debt instruments measured at amortised cost and are held at their settlement amount less any provision for non-recoverability. Prepayments within debtors are not deemed to be financial assets as the cash settlement has already taken place.

Short term cash deposit investments are held at face value.

Cash at bank is held at face value.

Financial liabilities:

Amounts due to connected entities and accruals within creditors are debt instruments measured at amortised cost and are held at their anticipated settlement amount. Deferred income within creditors is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver charitable services rather than cash or another financial instrument.

Funds

Funds provide the financial resources for the Trust's activities. The Trust's funds are divided between unrestricted funds and restricted funds. Unrestricted funds are expendable at the discretion of trustees in furtherance of the Trust's objectives. Trustees also have the discretion to set aside unrestricted funds for designated purposes. Restricted funds can only be applied in furtherance of some particular aspect as defined by the donor at the point of donation or at the point of fund establishment. These conditions, or trusts, are binding on the trustees. The restriction can be explicitly declared by the donor, implied with their authority (e.g. in a public appeal), or established by the Trust Deed or other legal process. Much of the Trust's restricted income is held in the form of endowment, in line with the Trust's retention of such income as capital in order to generate investment income. The Trust's endowment is expendable, meaning the board of trustees can at some point in the future determine it is in the best interests of the Trust to spend or apply the endowment capital. The board of trustees has no current plans to do so.

Significant areas of judgement in the application of accounting policies

In preparing the financial statements, the board of trustees may have to make a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenditure in the application of the Trust's accounting policies set out above. The board does so on a continuous evaluation basis using historical experience and prudent evaluation of future events that are believed to be reasonable under the circumstances. In doing so the resulting accounting estimates will, by definition, seldom equal the related actual results. In the course of preparing the financial statements, no judgements have been made in the process of applying the Trust's accounting policies, other than those involving estimates about the future (which are dealt with separately below), that have had a significant effect on the recognition and measurement of assets, liabilities, income and expenditure in the financial statements.

Reporting uncertainty in the next reporting period from judgements involving estimates about the future

With respect to the Trust's next reporting period, the year ending 30 November 2022, the most significant areas of uncertainty from judgements involving estimates about the future that may affect the carrying value of assets and liabilities held by the Trust as at 30 November 2021 are as follows.

Legacy income:

In applying the Trust's accounting policies to legacy income, the board of trustees uses the income recognition criteria set out above to determine when it is appropriate to recognise legacy income in the financial statements. This can involve applying judgement over the probability of the income being received and its ability to be measured with sufficient reliability and, once recognised, estimation of the monetary value of the income. As at 30 November 2021 £Nil (2020: £Nil) of legacy income has been recognised in the financial statements that has not yet been physically received.

Listed investments:

Although not impacted by judgement involving estimates about the future as the fair value of listed investments can be accurately obtained at any one point in time, the following disclosure is provided due to the relative significance of the Trust's listed investments to overall net assets. The actual fair value of the Trust's listed investments at any one time is affected by market-driven changes and the performance of uncertain investment markets outside of the Trust's direct control. Fair values at the reporting date may therefore vary from those in the future. As at 30 November 2021 the value of the Trust's listed investments amounted to £3,228,930 (2020: £2,788,474) (see note 7).

2. Staff costs and key management personnel

The Trust does not have any employees. The trustees consider the board of trustees as comprising the Trust's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. No remuneration, other benefits or expenses is paid to any of the trustees.

ST ALBANS CATHEDRAL MUSIC TRUST
ANNUAL REPORT 2020-21

3. Donations

	2021 £	2020 £
Unrestricted funds		
General donations	18,482	12,928
Gift Aid	<u>3,065</u>	<u>2,023</u>
	<u>21,547</u>	<u>14,951</u>
Endowment funds		
Endow a Day's Music	8,700	2,400
Gift Aid	<u>300</u>	<u>600</u>
	<u>9,000</u>	<u>3,000</u>
Total donations	<u><u>30,547</u></u>	<u><u>17,951</u></u>

4. Fundraising events income and expenditure

	Income £	Expenditure £	Surplus/ (deficit) £
2021			
Advent Procession 2020	843	-	843
Advent Procession 2021	1,234	-	1,234
	<u>2,077</u>	<u>-</u>	<u>2,077</u>
2020 comparatives			
Advent Procession and Dinner 2019	3,292	1,343	1,949
Guitar Recitals	638	-	638
	<u>3,930</u>	<u>1,343</u>	<u>2,587</u>

5. Charitable events income and expenditure

	Income £	Expenditure £	Surplus/ (deficit) £
2021			
Young Musicians Competition	-	80	(80)
Patrons' Evensong	-	94	(94)
Fayrfax Celebration	915	1,322	(407)
	<u>915</u>	<u>1,496</u>	<u>(581)</u>
2020 comparatives			
Outreach Concert	-	3,470	(3,470)
Young Musicians Competition	1,160	1,094	66
	<u>1,160</u>	<u>4,564</u>	<u>(3,404)</u>

6. Grants for the benefit of St Albans Cathedral towards music

	2021 £	2020 £
Unrestricted funds		
Cathedral music	6,000	6,000
Cathedral development team	4,000	4,000
Online choir recordings	-	2,500
Cathedral choir chaperone	<u>5,000</u>	<u>5,000</u>
	<u>15,000</u>	<u>17,500</u>
Designated funds		
Microphones and livestreaming equipment	-	11,750
Cathedral Song School rehearsal organ	9,800	-
Refurbishment of Cathedral Song School	<u>22,738</u>	-
	<u>32,538</u>	<u>11,750</u>
Endowment funds		
Endow a Day's Music	17,458	16,718
Choristerships and Scholarships	<u>59,313</u>	<u>57,277</u>
	<u>76,771</u>	<u>73,995</u>
Total grants	<u>124,309</u>	<u>103,245</u>

As at 30 November 2021, the Trust had committed grant funding to be paid during the year to 30 November 2022 of £20,000 from its unrestricted funds, up to £17,462 as the remaining balance from £50,000 from its designated funds towards improvements to the Chapter House Song School, and the investment income that will be earned in that year from its endowment funds. In any one year, a number of further specific grants are likely to be paid from the Trust's unrestricted funds towards specific musical activities.

7. Investments

	2021 £	2020 £
Valuation at 1 December	2,788,474	2,632,444
Additions	14,700	3,000
Withdrawals	-	-
Net gain on revaluation	425,756	153,030
Valuation at 30 November	<u>3,228,930</u>	<u>2,788,474</u>

The Trust's investments are held in a pooled common investment fund with CCLA Investment Management in their CBF Investment Fund. The fund's portfolio comprises an actively managed, diversified portfolio of assets, investing mainly in equities but also including property, bonds and other asset classes. The historic cost of the investments held at 30 November 2021 is £1,527,466 (2020: £1,512,766).

8. Debtors

	2021 £	2020 £
All due within one year		
Prepayments and accrued income	3,692	80
	<u>3,692</u>	<u>80</u>

9. Creditors

	2021 £	2020 £
All due within one year		
Accruals and deferred income	4,296	-
	<u>4,296</u>	<u>-</u>

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10. Endowment funds

2021	Balance	Movement in resources			Reval'n	Balance
	1 Dec 2020	Incoming	Outgoing	Transfer		30 Nov 2021
	£	£	£	£	£	£
The Endow a Day's Music Fund	586,246	26,458	(17,458)	6,000	88,779	690,025
The Ouseley Trust Fund	82,327	2,503	(2,503)	-	12,698	95,025
The Bassett Legacy Fund	43,842	1,230	(1,230)	-	6,239	50,081
The Laing Choristership	40,778	1,207	(1,207)	-	6,120	46,898
The Alban 2000 Fund	91,809	2,717	(2,717)	-	13,780	105,589
The Steel Trust Scholarship	47,811	1,415	(1,415)	-	7,176	54,987
The Pilling Trust Choristership	58,948	1,744	(1,744)	-	8,848	67,796
The Fraternity of Friends Fund	58,429	1,729	(1,729)	-	8,770	67,199
The Friends of Cathedral Music Fund	58,216	1,723	(1,723)	-	8,738	66,954
The Wixamtree Trust Fund	56,164	1,662	(1,662)	-	8,430	64,594
The Kirby Laing Foundation Fund	56,164	1,662	(1,662)	-	8,430	64,594
The Parnell Scholarship	54,854	1,623	(1,623)	-	8,233	63,087
The Pallant Trust Scholarship	56,505	1,672	(1,672)	-	8,481	64,986
The Leathersellers Scholarship	51,866	1,535	(1,535)	-	7,784	59,650
The Fraternity of Friends (Hunt) Fund	50,638	1,498	(1,498)	-	7,600	58,238
The Steel Trust (No 2) Scholarship	46,368	1,372	(1,372)	-	6,959	53,327
The (John) Stocker Choristership	46,963	1,390	(1,390)	-	7,049	54,012
The Elles Carver Choristership	49,207	1,456	(1,456)	-	7,386	56,593
The Berryman Fund (Bowland Trust)	43,640	1,291	(1,291)	-	6,550	50,190
The Guy Whalley Choristership	46,189	1,367	(1,367)	-	6,932	53,121
The Atkinson Scholarship	51,929	1,537	(1,537)	-	7,794	59,723
The Hurford Scholarship	57,691	1,707	(1,707)	-	8,659	66,350
The Wixamtree Trust (No 2) Fund	40,563	1,200	(1,200)	-	6,088	46,651
The Blossom Choristership	40,748	1,206	(1,206)	-	6,116	46,864
The Andrews Choristership	57,971	1,715	(1,715)	-	8,701	66,672
The Foxton Choristership	65,861	1,949	(1,949)	-	9,885	75,746
The Rosecroft Lay Clerkship	113,044	3,345	(3,345)	-	16,967	130,011
The Fraternity of Friends (No 2) Fund	58,519	1,732	(1,732)	-	8,783	67,302
The Griffiths Choristership	46,398	1,373	(1,373)	-	6,964	53,362
The Filkin Choristership	46,398	1,373	(1,373)	-	6,964	53,362
The St Ronan Choristership	47,634	1,409	(1,409)	-	7,149	54,783
The Freeman Choristership	46,633	1,380	(1,380)	-	6,999	53,632
The Mainstone Choristership	35,334	1,045	(1,045)	-	5,303	40,637
The Fayfax Scholarship	86,298	2,554	(2,554)	-	12,953	99,251
The Oram Scholarship	39,990	1,183	(1,183)	-	6,002	45,992
The Salisbury Choristership	48,421	1,433	(1,433)	-	7,268	55,689
The Burton (Ford) Choristership	10,605	314	(314)	-	1,592	12,197
The Lois Scott Choristership	36,357	1,076	(1,076)	-	5,457	41,814
The Parkinson Choristership	33,309	986	(986)	-	4,999	38,308
	2,590,667	85,771	(76,771)	6,000	389,625	2,995,292

An amount of £6,000 was transferred from unrestricted funds to the Endow a Day's Music Fund in recognition of a legacy and donation given to the Trust in the year.

The Endow a Day's Music Fund supports the total cost of daily music at the Cathedral. Donors to the fund select a date on which their gift is recognised.

All other Endowment Funds are used for the purposes of sustaining the financial costs of a chorister or lay clerk within the Cathedral. Donors are associated in perpetuity with a particular chorister's or lay clerk's place in the choirs.

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10. Endowment funds (continued)

2020 comparatives	Balance	Movement in resources			Reval'n	Balance
	1 Dec 2019	Incoming	Outgoing	Transfer		30 Nov 2020
	£	£	£	£	£	£
The Endow a Day's Music Fund	552,341	19,718	(16,718)	-	30,905	586,246
The Bassett Legacy Fund	39,368	1,188	(1,188)	-	2,198	41,566
The Ouseley Trust Fund	80,129	2,418	(2,418)	-	4,474	84,603
The Laing Choristership	38,622	1,165	(1,165)	-	2,156	40,778
The Alban 2000 Fund	86,950	2,623	(2,623)	-	4,859	91,809
The Steel Trust Scholarship	45,283	1,366	(1,366)	-	2,528	47,811
The Pilling Trust Choristership	55,831	1,684	(1,684)	-	3,117	58,948
The Fraternity of Friends Fund	55,339	1,670	(1,670)	-	3,090	58,429
The Friends of Cathedral Music Fund	55,137	1,664	(1,664)	-	3,079	58,216
The Wixamtree Trust Fund	53,194	1,605	(1,605)	-	2,970	56,164
The Kirby Laing Foundation Fund	53,194	1,605	(1,605)	-	2,970	56,164
The Parnell Scholarship	51,953	1,567	(1,567)	-	2,901	54,854
The Pallant Trust Scholarship	53,517	1,615	(1,615)	-	2,988	56,505
The Leathersellers Scholarship	49,123	1,482	(1,482)	-	2,743	51,866
The Fraternity of Friends (Hunt) Fund	47,960	1,447	(1,447)	-	2,678	50,638
The Steel Trust (No 2) Scholarship	43,916	1,325	(1,325)	-	2,452	46,368
The (John) Stocker Choristership	44,479	1,342	(1,342)	-	2,484	46,963
The Elles Carver Choristership	46,605	1,406	(1,406)	-	2,602	49,207
The Berryman Fund (Bowland Trust)	41,332	1,247	(1,247)	-	2,308	43,640
The Guy Whalley Choristership	43,746	1,320	(1,320)	-	2,443	46,189
The Atkinson Scholarship	49,183	1,484	(1,484)	-	2,746	51,929
The Hurford Scholarship	54,640	1,649	(1,649)	-	3,051	57,691
The Wixamtree Trust (No 2) Fund	38,418	1,159	(1,159)	-	2,145	40,563
The Blossom Choristership	38,593	1,164	(1,164)	-	2,155	40,748
The Andrews Choristership	54,905	1,656	(1,656)	-	3,066	57,971
The Foxton Choristership	62,378	1,882	(1,882)	-	3,483	65,861
The Rosecroft Lay Clerkship	107,066	3,230	(3,230)	-	5,978	113,044
The Fraternity of Friends (No 2) Fund	55,424	1,672	(1,672)	-	3,095	58,519
The Griffiths Choristership	43,944	1,326	(1,326)	-	2,454	46,398
The Filkin Choristership	43,944	1,326	(1,326)	-	2,454	46,398
The St Ronan Choristership	45,115	1,361	(1,361)	-	2,519	47,634
The Freeman Choristership	44,167	1,333	(1,333)	-	2,466	46,633
The Mainstone Choristership	33,465	1,010	(1,010)	-	1,869	35,334
The Fayrfax Scholarship	81,734	2,466	(2,466)	-	4,564	86,298
The Oram Scholarship	37,876	1,143	(1,143)	-	2,114	39,990
The Salisbury Choristership	45,860	1,383	(1,383)	-	2,561	48,421
The Burton (Ford) Choristership	10,044	303	(303)	-	561	10,605
The Lois Scott Choristership	34,435	1,039	(1,039)	-	1,922	36,357
The Parkinson Choristership	31,548	952	(952)	-	1,761	33,309
	2,450,758	76,995	(73,995)	-	136,909	2,590,667

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11. Restricted funds

2021	Balance 1 Dec 2020 £	Movement in resources			Reval'n £	Balance 30 Nov 2021 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	145,948	58	-	-	15,848	161,854
	<u>145,948</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>15,848</u>	<u>161,854</u>

2020 comparatives	Balance 1 Dec 2019 £	Movement in resources			Reval'n £	Balance 30 Nov 2020 £
		Incoming £	Outgoing £	Transfer £		
Organ Appeal Fund	138,549	328	-	-	7,071	145,948
	<u>138,549</u>	<u>328</u>	<u>-</u>	<u>-</u>	<u>7,071</u>	<u>145,948</u>

The Organ Appeal Fund has been established to fund the restoration and enhancement of the Cathedral's renowned Harrison & Harrison organ.

12. Designated funds

2021	Balance 1 Dec 2020 £	Movement in resources			Reval'n £	Balance 30 Nov 2021 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	113,297	26	-	-	15,848	129,171
Salisbury Legacy Fund	62,889	41	(32,538)	-	4,435	34,827
	<u>176,186</u>	<u>67</u>	<u>(32,538)</u>	<u>-</u>	<u>20,283</u>	<u>163,998</u>

2020 comparatives	Balance 1 Dec 2019 £	Movement in resources			Reval'n £	Balance 30 Nov 2020 £
		Incoming £	Outgoing £	Transfer £		
Lyne Legacy Fund	106,076	150	-	-	7,071	113,297
Salisbury Legacy Fund	72,391	269	(11,750)	-	1,979	62,889
	<u>178,467</u>	<u>419</u>	<u>(11,750)</u>	<u>-</u>	<u>9,050</u>	<u>176,186</u>

12. Designated funds (continued)

The Lyne Legacy Fund is currently set aside to support the Cathedral's organs.

The Salisbury Legacy Fund was used first in 2016 to fund new pianos for the Cathedral, utilising an amount of £48,250. A further amount of £11,750 was used in 2020 to provide funding towards the costs of microphones and livestreaming equipment to enable music to be maintained as an integral part of the Cathedral's online worship. £50,000 has been set aside to help fund improved facilities for the Cathedral's Song School, including new choir stalls, a modification to the new rehearsal organ and the purchase of a new rehearsal piano. An amount of £32,538 from this £50,000 has been utilised in the year. The majority of the remaining set aside amount will be applied over the following couple of years. It is currently anticipated that the remainder of the fund will be used to support any further costs associated with the Cathedral's Song School or other music-related costs the trustees consider have a sufficient degree of permanence about them.

13. Analysis of net assets between funds

2021	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Investments	-	131,327	102,611	2,994,992	3,228,930
Debtors	3,392	-	-	300	3,692
Short term cash deposit investments	40,936	31,671	59,243	-	131,850
Cash at bank	18,525	1,000	-	-	19,525
Creditors	(4,296)	-	-	-	(4,296)
Total net assets	58,557	163,998	161,854	2,995,292	3,379,701

2020 comparatives	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Investments	-	111,044	86,763	2,590,667	2,788,474
Debtors	80	-	-	-	80
Short term cash deposit investments	30,908	64,142	59,185	-	154,235
Cash at bank	10,945	1,000	-	-	11,945
Creditors	-	-	-	-	-
Total net assets	41,933	176,186	145,948	2,590,667	2,954,734

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14. Analysis of prior year comparative statement of financial activities between funds

	Unrestricted Funds 2020 £	Designated Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Income and endowments					
Donations	14,951	-	-	3,000	17,951
Legacies	5,000	-	-	-	5,000
Fundraising events	3,930	-	-	-	3,930
Charitable events	1,160	-	-	-	1,160
Investments	163	419	328	73,995	74,905
Total income	25,204	419	328	76,995	102,946
Expenditure					
Grants for the benefit of St Albans Cathedral towards music	17,500	11,750	-	73,995	103,245
Cost of fundraising events	1,343	-	-	-	1,343
Cost of charitable events	4,564	-	-	-	4,564
Maintenance of Hurford Organ	-	-	-	-	-
Publicity, printing and postage	508	-	-	-	508
Sundry expenditure	193	-	-	-	193
Audit fee	2,580	-	-	-	2,580
Total expenditure	26,688	11,750	-	73,995	112,433
Net income/(expenditure) before gains/(losses) on investments	(1,484)	(11,331)	328	3,000	(9,487)
Net gains/(losses) on investments	-	9,050	7,071	136,909	153,030
Net income/(expenditure) and net movement in funds	(1,484)	(2,281)	7,399	139,909	143,543
Reconciliation of funds					
Total funds brought forward	43,417	178,467	138,549	2,450,758	2,811,191
Total funds carried forward	41,933	176,186	145,948	2,590,667	2,954,734

15. Transactions with related parties and connected entities

There have been no transactions between the Trust and related parties during the reporting period (2020: Nil). Although St Albans Cathedral does not meet the definition of a related party to the Trust, the following information is provided due to the connected relationship of the two entities. The Trust made grants for the benefit of the Cathedral towards music of £124,309 (2020: £103,245) in the year. The Cathedral also made a donation in the year to the Trust of £7,500 in respect of a legacy received by the Cathedral. The net balance owed by the Trust at the end of the year is £3,062 (2020: owed to/by the Trust £Nil).