

COMPANY REGISTRATION NUMBER: NI000492
CHARITY REGISTRATION NUMBER: NIC104669

**Board Of The Cathedral
Of St. Anne, Belfast**

Company Limited by Guarantee

Financial Statements

31 December 2017



Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2017

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Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2017

The directors, who are also the directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 December 2017.

Reference and administrative details

Registered charity name	Board Of The Cathedral Of St. Anne, Belfast
Charity registration number	NIC104669
Company registration number	NI000492
Principal office and registered office	Donegall Street Belfast BT1 2HB

The directors

Rt Rev AF Abernethy	
Rt Rev HC Miller	
Archdeacon DA McClay	
Archdeacon GTW Davison	
Rev JM Eldson	
Mrs GE McGaughey	
Dr V McKinley	
Mr R Totten	
Mr J Watson	
Mr MJ Hempton	
Dr ME Callender	
Rev Canon SH Lowry	
Mr RT Moore	
Mr AJ Reilly	
Dr RS Cromey	
Rev Canon JM Niblock	
Mr RH Kay MBE	
Mr PS Good	(Appointed 26 January 2017)
Rev Canon MF Taylor	(Appointed 27 April 2017)
Mr NEH Pierpoint	(Appointed 27 April 2017)
Very Rev JO Mann	(Resigned 20 September 2017)
Mr DT Alexander	(Resigned 27 April 2017)
Mr BJJ Fletcher	(Resigned 27 April 2017)
Rev Canon RW Jones	(Resigned 27 April 2017)

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Company secretary

Mrs G.E. McGaughey

Auditor

Muir & Addy
Chartered Accountants & Statutory Auditor
Muir Building
427 Hollywood Road
Belfast
BT4 2LT

Bankers

Bank of Ireland
Belfast City Branch
4-8 High Street
Belfast
BT1 2BA

Structure, governance and management

The Board of the Cathedral of St. Anne, Belfast is a company limited by guarantee (Company registration number NI000492) and a registered charity (Charity number NIC104669, Tax reference number XN 46142). The principal activity of the company during the year was the administration of the Cathedral of St. Anne, Belfast. The activities of the charity are governed by its memorandum and articles of association, the Constitution of the Church of Ireland and Diocese regulations. Its registered office and main business address is Donegall Street, Belfast, BT1 2HB.

The charity has one wholly owned subsidiary, Belfast Cathedral Enterprises Limited. Details of this holding can be found in a note to the accounts.

Board of the Cathedral of St. Anne, Belfast is governed by the Board of Directors. Directors are elected in accordance with the Constitution of the Church of Ireland, and receive external training as part of their induction to ensure they have appropriate competencies to fulfil their role.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Objectives and activities

The charity's key objectives are:

- the advancement of the Christian faith;
- to own and manage the real and personal property known as the Cathedral of St. Anne, Belfast, to accept gifts, to grant leases and to construct, alter, maintain and repair the Cathedral property;
- to maintain a Christian Cathedral;
- the promotion of Christian worship, support for community charities, musical and religious education and the pastoral support of parishioners; and
- the preservation and maintenance of the Cathedral buildings.

In order to fulfil these objectives the Board of the Cathedral of St. Anne, Belfast employs the following strategies:

- the maintenance of the Clergy.
- the organisation of daily worship and services to enable community organisations to celebrate their identities and contribute to society locally and nationally.
- the provision of information via local and national media, websites, monthly e-mails and magazines.
- the hosting of services of healing.
- the provision of choral education.

Strategic report

The following sections for achievements and performance, financial review and plans for future periods form the strategic report of the charity.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Achievements and performance

During the year the Board of the Cathedral of St. Anne, Belfast hosted a number of services involving local community groups in addition to daily prayer and healing services. These involved several thousand people and contributed to the Cathedral's annual pre-Christmas fund raising activities for charity.

The fund raising activities of the Cathedral include:

- professional management and Board monitoring of investments;
- receiving gift aid donations from its subsidiary company whose principal activities are car park and office rental management. The subsidiary also accounts for cathedral admissions and shop sales;
- encouragement of bequests and regular contributions from individuals and parishes for the maintenance of the Cathedral's activities;
- encouragement of Gift Aid for donations by individuals; and
- the annual pre-Christmas Cathedral sit-out for charities, which is now in its forty-first year.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Financial review

The results for the charity are set out on page 8. The deficit for the year ended 31 December 2017, before recognition of gains or losses on investments, was £122,838 compared with a deficit of £229,527 in the previous year. After recognition of gains or losses on investments for the current year there was an increase in funds totalling £72,929 compared with an increase in the previous year of £95,098. The principal sources of funding of the Board of the Cathedral of St. Anne, Belfast are donations and bequests, investment income and gift aid donations from its subsidiary company.

Tangible fixed assets are set out in a note to the financial statements. Depreciation is not charged on buildings on the grounds that the charge would be immaterial, due to residual value of the buildings being significantly in excess of their carrying amount. The rationale for this is to provide a fair presentation of the results and financial position of the company. The directors are of the opinion that the value of the fixed assets is not less than their net book value.

Fixed asset investments are set out within a note to the financial statements. The listed investments are managed by Investec, who take into account social, environmental and ethical issues when determining their investment policies for the company. During the year, there were gains on investments totalling £195,767 compared with gains in the previous year of £324,625. Income from the listed investments together with investment income received from the Representative Church Body and bank deposits for the year was £118,269 compared with £104,778 in the previous year.

During the year ended 31 December 2017 the principal activities of the charity's subsidiary, Belfast Cathedral Enterprises Limited, were that of rental of car park and office space, management of admissions to the Cathedral and operation of the Cathedral shop. The company made a gift aid donation of £175,354 (2016 - £162,887) to the Board of the Cathedral of St. Anne, Belfast leaving a profit for both years of £Nil.

The reserves of the Board of St. Anne, Belfast are split as follows:

- unrestricted funds - general funds that are expendable at the discretion of the directors.
- unrestricted funds - designated funds that have been earmarked for a particular project. The board have designated funds for building and development costs in respect of the property held by the charity.
- restricted funds - funds required to be spent on specific projects as stipulated by the donor.

Reserves policy

The Board of the Cathedral of St Anne, Belfast aim to hold unrestricted free reserves equivalent to twelve months of expenditure.

Plans for future periods

In the coming year the Board of the Cathedral of St. Anne will continue its Christian activities and the maintenance of the Cathedral property. The charity will continue to undertake fund raising to meet costs and make charitable donations.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

Directors' responsibilities statement

The directors, who are also directors for the purposes of company law, are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the company directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.


Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Directors' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2017

The directors' annual report and the strategic report were approved on 12 April 2018 and signed on behalf of the board of trustees by:



Mrs GE McGaughey

Secretary

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Independent Auditor's Report to the Members of Board Of The Cathedral Of St. Anne, Belfast

Year ended 31 December 2017



Opinion

We have audited the financial statements of Board Of The Cathedral Of St. Anne, Belfast (the 'company') for the year ended 31 December 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
 - the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.
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Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Independent Auditor's Report to the Members of Board Of The Cathedral Of St. Anne, Belfast (continued)



Year ended 31 December 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Independent Auditor's Report to the Members of Board Of The Cathedral Of St. Anne, Belfast *(continued)*



Year ended 31 December 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Independent Auditor's Report to the Members of Board Of The Cathedral Of St. Anne, Belfast *(continued)*



Year ended 31 December 2017

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, which appears to read 'J. Beacom'.

Mr John Beacom FCA (Senior Statutory Auditor)

For and on behalf of
Muir & Addy
Chartered Accountants & Statutory Auditor
Muir Building
427 Hollywood Road
Belfast
BT4 2LT

12 April 2018

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 December 2017

			2017		2016
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	349,450	349,295	698,745	551,405
Investment income	6	100,778	17,491	118,269	104,778
Total income		<u>450,228</u>	<u>366,786</u>	<u>817,014</u>	<u>656,183</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	66,647	20,000	86,647	66,298
Investment management costs	8	7,240	10,519	17,759	15,904
Expenditure on charitable activities	9,10	577,783	257,663	835,446	803,508
Total expenditure		<u>651,670</u>	<u>288,182</u>	<u>939,852</u>	<u>885,710</u>
Net (gains)/losses on investments	13	(79,807)	(115,960)	(195,767)	(324,625)
Net income and net movement in funds		<u>(121,635)</u>	<u>194,564</u>	<u>72,929</u>	<u>95,098</u>
Reconciliation of funds					
Total funds brought forward		2,422,314	2,153,320	4,575,634	4,480,536
Total funds carried forward		<u>2,300,679</u>	<u>2,347,884</u>	<u>4,648,563</u>	<u>4,575,634</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 28 form part of these financial statements.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Statement of Financial Position

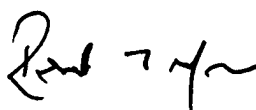
31 December 2017

		2017 £	2016 £
Fixed assets			
Tangible fixed assets	18	1,587,433	1,595,958
Investments	19	2,869,606	2,795,149
		<u>4,457,039</u>	<u>4,391,107</u>
Current assets			
Debtors	20	179,152	115,484
Cash at bank and in hand		248,460	339,365
		<u>427,612</u>	<u>454,849</u>
Creditors: amounts falling due within one year	21	236,088	247,322
Net current assets		<u>191,524</u>	<u>207,527</u>
Total assets less current liabilities		4,648,563	4,598,634
Provisions	22	—	23,000
Net assets		<u>4,648,563</u>	<u>4,575,634</u>
Funds of the charity			
Restricted funds		2,347,884	2,153,320
Unrestricted funds		2,300,679	2,422,314
Total charity funds	24	<u>4,648,563</u>	<u>4,575,634</u>

These financial statements were approved by the board of trustees and authorised for issue on 12 April 2018, and are signed on behalf of the board by:



Rev Canon JM Niblock
Director



Mr RT Moore
Director

The notes on pages 15 to 28 form part of these financial statements.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Net income	72,929	95,098
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,525	8,525
Net (gains)/losses on investments	(195,767)	(324,625)
Dividends, interest and rents from investments	(118,269)	(104,778)
Interest payable and similar charges	637	—
Accrued expenses/(income)	72,660	(49,537)
<i>Changes in:</i>		
Trade and other debtors	(63,668)	140,204
Trade and other creditors	(116,664)	24,363
Provisions and employee benefits	(23,000)	23,000
Cash generated from operations	(362,617)	(187,750)
Interest paid	(637)	—
Net cash used in operating activities	(363,254)	(187,750)
Cash flows from investing activities		
Dividends, interest and rents from investments	118,269	104,778
Purchases of other investments	(111,632)	(320,839)
Proceeds from sale of other investments	232,942	370,177
Net cash from investing activities	239,579	154,116
Cash flows from financing activities		
Proceeds from borrowings	32,770	—
Net cash from financing activities	32,770	—
Net decrease in cash and cash equivalents	(90,905)	(33,634)
Cash and cash equivalents at beginning of year	339,365	372,999
Cash and cash equivalents at end of year	248,460	339,365

The notes on pages 15 to 28 form part of these financial statements.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by guarantee, registered in Northern Ireland and a registered charity in Northern Ireland. The address of the registered office is Donegall Street, Belfast, BT1 2HB.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act (Northern Ireland) 2008.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the directors for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Motor vehicles - 25% straight line

Depreciation has not been provided in respect of the Cathedral building and dwellings of the Dean and Vicar because their estimated remaining useful economic life exceeds 50 years.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is registered as a charity with the Charity Commission for Northern Ireland.

The company is limited by guarantee, not share capital. In the event of the company being wound up, every member of the company is liable to contribute a sum not exceeding £1.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Cathedral collections	25,128	–	25,128
Sit-out donations	–	218,992	218,992
Stewardship giving	55,490	–	55,490
Parish donations	1,500	–	1,500
Donations and bequests	39,743	126,156	165,899
Donation from Belfast Cathedral Enterprises Limited	175,354	–	175,354
Mariners income	–	–	–
Choir fund income	–	4,147	4,147
Commercial and fundraising income	51,005	–	51,005
Insurance claim income	1,230	–	1,230
	<u>349,450</u>	<u>349,295</u>	<u>698,745</u>

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Cathedral collections	15,505	–	15,505
Sit-out donations	–	193,650	193,650
Stewardship giving	57,155	–	57,155
Parish donations	2,050	–	2,050
Donations and bequests	96,693	–	96,693
Donation from Belfast Cathedral Enterprises Limited	162,887	–	162,887
Mariners income	–	1,574	1,574
Choir fund income	–	1,830	1,830
Commercial and fundraising income	20,061	–	20,061
Insurance Claim Income	–	–	–
	<u>354,351</u>	<u>197,054</u>	<u>551,405</u>

Restricted and unrestricted donations received during the 2017 year include the following:

£104,100	Heritage Lottery Fund
£22,056	Belfast City Council
£8,125	Ulster Garden Villages
£5,515	All Churches Trust

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Income from listed investments	<u>100,778</u>	<u>17,491</u>	<u>118,269</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Income from listed investments	<u>89,320</u>	<u>15,458</u>	<u>104,778</u>

7. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Raising funds - wages and salaries	50,123	20,000	70,123
Raising funds - advertising	4,639	–	4,639
Raising funds - event costs	11,885	–	11,885
	<u>66,647</u>	<u>20,000</u>	<u>86,647</u>

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

7. Costs of raising donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Raising funds - wages and salaries	58,127	–	58,127
Raising funds - advertising	8,171	–	8,171
Raising funds - event costs	–	–	–
	<u>66,298</u>	<u>–</u>	<u>66,298</u>

8. Investment management costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Investment management fees	<u>7,240</u>	<u>10,519</u>	<u>17,759</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Investment management fees	<u>6,484</u>	<u>9,420</u>	<u>15,904</u>

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Salaries & pension	349,474	–	349,474
Establishment costs	105,075	10,797	115,872
Other administration costs	77,828	27,874	105,702
Repairs & maintenance	28,481	–	28,481
Cathedral sit-out	–	218,992	218,992
Depreciation	8,525	–	8,525
Support costs	8,400	–	8,400
	<u>577,783</u>	<u>257,663</u>	<u>835,446</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Salaries & pension	369,008	–	369,008
Establishment costs	111,367	–	111,367
Other administration costs	66,722	–	66,722
Repairs & maintenance	45,836	–	45,836
Cathedral sit-out	–	193,650	193,650
Depreciation	8,525	–	8,525
Support costs	8,400	–	8,400
	<u>609,858</u>	<u>193,650</u>	<u>803,508</u>

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

10. Expenditure on charitable activities by activity type

	Activities undertaken		Total funds 2017	Total fund 2016
	directly	Support costs		
	£	£	£	£
Salaries & pension	349,474	—	349,474	369,008
Establishment costs	115,872	—	115,872	111,367
Other administration costs	105,702	—	105,702	66,722
Cathedral repairs & maintenance	28,481	—	28,481	45,836
Cathedral sit-out	218,992	—	218,992	193,650
Depreciation	8,525	—	8,525	8,525
Governance costs	—	8,400	8,400	8,400
	<u>827,046</u>	<u>8,400</u>	<u>835,446</u>	<u>803,508</u>

11. Analysis of support costs

	Analysis of support costs	Total 2017	Total 2016
	£	£	£
Audit	<u>8,400</u>	<u>8,400</u>	<u>8,400</u>

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

12. Church of England Funded Pension Scheme

The Board of the Cathedral of St Anne, Belfast participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions: An investment strategy of:

- For investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
- A 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out below. Contributions since 2015 are shown for reference.

January 2015 to December 2017: Deficit repair contributions of 14.1% of pensionable stipends

January 2018 to December 2025: Deficit repair contributions of 11.9% of pensionable stipends

As at December 2014 and December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the following table.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

	2017 £	2016 £
Opening balance sheet liability	23,000	28,000
Deficit contribution paid	(2,000)	(3,000)
Interest cost (recognised in SOFA)	–	1,000
Remaining charge to the balance sheet liability	(21,000)	(3,000)
Closing balance sheet liability	<u>–</u>	<u>23,000</u>

The change to the balance sheet liability comprises the change in agreed deficit recovery plan, change in discount rate and assumptions between year-ends.

The balance sheet liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2017 %	2016 %	2015 %
Discount rate	1.4	1.5	2.5
Price inflation	3.0	3.1	2.4
Increase to total pensionable payroll	1.5	1.6	0.9

13. Net (gains)/losses on investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
(Gains)/losses on listed investments	25,796	37,481	63,277
(Gains)/losses on listed investments - unrealised	54,011	78,479	132,490
	<u>79,807</u>	<u>115,960</u>	<u>195,767</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
(Gains)/losses on listed investments	17,182	24,965	42,147
(Gains)/losses on listed investments - unrealised	115,156	167,322	282,478
	<u>132,338</u>	<u>192,287</u>	<u>324,625</u>

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

14. Net income

Net income is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	<u>8,525</u>	<u>8,525</u>

15. Auditors remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>8,400</u>	<u>8,400</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>720</u>	<u>—</u>

16. Particulars of employees

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017	2016
	£	£
Wages and salaries	370,410	359,343
Social security costs	26,724	23,514
Employer contributions to pension plans	20,663	44,278
	<u>417,797</u>	<u>427,135</u>

The average head count of employees during the year was 29 (2016: 29). The average number of full-time equivalent employees during the year is analysed as follows:

	2017	2016
	No.	No.
Clergy	2	2
Music staff, Organists & Choir tutors	16	16
Sextons	7	7
Administration staff	3	4
	<u>28</u>	<u>29</u>

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

17. Trustee remuneration and expenses

During the year the following trustees received remuneration and pension contributions:

The Very Reverend J.O. Mann received remuneration of £32,406 (2016: £44,940) and pension contributions of £6,957 (2016: £9,231).

Reverend J.M. Niblock received remuneration of £47,636 (2016: £30,026) and pension contributions of £12,540 (2016: £7,316).

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

18. Tangible fixed assets

	Freehold property £	Long leasehold property £	Motor vehicles £	Total £
Cost				
At 1 January 2017 and 31 December 2017	<u>1,400,901</u>	<u>186,532</u>	<u>34,100</u>	<u>1,621,533</u>
Depreciation				
At 1 January 2017	–	–	25,575	25,575
Charge for the year	–	–	8,525	8,525
At 31 December 2017	<u>–</u>	<u>–</u>	<u>34,100</u>	<u>34,100</u>
Carrying amount				
At 31 December 2017	<u>1,400,901</u>	<u>186,532</u>	<u>–</u>	<u>1,587,433</u>
At 31 December 2016	<u>1,400,901</u>	<u>186,532</u>	<u>8,525</u>	<u>1,595,958</u>

19. Investments

	Listed investments £	Shares in group undertakings £	Total £
Cost or valuation			
At 1 January 2017	2,795,049	100	2,795,149
Additions	111,632	–	111,632
Disposals	(169,665)	–	(169,665)
Fair value movements	132,490	–	132,490
At 31 December 2017	<u>2,869,506</u>	<u>100</u>	<u>2,869,606</u>
Impairment			
At 1 January 2017 and 31 December 2017	–	–	–
Carrying amount			
At 31 December 2017	<u>2,869,506</u>	<u>100</u>	<u>2,869,606</u>
At 31 December 2016	<u>2,795,049</u>	<u>100</u>	<u>2,795,149</u>

All investments shown above are held at valuation.

Listed investments

The aggregate market value of listed investments is £2,869,506 (2016: £2,795,049).

Financial assets held at fair value

Listed investments are recorded at market value. Shares in subsidiary are recorded at cost.

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

20. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	121,882	74,539
Other debtors	57,270	40,945
	<u>179,152</u>	<u>115,484</u>

21. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	32,770	—
Accruals and deferred income	97,983	25,323
Social security and other taxes	—	8,650
Other creditors	105,335	213,349
	<u>236,088</u>	<u>247,322</u>

22. Provisions

	Pensions and similar obligations £
At 1 January 2017	23,000
Charge against provision	(23,000)
At 31 December 2017	<u>—</u>

23. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £20,663 (2016: £44,278).

Board Of The Cathedral Of St. Anne, Belfast

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

24. Analysis of charitable funds

Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	Gains and losses £	At 31 December 2017 £
Parochial account	(446,899)	382,656	(615,949)	–	(680,192)
Board Discretionary Purposes Fund	532,637	11,296	(2,068)	22,792	564,657
General Parochial Purposes Fund	242,961	–	(1,115)	12,291	254,137
Building Fund	1,187,310	42,890	(28,481)	–	1,201,719
Development Fund	906,305	13,386	(4,057)	44,724	960,358
	<u>2,422,314</u>	<u>450,228</u>	<u>(651,670)</u>	<u>79,807</u>	<u>2,300,679</u>

Restricted funds

	At 1 January 2017 £	Income £	Expenditure £	Gains and losses £	At 31 December 2017 £
Specific Parochial Purposes Fund	2,062,191	143,647	(69,190)	115,960	2,252,608
Choir Fund	91,129	4,147	–	–	95,276
Sit-out Fund	–	218,992	(218,992)	–	–
	<u>2,153,320</u>	<u>366,786</u>	<u>(288,182)</u>	<u>115,960</u>	<u>2,347,884</u>

25. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Tangible fixed assets	1,587,433	–	1,587,433	1,595,958
Investments	1,169,896	1,699,710	2,869,606	2,795,148
Current Assets	(456,650)	648,174	191,524	184,528
Net assets	<u>2,300,679</u>	<u>2,347,884</u>	<u>4,648,563</u>	<u>4,575,634</u>