



Report of the Trustees and Financial Statements
for the year ended 31 March 2022

A company limited by guarantee

Registered Company No.: 1119137 (England and Wales)

Registered Charity No.: 1113097

Contents of the financial statements for the year ended 31 March 2022

	Page
Reference and Administrative Details	1
Charitable Objects	2
Report of the Trustees	3 to 9
Report of the Independent Auditors	10 to 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 32

Reference and administrative details

President

The Most Honourable The Marquess of Salisbury KG KCVO PC DL

Episcopal Patron

Rt Rev'd J Wyn Evans BA BD FRHistS FSA

Vice-Presidents

Lord Brooke of Sutton Mandeville CH PC

Hugh Johnson OBE

Thomas Lloyd OBE MA

John Porteous OBE

Professor Andrew Saint Hon FRIBA

Board of Trustees 2021-22

Roger Evans MA *

Chairman

Peter Scott MBE BA FCA *

Honorary Treasurer

Simon Evans MA

Company Secretary

Rev'd Philip Gray BA CertEd

Honorary Chaplain

Rev'd J Alex Barrow MA Oxon M Litt BSc *

Sir Paul Britton CB CVO MA *

George Bulmer MA*

Catherine Cullis MBE MA

John Edwards BA ACA

Elizabeth Green PhD

Richard Halsey MBE BA FSA

John Morgan-Guy BA PhD LicDD DipMin FRHistS FSA

Howard Pool BA FCMA *

Kirstie Robbins MA DipArch MArch RIBA AABC

John Vigar MA FSA Scot FRSA

* Denotes members of Investment and Finance Sub-Committee

Director

Rachel Morley BEng PgDip

Assistant Director

Rebecca Whewell BA MSc

Registered Office

70 Cowcross Street, London EC1M 6EJ

office@friendsoffriendlesschurches.org.uk

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Bankers

Coutts & Co, St Martin's Office, 440 Strand, London WC2R 0QS

National Westminster Bank plc, 46 Notting Hill Gate, London W11 3HZ

Auditors

Xeinadin Audit Limited, 2 Hilliards Court, Chester Business Park, Chester, CH4 9QP

Broker

J.M.Finn & Co, 4 Coleman Street London EC2R 5TA

Solicitors

Clifton Ingram, 22-24 Broad Street, Wokingham RG40 1BA

Charitable Objects

The objects of the charity are:

- (a) To secure the preservation of churches and chapels or of any part thereof, in the British Islands, whether belonging to or used or formerly used by the Church of England or by any other religious body, as places of public worship; to secure the preservation of monuments, fixtures, fittings, stained glass, furniture, ornaments and chattels in such churches or chapels; and to secure the preservation of the churchyard or burial ground belonging or formerly belonging to any such church or chapel.
- (b) To secure the preservation of buildings of historic interest or architectural merit or beauty or of any part thereof, in the British Islands, used or formerly used as places of worship, for public access and the benefit of the nation; to secure the preservation of monuments fixtures, fittings, stained glass, furniture, ornaments and chattels in such buildings for public exhibition and the benefit of the nation; and to secure the preservation of the churchyard or burial ground belonging to or formerly belonging to any such building for public access and the benefit of the nation.
- (c) To furnish or equip any such church, chapel or building, or any part thereof, as aforesaid, and to use it for the advancement of the Christian religion, or such other charitable purposes as the Charity shall from time to time determine.
- (d) To repair, maintain, improve, beautify or reconstruct any church, chapel or building, or any part thereof, as aforesaid, or the monuments, fixtures, fittings, stained glass, furniture, ornaments or chattels therein, or the churchyard or burial ground belonging or formerly belonging thereto.
- (e) To promote all or any of the aforesaid objects either by means of the acquisition by purchase, gift or otherwise of any such church, chapel, or building, or any part thereof, as aforesaid, or any interest therein, or of such chattels or land as aforesaid, or by means of grants or loans to any parochial church council, trustees or persons or body of persons whether corporate or incorporate having the ownership, care or custody of any such church, chapel or building, or of any part thereof, as aforesaid, or of any such chattels or land as aforesaid or in such other manner as the Charity shall from time to time determine.

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

In developing objectives and activities, the Trustees have given careful consideration to the Charity Commission's Guidance on public benefit.

Structure, Governance & Management

The Charity was incorporated as a company limited by guarantee on 20 June 1973. Following the acquisition of charitable status in its own right on 13 March 2006, it took over the entire undertaking of the old, unincorporated charity (registered charity no. 209456) of the same name originally established in 1957, with effect from 1 April 2006. On 11 February 2008 the Charity Commission approved a Uniting Direction under section 96(5) of the Charities Act 1993 which directed that the predecessor charity (charity no. 209456) should be treated as forming part of the new charity. This authorised, inter alia, a single set of Accounts to be prepared for the whole entity.

The Charity is governed by its Memorandum and Articles of Association, as amended on 26 October 2005 and 6 March 2006 as part of the above re-organisation.

The Trustees of The Friends form the Council which is responsible for the governance and management of the Charity. Trustees are as listed on page 1 and are all elected annually by members of the Company at the Annual General Meeting, with the Council having the power to elect further members, where necessary, between meetings. When required, nominations for new appointments to the Council are sought from those with appropriate understanding of conservation matters and skills of benefit to the Charity and Company. Potential Trustees meet the Chairman and Director before a final proposal is put to the Council. Appointments run to the next Annual General Meeting. Each new member of the Council is briefed about the Charity and guidance on the responsibilities and duties of Trusteeship. Relevant material from the Charity Commission is distributed from time-to-time to all members of the Council to ensure that they remain up to date with current duties and practice.

The Council met five times in 2021-22, and the meetings were supplemented by the circulation of additional information as necessary, principally by e-mail, to keep the Council fully informed. There is an Investment and Finance Sub-Committee, which met twice during the year.

The Annual General Meeting, which accepted the annual report for 2020-21, was held on 16 October 2021 at St Mary's, Temple Corsley, Wiltshire. Our Chairman, Roger Evans, chaired the meeting, and 59 members attended.

All Trustees are honorary, and none receives a salary or remuneration. The Charity relies heavily on volunteers, particularly in the local groups of Friends based at many of our churches. Throughout 2021-22, our small team worked partly from home and partly from the office at Cowcross Street.

On 27 September 2021, the working partnership with the Ancient Monuments Society was terminated following 12 months' notice and work to separate the charities' operations.

The Charity benefits from the services of volunteer Field Officers in Wales, Susan Dalton and Andrew Pike. Throughout 2021-22, Clare Kirk has provided freelance digital content creation services.

Achievement & Performance

New vestings

Financial year 2021-22 brought vesting of two churches in England. These are St Helen's, Skeffling in East Yorkshire and St Andrew's, South Runcton in Norfolk.

St Helen's is Grade I listed. It dates from the mid-1460s, and survives very much true to its original form. In addition to the medieval arcade, carved bosses and graffiti font, there are some good 18th-century box-pews and monuments. St Helen's is suffering structural movement and it will require significant repairs to mend damage caused by a lead theft several years ago.

St Andrew's is Grade II* listed and is an excellent Neo-Norman rebuilding of a ruined 12th-century church. It was built to the designs of John Brown of Norwich in 1839 and is one of the first Victorian churches in Norfolk. The church was earmarked for sale for domestic conversion following years of neglect. We are pleased that we can now save it for the benefit of the nation, and are currently planning the extensive repairs needed.

Conservation & repair

The past 12 months have been dominated by the Programmes of Major Works scheme, which was part of the DCMS's Culture Recovery Fund. In July 2021, a second round of this scheme was launched. In total, the Friends received grants for repairs to twelve churches in England. (Note: heritage is devolved so this scheme was for England only.)

The repairs undertaken as part of this scheme are:

- Re-roofing, new drainage, masonry repairs and replastering at St Mary's, Hardmead, Bucks.
- Re-roofing, new drainage and rendering at Strict & Particular Baptist Chapel, Waddesdon, Bucks.
- Underpinning and drainage repairs at St Mary's, Mundon, Essex.
- Renewal of lath and plaster ceiling at Tuxlith Chapel, Milland, West Sussex.
- Re-roofing, underpinning, masonry, glazing and plaster repairs at St Giles's, Tadlow, Cambs.
- New drainage and glazing at St Mary Magdalene's, Caldecote, Herts.
- Plastering internal walls at St Denis's, East Hatley, Cambs.
- Repairs to roofs and masonry, and internal plasterwork at St Mary's, Fordham, Norfolk.
- Repairs to roofs, masonry, plasterwork and glazing at St Lawrence's, Hutton Bonville, ER of Yorks.
- Repair and redecoration of plaster and timber interior at St Mary's, Long Crichel, Dorset.
- Repairs to masonry, roofs, glazing and plasterwork at St Helen's, Skeffling, ER of Yorkshire.
- Repairs to masonry and floors at St Andrew's, Wood Walton, Cambs.

In addition to these works, our major repair project in Wales for 2021-22 was focused on St Cynhaearn's, Ynyscynhaearn, Gwynedd. This church resides in romantic isolation, but is battered by the elements. Over the course of several months, we repointed the external walls and rendered the west elevation in hot-mixed lime render. This was then limewashed in with an ochre-olive pigmented paint. Windows and rainwater goods throughout were repaired and underwent redecoration, and some internal plaster repairs were also undertaken. Once the interior has sufficiently dried out, we will reinstate the Georgian decorative scheme.

In late 2021, we were especially grateful to benefit from Cadw's Minor Works and Maintenance fund. This enabled us to:

- Repair the timber ceiling at St Andrew's, Bayvil, Pembrokeshire.
- Repair the leaky bellcote at St Mark's, Brithdir, Gwynedd.
- Undertake localised repairs to windows, walls, and floors at St Lawrence's, Gumfreston, Pembrokeshire.

Funding

2021-22 saw the successful continuation of the arrangement between the Charity, Cadw, and the Church in Wales. This arrangement involves an annual funding application to Cadw and the Church in Wales towards the repair and maintenance of redundant Welsh Anglican churches of architectural and historic importance vested with the Charity. For each recent year, this has resulted in £80,000 in grant-aid from Cadw and £40,000 from the Church in Wales. In 2021-22, both funders slightly increased their grant and we received £50,000 from the Church in Wales and £85,968 from Cadw. (£135,968 in total). We are immensely grateful for the financial support provided by Cadw and the Church in Wales.

Fundraising

With a growing estate and no regular public funding in England, fundraising becomes increasingly critical. The Charity is indebted to those who remember The Friends in their will, who donate and who fundraise for our work. In the last financial year, legacies have been received from Colin Sparks, Robin Perry and Richard Benny.

In 2021-22, our applications the Welsh and English Culture Recovery Funds were successful. In Wales, we received £139,475 towards running and re-opening costs. In England, we received £2,110,000 (80% eligible costs) towards the repair of twelve churches.

We also received generous grants from the Francis Coales Charitable Foundation, The Drapers' Charitable Fund, Bartleet Family Trust, Samuel Gurney Foundation, and J & M Britton Trust.

This financial support during one of the most challenging of periods has been a real lifeline for The Friends. It has enabled us to tackle some of the most difficult and expensive repairs. It means that our organisation will be better placed to weather the inevitable lean years ahead, and help more important places of worship when they close.

Membership subscriptions are a significant part of our income and are essential in enabling us to plan repairs for the year ahead, and we are immensely grateful to the people who renewed their membership of the Friends following the termination of the joint membership scheme with the Ancient Monuments Society. We are equally grateful to our new members – thank you all for your support.

Collections made by volunteers and Friends groups at services and events are also a vital contribution to the continuation of our work and we are indebted to them.

Volunteering

Trustees encourage the establishment of local groups of Friends and volunteers, who care for the buildings on a day-to-day basis and without whom we could not do our work. Most of our churches have active volunteers and Friends groups.

Our volunteers are the backbone of the charity. We are so grateful to the team of people across England and Wales who support the day-to-day running of our buildings. They do so much from opening churches and welcoming visitors, to writing guidebooks and organising events, and everything in between. Thank you to all who volunteer for our churches.

In addition, in July 2021, St Mary Magdalene's, Caldecote, Hertfordshire was subjected to wanton vandalism. We were astonished by the outpouring of support, as people from near and far arrived at the church to donate cleaning supplies, lend a hand, drop off cake. This meant so much – especially to Grazyna Tutak, the lead volunteer at St Mary Magdalene's. In particular, thank you to Adrian Powter, who turned up day after day and worked so hard to revive the church.

In September 2021, we held a small working party at St Lawrence's, Gurfreston in Pembrokeshire. Local volunteers and the three scholars from the Society for the Protection of Ancient Buildings spent a day stripping ivy, unclogging drains and hacking back vegetation in advance of the repairs which began on site a few weeks later.

Finally, we wish to pay special tribute to Suzanne Millard, who was our lead volunteer at St Cynhaearn's, Ynyscynhaearn, Gwynedd for almost twenty years. Suzanne worked tirelessly for this church. She died in December 2021. Rest in peace.

Press & PR

Throughout 2021-22, we sought to increase the profile of the Charity and raise awareness about our work.

We enjoyed significant press coverage: in the national press, with articles appearing in *The Times*, *The Telegraph* and *The Observer*; in local press, such as *Cambrian Times* and *Eastern Daily Press*; in special interest magazines such as *Historic Churches*; and on websites such as *Atlas Obscura*.

The Director and volunteers spoke on various radio shows including BBC Radio Wales, BBC Radio Solent and BBC Radio Cambridgeshire. We are grateful for the support of local press who featured our work and events throughout the past twelve months.

The Director spoke at various online conferences and podcasts throughout 2021-22, including, the Future for Religious Heritage, History Hit (Gone Medieval), The Rest is History, Society for Architectural Historians in Great Britain, and Society for the Protection of Ancient Buildings (*Transformation* lecture series).

We have significantly increased our digital output and seek to generate engaging, attractive content for our online supporters. We are active on four channels: Twitter, Facebook, Instagram, and LinkedIn, and enjoy our online supporters and engagement. On 31 March 2021, our supporter numbers on each channel were 42,024 (Twitter), 13,669 (Facebook), 18,653 (Instagram) and 3,602 (LinkedIn), giving an online following of 77,948 and a monthly audience reach of 2.9m.

In 2021, we launched a new website. The existing site was old, difficult to update, and offered limited functionality. The new site is easier for staff to manage, the membership sign-up and donations pages have been simplified, and crucially the new site is integrated with our supporter database. This means records are automatically generated and updated, and our staff no longer need to manually enter each member.

In 2021, we also launched our new independent newsletter. As the previous newsletter was so beloved, we didn't stray too far from this, and kept the sections people value and enjoy the most.

Charitable Trusts & Funds

Brett Trust

The Charity administers the Brett Trust for the benefit of churches at Tilbury-juxta-Clare, Ovington, Essex, and St Stephen's, Bournemouth. A grant towards the structural repair and re-roofing of St Mary's, Ovington remains in place.

Cottam Will Trust

The Charity administers a Trust Fund for the purchase of objects of beauty for the furtherance of religion, to be placed in ancient Gothic churches.

In 2021-22, four applications were made to the Cottam Will Trust. Two awards were made. These were: £5,290 for new vestments at Shrewsbury Abbey, Shropshire, which welcomed their first curate for many years, and £1,000 for an altar table at St John the Baptist, Sutterby, Lincolnshire.

Grants previously awarded which were drawn down in 2021-22 are: £2,500 towards a stained-glass window at St John the Baptist, Scampton in Lincolnshire, and £7,200 towards stained glass windows at St Peter's, Wickham Bishops, Essex.

Other churches

The Charity administers special funds for the benefit of certain other churches: St James's, Llangua in Monmouthshire, St Laurence's, Besselsleigh, Oxfordshire and St Brise's, Eglwys Brewis, Glamorgan.

Financial review

The financial position is set out in the accounts for the year. These show net incoming resources of £436,555 (2021 £112,589) from which losses on investments of £40,571 (2021 gains £977,308) need to be adjusted making a total surplus movement on funds of £395,984 (2021 £1,089,897). Surplus reserves carried forward amount to £5,152,503 and this includes investments of £4,272,820 and cash at bank of £1,056,002. This is the first year that our reserves have exceeded £5 million. Trustees are delighted to record their gratitude for the receipt of £359,671 in donations and £350,950 in legacies as reported elsewhere in this report.

There were generous grants from the DCMS Culture Recovery Fund (via Historic England) and Wales Culture Recovery Fund (via Cadw). There were generous donations from trusts such as the Bartleet Family Trust, the Samuel Gurney Foundation, J & M Britton Trust. There have been donations from many kind individuals, who wish to remain anonymous.

The Charity remains a beneficiary under the Listed Places of Worship Scheme which allows VAT paid out on repairs and alterations to be reimbursed. The scheme's de minimis rule does however prevent the return of VAT that is under £1,000 in a standalone project. Currently, this scheme is guaranteed until 31 March 2025.

Reserves policy

The unrestricted reserves of the Charity are an inherent part of the risk management policy. They represent funds for the periodic repair of existing vested churches, to provide for the repair of new vestings (excluding those covered by the New Mechanism for the conservation of redundant churches in Wales), and to fund working capital required between the commencement of contracts and the receipt of third-party grants. The Council considered that, as of 31 March 2022, the unrestricted reserves were adequate to meet immediate needs but, although they are growing, they are in no way sufficient to address long-term demands on the Charity. There remains a backlog of repairs at existing vestings, and the ability to save more churches depends critically upon funds being available for that purpose.

The restricted reserves of the Charity represent the funds held for the Cottam Will Trust left by Father Cottam, the Brett Trust established by Miss Winifred Brett in memory of her parents, the fabric funds for specific churches and grants received under the New Mechanism. The objects of the Cottam Will Trust and the Brett Trust are set out above. The assets held on behalf of these trusts are to provide income that is expended in accordance with the objects of those trusts. Specific fabric funds are held to pay for repairs to the relevant churches as required.

Unspent funds held for the New Mechanism arise because one of the two funders, the Church in Wales, agrees to release money before bills are received to avoid the need for the Charity to take out bank loans and we are grateful for this.

Grant-making policy

The major grant-making activity of the Charity relates to the Cottam Will Trust. Applications received are considered by the Council and grants are awarded based upon the conformity of the application with the objects of the Trust, the merit of the project and the financial need of the applicant. Further details of the conditions which applications must meet before they will be considered can be obtained from the office and are given on the Charity's website.

Grants are made from the Brett Trust in response to applications from the three churches for whose benefit the Trust was established.

It is not the policy of the Council to invite applications for grants from the unrestricted funds. However, the Council has made and will continue to make occasional small grants for the furtherance of the Charity's objects from these funds entirely at the discretion of the Council.

Investment Policy

The Council has appointed an Investment and Finance Sub-Committee which usually meets twice a year. The Sub-Committee makes a formal report of its meetings to the Council. The Articles of Association, as amended in 2005 and 2006, grant the Council permissive rights to delegate discretionary investment powers and nominee status to an outside organisation. Detailed negotiations, assisted by the Charity's legal advisors, resulted in clearance from the Charity Commission to put these powers into force early in 2008-09. The function of the Investment and Finance Sub-Committee thus changed from reviewing individual holdings to that of recommending to the Council the strategic context within which our broker is delegated to operate and the subsequent monitoring of performance. The decision to buy or sell investments now rests with our broker alone. The strategic contexts for the general portfolio and for the Cottam Will Trust are set differently in order to match the objectives of the separate funds. Underlying strategy may, from time to time, be reviewed.

The members of the Investment and Finance Sub-Committee receive a quarterly report from the brokers showing the current composition of the portfolio and a current valuation. The changes are also reported to the office of the company. The report summarises actual income received and predictions of future income together with indicators which assist the Sub-Committee in its supervisory and monitoring role. A representative of J. M. Finn & Co, our broker, usually attends meetings of the Sub-Committee.

Following the redemption of government stocks in early 2015 we are holding funds for Waddesdon Hill pending a decision on reinvestment.

Risk Management

The Trustees have identified the major risks to which the Charity is exposed; systems have been established to mitigate those risks and are reviewed regularly. Trustees commission regular assessments of each of the vestings, particularly in Wales where we have the advantage of a paid Field Officer. Trustees are aware of their responsibility under the Equality Act. We maintain a policy of insurance for all churches and the policies on insurance were comprehensively reviewed in 2014-15. The financial position is regularly monitored by the Council.

Membership

At the time of writing this report, the total memberships of the Friends of Friendless Churches was 2,701.

Future Outlook

The Charity will continue to strive for the preservation and conservation of the historic churches in its possession. The level of giving and legacies in recent years, and specifically grants in 2021-22, has enabled the Charity to tackle the backlog of repairs at certain places of worship in its care, and the taking on of additional threatened churches into care - although the Charity's capital base is likely to remain modest for a body charged with looking after 59 buildings.

The Trustees are mindful that a third of the reserves held by the Charity is restricted to the purpose of the Cottam Will Trust alone (see also page 6 of the Trustees' Report).

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of Friends of Friendless Churches for the purposes of company law) are responsible for preparing the *Report of the Trustees* and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Xeinadin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board of Trustees:

Roger Evans MA
Chairman

19 August 2022

Opinion

We have audited the financial statements of Friends of Friendless Churches (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable company's members and trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members and trustees 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 charitable company's affairs as at 31 March 2022 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; and
- 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

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 Board is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management team and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management team as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Helen Furlong F.C.C.A. (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
Chartered Accountants and Statutory Auditors
2 Hilliards Court
Chester Business Park
Chester
CH4 9QP

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	806,048	2,913,037	-	3,719,085	1,759,222
Other trading activities	4	20,728	-	-	20,728	6,439
Investment income	5	<u>74,285</u>	<u>8,641</u>	<u>2,421</u>	<u>85,347</u>	<u>81,713</u>
Total		901,061	2,921,678	2,421	3,825,160	1,847,374
EXPENDITURE ON						
Raising funds	6	17,985	7,967	1,418	27,370	23,055
Charitable activities	7	<u>200,172</u>	<u>3,161,063</u>	<u>-</u>	<u>3,361,235</u>	<u>1,711,730</u>
Total		<u>218,157</u>	<u>3,169,030</u>	<u>1,418</u>	<u>3,388,605</u>	<u>1,734,785</u>
INET NCOME/(EXPENDITURE)		682,904	(247,352)	1,003	436,555	112,589
Transfer between funds	20	<u>(272,690)</u>	<u>272,690</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)		410,214	25,338	1,003	436,555	112,589
Gains/(losses) on investment assets	11	<u>29,656</u>	<u>(66,598)</u>	<u>(3,629)</u>	<u>(40,571)</u>	<u>977,308</u>
Net movement in funds		439,870	(41,260)	(2,626)	395,984	1,089,897
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>2,799,373</u>	<u>1,493,641</u>	<u>463,505</u>	<u>4,756,519</u>	<u>3,666,622</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>3,239,243</u></u>	<u><u>1,452,381</u></u>	<u><u>460,879</u></u>	<u><u>5,152,503</u></u>	<u><u>4,756,519</u></u>

The notes form part of these financial statements

Friends of Friendless Churches
Balance Sheet at 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	15	12,476	11,612
Investments	16	<u>4,272,820</u>	<u>4,413,216</u>
		4,285,296	4,424,828
CURRENT ASSETS			
Debtors	17	634,610	211,714
Cash at bank		<u>1,056,002</u>	<u>349,094</u>
		1,690,612	560,808
CREDITORS			
Amounts falling due within one year	18	<u>(823,405)</u>	<u>(229,117)</u>
NET CURRENT ASSETS		<u>867,207</u>	<u>331,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,152,503</u>	<u>4,756,519</u>
NET ASSETS		<u>5,152,503</u>	<u>4,756,519</u>
FUNDS			
Unrestricted funds	20	3,239,243	2,799,373
Restricted funds		1,452,381	1,493,641
Endowment funds		<u>460,879</u>	<u>463,505</u>
TOTAL FUNDS		<u>5,152,503</u>	<u>4,756,519</u>

The financial statements were approved by the Board of Trustees on 19 August 2022 and were signed on its behalf by:

Roger Evans MA - Chairman

The notes form part of these financial statements

	Notes	2022 £	2021 £
Cash flows from operating activities	1	523,031	696,333
Investing activities:			
Purchase of tangible fixed assets		(1,295)	-
Purchase of investments		(472,787)	(1,199,411)
Proceeds on disposal of investments		572,612	606,626
Interest received		746	635
Dividends received		84,601	81,078
Net cash provided by (used in) investing activities		183,877	(511,072)
Change in cash and cash equivalents in the reporting period		706,908	185,261
Cash and cash equivalents at the beginning of the reporting period		349,094	163,833
Cash and cash equivalents at the end of the reporting period		1,056,002	349,094

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2022 £	2021 £
Surplus for the year	395,984	1,089,897
Adjustments for:		
Depreciation of tangible fixed assets	431	-
Loss/(gain) on investments	40,571	(977,308)
Interest received	(746)	(635)
Dividends received	(84,601)	(81,078)
 Movement in working capital:		
(Increase)/decrease in debtors	(422,896)	447,556
Increase/(decrease) in creditors	594,288	217,901
 Cash generated from operations	<u>523,031</u>	<u>696,333</u>

1. STATUS

The Charity was incorporated as a company limited by guarantee on 20 June 1973 and until 1 April 2006 acted solely as custodian trustee on behalf of the unincorporated charity, Friends of Friendless Churches (charity number 209456), with no assets or transactions of its own. The Company was registered as a charity (charity number 1113097) on 13 March 2006 and the entire operations of the old, unincorporated charity were transferred to it with effect from 1 April 2006. A Uniting Directive was issued by the Charity Commission on 11 February 2008.

Being a company limited by guarantee, the Charity has no share capital and the members are limited to a contribution of up to £1 each towards the Company's liabilities in the event of the Company being wound up.

2. ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), 'Accounting and Reporting by Charities' the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Covid-19 pandemic was unexpected and it is recognised that it will have an impact on the future income and expenditure in the medium term however the trustees are confident that the charity has adequate resources and continue to adopt the going concern basis of accounting in preparing the accounts. The charity has been assisted by grants from the Culture Recovery Fund in England and the Wales Cultural Recovery Fund.

Income

Donations and legacies are included as income when entitlement is established and quantifiable with certainty.

Grants are accounted for on a receivable basis, once entitlement is certain and quantified, and are allocated in accordance with the grant making body's wishes and attributable expenditure.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally on notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Expenditure on repairs to churches for which specific grants or other restricted funds have been received or are receivable are charged to the relevant restricted funds and any excess of expenditure over such funds represents support for those projects from general funds and is adjusted by a transfer from the Charity's general funds.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT has been charged to the activity for which the expenditure was incurred.

2. ACCOUNTING POLICIES – continued

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the Trustees, and all costs of complying with constitutional and statutory requirements, such as the cost of Committee meetings, and of preparing statutory accounts and satisfying public accountability.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

The Charity has the following types of funds:

- (a) General funds comprise unrestricted funds available for the Society's purpose at its discretion.
- (b) Designated funds comprise unrestricted funds that have been allocated by the charity for particular purposes.
- (c) Restricted funds are funds received for some specific aspect of the Charity's objects, including funds in respect of particular churches.
- (d) Expendable endowment funds are funds received primarily as capital but which can be expended as income if the need should arise.

Tangible fixed assets

All fixed assets are initially recorded at cost. Assets below £500 are not capital.

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

Computer equipment	-	33.33% on cost
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Heritage assets

The Charity owns the freehold or long leasehold of fifty-seven churches, which come within the definition of heritage assets under SORP (FRS 102). These properties were acquired without cost in pursuit of the Charity's preservation and conservation objectives and the Council does not consider it appropriate or practical to attribute any value to them in view of their nature as historic buildings held for protection, with any use being very limited and subject to strict control. The Council believes that any valuation would lack sufficient reliability and incur onerous costs compared with the additional benefit derived by users of the accounts. Accordingly, these assets are not capitalised in the accounts. Details of the churches are given within the Annual Report, and it is the policy to provide access to the public to as many of the churches as possible.

Recent purchases of other heritage assets are reported in the balance sheet at cost, and as they are deemed to have indeterminate lives and to maintain their value, the Council do not consider it appropriate to charge depreciation.

Expenditure which, in the Council's view is required to preserve or prevent further deterioration of heritage assets, is recognised in the Statement of Financial Activities when it is incurred.

Fixed asset investments

Fixed asset investments are stated in the balance sheet at their market value at the balance sheet date, and the income arising thereon is recognised on the due date for payment. Gains and losses arising on the disposal and revaluation of investments are calculated by reference to their book value, and credited or charged to the Statement of Financial Activities.

2. ACCOUNTING POLICIES (continued)

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Cottam Will Trust

The financial statements include transactions and balances of the Cottam Will Trust, an associated charity, which is registered under the Friends of Friendless Churches. The Council actively promote the distinct purpose of the Cottam Will Trust, which is the purchase of objects of beauty to be placed in ancient Gothic churches in England and Wales, for the furtherance of religion.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2022 £	2021 £
Donations	355,427	4,244	359,671	115,992
Royalties received	1,412	-	1,412	961
Legacies	350,950	-	350,950	108,890
Subscriptions	98,259	-	98,259	50,554
Grants	-	2,908,793	2,908,793	1,482,825
	<u>806,048</u>	<u>2,913,037</u>	<u>3,719,085</u>	<u>1,759,222</u>

Grants received, included in the above, are as follows:

	Unrestricted £	Restricted £	2022 £	2021 £
CADW	-	235,805	235,805	166,888
Diocese of York	-	-	-	40,000
Church in Wales	-	66,608	66,608	40,000
Listed Places of Worship Scheme	-	490,170	490,170	195,937
Historic England	-	2,110,010	2,110,010	1,040,000
Other grants	-	6,200	6,200	-
	<u>-</u>	<u>2,908,793</u>	<u>2,908,793</u>	<u>1,482,825</u>

For the year ended 31 March 2021:

	Unrestricted £	Restricted £	2021 £
Donations	72,547	43,445	115,992
Royalties received	961	-	961
Legacies	98,890	10,000	108,890
Subscriptions	50,554	-	50,554
Grants	-	1,482,825	1,482,825
	<u>222,952</u>	<u>1,536,270</u>	<u>1,759,222</u>

Grants received, included in the above, are as follows:

	Unrestricted £	Restricted £	2021 £
CADW	-	166,888	166,888
Diocese of York	-	40,000	40,000
Church in Wales	-	40,000	40,000
Listed Places of Worship Scheme	-	195,937	195,937
Historic England	-	1,040,000	1,040,000
	<u>-</u>	<u>1,482,825</u>	<u>1,482,825</u>

4. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Christmas card sales	8,770	5,039
Other income	11,958	1,400
	<u>20,728</u>	<u>6,439</u>

5. INVESTMENT INCOME

	Unrestricted	Restricted	Endowment	2022	2021
	£	£	£	£	£
UK investment income	62,713	6,815	2,421	71,949	72,906
Overseas investment income	11,565	1,087	-	12,652	8,172
Deposit account interest	<u>7</u>	<u>739</u>	<u>-</u>	<u>746</u>	<u>635</u>
	<u>74,285</u>	<u>8,641</u>	<u>2,421</u>	<u>85,347</u>	<u>81,713</u>

For the year ended 31 March 2021:

	Unrestricted	Restricted	Endowment	2021
	£	£	£	£
UK investment income	63,071	7,157	2,678	72,906
Overseas investment income	6,842	1,330	-	8,172
Deposit account interest	<u>443</u>	<u>192</u>	<u>-</u>	<u>635</u>
	<u>70,356</u>	<u>8,679</u>	<u>2,678</u>	<u>81,713</u>

6. COST OF RAISING FUNDS

	Unrestricted	Restricted	Endowment	2022	2021
	£	£	£	£	£
Representations	895	-	-	895	589
Brokers' fees	<u>17,090</u>	<u>7,967</u>	<u>1,418</u>	<u>26,475</u>	<u>22,466</u>
	<u>17,985</u>	<u>7,967</u>	<u>1,418</u>	<u>27,370</u>	<u>23,055</u>

For the year ended 31 March 2021:

	Unrestricted	Restricted	Endowment	2021
	£	£	£	£
Representations	589	-	-	589
Brokers' fees	<u>14,454</u>	<u>6,884</u>	<u>1,128</u>	<u>1,128</u>
	<u>15,043</u>	<u>6,884</u>	<u>1,128</u>	<u>23,055</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Total funds
	£	£	£
Charitable activities	<u>3,337,135</u>	<u>24,100</u>	<u>3,361,235</u>

For the year ended 31 March 2021:

	Direct costs	Support costs	Total funds
	£	£	£
Charitable activities	<u>1,702,055</u>	<u>9,675</u>	<u>1,711,730</u>

8. DIRECT COSTS

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Purchase of objects of beauty	-	19,320	19,320	30,300
Office costs	20,527	-	20,527	-
Repairs and maintenance	-	2,867,088	2,867,088	1,317,565
Field Officer's expenses	-	-	-	59
Insurance	19,888	2,150	22,038	17,568
Travel expenses	9,310	-	9,310	3,780
Ancient Monuments Society shared costs	(3,041)	500	(2,541)	37,188
Website and Media	33,763	-	33,763	17,972
Newsletter	9,863	-	9,863	-
Other costs	2,659	-	2,659	2,566
Salaries	79,949	-	79,949	52,379
Pension	3,639	-	3,639	2,831
Depreciation	431	-	431	-
New Vestings	1,010	-	1,010	14,165
New Mechanism - Repairs and maintenance	-	207,019	207,019	182,726
New Mechanism – Professional Fees	-	16,408	16,408	-
New Mechanism - Insurance	-	14,146	14,146	12,848
New Mechanism - Travel expenses	-	2,227	2,227	-
New Mechanism - Field Officer's expenses	-	3,058	3,058	-
New Mechanism - Ancient Monuments Society shared costs	-	23,252	23,252	6,500
New Mechanism – Sundries	-	3,969	3,969	3,608
	<u>177,998</u>	<u>3,159,137</u>	<u>3,337,135</u>	<u>1,702,055</u>

For the year ended 31 March 2021:

	Unrestricted	Restricted	2021
	£	£	£
Purchase of objects of beauty	-	30,300	30,300
Specific grants	-	-	-
Repairs and maintenance	-	1,317,565	1,317,565
Field Officer's expenses	-	59	59
Insurance	15,640	1,928	17,568
Travel expenses	3,780	-	3,780
Ancient Monuments Society shared costs	36,688	500	37,188
Website and media	17,972	-	17,972
Other costs	2,566	-	2,565
Salaries	52,379	-	52,379
Pension	2,831	-	2,831
Depreciation	-	-	649
New Vestings	14,165	-	14,165
New Mechanism - Repairs and maintenance	-	182,726	182,726
New Mechanism - Insurance	-	12,848	12,848
New Mechanism - Travel expenses	-	-	-
New Mechanism - Field Officer's expenses	-	-	-
New Mechanism - Ancient Monuments Society shared costs	-	6,500	6,500
New Mechanism – Sundries	-	3,608	3,608
	<u>146,021</u>	<u>1,556,034</u>	<u>1,702,055</u>

9. SUPPORT COSTS

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Trustees' travel expenses	2,064	-	2,064	219
Bank charges	1,372	576	1,948	1,367
AGM and other expenses	13,488	-	13,488	1,394
Auditors' remuneration	<u>5,250</u>	<u>1,350</u>	<u>6,600</u>	<u>6,695</u>
	<u>22,174</u>	<u>1,926</u>	<u>24,100</u>	<u>9,675</u>

For the year ended 31 March 2021:

	Unrestricted	Restricted	2021
	£	£	£
Trustees' travel expenses	219	-	219
Bank charges	802	565	1,367
AGM and other expenses	1,394	-	1,394
Auditors' remuneration	<u>5,345</u>	<u>1,350</u>	<u>-</u>
	<u>7,760</u>	<u>1,915</u>	<u>9,695</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022	2021
	£	£
Auditors' remuneration – audit fee	3,500	3,500
Auditors' remuneration – non audit services	<u>3,100</u>	<u>3,195</u>
	<u>6,600</u>	<u>6,695</u>

11. GAINS/(LOSSES) ON INVESTMENT ASSETS

	Unrestricted	Restricted	Endowment	2022	2021
	£	£	£	£	£
Realised gains/(losses) on investment assets	(22,960)	8,066	3,197	(11,697)	28,043
Unrealised gains/(losses) on investment assets	<u>52,616</u>	<u>(74,664)</u>	<u>(6,826)</u>	<u>(28,874)</u>	<u>949,265</u>
	<u>29,656</u>	<u>(66,598)</u>	<u>(3,629)</u>	<u>(40,571)</u>	<u>977,308</u>

For the year ended 31 March 2021:

	Unrestricted	Restricted	Endowment	2021
	£	£	£	£
Realised gains/(losses) on investment assets	9,654	18,546	(157)	28,043
Unrealised gains/(losses) on investment assets	<u>464,185</u>	<u>411,859</u>	<u>73,221</u>	<u>949,265</u>
	<u>473,839</u>	<u>430,405</u>	<u>73,064</u>	<u>977,308</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022, nor for the year ended 31 March 2021,

Trustees' Expenses

Travel expenses amounting to £2,064 have been reimbursed to 5 members of the Council during the year (2021 £219 to 3 members).

13. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	75,463	50,529
Social security costs	4,486	1,850
Other pension costs	<u>3,639</u>	<u>2,831</u>
	<u>83,588</u>	<u>55,210</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Administration	<u>2</u>	<u>1</u>

There were no employees whose employee benefits (excluding employer pension costs) exceeded £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	222,952	1,536,270	-	1,759,222
Other trading activities	6,439	-	-	6,439
Investment income	<u>70,356</u>	<u>8,679</u>	<u>2,678</u>	<u>81,713</u>
	299,747	1,544,949	2,678	1,847,374
EXPENDITURE ON				
Raising funds	15,043	6,884	1,128	23,055
Charitable activities	<u>153,781</u>	<u>1,557,949</u>	<u>-</u>	<u>1,711,730</u>
	<u>168,824</u>	<u>1,564,833</u>	<u>1,128</u>	<u>1,734,785</u>
NET INCOME/(EXPENDITURE)	130,923	(19,884)	1,550	112,589
Transfer between funds	<u>(15,554)</u>	<u>15,554</u>	<u>-</u>	<u>-</u>
	115,369	(4,330)	1,550	112,589
Gains/(losses) on investment assets	<u>473,839</u>	<u>430,405</u>	<u>73,064</u>	<u>977,308</u>
Net movement in funds	589,208	426,075	74,614	1,087,897
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>2,210,165</u>	<u>1,067,566</u>	<u>388,891</u>	<u>3,666,622</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,799,373</u>	<u>1,493,641</u>	<u>463,505</u>	<u>4,756,519</u>

15. TANGIBLE FIXED ASSETS

	Heritage £	Computer Equipment £	Totals £
COST	11,610	1,954	13,564
At 1 April 2021	-	1,295	1,295
Additions	<u>-</u>	<u>1,295</u>	<u>1,295</u>
At 31 March 2022	<u>11,610</u>	<u>3,249</u>	<u>14,859</u>
DEPRECIATION			
At 1 April 2020	-	1,952	1,952
Charge for year	-	431	431
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>2,383</u>	<u>2,383</u>
NET BOOK VALUE			
At 31 March 2021	<u>11,610</u>	<u>866</u>	<u>12,476</u>
At 31 March 2022	<u>11,610</u>	<u>2</u>	<u>11,612</u>

15. TANGIBLE FIXED ASSETS (CONTINUED)

Heritage assets recognised in the balance sheet comprise purchases by the Cottam Will Trust in past years where ownership has been retained by the Charity,

The Charity owns the freehold or long leasehold of 59 churches which are not recognised in the balance sheet.

16. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
,At 1 April 2021	4,260,278	152,938	4,413,216
Additions	518,192	-	518,192
Disposals	(584,310)	(45,406)	(629,716)
Revaluations	(28,872)	-	(28,872)
	<u>4,165,288</u>	<u>107,532</u>	<u>4,272,820</u>
At 31 March 2022	<u>4,165,288</u>	<u>107,532</u>	<u>4,272,820</u>

Listed investments comprise:

	2022 £	2021 £
United Kingdom equities and funds	1,360,792	3,212,232
Overseas equities	<u>2,804,496</u>	<u>1,048,046</u>
	<u>4,165,288</u>	<u>4,260,278</u>

The historical cost of the total of investments held is: 3,387,829 (2021 3,201,323)

Included in investments are investments with a market value of £1,157,153 (2021 £1,259,294) which are held specifically for the Cottam Will Trust.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	<u>634,610</u>	<u>211,714</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	814,555	216,595
Other creditors	<u>8,850</u>	<u>12,522</u>
	<u>823,405</u>	<u>229,117</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £	2021 Total funds £
Fixed assets	866	11,610	-	12,476	11,612
Investments	2,555,599	1,304,884	412,337	4,272,820	4,413,216
Cash at bank	406,887	602,239	46,876	1,056,002	349,094
Other current assets	283,390	349,554	1,666	634,610	211,714
Current liabilities	<u>(7,499)</u>	<u>(815,906)</u>	<u>-</u>	<u>(823,405)</u>	<u>(229,117)</u>
	<u>3,,239,243</u>	<u>1,452,381</u>	<u>460,879</u>	<u>5,152,503</u>	<u>3,666,622</u>

Restricted funds include £909,625 in respect of the Cottam Will Trust.

COMPARATIVES FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £
Fixed assets	2	11,610	-	11,612
Investments	2,603,031	1,398,677	411,508	4,413,216
Cash at bank	193,478	108,740	46,876	349,094
Other current assets	16,202	190,391	5,121	211,714
Current liabilities	<u>(13,340)</u>	<u>(215,777)</u>	<u>-</u>	<u>(229,117)</u>
	<u>2,799,373</u>	<u>1,493,641</u>	<u>463,505</u>	<u>4,756,519</u>

20 MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	1,964,752	712,560	(272,690)	2,404,622
Designated funds	<u>834,621</u>	<u>-</u>	<u>-</u>	<u>834,621</u>
	2,799,373	712,560	(272,690)	3,239,243
Restricted funds				
Welsh Churches - 4 Original	8,023	(6,847)	3,961	5,137
Welsh Churches - New Mechanism	66,396	59,823	-	126,219
Other Churches		-	-	-
Cottam Will Trust	1,298,705	(96,870)	-	1,201,835
Fabric funds	<u>120,517</u>	<u>(270,056)</u>	<u>268,729</u>	<u>119,190</u>
	1,493,641	(313,950)	272,690	1,452,381
Endowment funds				
Brett Trust	229,161	(2,626)	-	226,535
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	463,505	(2,626)	-	460,880
TOTAL FUNDS	<u><u>4,756,519</u></u>	<u><u>395,984</u></u>	<u><u>-</u></u>	<u><u>5,152,503</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	901,061	(218,157)	29,656	712,560
Designated funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	901,061	(218,157)	29,656	712,560
Restricted funds				
Welsh Churches - 4 Original	6,576	(13,423)	-	(6,847)
Welsh Churches - New Mechanism	328,490	(270,160)	1,493	59,823
Other Churches	1,844,957	(1,844,957)	-	-
Cottam Will Trust	6,935	(29,630)	(74,175)	(96,870)
Fabric funds	<u>734,720</u>	<u>(1,010,860)</u>	<u>6,084</u>	<u>(270,056)</u>
	2,921,678	(3,169,030)	(66,598)	(313,950)
Endowment funds				
Brett Trust	<u>2,421</u>	<u>(1,418)</u>	<u>(3,629)</u>	<u>(2,626)</u>
TOTAL FUNDS	<u><u>3,825,160</u></u>	<u><u>(3,388,605)</u></u>	<u><u>(40,571)</u></u>	<u><u>395,984</u></u>

Transfers between funds comprise the excess of expenditure on repairs to churches for which specific grants or other restricted funds have been received over such funds, such excess being the support given to those projects from general funds.

20 COMPARATIVES FOR MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	1,375,544	604,762	(15,554)	1,964,752
Designated funds	<u>834,621</u>	<u>-</u>	<u>-</u>	<u>834,621</u>
	2,210,165	604,762	(15,554)	2,799,373
Restricted funds				
Welsh Churches - 4 Original	9,826	(6,187)	4,384	8,023
Welsh Churches - New Mechanism	26,421	39,975	-	66,396
Other Churches	10,000	(7,985)	(2,015)	-
Cottam Will Trust	909,625	389,080	-	1,298,705
Fabric funds	<u>111,694</u>	<u>(4,362)</u>	<u>13,185</u>	<u>120,517</u>
	1,067,566	410,521	15,554	1,493,641
Endowment funds				
Brett Trust	152,747	76,414	-	229,161
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	<u>388,891</u>	<u>76,414</u>	<u>-</u>	<u>463,505</u>
TOTAL FUNDS	<u><u>3,666,972</u></u>	<u><u>1,089,897</u></u>	<u><u>-</u></u>	<u><u>4,756,519</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	299,747	(168,824)	473,839	604,762
Designated funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	299,747	(168,824)	473,839	604,762
Restricted funds				
Welsh Churches - 4 Original	7,710	(13,897)	-	(6,187)
Welsh Churches - New Mechanism	245,893	(205,753)	(165)	39,975
Other Churches	818,725	(826,710)	-	(7,985)
Cottam Will Trust	7,538	(39,527)	421,069	389,080
Fabric funds	<u>465,083</u>	<u>(478,946)</u>	<u>9,501</u>	<u>(4,362)</u>
	1,544,949	(1,564,833)	73,064	410,521
Endowment funds				
Brett Trust	<u>2,678</u>	<u>(1,128)</u>	<u>73,064</u>	<u>74,614</u>
TOTAL FUNDS	<u><u>1,847,374</u></u>	<u><u>(1,734,785)</u></u>	<u><u>977,308</u></u>	<u><u>1,089,897</u></u>

20. MOVEMENT IN FUNDS – continued

Designated Funds

Designated funds comprise specific income allocated by the trustees for the following purposes:

For investment as capital to provide future unrestricted income	£ <u>834.621</u>
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Restricted Funds

Restricted funds comprise:

The Cottam Will Trust for the purchase of objects of beauty to be placed in ancient Gothic churches in England and Wales for the furtherance of religion.

Other funds for the repair and upkeep of specific churches.

Endowment Funds

The Brett Trust is an expendable endowment established by bequest for the repairs of three specific churches in Essex and Dorset.

The James Johnston Fund is an expendable endowment, comprising a legacy intended to be invested as capital in order to provide future income for the Charity's general purpose, but available to be expended for any purpose should the need arise.

21. COMMITMENTS

At 31 March 2022, there were no capital commitments, however the Trustees had authorised future expenditure of £43,301 in pursuit of the objects of the Cottam Will Trust.

22. ANCIENT MONUMENTS SOCIETY

The Working Partnership between the Friends of Friendless Churches and the Ancient Monuments Society (now Historic Buildings & Places) which had been in place for a number of years came to an end on 27 September 2021. This formal agreement had allowed a sharing of certain items of common expenditure and the sharing of the income from the former joint subscription scheme. The trustees of both charities agreed that they wished to have separate voices to promote their distinct messages and differing roles in the conservation world.

The Charity was responsible for all or part of the year for 59 redundant but architecturally and historically important places of worship which are held either freehold or on long lease. They are:

English vestings

01 January 1974	Old St Matthew's, Lightcliffe, West Yorkshire	(99-year lease)
01 January 1974	Old St Luke's, Milland, West Sussex	(99-year lease)
01 January 1975	St Mary's, Mundon, Essex	(999-year lease)
01 January 1975	St Peter's, Wickham Bishops, Essex	(999-year lease)
01 January 1976	St Andrew's, South Huish, Devon	(999-year lease)
01 May 1976	Old St Peter's, Saltfleetby, Lincolnshire	(999-year lease)
26 July 1978	Chapel, Urishay, Herefordshire	(freehold)
24 June 1979	St Andrew's, Wood Walton, Cambridgeshire	(999-year lease)
05 December 1979	St John the Baptist's, Papworth St Agnes, Cambridgeshire	(freehold)
20 March 1980	St Mary's, Eastwell, Kent	(freehold)
03 July 1981	St John the Baptist's, Sutterby, Lincolnshire	(freehold)
15 April 1982	St Mary Magdalene's, Caldecote, Hertfordshire	(freehold)
07 September 1982	The Assumption, Hardmead, Buckinghamshire	(99-year lease)
07 October 1983	St Mary Magdalene's, Boveney, Berkshire	(999-year lease)
31 December 1986	Strict & Particular Chapel, Waddesdon, Buckinghamshire	(freehold)
01 February 2000	Ayshford Chapel, Burlescombe, Devon	(125-year lease)
15 March 2002	St John the Baptist's, Matlock Bath, Derbyshire	(freehold)
23 January 2007	St Peter's, Llancillo, Herefordshire	(freehold)
15 November 2010	Chapel of Ease, Thornton-le-Beans, North Yorkshire	(freehold)
01 January 2011	St John the Baptist's, Allington, Wiltshire	(freehold)
07 January 2011	St Mary's, Long Crichel, Dorset	(freehold)
20 May 2011	St Mary of the Angels, Brownhill, Gloucestershire	(freehold)
12 September 2011	St Mary's, Fordham, Norfolk	(freehold)
28 December 2011	All Saints', Ballidon, Derbyshire	(freehold)
30 November 2016	St Denis's, East Hatley, Cambridgeshire	(freehold)
17 December 2019	St Mary's, Temple Corsley, Wiltshire	(freehold)
17 December 2019	St Leonard's, Spennall, Warwickshire	(999-year lease)
02 October 2020	St Lawrence's, Hutton Bonville, North Yorkshire	(freehold)
16 November 2020	St Helen's, Barmby on the Marsh, ER of Yorkshire	(freehold)
27 August 2021	St Helen's, Skeffling ER of Yorkshire	(freehold)
17 March 2022	St Andrew's, South Runcton, Norfolk	(freehold)

Welsh vestings

01 November 1978	SS Afran, Ieuan & Sannan, Llantrisant, Anglesey	(999-year lease)
07 October 1983	St Andrew's, Bayvil, Dyfed	(999-year lease)
22 November 1989	St Mary the Virgin's, Llanfair Kilgeddin, Monmouthshire	(freehold)
07 February 1991	St Baglan's, Llanfaglan, Gwynedd	(freehold)
19 November 1999	St David's, Llangeview, Monmouthshire	(999-year lease)
19 November 1999	St Mary's, Tal-y-Llyn, Anglesey	(999-year lease)
19 November 1999	St Ellyw's, Llanelieu, Powys	(999-year lease)
19 November 1999	St Beuno's, Penmorfa, Gwynedd	(999-year lease)
10 August 2000	St David's, Manordeifi, Pembrokeshire	(999-year lease)
17 December 2000	Chapel, Hodgeston, Pembrokeshire	(999-year lease)
01 December 2002	St Cynhaearn's, Ynyscynhaearn, Gwynedd	(999-year lease)
01 December 2002	St Mark's, Brithdir, Gwynedd	(999-year lease)
01 December 2002	St Mary's, Derwen, Denbighshire	(999-year lease)
01 December 2002	St Eloi's, Llandeloy, Pembrokeshire	(999-year lease)
01 January 2005	St Brothen's, Llanfrothen, Gwynedd	(999-year lease)
10 June 2005	St Peulan's, Llanbeulan, Anglesey	(999-year lease)
10 June 2005	St Decuman's, Rhoscrowther, Pembrokeshire	(999-year lease)
24 April 2006	St Oudoceus's, Llandawke, Carmarthenshire	(999-year lease)
01 February 2007	St Migaél's, Llanfigael, Anglesey	(999-year lease)
30 July 2008	St Michael's, Llanfihangel Rogiet, Monmouthshire	(999-year lease)
14 May 2009	St Mary's, Penllech, Gwynedd	(999-year lease)
01 December 2013	St Michael's, Tremain, Ceredigion	(999-year lease)
24 June 2016	St Michael & All Angels, Castlemartin, Pembrokeshire	(999-year lease)
27 October 2017	St Michael & All Angels, Gwernesney, Monmouthshire	(999-year lease)
27 October 2017	St Dogfael's, Meline, Pembrokeshire	(999-year lease)
13 August 2018	St Jerome's, Llangwm Uchaf, Monmouthshire	(999-year lease)
13 August 2018	St Anno's, Llananno, Powys	(999-year lease)
10 March 2021	St Philip's, Caerdeon, Gwynedd	(999-year lease)