



FRIENDS
OF
FRIENDLESS
CHURCHES

(A company limited by guarantee)

REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS

For The Year Ended 31 March 2017

REGISTERED COMPANY NUMBER: 1119137 (England and Wales)
REGISTERED CHARITY NUMBER: 1113097

FRIENDS OF FRIENDLESS CHURCHES

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for the Year Ended 31 March 2017**

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REFERENCE AND ADMINISTRATIVE DETAILS

President

The Most Hon the Marquess of Salisbury PC KCVO DL

Episcopal Patron

Rt Rev'd J Wyn Evans, former Bishop of St David's BA BD FRHistS FSA

Vice-Presidents

Lord Brooke of Sutton Mandeville CH PC

Thomas Lloyd OBE MA

Professor Andrew Saint Hon FRIBA

Hugh Johnson OBE

John Porteous OBE

Trustees: Council 2016-2017

Roger Evans MA *

Matthew Saunders MBE MA FSA *

Peter Scott BA FCA *

Rev'd J Alex Barrow MA Oxon M Litt BSc (elected 8 October 2016)*

John Bowles MA FSA MCFI

Sir Paul Britton CB CVO MA *

George Bulmer MA*

Catherine Cullis MBE MA

Rev'd Philip Gray BA CertEd

Elizabeth Green PhD

Richard Halsey MBE BA FSA

John Morgan-Guy BA PhD LicDD FRHistS

Howard Pool BA FCMA *

John Vigar MA FSA Scot FRSA

Chairman

The Director and Company Secretary

Hon Treasurer

Hon Chaplain

* Denotes members of Investment and Finance Sub-Committee

Field Officer in Wales

Susan Dalton

Assistant Secretary

Rebecca Whewell BA

Registered Office

St Ann's Vestry Hall, 2 Church Entry, London, EC4V 5HB

office@friendsoffriendlesschurches.org.uk

www.friendsoffriendlesschurches.org.uk

Bankers

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

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

Auditors

McLintocks Limited, 46 Hamilton Square, Birkenhead CH41 5AR

Broker

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

Solicitors

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

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

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 2017. 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 setting out objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's Guidance on Public Benefit.

STRUCTURE, GOVERNANCE AND 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. The 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 in addition between Meetings. When required, nominations for new appointments to the Council are sought from those with appropriate understanding of conservation matters and skills of use 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 receives a briefing 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 four times in 2016-2017, 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 in the course of the year.

The Annual General Meeting, which accepted the annual report for 2015-16, was held on 8 October 2016 in The Friends' Church of St Andrew, Wood Walton, Cambs. 94 people attended

All Trustees and Directors are honorary and none receives a salary or remuneration. The Charity relies heavily on volunteers, particularly in the local groups of Friends based at a number of our churches. The day to day running of the Charity is conducted from its offices at St Ann's Vestry Hall in the City of London by Matthew Saunders, the Director, and Rebecca Whewell, Assistant Secretary. Both are employed by the Ancient Monuments Society. The Charity benefits from the services of a freelance Field Officer in Wales, Mrs Susan Dalton. The fees of the Field Officer are met in their entirety under the joint funding arrangement for the 'New Mechanism', further details of which are set out later in this Report. The website manager, Caroline Welch was pivotal to the relaunch of the website in the course of the year. The services of an IT consultant, Richard Travers, are available to The Friends and the AMS.

The Charity is in a working partnership, which was brought into full force in October 1993, with the Ancient Monuments Society (registered charity no. 209605). The two charities share the same office, secretariat, membership and newsletter, but are otherwise strictly separate in terms of governing bodies, financing and charitable status. The Charity pays a contribution to the Ancient Monuments Society towards the expenses of the shared secretariat provided by the latter, including the services of the Director and the Assistant Secretary, and this is reviewed by the two charities from time to time. Trustees of both charities conducted a full scale review and modification of the Working Agreement which was reaffirmed by both parties in the course of the year. A joint membership scheme is operated by the two charities, with the subscriptions being collected and retained by the Ancient Monuments Society as part of the agreed arrangements.

We experimented with extended use of social media and commissioned a new website. There were three joint newsletters, shared with the Ancient Monuments Society.

We mourned the passing of Dame Jennifer Jenkins, a pivotal figure in the history of both the AMS and The Friends, and of Denis Alderman, who was instrumental in ensuring that our newest vesting in Wales, at Castlemartin, came to The Friends. We were touched when the family chose to bury the remains of the Earl of Snowdon, former husband of HRH Princess Margaret, in the churchyard to our church of St Baglan at Llanfaglan, overlooking Caernarfon Bay.

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

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.

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

ACHIEVEMENT AND PERFORMANCE

Review of the Year

The Charity was responsible for all or part of the year for 48 redundant but architecturally and historically important places of worship which are held either freehold or on long lease. They are:-

English Vestings:

ALLINGTON, Wilts, St John the Baptist (freehold from 1 January 2011)
AYSHFORD CHAPEL, Burlescombe, Devon (125 year lease from 1 February 2000)
BALLIDON, Derbs, All Saints (freehold from 28 December 2011)
BOVENEY, St Mary Magdalene, near Windsor, Berks (999 year lease from 7 October 1983)
BROWNSHILL, Glos, St Mary of the Angels (freehold from 20 May 2011)
CALDECOTE, St Mary Magdalene, near Baldock, Herts (freehold from 15 April 1982)
EAST HATLEY, St Denis, Cambs (freehold from 30 November 2016)
EASTWELL, St Mary, near Ashford, Kent (freehold from 20 March 1980)
FORDHAM, Norfolk, St Mary (freehold from 12 September 2011)
HARDMEAD, The Assumption, near Newport Pagnell, Bucks (99 year lease from 7 September 1982)
LIGHTCLIFFE, Old St Matthew, near Halifax, W Yorks (99 year lease from 1 January 1974)
LLANCILLO, St Peter, Herefordshire (freehold from 23 January 2007)
LONG CRICHEL, Dorset, St Mary (freehold from 7 January 2011)
MATLOCK BATH, St John the Baptist, Derbyshire (freehold from 15 March 2002)
MILLAND, Old St Luke, near Liphook, W Sussex (99 year lease from 1 January 1974)
MUNDON, St Mary, near Maldon, Essex (999 year lease from 1 January 1975)
PAPWORTH ST AGNES, St John the Baptist, Cambs (freehold from 5 December 1979)
SALTFLEETBY, Old St Peter, near Louth, Lincs (999 year lease from 1 May 1976)
SOUTH HUIISH, St Andrew, near Kingsbridge, Devon (999 year lease from 1 January 1976)
SUTTERBY, St John the Baptist, near Horncastle, Lincs (freehold from 3 July 1981)
THORNTON LE BEANS, North Yorkshire, chapel of ease (freehold from 15 November 2010)
URISHAY, Chapel, near Peterchurch, Herefordshire (freehold from 26 July 1978)
WADDESDON HILL, Baptist Chapel, near Aylesbury, Bucks (freehold from 31 December 1986)
WICKHAM BISHOPS, St Peter, near Maldon, Essex (999 year lease from 1 January 1975)
WOOD WALTON, St Andrew, near Huntingdon, Cambs (999 year lease from 24 June 1979)

Welsh Vestings:

BAYVIL (BEIFIL), St Andrew, near Nevern, Dyfed (999 year lease from 7 October 1983)
BRITHDIR, St Mark, Gwynedd (999 year lease from 1 December 2002)
CASTLEMARTIN, Pembrokeshire, St Michael and All Angels (999 year lease from 24 June 2016)
DERWEN, St Mary, Denbighshire (999 year lease from 1 December 2002)
HODGESTON, (dedication unknown), Pembrokeshire (999 year lease from 17 December 2000)
LLANBEULAN, St Peulan, Anglesey (999 year lease from 10 June 2005)
LLANDAWKE (LLANDOCH), St Oudoceus, Carmarthenshire (999 year lease from 24 April 2006)
LLANDELOY (LLANDELOI), St Eloi, Pembrokeshire (999 year lease from 1 December 2002)
LLANELIEU, St Ellwy, Powys (999 year lease from 19 November 1999)
LLANFAGLAN, St Baglan, near Caernarfon, Gwynedd (freehold from 7 February 1991)
LLANFAIR KILGEDDIN (LLANFAIR CILGEDIN), St Mary, near Usk, Monmouthshire (freehold from 22 November 1989)
LLANFIGAEL, St Migael, Anglesey (999 year lease from 1 February 2007)
LLANFIHANGEL ROGIET, St Michael, Monmouthshire (999 year lease from 30 July 2008)
LLANFROTHEN, St Brothen, Gwynedd (999 year lease from 1 January 2005)
LLANGEVIEW (LLANGIFIW), St David, Monmouthshire, (999 year lease from 19 November 1999)
LLANTRISANT, SSS Afran, Teuan and Sannan, Holyhead, Anglesey (999 year lease from 1 November 1978)
MANORDEIFI, St David, Pembrokeshire (999 year lease from 10 August 2000)
PENLLECH, St Mary, Gwynedd (999 year lease from 14 May 2009)
PENMORFA, St Beuno, Gwynedd (999 year lease from 19 November 1999)
RHOSCROWTHER, St Decumanus, Pembrokeshire (999 year lease from 10 June 2005)
TAL-Y-LLYN (TALYLLYN), St Mary, Anglesey (999 year lease from 19 November 1999)
TREMAEN, St Michael, Ceredigion (999 year lease from 1 December 2013)
YNYSCYNHAEARN, St Cynhaearn, Gwynedd, including the lychgate (999 year lease 1 December 2002)

In addition it oversees and bears the cost of caring for St. Leonards's church, Sperrall in Warwickshire, which is currently owned by the Ancient Monuments Society, but which it has been agreed should be transferred to the Friends. That transfer will take place in the year 2017-18

Trustees have also formally accepted the vesting of St Jerome, Llangwm Uchaf, Monmouthshire, which underwent a major programme of repairs in the course of the year and which is listed Grade 1. Once these are transferred, the total number of vestings will be 50.

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

ACHIEVEMENT AND PERFORMANCE

Review of the Year

2016-17 saw two new vestings with The Friends - the Grade 11* listed church of St Denis at East Hatley, Cambs with a "dowry" of £60,000 from South Cambs DC) and the Grade 1 listed church of St Michael and All Angels at Castlemartin, in Pembrokeshire (where there had been a preceding round of repairs) Trustees also agreed in principle to take two further buildings in Wales – the former parish churches at Gwernesney in Monmouthshire and at Meline, in Pembrokeshire. The principal repair campaigns in the year were at Milland (where we had the benefit of substantial grant aid under the Roof Repair Fund) Mundon and, in Wales, Derwen, Manordeifi, Llangwm (the latter spilling over into 2017-18) and the ongoing campaign at Tremaen.

Trustees encourage the establishment of local groups of "Friends". In the course of the year there was much activity organised by such groups at Llanfihangel Rogiet, Ynyscynhaearn, Caldecote, (where there was a welcome return of the Fuchsia Festival) Papworth, (where local people, in effect, use the building as a community centre for the village and have provided a new altar frontal), Milland, Mundon, Hardmead, Allington, Tremaen, Boveney, Sutterby and Wood Walton. At Lightcliffe the conservation of the huge churchyard surrounding the vestigial 18th century tower, owned by The Friends, was finished whilst members of The Sutterby Horde, looking after our Lincolnshire church of that name, continued their own imaginative programme of events.

Most of our churches are accessible to the public throughout the year: either they are kept open or a key is available nearby. We opened almost all of the latter for Heritage Open Days/Open Doors in England and Wales in September 2016. There is a major concert at Llanellieu every August and an annual service of the Baptist Historical Society at Waddesdon Hill. Brownhill is used for what is turning into an annual art festival and at other churches there has been a further range of activities, formal and informal. Llanfihangel Rogiet is in effect the headquarters of the Caldicot History Society.

In May 2016 there was a serious vandal attack on the church at Boveney. Nothing was stolen and damage was made good. After a review Trustees decided that the church in future should be kept open, this policy has so far been a clear success.

New Mechanism in Wales

The year saw the successful continuation of the arrangements in Wales between the Friends, Cadw and the Church in Wales, under which £120,000 is given to the charity by the last two parties, in the proportions two-thirds to one-third, towards the repair and maintenance of redundant Anglican churches of architectural and historic importance vested with the Friends. In recent years the Cadw contribution has settled at £80,000 pa whilst early in 2015 The Church in Wales increased its contribution from £30,000 to £40,000, a figure that has been maintained since.

Brett Trust

The Charity administers the Brett Trust for the benefit of the churches at Tilbury juxta Clare and Ovington in Essex and St. Stephen's, Bournemouth. A grant offer at Ovington remains outstanding.

Cottam Will Trust

The Charity also administers a Trust Fund for the purchase of objects of beauty to be placed in ancient Gothic churches, for the furtherance of religion. In the course of the year the new window for St Mary's Priory, Abergavenny, designed by Helen Whittaker, which received the largest ever grant offered by the Cottam (just over £40,000) was blessed at a service in July, attended by HRH The Prince of Wales and 7 trustees. The resiting within St Nonna's church, Altarnun in Cornwall of an organ ejected from a chapel (Cottam grant £10,000) was also completed as was the memorial to the composer, Sir John Tavener in the Retroquire of Winchester Cathedral (grant - £6,000). The panel in wood carved by Charles Gurrey for St Laurence, Adwick le Street, Doncaster (grant £3,680) was installed. Offers were made in respect of a new Incumbents Board at Holy Trinity, Barsham in Suffolk and statues at St John the Baptist, Cirencester, Glos. Trustees were delighted to accept a commuted legacy in the name of Marjorie Easton, to be spent on a textile within an historic church.

Other Churches

The Charity administers special funds for the benefit of certain other churches in use - Llangua on the English/Welsh borders, and Besselsleigh in Berkshire. It also holds money on behalf of Eglwys Brewis, Glamorgan.

FINANCIAL REVIEW

Financial Report

The financial position is set out in the accounts for the year. These show net incoming resources of £80,989 (2016 deficit £121,124) to which in addition to gains on investments £303,764 (2016 losses £230,069) made a total of £384,753 (2016 deficit £351,193). Surplus reserves carried forward amount to £2,877,093 and this includes Investments of £2,741,990 and cash at bank of £166,878.

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

FINANCIAL REVIEW (continued)

Following a year when there had been one legacy of £250, Trustees are delighted to record their gratitude for that of £112,000 received in 2016-17 under the will of Dr Gwenda Evans and £1,000 from the estate of Councillor William Archibald. Just three weeks after the year end came the news that The Friends had been left £300,000 in the estate of Henry Stephen Lewis. There were generous donations from the Girdlers Company Charitable Trust, the J and M Britton Charitable Trust, the J Paul Getty Jnr General Charitable Trust, the Samuel Gurney Foundation and the Achurch Charitable Trust. And from many kind individuals (listed in the newsletters), some of whom chose 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. We thank HMG for extending this essential scheme until at least 2018.

Reserves Policy

The unrestricted reserves of the Friends 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 and preservation 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 at 31 March 2017 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 Friends 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 in Wales. 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. The specific fabric funds are held to pay for repairs to the relevant churches as required. The unspent funds held for the New Mechanism in Wales arise because one of the two funders, the Church in Wales, has agreed 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 Friends 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 Friends' objects from these funds entirely at the discretion of the Council.

Investment Policy

The Council has appointed an Investment and Finance Sub-Committee which meets not less than 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 are set differently in order to match the objectives of the separate funds. Underlying strategy may, from time to time, be reviewed.

FRIENDS OF FRIENDLESS CHURCHES

REPORT OF THE TRUSTEES for the Year Ended 31 March 2017

FINANCIAL REVIEW (continued)

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

The total membership of the Ancient Monuments Society and the Friends of Friendless Churches, which operate a joint membership scheme, stood at 2012 at the end of March 2017. That figure reflects the number of household members. Three joint AMS/Friends newsletters to members were published in the year, the cost being borne by the AMS.

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 allow Trustees to contemplate tackling the backlog of repairs at certain vested properties and the taking of additional threatened churches into care - although the Charity's capital base is likely to remain modest for a body charged with looking after 48 buildings, all but 9 listed Grade I or Grade II*. 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 5 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.

FRIENDS OF FRIENDLESS CHURCHES

**REPORT OF THE TRUSTEES
for the Year Ended 31 March 2017**

AUDITORS

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

ON BEHALF OF THE BOARD:

Roger Evans MA – Chairman

11 September 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

We have audited the financial statements of Friends of Friendless Churches for the year ended 31 March 2017 on pages ten to twenty-one. 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), including Financial Reporting standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Republic of Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.

Helen Furlong F.C.C.A. (Senior Statutory Auditor)
for and on behalf of McLintocks Limited
Chartered Accountants and
Statutory Auditors
46 Hamilton Square
Birkenhead
Wirral
CH41 5AR

FRIENDS OF FRIENDLESS CHURCHES

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 March 2017**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	167,172	259,456	-	426,628	187,561
Other trading activities	4	143		-	143	160
Investment income	5	61,707	18,523	2,310	82,540	87,780
Other income						-
Total		<u>229,022</u>	<u>277,979</u>	<u>2,310</u>	<u>509,311</u>	<u>275,501</u>
EXPENDITURE ON						
Raising funds	6	12,573	5,371	621	18,565	14,972
Charitable activities	7	<u>151,129</u>	<u>258,628</u>	<u>-</u>	<u>409,757</u>	<u>381,653</u>
Total		<u>163,702</u>	<u>263,999</u>	<u>621</u>	<u>428,322</u>	<u>396,625</u>
NET INCOME/(EXPENDITURE)						
		65,320	13,980	1,689	80,989	(121,124)
Transfer between funds	19	<u>(8,282)</u>	<u>8,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)		57,038	22,262	1,689	80,989	(121,124)
Gains/(losses) on investment assets	11	<u>169,304</u>	<u>120,192</u>	<u>14,268</u>	<u>303,764</u>	<u>(230,069)</u>
Net movement in funds		226,342	142,454	15,957	384,753	(351,193)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>1,248,049</u>	<u>877,879</u>	<u>366,412</u>	<u>2,492,340</u>	<u>2,843,533</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,474,391</u></u>	<u><u>1,020,333</u></u>	<u><u>382,369</u></u>	<u><u>2,877,093</u></u>	<u><u>2,492,340</u></u>

The notes form part of these financial statements

FRIENDS OF FRIENDLESS CHURCHES

BALANCE SHEET

At 31 March 2017

		2017	2016
		£	£
FIXED ASSETS	Notes		
Heritage assets	14	11,610	11,610
Investments	15	<u>2,741,990</u>	<u>2,400,431</u>
		2,753,600	2,412,041
CURRENT ASSETS			
Debtors	16	23,415	24,121
Cash at bank		<u>166,878</u>	<u>99,617</u>
		190,293	123,738
CREDITORS			
Amounts falling due within one year	17	<u>(66,800)</u>	<u>(43,439)</u>
NET CURRENT ASSETS		<u>123,493</u>	<u>80,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,877,093</u>	<u>2,492,340</u>
NET ASSETS		<u>2,877,093</u>	<u>2,492,340</u>
FUNDS	19		
Unrestricted funds		1,474,391	1,248,049
Restricted funds		1,020,333	877,879
Endowment funds		<u>382,369</u>	<u>366,412</u>
TOTAL FUNDS		<u>2,877,093</u>	<u>2,492,340</u>

The financial statements were approved by the Board of Trustees on 11 September 2017 and were signed on its behalf by:

Roger Evans MA - Chairman

The notes form part of these financial statements

FRIENDS OF FRIENDLESS CHURCHES

STATEMENT OF CASH FLOWS
At 31 March 2017

		2017	2016
		£	£
	Notes		
Net cash provided by (used in) operating activities	1	22,516	(204,409)
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of fixed asset investments		(754,472)	(426,486)
Sale of tangible fixed asset investments		716,677	487,063
Interest received		464	700
Dividends received		82,076	87,080
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		44,745	148,357
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		67,261	(56,052)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the reporting period		99,617	155,669
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		166,878	99,617
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE STATEMENT OF CASH FLOWS

At 31 March 2017

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2017	2016
	£	£
Net income for the reporting period (as per the statement of financial activities)	384,753	(351,193)
Adjustments for:		
Loss/(gain) on investments	(303,764)	230,069
Interest received	(464)	(700)
Dividends received	(82,076)	(87,080)
(Increase)/decrease in debtors	706	(6,592)
Increase/(decrease) in creditors	23,361	11,087
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	25,516	(204,409)
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2017**

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

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. At the date of transition no restatements were required. The date of transition to FRS102 was 1 April 2015.

The presentation currency is £ Sterling.

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.

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.

2. ACCOUNTING POLICIES - continued

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.

Heritage assets

The Charity owns the freehold or long leasehold of forty-eight 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.

Financial instruments

The charity has cash at bank, other debtors and other creditors that are financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

3. DONATIONS AND LEGACIES

	2017 £	2016 £
Donations	69,876	36,203
Legacies	113,000	250
Grants	<u>243,752</u>	<u>151,108</u>
	<u>426,628</u>	<u>187,561</u>

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

	2017 £	2016 £
CADW	80,000	80,000
Church in Wales	40,000	40,000
South Cambridgeshire District Council	60,000	-
Listed Places of Worship Scheme	30,362	31,108
Listed Places of Worship Scheme – Roof Repair Fund	<u>33,390</u>	<u>-</u>
	<u>243,752</u>	<u>151,108</u>

4. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Book sales	<u>143</u>	<u>160</u>

5. INVESTMENT INCOME

	2017 £	2016 £
UK investment income	79,053	77,568
Overseas investment income	3,023	9,512
Deposit account interest	<u>464</u>	<u>700</u>
	<u>82,540</u>	<u>87,780</u>

6. COST OF RAISING FUNDS

	2017 £	2016 £
Representations	1,384	719
Brokers' fees	<u>17,181</u>	<u>14,253</u>
	<u>18,565</u>	<u>14,972</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs £	Totals funds £
Charitable activities	<u>397,828</u>	<u>11,929</u>	<u>409,757</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

8. DIRECT COSTS

	2017	2016
	£	£
Purchase of objects of beauty	44,812	32,522
Works of reference	125	(133)
Repairs and maintenance	116,484	103,016
Insurance	13,784	13,046
Travel expenses	1,113	5,382
Ancient Monuments Society	55,954	54,503
Other expenses	-	477
Training costs	1,810	-
Upkeep of website	8,269	4,279
New Vestings	8,163	-
New Mechanism - Repairs and maintenance	129,273	135,144
New Mechanism - Insurance	9,302	8,553
New Mechanism - Travel expenses	465	-
New Mechanism - Field Officer's expenses	2,274	2,265
New Mechanism - Ancient Monuments Society	<u>6,000</u>	<u>6,000</u>
	<u>397,828</u>	<u>365,054</u>

9. SUPPORT COSTS

	2017	2016
	£	£
Trustees' travel expenses	1,984	2,319
Bank charges	1,229	1,083
AGM and other expenses	2,776	7,437
Auditors' remuneration	<u>5,940</u>	<u>5,760</u>
	<u>11,929</u>	<u>16,599</u>

10. NET INCOME/(EXPENDITURE)

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

	2017	2016
	£	£
Auditors' remuneration – audit fee	3,000	3,000
Auditors' remuneration – non audit services	<u>2,940</u>	<u>2,760</u>
	<u>5,940</u>	<u>5,760</u>

11. GAINS/(LOSSES) ON INVESTMENT ASSETS

	2017	2016
	£	£
Realised gains/(losses) on investment assets	7,281	(38,052)
Unrealised gains/(losses) on investment assets	<u>296,483</u>	<u>(192,017)</u>
	<u>303,764</u>	<u>(230,069)</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017, nor for the year ended 31 March 2016.

Trustees' Expenses

Travel expenses amounting to £1,984 have been reimbursed to 8 members of the Council during the year (2016 £2,319 to 10 members).

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	33,532	154,029	-	187,561
Other trading activities	160	,	,	160
Investment income	<u>67,630</u>	<u>17,783</u>	<u>2,367</u>	<u>87,780</u>
	101,322	171,812	2,367	275,501
EXPENDITURE ON				
Raising funds	9,894	4,595	483	14,972
Charitable activities	<u>174,440</u>	<u>207,213</u>	<u>-</u>	<u>381,653</u>
	<u>184,334</u>	<u>211,808</u>	<u>483</u>	<u>396,625</u>
NET INCOME/(EXPENDITURE)	(83,012)	(39,996)	1,884	(121,124)
Transfer between funds	<u>(4,376)</u>	<u>4,376</u>	<u>-</u>	<u>-</u>
	(87,388)	(35,620)	1,884	(121,124)
Gains/(losses) on investment assets	<u>(132,176)</u>	<u>(94,540)</u>	<u>(3,353)</u>	<u>(230,069)</u>
Net movement in funds	(219,564)	(130,160)	(1,469)	(351,193)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,467,613</u>	<u>1,008,039</u>	<u>367,881</u>	<u>2,843,533</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,248,049</u></u>	<u><u>877,879</u></u>	<u><u>366,412</u></u>	<u><u>2,492,340</u></u>

14. HERITAGE ASSETS

	Total £
COST	
At 1 April 2016 and 31 March 2017	<u>11,610</u>
NET BOOK VALUE	
At 31 March 2017	<u>11,610</u>
At 31 March 2016	<u>11,610</u>

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 49 churches which are not recognised in the balance sheet.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

15. FIXED ASSET INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 April 2016	2,145,572	254,859	2,400,431
Additions	754,472	-	754,472
Disposals	(530,012)	(179,384)	(709,396)
Revaluations	296,483	-	296,483
	<u>2,666,515</u>	<u>75,475</u>	<u>2,741,990</u>
At 31 March 2017	<u>2,666,515</u>	<u>75,475</u>	<u>2,741,990</u>

Listed investments comprise:

	2017 £	2016 £
United Kingdom equities and funds	2,535,411	2,067,668
Overseas equities	<u>131,103</u>	<u>77,904</u>
	<u>2,666,515</u>	<u>2,145,572</u>

The historical cost of the total of investments held is: 2,214,259 2,145,789

Included in investments are investments with a market value of £821,957 which are held specifically for the Cottam Will Trust.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other debtors	<u>23,416</u>	<u>24,121</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other creditors	<u>66,800</u>	<u>43,439</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Fixed assets	-	11,610	-	11,610	11,610
Investments	1,552,303	898,880	290,807	2,741,990	2,400,431
Cash at bank	(74,801)	155,020	86,659	166,878	99,617
Other current assets	7,417	10,845	5,153	23,415	24,121
Current liabilities	<u>(10,528)</u>	<u>(56,022)</u>	<u>(250)</u>	<u>(66,800)</u>	<u>(43,439)</u>
	<u>1,474,391</u>	<u>1,020,333</u>	<u>382,369</u>	<u>2,877,093</u>	<u>2,492,340</u>

Restricted funds include £865,657 in respect of the Cottam Will Trust.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

19. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	413,428	234,624	(8,282)	639,770
Designated funds	<u>834,621</u>	<u>-</u>	<u>-</u>	<u>834,621</u>
	1,248,049	234,624	(8,282)	1,474,391
Restricted funds				
Welsh Churches - 4 Original	-	(805)	805	-
Welsh Churches - New Mechanism	15,819	(14,098)	-	1,721
Other Churches	-	55,068	-	55,068
Cottam Will Trust	764,556	101,101	-	865,657
Fabric funds	<u>97,504</u>	<u>(7,094)</u>	<u>7,477</u>	<u>97,887</u>
	877,879	134,172	8,282	1,020,333
Endowment funds				
Brett Trust	130,268	15,957	-	146,225
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	<u>366,412</u>	<u>15,957</u>	<u>-</u>	<u>382,369</u>
TOTAL FUNDS	<u><u>2,492,340</u></u>	<u><u>384,753</u></u>	<u><u>-</u></u>	<u><u>2,877,093</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	226,672	161,352	169,304	234,624
Designated funds	<u>2,350</u>	<u>2,350</u>	<u>-</u>	<u>-</u>
	229,022	163,702	169,304	234,624
Restricted funds				
Welsh Churches - 4 Original	155	960	-	(805)
Welsh Churches - New Mechanism	133,061	147,159	-	(14,098)
Other Churches	62,024	6,956	-	55,068
Cottam Will Trust	39,883	53,603	114,821	101,101
Fabric funds	<u>42,856</u>	<u>55,321</u>	<u>5,371</u>	<u>(7,094)</u>
	277,979	263,999	120,192	134,172
Endowment funds				
Brett Trust	<u>2,310</u>	<u>621</u>	<u>14,268</u>	<u>15,957</u>
TOTAL FUNDS	<u><u>509,311</u></u>	<u><u>428,322</u></u>	<u><u>303,764</u></u>	<u><u>384,753</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.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 March 2017

19. 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.

20. COMMITMENTS

At 31 March 2017, there were no capital commitments, however the trustees had authorised future expenditure of £25,620 in pursuit of the objects of the Cottam Will Trust.

21. ANCIENT MONUMENTS SOCIETY

The Charity has a close working relationship with the Ancient Monuments Society, a separate charity with which it shares the same secretariat and membership. Under arrangements agreed between the two charities, the Friends of Friendless Churches pay an annual contribution towards the expenses of the shared secretariat provided by the Ancient Monuments Society, which also retains the full joint subscriptions received from members.