



FRIENDS  
OF  
FRIENDLESS  
CHURCHES

(A company limited by guarantee)

**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS**

**For The Year Ended 31 March 2018**

**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 2018

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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 2017-2018**

Roger Evans MA \*

Matthew Saunders MBE MA FSA \*

Peter Scott BA FCA \*

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

John Bowles MA FSA MCMI

Sir Paul Britton CB CVO MA \*

George Bulmer MA\*

Catherine Cullis MBE MA

Simon Evans 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 (until 12 January 2018)

Hon Treasurer

(until 8 February 2018)

(co-opted 6 June 2017; Company Secretary from 19 June 2018)

Honorary Chaplain

\* Denotes members of Investment and Finance Sub-Committee

**Director** (from 29 March 2018)

Rachael Morley BEng PgDip

**Assistant Secretary**

Rebecca Whewell BA

**Field Officer (Wales)**

Susan Dalton

**Registered Office**

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

[office@friendsoffriendlesschurches.org.uk](mailto:office@friendsoffriendlesschurches.org.uk)

[www.friendsoffriendlesschurches.org.uk](http://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

**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.

## **FRIENDS OF FRIENDLESS CHURCHES**

### **REPORT OF THE TRUSTEES for the Year Ended 31 March 2018**

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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 2018. 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 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. 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 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 2017-18, 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 2016-17, was held on 14 October 2017 at Hatfield House, Hertfordshire. Over 140 people attended Matthew Saunders's last AGM as Director of the Charity.

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. The day-to-day running of the Charity is conducted from its offices at St Ann's Vestry Hall in the City of London.

Since 1993, the Charity has operated under a working agreement with the Ancient Monuments Society (registered charity no. 209605). The two charities share an 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 Rebecca Whewell, Assistant Director, who continues to be employed by the Ancient Monuments Society.

Matthew Saunders was employed by the Ancient Monuments Society as Director of both charities until his retirement on 28 March 2018 with the Charity contributing to his costs. Both charities decided that following his retirement each would employ separate and independent full-time Directors.

In late 2017, following a rigorous recruitment process, Trustees appointed Rachel Morley as Matthew Saunders's successor. Rachel joined the Charity in January 2018 and worked alongside Matthew as Director designate until his retirement. Rachel is directly employed by the Charity on a full-time, permanent contract.

Both charities have agreed amendments to the agreement to share facilities and services which reflect the revised working arrangements for shared costs and the joint subscription income. The revisions came into operation on 1 April 2018.

The Charity benefits from the services of a freelance Field Officer in Wales, Susan Dalton. Our website and digital media are managed by Caroline Welch.

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## **FRIENDS OF FRIENDLESS CHURCHES**

### **REPORT OF THE TRUSTEES for the Year Ended 31 March 2018**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Matthew Saunders retired as Director of the Charity and Company on 28 March 2018 following many years of service. When Matthew became Director in 1993, the organisation had 16 vestings, by the time of his retirement it had 50. Trustees owe Matthew a great debt of gratitude for his expertise, affection and dedication in nurturing the Charity for four decades and wish him a long and happy retirement.

John Bowles, long-standing Trustee of the Charity passed away on 8 February 2018. John was the first Secretary of the Redundant Churches Fund (now Churches Conservation Trust) when it was established in 1969. Trustees remember, and are thankful for, John's extraordinary contribution, not only to The Friends, but to churches across the country. May he rest in peace.

## FRIENDS OF FRIENDLESS CHURCHES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2018

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#### ACHIEVEMENT AND PERFORMANCE

##### *New vestings*

We were delighted to add two new churches to our collection in 2017-18. Under the New Mechanism, the operation of which is described below, St Dogfael's, Meline, Pembrokeshire and St Michael and All Angels, Gwernesney, Monmouthshire and St Anno's Llananno, Powys came into our care.

The church at Gwernesey is Grade I listed and almost entirely medieval. Much of the thirteenth century fabric remains, but the real highlight is the fifteenth-century screen. The building was repaired and re-fitted by J. P. Seddon in the 1850s. The church is in relatively good condition, but improvements are needed to the rainwater goods and drainage system.

The Grade II church of St Dogfael's church is a characterful High Victorian set-piece by C. J. Withers. Located close to the reconstructed Iron Age fort of Castell Henllys and built for Sir Thomas Lloyd of Bronwydd, the design is an exercise in geometry. Substantial repairs are needed to the slate and lead roofs, and rainwater goods.

In addition, in March 2018, Trustees agreed to the vesting of the Grade II\* listed church of St Anno's, Llananno, Powys. This small, single chamber church was rebuilt in 1876 by David Walker and homes a very fine, largely complete early sixteenth century rood-screen. Minor repairs to the building are scheduled for 2018-19.

##### *Conservation & Repair*

The Charity was responsible for all or part of the year for 50 redundant but architecturally and historically important places of worship which are held either freehold or on long lease. A full list of the buildings in the care of the Charity can be found on the back cover of this report.

Over the past twelve months the Charity has successfully completed six major repair campaigns across England and Wales.

Upon vesting in 2011, substantial repairs were undertaken to make All Saints, Ballidon water-tight. A second round of repairs was undertaken in 2017, which included the installation of a surface water drainage system, overhauling and redecorating ironwork, renewal of oak blocks to the floor and mortar repairs to the copings of the stepped churchyard wall.

The church of St Denis, East Hatley has been transformed: new plain glazing has been installed in the nave windows; tongue and groove floor-boards have been laid in the nave with three inspection hatches, enabling the 14<sup>th</sup>-century timbers beneath to be viewed. In the choir-stalls area of the chancel, an entire new floor structure has been created and new floor-boards installed. This work would not have been possible without the endowment grant of £60,000 from South Cambridgeshire District Council.

St David's, Manordeifi – the handsome church on the bank of the River Teifi – was entirely re-roofed using new and salvaged slates and the rainwater goods were redecorated. While at St Jerome's, Llangwm Uchaf (vested 13 August 2018) the slate covered chancel roof was repaired. This work was originally scheduled for 2016 but was significantly delayed by difficulties in obtaining appropriate slates.

At St Michael & All Angels, Gwernesey, the rainwater disposal system was renewed; this included installing new cast-iron rainwater goods, investigating the below ground drainage system and re-charging soakaways. The external masonry head and walling above the nave south window was at risk of collapse. This was carefully unpicked and reset.

## FRIENDS OF FRIENDLESS CHURCHES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2018

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#### ACHIEVEMENT AND PERFORMANCE (continued)

The Charity oversees and bears the cost of caring for St. Leonard's, Sperrall, which is currently owned by the Ancient Monuments Society, but will be transferred to the Charity in 2018-19. Until October 2017, the church was leased to sculptor, Nick Jones. Subsequently, the nave has been re-roofed, and the chancel roof repaired. The rainwater goods have been redecorated and localised repairs have been undertaken to the glazing and masonry.

The much-loved church of St Mary the Virgin, Llanfair Kilgeddin was the victim of brutal metal theft in August 2017. Over 200 metal pipes were torn from the 1876 Telford of Dublin organ, the lamp fittings stripped and a commemorative brass plaque to ancestors of the Crawshay family buried in the churchyard pulled from the wall. Trustees agreed to restore the metalwork, where possible and to review security measures.

#### *Funding*

2017-18 saw the successful continuation of the arrangement between the Charity, Cadw and the Church in Wales. Known as the New Mechanism, this arrangement involves an annual funding application to Cadw and the Church in Wales towards the repair and maintenance of redundant 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. (£120,000 total). We are immensely grateful for the financial support Cadw and the Church in Wales provide.

#### *Fundraising*

With a growing estate and no 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 past financial year, generous legacies have been received from Dr Gwenda Evans, Janet Beazley and Jack Laundon. Donations received are listed, with great thanks, in our newsletter.

Membership subscriptions are a significant part of our income and are essential in enabling us to plan repairs for the year ahead. The total membership of The Friends of Friendless Churches and Ancient Monuments Society, which operate a joint membership scheme, stood at 2,315 at the end of March 2018. That figure reflects the number of household members. Three joint members' newsletters were published in the year.

Filming offers a means for income generation and the Charity intend to promote this in the next financial year. In November 2017, the Channel 4 series *Flowers* filmed several scenes at St Mary Magdalene, Boveney.

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

#### *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. More than half of our churches now have active volunteers and Friends groups.

Throughout 2017-18, some of the activities these groups have undertaken include the Fuchsia Festival at St Mary Magdalene, Caldecote; examining and monitoring lichen on the walls of St Baglan's, Llanfaglan with experts from the *Llen Natur* project; the Christmas Tree Festival and service at St John the Baptist, Allington; workshops training ecologists at the bat-haven St Michael and All Angels, Castlemartin; the annual concert at St Ellyw, Llanelieu and the regular events on natural and built history by The Sutterby Horde at St John the Baptist, Sutterby.

At many other churches there has been a further range of activities, formal and informal.

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## FRIENDS OF FRIENDLESS CHURCHES

### REPORT OF THE TRUSTEES for the Year Ended 31 March 2018

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#### ACHIEVEMENT AND PERFORMANCE (continued)

Most of our churches are accessible to the public throughout the year: either they are open daily or a key is available nearby. However, where possible we do like to take part in Heritage Open Days (England) and Open Doors Wales, each September. Last year, 18 churches were registered for the Open Doors Wales festival and seven for Heritage Open Days. Again, huge thanks must go to our volunteers and Friends groups who facilitate such enthusiastic participation.

It is with great sadness that the Charity learned of the death of Peter Robbins in February 2018. Peter was the first Chairman of the Friends of St Mary Magdalene, Caldecote when they were established in 2010 and was unerringly devoted to the diminutive church.

#### *Trusts & Funds*

##### 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 towards the structural repair and re-roofing of St Mary's, Ovington remains in place. The PCC at St Mary's are currently fundraising to cover the outstanding amount.

##### 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 2017, Trustees awarded five grants from the Cottam Will Trust. The principal grant was towards the glazing of the windows of St Peter's, Wickham Bishops, Essex. The windows are currently filled with *Meshlite* and the proposal is to create two stained glass panels depicting St Helen and St Cedd, and St Peter and St Bartholomew respectively.

In late 2017, a grant of £15,000 was awarded to the PCC of St Wilfrid's Kelham in Nottinghamshire to purchase the organ from the chapel of the Lincoln Theological College and re-site it within their church. The instrument, made by Cousans of Lincoln in 1935, is set in an elaborate case by Temple Moore.

£2,003 was granted towards the construction of a case, carved from seasoned oak, to display the 1620 Llanwnda Bible at the church of St Gwyndaf, Llanwnda, Pembrokeshire.

Trustees also agreed to award a grant – the final amount to be decided - to the church of Holy Trinity, Barsham, Suffolk for the creation of a new rectors' board.

Trustees agreed in principle to fund the re-glazing of St Denis's church, East Hatley and the restoration of the Telford of Dublin organ at St Mary's, Llanfair Kilgeddin.

##### 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.

## **FRIENDS OF FRIENDLESS CHURCHES**

### **REPORT OF THE TRUSTEES for the Year Ended 31 March 2018**

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#### **FINANCIAL REVIEW**

The financial position is set out in the accounts for the year. These show net outgoing resources of £24,246 (2017 income £80,989) to which in addition to gains on investments of £110,931 (2017 £303,764) made a total surplus of £86,685 (2017 £384,753). Surplus reserves carried forward amount to £2,963,778 and this includes investments of £2,876,797 and cash at bank of £106,604.

Trustees are delighted to record their gratitude for the receipt of a further £50,000 (total £162,000) from the will of Dr Gwenda Evans, £20,000 from the estate of Jack Laundon, £11,839 from that of Janet Beazley, £23,750 from that of Joyce Crawshay towards Wood Walton, £500 from that of Frank Bannister Barr and £500 from that of John Gwynne Price for Llangwm Uchaf. A legacy of £10,000 was left by Henry Fagan to the church of St Lawrence, Besselsleigh, Berkshire.

There were generous donations from The Friends of Tuxlith Chapel (Milland), and from Dempster Chalmers, Kate Lampard, Anthony Rose in memory of his mother, Malcolm Breed in memory of his father and Nigel Waring. And from many kind individuals (listed in 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 the Department for Culture, Media and Sport of Her Majesty's Government for guaranteeing this vital scheme until 2020.

#### **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 at 31 March 2018 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. The unspent funds held for the New Mechanism 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 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.

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## **FRIENDS OF FRIENDLESS CHURCHES**

### **REPORT OF THE TRUSTEES**

for the Year Ended 31 March 2018

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#### **FINANCIAL REVIEW (continued)**

##### **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 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**

The total membership of the Ancient Monuments Society and the Friends of Friendless Churches, which operate a joint membership scheme, stood at 2,315 at the end of March 2018. 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 allows 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 50 buildings, all but nine 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 7 of the Trustees' Report).

## **FRIENDS OF FRIENDLESS CHURCHES**

### **REPORT OF THE TRUSTEES for the Year Ended 31 March 2018**

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

#### **ON BEHALF OF THE BOARD:**

Roger Evans MA – Chairman

1 September 2018

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

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### Opinion

We have audited the financial statements of Friends of Friendless Churches (the 'charitable company') for the year ended 31 March 2018 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 2018 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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

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### **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:

- the charitable company has not kept proper and adequate accounting records 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.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

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 2018**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	3	163,087	164,400	-	327,487	426,628
Other trading activities	4	7,234	-	-	7,234	143
Investment income	5	70,158	14,820	3,105	88,083	82,540
<b>Total</b>		<u>240,479</u>	<u>179,220</u>	<u>3,105</u>	<u>422,804</u>	<u>509,311</u>
<b>EXPENDITURE ON</b>						
Raising funds	6	13,856	6,314	899	21,069	18,565
Charitable activities	7	<u>258,970</u>	<u>167,011</u>	-	<u>425,981</u>	<u>409,757</u>
<b>Total</b>		<u>272,826</u>	<u>173,325</u>	<u>899</u>	<u>447,050</u>	<u>428,322</u>
<b>NET INCOME/(EXPENDITURE)</b>						
		(32,347)	5,895	2,206	(24,246)	80,989
<b>Transfer between funds</b>	20	<u>(9,865)</u>	<u>9,865</u>	-	-	-
<b>Other recognised gains/(losses)</b>		(42,212)	15,760	2,206	(24,246)	80,989
Gains/(losses) on investment assets	11	<u>10,061</u>	<u>92,896</u>	<u>7,974</u>	<u>110,931</u>	<u>303,764</u>
<b>Net movement in funds</b>		(32,151)	108,656	10,180	86,685	384,753
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>1,474,391</u>	<u>1,020,333</u>	<u>382,369</u>	<u>2,877,093</u>	<u>2,492,340</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,442,240</u>	<u>1,128,989</u>	<u>392,549</u>	<u>2,963,778</u>	<u>2,877,093</u>

The notes form part of these financial statements

**FRIENDS OF FRIENDLESS CHURCHES****BALANCE SHEET**

At 31 March 2018

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		2018	2017
		£	£
<b>FIXED ASSETS</b>	Notes		
Tangible assets	15	12,913	11,610
Investments	16	<u>2,876,797</u>	<u>2,741,990</u>
		2,889,710	2,753,600
<b>CURRENT ASSETS</b>			
Debtors	17	57,088	23,415
Cash at bank		<u>106,604</u>	<u>166,878</u>
		163,692	190,293
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(89,624)</u>	<u>(66,800)</u>
<b>NET CURRENT ASSETS</b>		<u>74,068</u>	<u>123,493</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,963,778</u>	<u>2,877,093</u>
<b>NET ASSETS</b>		<u>2,963,778</u>	<u>2,877,093</u>
<b>FUNDS</b>	20		
Unrestricted funds		1,442,240	1,474,391
Restricted funds		1,128,989	1,020,333
Endowment funds		<u>392,549</u>	<u>382,369</u>
<b>TOTAL FUNDS</b>		<u>2,963,778</u>	<u>2,877,093</u>

The financial statements were approved by the Board of Trustees on 1 September 2018 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 2018

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		2018 £	2017 £
	<b>Notes</b>		
<b>Net cash provided by (used in) operating activities</b>	1	(122,526)	22,516
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		(1,954)	-
Purchase of fixed asset investments		(688,235)	(754,472)
Sale of tangible fixed asset investments		664,358	716,677
Interest received		215	464
Dividends received		87,868	82,076
<b>Net cash provided by (used in) investing activities</b>		62,252	44,745
<b>Change in cash and cash equivalents in the reporting period</b>		(60,274)	67,261
<b>Cash and cash equivalents at the beginning of the reporting period</b>		166,878	99,617
<b>Cash and cash equivalents at the end of the reporting period</b>		106,604	166,878

The notes form part of these financial statements

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE STATEMENT OF CASH FLOWS**

At 31 March 2018

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<b>I. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net income for the reporting period (as per the statement of financial activities)</b>	86,685	384,753
<b>Adjustments for:</b>		
Depreciation	652	-
Loss/(gain) on investments	(110,931)	(303,764)
Interest received	(215)	(464)
Dividends received	(87,868)	(82,076)
(Increase)/decrease in debtors	(33,673)	706
Increase/(decrease) in creditors	22,824	23,361
<b>Net cash provided by (used in) operating activities</b>	<u>(122,526)</u>	<u>25,516</u>

## FRIENDS OF FRIENDLESS CHURCHES

### NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2018

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#### 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.

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.

## FRIENDS OF FRIENDLESS CHURCHES

### NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 March 2018

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#### 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.

##### **Tangible fixed assets**

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

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

##### **Heritage assets**

The Charity owns the freehold or long leasehold of fifty 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 2018

**3. DONATIONS AND LEGACIES**

	2018 £	2017 £
Donations	82,638	69,876
Legacies	92,839	113,000
Grants	<u>152,010</u>	<u>243,752</u>
	<u><u>327,487</u></u>	<u><u>426,628</u></u>

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

	2018 £	2017 £
CADW	80,000	80,000
Church in Wales	40,000	40,000
South Cambridgeshire District Council	-	60,000
Listed Places of Worship Scheme	32,010	30,362
Listed Places of Worship Scheme – Roof Repair Fund	<u>-</u>	<u>33,390</u>
	<u><u>152,010</u></u>	<u><u>243,752</u></u>

**4. OTHER TRADING ACTIVITIES**

	2018 £	2017 £
Book sales	20	143
Other income	<u>7,214</u>	<u>-</u>
	<u><u>7,234</u></u>	<u><u>143</u></u>

**5. INVESTMENT INCOME**

	2018 £	2017 £
UK investment income	78,917	79,053
Overseas investment income	8,951	3,023
Deposit account interest	<u>215</u>	<u>464</u>
	<u><u>88,083</u></u>	<u><u>82,540</u></u>

**6. COST OF RAISING FUNDS**

	2018 £	2017 £
Representations	920	1,384
Brokers' fees	<u>20,149</u>	<u>17,181</u>
	<u><u>21,069</u></u>	<u><u>18,565</u></u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Support costs £	Totals funds £
Charitable activities	<u>411,584</u>	<u>14,397</u>	<u><u>425,981</u></u>

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 March 2018

**8. DIRECT COSTS**

	2018	2017
	£	£
Purchase of objects of beauty	6,350	44,812
Works of reference	-	125
Repairs and maintenance	204,775	116,484
Insurance	13,934	13,784
Travel expenses	4,984	1,113
Ancient Monuments Society	56,043	55,954
Training costs	2,107	1,810
Upkeep of website	6,692	8,269
Other costs	180	-
Salaries	9,309	-
Pension	501	-
Depreciation	651	-
New Vestings	-	8,163
New Mechanism - Repairs and maintenance	87,369	129,273
New Mechanism - Insurance	9,954	9,302
New Mechanism - Travel expenses	229	465
New Mechanism - Field Officer's expenses	2,163	2,274
New Mechanism - Ancient Monuments Society	6,000	6,000
New Mechanism – Sundries	343	-
	<u>411,584</u>	<u>397,828</u>

**9. SUPPORT COSTS**

	2018	2017
	£	£
Trustees' travel expenses	2,935	1,984
Bank charges	902	1,229
AGM and other expenses	4,620	2,776
Auditors' remuneration	5,940	5,940
	<u>14,397</u>	<u>11,929</u>

**10. NET INCOME/(EXPENDITURE)**

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

	2018	2017
	£	£
Auditors' remuneration – audit fee	3,000	3,000
Auditors' remuneration – non audit services	2,940	2,940
	<u>5,940</u>	<u>5,940</u>

**11. GAINS/(LOSSES) ON INVESTMENT ASSETS**

	2018	2017
	£	£
Realised gains/(losses) on investment assets	15,442	7,281
Unrealised gains/(losses) on investment assets	95,489	296,483
	<u>110,931</u>	<u>303,764</u>

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 March 2018

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**12. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2018, nor for the year ended 31 March 2017.

**Trustees' Expenses**

Travel expenses amounting to £2,935 have been reimbursed to 8 members of the Council during the year (2017 £1,984 to 8 members).

**13. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	6,276	-
Social security costs	3,033	-
Other pension costs	501	-
	<u>9,810</u>	<u>-</u>

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

	2018	2017
Administration	<u>1</u>	<u>-</u>

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

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 March 2018

**14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	167,175	259,456	-	426,628
Other trading activities	143	-	-	143
Investment income	61,707	18,523	2,310	82,540
	<u>229,022</u>	<u>277,979</u>	<u>2,310</u>	<u>509,311</u>
<b>EXPENDITURE ON</b>				
Raising funds	12,573	5,371	621	18,565
Charitable activities	151,129	258,628	-	409,757
	<u>163,702</u>	<u>263,999</u>	<u>621</u>	<u>428,322</u>
<b>NET INCOME/(EXPENDITURE)</b>	65,320	13,980	1,689	80,989
<b>Transfer between funds</b>	<u>(8,282)</u>	<u>8,282</u>	<u>-</u>	<u>-</u>
	57,038	22,262	1,689	80,989
Gains/(losses) on investment assets	169,304	120,192	14,268	303,764
<b>Net movement in funds</b>	<u>226,342</u>	<u>142,454</u>	<u>15,957</u>	<u>384,753</u>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>1,248,049</u>	<u>877,879</u>	<u>366,412</u>	<u>2,492,340</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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>

**15. TANGIBLE FIXED ASSETS**

	Heritage £	Computer Equipment £	Totals £
<b>COST</b>			
At 1 April 2017	11,610	-	11,610
Additions	-	1,954	1,954
Disposals	-	-	-
At 31 March 2018	<u>11,610</u>	<u>1,954</u>	<u>13,564</u>
<b>DEPRECIATION</b>			
At 1 April 2017	-	-	-
Charge for year	-	651	651
Eliminated on disposal	-	-	-
At 31 March 2018	<u>-</u>	<u>651</u>	<u>651</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u><u>11,610</u></u>	<u><u>1,303</u></u>	<u><u>12,913</u></u>
At 31 March 2017	<u><u>11,610</u></u>	<u><u>-</u></u>	<u><u>11,610</u></u>

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 March 2018

**15. TANGIBLE FIXED ASSETS (CONTINUED)**

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

The Charity owns the freehold or long leasehold of 50 churches which are not recognised in the balance sheet.

**16. FIXED ASSET INVESTMENTS**

	Listed investments £	Cash and settlements pending £	Totals £
<b>MARKET VALUE</b>			
At 1 April 2017	2,666,515	75,475	2,741,990
Additions	688,235	34,217	722,452
Disposals	(683,132)	-	(683,132)
Revaluations	95,487	-	95,487
	<u>2,767,105</u>	<u>109,692</u>	<u>2,876,797</u>
At 31 March 2018	<u>2,767,105</u>	<u>109,692</u>	<u>2,876,797</u>

Listed investments comprise:

	2018 £	2017 £
United Kingdom equities and funds	2,723,101	2,535,411
Overseas equities	44,004	131,103
	<u>2,767,105</u>	<u>2,666,515</u>

The historical cost of the total of investments held is: 2,353,021      2,214,259

Included in investments are investments with a market value of £908,649 which are held specifically for the Cottam Will Trust.

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other debtors	<u>57,088</u>	<u>23,416</u>

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Other creditors	<u>89,624</u>	<u>66,800</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £	2017 Total funds £
Fixed assets	1,303	11,610	-	12,913	11,610
Investments	1,549,425	986,375	340,997	2,876,797	2,741,990
Cash at bank	(116,791)	176,520	46,875	106,604	166,878
Other current assets	34,854	17,307	4,927	57,088	23,415
Current liabilities	<u>(26,551)</u>	<u>(62,823)</u>	<u>(250)</u>	<u>(89,624)</u>	<u>(66,800)</u>
	<u>1,442,240</u>	<u>1,128,989</u>	<u>392,549</u>	<u>2,963,778</u>	<u>2,877,093</u>

Restricted funds include £959,937 in respect of the Cottam Will Trust.

**FRIENDS OF FRIENDLESS CHURCHES**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Year Ended 31 March 2018

**20 MOVEMENT IN FUNDS**

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.3.18 £
<b>Unrestricted funds</b>				
General fund	639,770	(40,075)	(9,865)	589,830
Designated funds	834,621	17,789	-	852,410
	<u>1,474,391</u>	<u>(22,286)</u>	<u>(9,865)</u>	<u>1,442,240</u>
<b>Restricted funds</b>				
Welsh Churches - 4 Original	-	810	(810)	-
Welsh Churches - New Mechanism	1,721	28,440	-	30,161
Other Churches	55,068	(15,289)	-	39,779
Cottam Will Trust	865,657	94,280	-	959,937
Fabric funds	97,887	(9,450)	10,675	99,112
	<u>1,020,333</u>	<u>98,791</u>	<u>9,865</u>	<u>1,128,989</u>
<b>Endowment funds</b>				
Brett Trust	146,225	10,180	-	156,405
James Johnston Fund	236,144	-	-	236,144
	<u>382,369</u>	<u>10,180</u>	<u>-</u>	<u>392,549</u>
<b>TOTAL FUNDS</b>	<u>2,877,093</u>	<u>86,685</u>	<u>-</u>	<u>2,963,778</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	215,343	265,479	10,061	(40,075)
Designated funds	25,136	7,347	-	17,789
	<u>240,479</u>	<u>272,826</u>	<u>10,061</u>	<u>(22,286)</u>
<b>Restricted funds</b>				
Welsh Churches - 4 Original	2,000	1,190	-	810
Welsh Churches - New Mechanism	134,387	105,947	-	28,440
Other Churches	23,013	38,302	-	(15,289)
Cottam Will Trust	14,226	12,950	93,004	94,280
Fabric funds	5,594	14,934	(110)	(9,450)
	<u>179,220</u>	<u>173,323</u>	<u>92,894</u>	<u>98,791</u>
<b>Endowment funds</b>				
Brett Trust	3,105	901	7,976	10,180
<b>TOTAL FUNDS</b>	<u>422,804</u>	<u>447,050</u>	<u>110,931</u>	<u>86,685</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 2018

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#### 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>852,410</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 2018, there were no capital commitments, however the Trustees had authorised future expenditure of £75,273 in pursuit of the objects of the Cottam Will Trust.

#### 22. 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. Until 31 March 2018 under arrangements agreed between the two charities, the Friends of Friendless Churches paid an annual contribution towards the expenses of the shared secretariat provided by the Ancient Monuments Society, which also retained the full joint subscriptions received from members. The arrangements have been amended from 1 April 2018.

## FRIENDS OF FRIENDLESS CHURCHES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the Year Ended 31 March 2018

The Charity was responsible for all or part of the year for 50 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, Lightcliffe, West Yorkshire	(99-year lease)
01 January 1974	Old St Luke, Milland, West Sussex	(99-year lease)
01 January 1975	St Mary, Mundon, Essex	(999-year lease)
01 January 1975	St Peter, Wickham Bishops, Essex	(999-year lease)
01 January 1976	St Andrew, South Huish, Devon	(999-year lease)
01 May 1976	Old St Peter, Saltfleetby, Lincolnshire	(999-year lease)
26 July 1978	Chapel, Urishay, Herefordshire	(freehold)
24 June 1979	St Andrew, Wood Walton, Cambridgeshire	(999-year lease)
05 December 1979	St John the Baptist, Papworth St Agnes, Cambridgeshire	(freehold)
20 March 1980	St Mary, Eastwell, Kent	(freehold)
03 July 1981	St John the Baptist, Sutterby, Lincolnshire	(freehold)
15 April 1982	St Mary Magdalene, Caldecote, Hertfordshire	(freehold)
07 September 1982	The Assumption, Hardmead, Buckinghamshire	(99-year lease)
07 October 1983	St Mary Magdalene, 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, Matlock Bath, Derbyshire	(freehold)
23 January 2007	St Peter, Llancillo, Herefordshire	(freehold)
15 November 2010	Chapel of Ease, Thornton-le-Beans, North Yorkshire	(freehold)
01 January 2011	St John the Baptist, Allington, Wiltshire	(freehold)
07 January 2011	St Mary, Long Criche, Dorset	(freehold)
20 May 2011	St Mary of the Angels, Brownhill, Gloucestershire	(freehold)
12 September 2011	St Mary, Fordham, Norfolk	(freehold)
28 December 2011	All Saints, Ballidon, Derbyshire	(freehold)
30 November 2016	St Denis, East Hatley, Cambridgeshire	(freehold)

#### Welsh Vestings:

01 November 1978	SS Afran, Ieuan & Sannan, Llantrisant, Anglesey	(999-year lease)
07 October 1983	St Andrew, Bayvil, Dyfed	(999-year lease)
22 November 1989	St Mary the Virgin, Llanfair Kilgeddin, Monmouthshire	(freehold)
07 February 1991	St Baglan, Llanfaglan, Gwynedd	(freehold)
19 November 1999	St David, Llangeview, Monmouthshire	(999-year lease)
19 November 1999	St Mary, Tal-y-Llyn, Anglesey	(999-year lease)
19 November 1999	St Ellyw, Llanelieu, Powys	(999-year lease)
19 November 1999	St Beuno, Penmorfa, Gwynedd	(999-year lease)
10 August 2000	St David, Manordeifi, Pembrokeshire	(999-year lease)
17 December 2000	Church, Hodgeston, Pembrokeshire	(999-year lease)
01 December 2002	St Cynhaearn, Ynyscynhaearn, Gwynedd	(999-year lease)
01 December 2002	St Mark, Brithdir, Gwynedd	(999-year lease)
01 December 2002	St Mary, Derwen, Denbighshire	(999-year lease)
01 December 2002	St Eloi, Llandeloy, Pembrokeshire	(999-year lease)
01 January 2005	St Brothen, Llanfrothen, Gwynedd	(999-year lease)
10 June 2005	St Peulan, Llanbeulan, Anglesey	(999-year lease)
10 June 2005	St Decumanus, Rhoscrowther, Pembrokeshire	(999-year lease)
24 April 2006	St Oudoceus, Llandawke, Carmarthenshire	(999-year lease)
01 February 2007	St Migaél, Llanfigael, Anglesey	(999-year lease)
30 July 2008	St Michael, Llanfihangel Rogiet, Monmouthshire	(999-year lease)
14 May 2009	St Mary, Penllech, Gwynedd	(999-year lease)
01 December 2013	St Michael, Tremaen, 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, Meline, Pembrokeshire	(999-year lease)

On 13 August 2018 St Jerome, Llangwm Uchaf, Monmouthshire (999-year lease) was transferred to the Friends. The vesting of St Anno's, Llananno, Powys is imminent.

In addition it oversees and bears the cost of caring for St. Leonards's church, Spennall in Warwickshire, which is currently owned by the Ancient Monuments Society, but which it has been agreed should be transferred to the Friends. The transfer will take place in the year 2018-19.