



# FRIENDS OF FRIENDLESS CHURCHES

(A company limited by guarantee)

**Report of the Trustees and Financial Statements  
for the year ended 31 March 2019**

Registered Company No.: 1119137 (England and Wales)  
Registered Charity No.: 1113097

**Contents of the financial statements for the year ended 31 March 2019**

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## Reference and administrative details

### *President*

The Most Honourable The Marquess of Salisbury KG KCVO PC DL

### *Vice-Presidents*

Lord Brooke of Sutton Mandeville CH PC

Rt Rev'd J Wyn Evans BA BD FRHistS FSA

Episcopal Patron

Hugh Johnson OBE

Thomas Lloyd OBE MA

John Porteous OBE

Professor Andrew Saint Hon FRIBA

### *Board of Trustees 2018-2019*

Roger Evans MA \*

Chairman

Peter Scott BA FCA \*

Honorary Treasurer

Simon Evans MA

Company Secretary from 19 June 2018

Rev'd Philip Gray BA CertEd

Honorary Chaplain

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

Sir Paul Britton CB CVO MA \*

George Bulmer MA\*

Catherine Cullis MBE MA

John Edwards BA ACA

Co-opted 20 March 2019

Elizabeth Green PhD

Richard Halsey MBE BA FSA

John Morgan-Guy BA PhD LicDD DipMin FRHistS FSA

Howard Pool BA FCMA \*

John Vigar MA FSA Scot FRSA

\* Denotes members of Investment and Finance Sub-Committee

### *Director*

Rachel Morley BEng PgDip

### *Assistant Director*

Rebecca Whewell BA MSc

### *Field Officer (Wales)*

Susan Dalton

### *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

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.

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 2019. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

#### *Structure, Governance & Management*

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

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

The Trustees of The Friends form the Council which is responsible for the governance and management of the Charity. Trustees are as listed on page 1 and are all elected annually by members of the Company at the Annual General Meeting, with the Council having the power to elect further members, where necessary, between Meetings. When required, nominations for new appointments to the Council are sought from those with appropriate understanding of conservation matters and skills of benefit to the Charity and Company. Potential Trustees meet the Chairman and Director before a final proposal is put to the Council. Appointments run to the next Annual General Meeting. Each new member of the Council 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 2018-19, 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 once during the year.

The Annual General Meeting, which accepted the annual report for 2017-18, was held on 13 October 2018 at St Baglan's church, Llanfaglan, Gwynedd. Over 60 people attended.

All Trustees are honorary, and none receives a salary or remuneration. The Charity relies heavily on volunteers, particularly in the local groups of Friends based at many of our churches. 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 contributes towards a common fund which covers shared expenses.

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.

### *Achievement & Performance*

#### *New vestings*

Financial year 2018-19 brought vesting of the Grade II\* listed church of St Anno's, Llananno, near Llandrindod Wells, Powys. This small church was rebuilt in 1876 by David Walker. Its chief glory is the magnificent medieval roodscreen by the Newton school of carvers.

Repairs to the roof, masonry and glazing are underway.

St Jerome's, Llangwm Uchaf had been cared for by the Friends since 2012 but was formally vested on a 999-year lease on 13 August 2018. Despite its twelfth century origins, St Jerome's is renowned for its late 15th-century screen, one of the finest in southern Wales. The 19th-century restoration carried out by Rev. William Price between 1863 and 1878 and supervised by J. P. Seddon.

Since 2012, the church has been re-roofed, and the rainwater goods overhauled. In 2018, a French drain was installed to alleviate dampness.

#### *Conservation & repair*

The first phase of repairs at St Denis's, East Hatley, Cambridgeshire reached completion in June 2018. These works sought to make the building watertight and safe for public access. To achieve the former the many slipped, broken and missing roof-tiles were replaced or re-fixed, and cracks and open joints in masonry were repointed in lime mortar. Plain glazing was installed to all nave windows, which had been unglazed for decades.

To achieve the latter, Douglas fir tongue and groove boards with three inspection hatches were laid throughout the nave and chancel. The central walkway to the nave was consolidated with limecrete and has been and re-tiled, using some salvaged, some new tiles.

The second phase of work will see the introduction of glazing to the chancel windows.

St Dogfael's, Meline, Pembrokeshire was vested in the Friends in late 2017. In 2018, substantial repairs were undertaken to make the building wind- and watertight. This included re-roofing of the porch, localised re-roofing of nave and chancel, the installation of new rainwater goods, improvements to the surface drainage system, masonry repairs, and repair and refurbishment of the windows.

On 13 October 2018, St David's, Manordeifi, Pembrokeshire was submerged in over 5ft of water for several hours after the River Teifi burst its banks. This was the first time the church has flooded in over thirty years.

Working with our insurers and loss adjustor, and following the advice of the church surveyor, restoration of the church included contents triage, localised lifting of floorboards, removal of damaged objects (i.e. Bibles and textiles) for specialist treatment in controlled environments; cleaning with high-pressure steam with extraction at source. Further decontamination, further cleaning followed by the installation of fans in the church to aid natural drying. Redecoration is underway.

St Mark's, Brithdir, Gwynedd is Henry Wilson's Arts and Crafts masterpiece. The church is Grade I listed. Throughout 2018-19, localised repairs to the roof and masonry were undertaken, as well as an upgrade of the electrical installation.

In addition to these repairs, enabling works were undertaken at St Andrew's, Wood Walton, Cambridgeshire and the Church of the Assumption of the Blessed Virgin Mary, Hardmead, Buckinghamshire in preparation of repairs in 2019-20.

All of our vestings benefited from routine maintenance to clear gutters, rod drains and replace any missing or slipped tiles.

#### *Funding*

2018-19 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 Henry Lewis and David Lawrence. Donations received are listed, with great thanks, in our newsletter.

In 2018, the Charity received back royalties from a legacy left by Canon Roy Porter in 2017 on the literary output of his sister, Joyce Porter. We have now signed contracts with Prelude Books Ltd. for Porter's Dover series, and an audio contract with WF Howes Ltd. for the first three books in the Dover series.

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 2,343 at the end of March 2019. That figure reflects the number of household members. Three joint members' newsletters were published in the year.

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 2018-19, some of the activities these groups have undertaken include the Fuchsia Festival at St Mary Magdalene, Caldecote, Hertfordshire; the Christmas Tree Festival and Easter egg hunt at St John the Baptist, Allington, Wiltshire; training workshops for ecologists at the bat-haven St Michael and All Angels, Castlemartin, Pembrokeshire; the folk festival at St Ellyw, Llanelieu, Powys; concerts at St Cynhaearn, Ynyscynhaearn, Gwynedd; and local ale festivals and moveable feasts at St Mary of the Angels, Brownshill, Gloucestershire. The Spirit of Sutterby project continues to go from strength-to-strength: The Sutterby Horde's popular programme of regular events on natural and built history of St John the Baptist, Sutterby, Lincolnshire seeks to research the village's past, record its past and give it a future. The Sutterby Horde were awarded a commendation by the judges of Historic England's Heritage Angel Awards in 2018.

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

We must extend our gratitude to our volunteers who help us run events at our churches during the annual Heritage Open Days (England) and Open Doors Wales festivals. Last year, seventeen churches were registered for the Open Doors Wales festival and nine for Heritage Open Days. Again, huge thanks must go to our volunteers and Friends groups who facilitate such enthusiastic participation.

### *Press & PR*

Throughout 2018-19, we sought to increase the profile of the Charity and raise awareness about our work.

We had significant press coverage: namely the repair of St Denis's, East Hatley, Cambridgeshire which was covered by *The Metro*, England's most read national newspaper. It was also picked up by BBC Radio Cambridgeshire and several local newspapers.

ITV East Anglia travelled to St Andrew's, Wood Walton, Cambridgeshire to meet the Chairman of the Friends group and to talk about the repairs needed at the church.

We have had a regular feature in *The Countryman* for the past twelve months. These articles allowed us to highlight individual churches and the work of our volunteers.

We participated in Church Tourism Week in July 2018.

The Director spoke at various conferences and events throughout 2018-19.

We have significantly increased our digital output and seek to generate engaging, attractive content for our online supporters. Trustee, John Morgan-Guy has written monthly blogs on 'Powerful People' at our churches as part of the Visit Wales initiative, *Year of Discovery*. These have proved hugely popular.

All of our churches have now been registered on the *ExploreChurches* website, which should increase traffic to our website.

We have increased our social media activity with daily posts across Twitter, Facebook and Instagram. Our supporter numbers on each channel are 4,474 (Twitter), 1,550 (Facebook) and 2,735 (Instagram).

#### *Charitable Trusts & Funds*

##### *Brett Trust*

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

##### *Cottam Will Trust*

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

In 2018-19, eleven applications to the Cottam Will Trust. Trustees awarded two grants. £5,000 was allocated to St Mary and All Saints, Fotheringhay, Northamptonshire towards the creation of a new altar frontal. While £1,450 (of which £1,277 was spent) was awarded to St Nicholas's Chapel, King's Lynn, Norfolk towards the purchase of their long-lost neo-Jacobean font lid.

Previously awarded grants to St Wilfrid's, Kelham; St Gwndaf's, Llanwnda; St Denis's, East Hatley; and St Mary the Virgin, Llanfair Kilgeddin were drawn down.

##### *Other churches*

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

### *Financial review*

The financial position is set out in the accounts for the year. These show net incoming resources of £164,469 (2018 outgoings £24,246) to which, in addition, gains on investments of £64,254 (2018 £110,031) made a total surplus movement on funds of £228,723 (2018 £86,685). Surplus reserves carried forward amount to £3,192,501 and this includes investments of £3,040,166 and cash at bank of £110,187. This is the first time that our reserves have exceeded £3 million.

Trustees are delighted to record their gratitude for the receipt of £300,000 from the estate of Henry Lewis and £10,000 from that of David Lawrence.

There were generous donations from Jacquie Murray for the organ restoration at St Mary's, Llanfair Kilgeddin, the Bartleet Family Trust, the Samuel Gurney Foundation, J & M Britton Trust, J Dean, M Hall and D L Thomas. And from many kind individuals, 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 2019 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.

### *Investment Policy*

The Council has appointed an Investment and Finance Sub-Committee which usually meets twice a year. The Sub-Committee makes a formal report of its meetings to the Council. The Articles of Association, as amended in 2005 and 2006, grant the Council permissive rights to delegate discretionary investment powers and nominee status to an outside organisation. Detailed negotiations, assisted by the Charity's legal advisors, resulted in clearance from the Charity Commission to put these powers into force early in 2008-09. The function of the Investment and Finance Sub-Committee thus changed from

reviewing individual holdings to that of recommending to the Council the strategic context within which our broker is delegated to operate and the subsequent monitoring of performance. The decision to buy or sell investments now rests with our broker alone. The strategic contexts for the general portfolio and for the Cottam Will Trust are set differently in order to match the objectives of the separate funds. Underlying strategy may, from time to time, be reviewed.

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

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

#### *Risk Management*

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

#### *Membership*

The total membership of the Friends of Friendless Churches and the Ancient Monuments Society, which operate a joint membership scheme, stood at 2,343 at the end of March 2019. That figure reflects the number of household members. Three joint AMS/Friends newsletters to members were published in the year.

#### *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 53 buildings.

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

### **Statement of Trustees' responsibilities**

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

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

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

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

### **Statement as to disclosure of information to auditors**

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

### **Auditors**

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

### **On behalf of the Board of Trustees:**

Roger Evans MA  
Chairman

2 September 2019

## Opinion

We have audited the financial statements of Friends of Friendless Churches (the 'charitable company') for the year ended 31 March 2019 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 2019 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.

### **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.

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, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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.

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

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	3	361,298	171,602	-	532,900	327,487
Other trading activities	4	1,445	-	-	1,445	7,234
Investment income	5	69,902	13,032	3,015	85,949	88,083
<b>Total</b>		<u>432,645</u>	<u>184,634</u>	<u>3,015</u>	<u>620,294</u>	<u>422,804</u>
<b>EXPENDITURE ON</b>						
Raising funds	6	9,957	4,826	883	15,666	21,069
Charitable activities	7	<u>168,168</u>	<u>271,991</u>	<u>-</u>	<u>440,159</u>	<u>425,981</u>
<b>Total</b>		<u>178,125</u>	<u>276,817</u>	<u>883</u>	<u>455,825</u>	<u>447,050</u>
<b>NET INCOME/(EXPENDITURE)</b>						
		254,520	(92,183)	2,132	164,469	(24,246)
<b>Transfer between funds</b>	20	<u>(19,089)</u>	<u>19,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>		235,431	(73,094)	2,132	164,469	(24,246)
Gains/(losses) on investment assets	11	<u>(1,439)</u>	<u>57,400</u>	<u>8,293</u>	<u>64,254</u>	<u>110,931</u>
<b>Net movement in funds</b>		233,992	(15,694)	10,425	228,723	86,685
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought 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>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>1,676,232</u></u>	<u><u>1,113,295</u></u>	<u><u>402,974</u></u>	<u><u>3,192,501</u></u>	<u><u>2,963,778</u></u>

The notes form part of these financial statements

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	15	12,261	12,913
Investments	16	<u>3,040,166</u>	<u>2,876,797</u>
		3,052,427	2,889,710
<b>CURRENT ASSETS</b>			
Debtors	17	40,630	57,088
Cash at bank		<u>110,187</u>	<u>106,604</u>
		150,817	163,692
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(10,743)</u>	<u>(89,624)</u>
<b>NET CURRENT ASSETS</b>		<u>140,074</u>	<u>74,068</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,192,501</u>	<u>2,963,778</u>
<b>NET ASSETS</b>		<u>3,192,501</u>	<u>2,963,778</u>
<b>FUNDS</b>	20		
Unrestricted funds		1,676,232	1,442,240
Restricted funds		1,113,295	1,128,989
Endowment funds		<u>402,974</u>	<u>392,549</u>
<b>TOTAL FUNDS</b>		<u>3,192,501</u>	<u>2,963,778</u>

The financial statements were approved by the Board of Trustees on 2 September 2019 and were signed on its behalf by:

Roger Evans MA – Chairman

The notes form part of these financial statements

		2019	2018
		£	£
	Notes		
<b>Cash flows from operating activities</b>	1	16,749	(122,526)
<b>Investing activities:</b>			
Purchase of tangible fixed assets		-	(1,954)
Purchase of investments		(707,020)	(688,235)
Proceeds on disposal of investments		607,905	664,358
Interest received		262	215
Dividends received		85,687	87,868
<b>Net cash provided by (used in) investing activities</b>		(13,166)	62,252
<b>Change in cash and cash equivalents in the reporting period</b>		3,583	(60,274)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		106,604	166,878
<b>Cash and cash equivalents at the end of the reporting period</b>		110,187	106,604

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019 £	2018 £
<b>Surplus for the year</b>	228,723	86,685
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	652	652
Loss/(gain) on investments	(64,254)	(110,931)
Interest received	(262)	(215)
Dividends received	(85,687)	(87,868)
 Movement in working capital:		
(Increase)/decrease in debtors	16,458	(33,673)
Increase/(decrease) in creditors	(78,881)	22,824
 <b>Cash generated from operations</b>	<u>16,749</u>	<u>(122,526)</u>

## 1. STATUS

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

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

## 2. ACCOUNTING POLICIES

### Accounting convention

These accounts have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), 'Accounting and Reporting by Charities' the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

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

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

### Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

### Income

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

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

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

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

### Resources expended

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

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

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

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

## 2. ACCOUNTING POLICIES – continued

### Allocation of support costs

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

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

### Taxation

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

### Fund accounting

The Charity has the following types of funds:

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

### Tangible fixed assets

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

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

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

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

### Fixed asset investments

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

## 2. ACCOUNTING POLICIES (continued)

### **Financial instruments**

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

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

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

### **Basic financial assets**

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

### **Basic financial liabilities**

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

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

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

### **Employee benefits**

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

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

### **Retirement benefits**

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

### **Cottam Will Trust**

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

### **Critical accounting estimates and judgements**

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

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

**3. DONATIONS AND LEGACIES**

	2019	2018
	£	£
Donations	27,030	82,638
Royalties received	3,441	-
Legacies	310,000	92,839
Subscriptions	22,023	-
Grants	<u>170,406</u>	<u>152,010</u>
	<u>532,900</u>	<u>327,487</u>

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

	2019	2018
	£	£
CADW	80,000	80,000
Church in Wales	40,000	40,000
Listed Places of Worship Scheme	46,696	32,010
Listed Places of Worship Scheme – Roof Repair Fund	<u>3,710</u>	<u>-</u>
	<u>170,406</u>	<u>152,010</u>

**4. OTHER TRADING ACTIVITIES**

	2019	2018
	£	£
Book sales	20	20
Other income	<u>1,425</u>	<u>7,214</u>
	<u>1,445</u>	<u>7,234</u>

**5. INVESTMENT INCOME**

	2019	2018
	£	£
UK investment income	83,707	78,917
Overseas investment income	1,980	8,951
Deposit account interest	<u>262</u>	<u>215</u>
	<u>85,949</u>	<u>88,083</u>

**6. COST OF RAISING FUNDS**

	2019	2018
		£
Representations	588	920
Brokers' fees	<u>15,078</u>	<u>20,149</u>
	<u>15,666</u>	<u>21,069</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs	Totals funds
	£	£	£
Charitable activities	<u>421,070</u>	<u>19,089</u>	<u>440,159</u>

**8. DIRECT COSTS**

	2019	2018
	£	£
Purchase of objects of beauty	45,443	6,350
Works of reference	37	-
Repairs and maintenance	115,815	204,775
Field Officer's expenses	904	-
Insurance	15,134	13,934
Travel expenses	4038	4,984
Ancient Monuments Society shared costs	34,405	56,043
Training costs	-	2,107
Upkeep of website	12,901	6,692
Other costs	3,017	180
Salaries	45,538	9,309
Pension	2,606	501
Depreciation	651	651
New Vestings	4,768	-
New Mechanism - Repairs and maintenance	113,114	87,369
New Mechanism - Insurance	11,080	9,954
New Mechanism - Travel expenses	1,111	229
New Mechanism - Field Officer's expenses	2,071	2,163
New Mechanism - Ancient Monuments Society shared costs	6,000	6,000
New Mechanism – Sundries	<u>2,437</u>	<u>343</u>
	<u>421,070</u>	<u>411,584</u>

**9. SUPPORT COSTS**

	2019	2018
	£	£
Trustees' travel expenses	1,974	2,935
Bank charges	1,571	902
AGM and other expenses	9,304	4,620
Auditors' remuneration	<u>6,240</u>	<u>5,940</u>
	<u>19,089</u>	<u>14,397</u>

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

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

	2019	2018
	£	£
Auditors' remuneration – audit fee	3,000	3,000
Auditors' remuneration – non audit services	<u>2,940</u>	<u>2,940</u>
	<u>5,940</u>	<u>5,940</u>

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

	2019	2018
	£	£
Realised gains/(losses) on investment assets	5,594	15,442
Unrealised gains/(losses) on investment assets	<u>58,660</u>	<u>95,489</u>
	<u>64,254</u>	<u>110,931</u>

## 12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019, nor for the year ended 31 March 2018.

### Trustees' Expenses

Travel expenses amounting to £1,974 have been reimbursed to 7 members of the Council during the year (2018 £2,935 to 8 members).

## 13. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	43,322	6,276
Social security costs	2,216	3,033
Other pension costs	<u>2,606</u>	<u>501</u>
	<u>48,144</u>	<u>9,810</u>

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

	2019	2018
Administration	<u>1</u>	<u>1</u>

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

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

	Unrestricted funds £	Restricted funds £	Endowment funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	163,087	164,400	-	327,487
Other trading activities	7,234	-	-	7,234
Investment income	<u>70,158</u>	<u>14,820</u>	<u>3,105</u>	<u>88,083</u>
	240,479	179,220	3,105	422,804
<b>EXPENDITURE ON</b>				
Raising funds	13,856	6,314	899	21,069
Charitable activities	<u>258,970</u>	<u>167,011</u>	<u>-</u>	<u>425,981</u>
	<u>272,826</u>	<u>173,325</u>	<u>899</u>	<u>447,050</u>
<b>NET INCOME/(EXPENDITURE)</b>	(32,347)	5,895	2,206	(24,246)
<b>Transfer between funds</b>	<u>(9,865)</u>	<u>9,865</u>	<u>-</u>	<u>-</u>
	(42,212)	15,760	2,206	(24,246)
Gains/(losses) on investment assets	<u>10,061</u>	<u>92,896</u>	<u>7,974</u>	<u>110,931</u>
<b>Net movement in funds</b>	(32,151)	108,656	10,180	86,685
<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>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>1,442,240</u></u>	<u><u>1,128,989</u></u>	<u><u>392,549</u></u>	<u><u>2,963,778</u></u>

**15. TANGIBLE FIXED ASSETS**

	Heritage £	Computer Equipment £	Totals £
<b>COST</b>			
At 1 April 2018	11,610	1,954	13,564
Additions	-	-	-
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>11,610</u>	<u>1,954</u>	<u>13,564</u>
<b>DEPRECIATION</b>			
At 1 April 2018	-	651	651
Charge for year	-	652	652
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>-</u>	<u>1,303</u>	<u>1,303</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u><u>11,610</u></u>	<u><u>651</u></u>	<u><u>12,261</u></u>
At 31 March 2018	<u><u>11,610</u></u>	<u><u>1,303</u></u>	<u><u>12,913</u></u>

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

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

The Charity owns the freehold or long leasehold of 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 2018	2,767,105	109,692	2,876,797
Additions	707,020	-	707,020
Disposals	(546,608)	(55,703)	(602,311)
Revaluations	58,660	-	58,660
	<u>2,986,177</u>	<u>53,989</u>	<u>3,040,166</u>
At 31 March 2019	<u>2,986,177</u>	<u>53,989</u>	<u>3,040,166</u>

Listed investments comprise:

	2019 £	2018 £
United Kingdom equities and funds	2,665,461	2,723,101
Overseas equities	<u>320,716</u>	<u>44,004</u>
	<u>2,986,177</u>	<u>2,767,105</u>

The historical cost of the total of investments held is: 2,420,180      2,353,021

Included in investments are investments with a market value of £925,970 which are held specifically for the Cottam Will Trust.

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

	2019 £	2018 £
Other debtors	<u>40,630</u>	<u>57,088</u>

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

	2019 £	2018 £
Other creditors	<u>10,743</u>	<u>89,624</u>

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

				2019	2018
	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	651	11,610	-	12,261	12,913
Investments	1,672,579	1,011,489	356,098	3,040,166	2,876,797
Cash at bank	(16,570)	79,881	46,876	110,187	106,604
Other current assets	26,262	14,368	-	40,630	57,088
Current liabilities	<u>(6,690)</u>	<u>(4,053)</u>	<u>-</u>	<u>(10,743)</u>	<u>(89,624)</u>
	<u>1,676,232</u>	<u>1,113,295</u>	<u>402,974</u>	<u>3,192,501</u>	<u>2,963,778</u>

Restricted funds include £959,935 in respect of the Cottam Will Trust.

**COMPARATIVES FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Restricted funds	Endowment funds	2018 Total funds
	£	£	£	£
Fixed assets	1,303	11,610	-	12,913
Investments	1,549,425	986,375	340,997	2,876,797
Cash at bank	(116,791)	176,520	46,876	106,604
Other current assets	34,854	17,307	4,927	57,088
Current liabilities	<u>(26,551)</u>	<u>(68,823)</u>	<u>(250)</u>	<u>(89,624)</u>
	<u>1,442,240</u>	<u>1,128,989</u>	<u>392,549</u>	<u>2,963,778</u>

**20 MOVEMENT IN FUNDS**

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General fund	589,830	265,180	(19,089)	835,921
Designated funds	<u>852,410</u>	<u>(12,099)</u>	<u>-</u>	<u>840,311</u>
	1,442,240	253,081	(19,089)	1,676,232
<b>Restricted funds</b>				
Welsh Churches - 4 Original	-	991	646	1,637
Welsh Churches - New Mechanism	30,161	4,853	-	35,014
Other Churches	39,779	(52,232)	12,453	-
Cottam Will Trust	959,937	12,398	-	972,335
Fabric funds	<u>99,112</u>	<u>(793)</u>	<u>5,990</u>	<u>104,309</u>
	1,128,989	(34,783)	19,089	1,113,295
<b>Endowment funds</b>				
Brett Trust	156,405	10,425	-	166,830
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	<u>392,549</u>	<u>10,425</u>	<u>-</u>	<u>402,974</u>
<b>TOTAL FUNDS</b>	<u><u>2,963,778</u></u>	<u><u>228,723</u></u>	<u><u>-</u></u>	<u><u>3,192,501</u></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	432,505	165,886	(1,439)	265,180
Designated funds	<u>140</u>	<u>12,239</u>	<u>-</u>	<u>(12,099)</u>
	432,645	178,125	(1,439)	253,081
<b>Restricted funds</b>				
Welsh Churches - 4 Original	4,844	3,853	-	991
Welsh Churches - New Mechanism	140,738	135,885	-	4,853
Other Churches	20,337	72,569	-	(52,232)
Cottam Will Trust	12,328	54,054	54,124	12,398
Fabric funds	<u>6,387</u>	<u>10,456</u>	<u>3,276</u>	<u>(793)</u>
	184,634	276,817	57,400	(34,783)
<b>Endowment funds</b>				
Brett Trust	<u>3,015</u>	<u>883</u>	<u>8,293</u>	<u>10,425</u>
<b>TOTAL FUNDS</b>	<u><u>620,294</u></u>	<u><u>455,825</u></u>	<u><u>64,254</u></u>	<u><u>228,723</u></u>

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

20 COMPARATIVES FOR MOVEMENT IN FUNDS

	At 1.4.17 £	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	<u>834,621</u>	<u>17,789</u>	<u>-</u>	<u>852,410</u>
	1,474,391	(22,286)	(9,865)	1,442,240
<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	<u>97,887</u>	<u>(9,450)</u>	<u>10,675</u>	<u>99,112</u>
	1,020,333	98,791	9,865	1,128,989
<b>Endowment funds</b>				
Brett Trust	146,225	10,180	-	156,405
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	<u>382,369</u>	<u>10,180</u>	<u>-</u>	<u>392,549</u>
<b>TOTAL FUNDS</b>	<u><u>2,877,093</u></u>	<u><u>86,685</u></u>	<u><u>-</u></u>	<u><u>2,963,778</u></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	<u>25,136</u>	<u>7,347</u>	<u>-</u>	<u>17,789</u>
	240,479	272,826	10,061	(22,286)
<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	<u>5,594</u>	<u>14,934</u>	<u>(110)</u>	<u>(9,450)</u>
	179,220	173,323	92,894	98,791
<b>Endowment funds</b>				
Brett Trust	<u>3,105</u>	<u>901</u>	<u>7,976</u>	<u>10,180</u>
<b>TOTAL FUNDS</b>	<u><u>422,804</u></u>	<u><u>447,050</u></u>	<u><u>110,931</u></u>	<u><u>86,685</u></u>

**20. MOVEMENT IN FUNDS – continued**

**Designated Funds**

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

For investment as capital to provide future unrestricted income	£ <u>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 2019, there were no capital commitments, however the Trustees had authorised future expenditure of £35,004 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 with the establishment of a Common Fund whose income includes the full joint subscriptions received and against which all common expenditure is charged. There is a formal agreement in place which defines the categories of common expenditure, primarily the costs of running Vestry Hall and the salary of the Assistant Director. Unless there is sound reason otherwise, it is assumed that all expenditure is shared equally. The agreement makes provision for additional contributions to cover any shortfall or to share any surplus. In order to provide working funds for the Common Fund each party has deposited £12,500 into the fund and statements of income and expenditure are reconciled quarterly.

The Charity was responsible for all or part of the year for 53 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 Crichel, 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	Chapel, Hodgeston, Pembrokeshire	(999-year lease)
01 December 2002	St Cynhaearn, Ynyscynhaearn, Gwynedd	(999-year lease)
01 December 2002	St Mark, Brihdir, 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, Tremain, Ceredigion	(999-year lease)
24 June 2016	St Michael & All Angels, Castlemartin, Pembrokeshire	(999-year lease)
27 October 2017	St Michael & All Angels, Gwernesney, Monmouthshire	(999-year lease)
27 October 2017	St Dogfael, Meline, Pembrokeshire	(999-year lease)
13 August 2018	St Jerome, Llangwm Uchaf, Monmouthshire	(999-year lease)
13 August 2018	St Anno's, Llananno, Powys	(999-year lease)

Transfer of St Leonard's, Sperrall, Warwickshire, which the Charity bears the cost of maintaining though it is currently owned by the Ancient Monuments Society, is imminent.