



Report of the Trustees and Financial Statements  
for the year ended 31 March 2023

A company limited by guarantee

Registered Company No.: 1119137 (England and Wales)

Registered Charity No.: 1113097

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## Reference and administrative details

### *President*

The Most Honourable The Marquess of Salisbury KG KCVO PC DL

### *Episcopal Patron*

Rt Rev'd J Wyn Evans BA BD FRHistS FSA

### *Vice-Presidents*

Lord Brooke of Sutton Mandeville CH PC

Hugh Johnson OBE

Thomas Lloyd OBE MA

John Porteous OBE

Professor Andrew Saint Hon FRIBA

### *Board of Trustees 2022-23*

Roger Evans MA \*

Chairman

Peter Scott MBE BA FCA \*

Honorary Treasurer

Simon Evans MA

Company Secretary

Rev'd Philip Gray BA CertEd

Honorary Chaplain

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

Sir Paul Britton CB CVO MA \*

George Bulmer MA\*

Catherine Cullis MBE MA

John Edwards BA ACA

Elizabeth Green PhD

Richard Halsey MBE BA FSA

John Morgan-Guy BA PhD LicDD DipMin FRHistS FSA

Howard Pool BA FCMA \*

Kirstie Robbins MA DipArch MArch RIBA AABC

John Vigar MA FSA Scot FRSA

\* Denotes members of Investment and Finance Sub-Committee

### *Director*

Rachel Morley BEng PgDip

### *Assistant Director*

Rebecca Whewell BA MSc (until June 2022)

### *Registered Office*

70 Cowcross Street, London EC1M 6EJ

office@fofc.org.uk | 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*

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

### *Broker*

J.M.Finn & Co, 25 Copthall Avenue, London EC2R 7AH

### *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 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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

### *Structure, Governance & Management*

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

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

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

The Council met four times in 2022-23, and the meetings were supplemented by the circulation of additional information as necessary, principally by e-mail, to keep the Council fully informed, and a three-day tour of completed repairs and new vestings. The Investment and Finance Sub-Committee met twice during the year.

The Annual General Meeting, which accepted the annual report for 2021-22, was held on 24 September 2022 at the Church of the Assumption of the Blessed Virgin Mary, Hardmead, Buckinghamshire. Our President, Lord Salisbury, chaired the meeting, and 63 members attended.

All Trustees are honorary, and none receives a salary or remuneration. The Charity relies heavily on volunteers, particularly in the local groups of Friends based at many of our churches.

The Charity benefits from the services of volunteer Field Officers in Wales, Susan Dalton and Andrew Pike. Throughout 2022-23, Clare Kirk has provided freelance digital content creation services. To support our delivery of the Culture Recovery Fund repair projects, we recruited Katie Toussaint-Jackson as administrative support officer on a fixed-term six-month contract.

### *Achievement & Performance*

#### *New vestings*

Financial year 2022-23 brought vesting of one church and the completion of another. These are St Cadoc's, Llangattock Vibon Avel in Monmouthshire and St Andrew's, South Runcton,

St Andrew's is Grade II\* listed and is an excellent Neo-Norman rebuilding of a ruined 12th-century church. It was built to the designs of John Brown of Norwich in 1839 and is one of the first Victorian churches in Norfolk. The church was earmarked for sale for domestic conversion following years of neglect. We are pleased that we can now save it for the benefit of the nation, and are currently planning the extensive repairs needed. We agreed to take this church into our care in 2022, but delay meant the freehold wasn't completed until March 2023.

St Cadoc's is a Grade II\* listed church with medieval origins. It was once a 'mother' church or 'clas' church at the centre of a large community, and one of the most important churches in the area. Little remains of the medieval church, as the building was restored twice in the 19th century. The church possesses stained glass by three Victorian makers at their very best. Buried in the churchyard is the Hon. Charles Stewart Rolls, the pioneer aviator, who died 1910 in a flying accident. It was this C. S. Rolls who was the joint founder of the Rolls-Royce firm.

Whilst the vesting process is not yet complete, in 2022-23, we also committed to the acquisition of the Grade I listed church of St Deiniol, Worthenbury, Wrexham and the Grade II church of St Mary, Kenderchurch in Herefordshire.

#### *Conservation & repair*

The early months of 2022-23 were dominated by the Programmes of Major Works scheme, which was part of the DCMS's Culture Recovery Fund. In total, the Friends received grants for repairs to twelve churches in England, totalling £2.11m. The grant covered 80% of eligible costs, and grant-aided work had to be complete by 31 March 2022. We then had until 30 June 2022 to do the remaining 20% of work, which we would have to fund ourselves. Final reports were submitted by 31 July 2022 and Historic England's checks, review and evaluation ran throughout the remainder of 2022-23. (Note: heritage is devolved so this scheme was for England only.)

The repairs undertaken as part of this scheme are:

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

We were especially pleased, as the works to St Andrew's, Wood Walton enabled it to be removed from the Heritage at Risk register. When we took this church on several decades ago, it was derelict and routinely vandalised. It has taken a long time to get to this point, and there is more work to be done there, but the church is no longer officially at risk.

The repairs to St Denis's, East Hatley, Cambridgeshire won the award of Best Conservation, Alteration, or Extension of an Existing Building (under £2m construction costs) in the 2023 Greater Cambridge Design and Construction Award in March 2023.

Our major repair projects in Wales for 2022-23 were focused at St Peulan's, Llanbeulan on Anglesey and St Michael and All Angel's, Gwernesney in Monmouthshire. Work at St Peulan's included re-roofing, replacement of cement render with lime harling, glazing repairs, pew repairs, and internal redecoration. The repairs at St Michael and All Angels involved re-roofing – including repairs to the trusses in the chancel, repointing, redecoration of rainwater goods.

In late 2022, we were especially grateful to benefit from Cadw's Minor Works and Maintenance Fund. This enabled us to:

- Undertake glazing repairs at St Cadoc's, Llangattock Vibon Avel in Monmouthshire.
- Undertake localised redecoration and ironmongery repairs at St Baglan's, Llanfaglan, Gwynedd.
- Undertake masonry and glazing repairs at St Michael's, Castlemartin, Pembrokeshire.
- Undertake masonry repairs at St Decuman's, Rhoscrowther, Pembrokeshire.

### *Funding*

2022-23 saw the successful continuation of the arrangement between the Charity, Cadw, and the Church in Wales. This arrangement involves an annual funding application to Cadw and the Church in Wales towards the repair and maintenance of redundant Welsh Anglican churches of architectural and historic importance vested with the Charity. In 2022-23, both funders slightly increased their grant and we received £60,000 from the Church in Wales and £93,971 from Cadw. (£153,971 in total). We are immensely grateful for the financial support provided by Cadw and the Church in Wales.

In addition to our standard grant, we applied for five smaller grants from Cadw for minor repairs at four churches (listed in previous section), and a contribution towards promotional activities. In late 2022, Cadw also offered a 4% increase on our standard annual grant, to help with rising prices.

### *Fundraising*

With a growing estate and no regular public funding in England, fundraising becomes increasingly critical. The Charity is indebted to those who remember The Friends in their will, who donate and who fundraise for our work. In the last financial year, legacies have been received from John Ackroyd, Susan Easton, Christopher Downing Leather, David Lloyd, Suzanne Millard, Robin Perry, and Stephen Turner.

We also received generous grants from the Francis Coales Charitable Foundation, Esmée Fairbairn Foundation, Bartleet Family Trust, Samuel Gurney Foundation, and J & M Britton Trust.

Membership subscriptions are a significant part of our income and are essential in enabling us to plan repairs for the year ahead, and we are immensely grateful to the people who renew their membership. We are equally grateful to our new members – thank you all for your support.

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

### *Volunteering*

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

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

We would like to give special thanks to John Chance, who has been the Chairman of the Friends group at Wood Walton since 1993. John handed over the chairmanship to Adrian Beal in spring 2023, and will remain on the Committee.

#### *Press & PR*

Throughout 2022-23, we sought to increase the profile of the Charity and raise awareness about our work.

We enjoyed significant press coverage: in the national press, with articles appearing in *The Guardian* and *The Sunday Telegraph*; in regional press, such as *The Yorkshire Post* and *Eastern Daily Press*.

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

The Director spoke at various conferences and events throughout 2022-23, including, the Historic Religious Buildings Alliance's Big Update (joint paper with Clare Kirk), Save the Parish annual conference, Institute for Conservation - Historic Interiors AGM speaker, and the Rest is History live show at St Martins in the Fields.

We continue to generate engaging, attractive content for our online supporters. We are active on four channels: Twitter, Facebook, Instagram, and LinkedIn, and enjoy our online supporters and engagement. On 31 March 2023, our online supporters totalled 83,758.

#### *Charitable Trusts & Funds*

##### *Brett*

*Trust*

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

##### *Cottam*

*Will*

*Trust*

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

In 2022-23, six applications were made to the Cottam Will Trust. Four awards were made. These were: £7,000 for the creation of a new icon of St Wulfram, for St Wulfram's church, Grantham in Lincolnshire; £28,700 towards a new iconostasis at St Martin's, Colchester, Essex and £1,550 for a Paschal candlestick at St Giles's, Cripplegate, London. The grant of £12,476 towards the glazing scheme at St Peter's, Wolfhamcote, Warwickshire was renewed – as the pandemic had delayed progress on this scheme.

Grants previously awarded which were drawn down in 2022-23 are: £12,600 towards new porch gates at St John the Baptist's, Allington, Wiltshire.

##### *Other churches*

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

#### *Financial review*

The financial position is set out in the accounts for the year. This report already refers to funding of major projects under the DCMS's Cultural Recovery Fund up to 31 March 2022, this left 20% to be funded by the Friends in 2022-23 which has given rise to a considerable shortfall hence these accounts show net outgoing resources of £572,940 (2022 incoming £436,555) to which losses on investments of £396,949 (2022 loss £40,571) need to be adjusted making total movement on funds of loss £969,899 (2022 surplus £395,984). The Council is satisfied that this one-off position was justified to take advantage of the large and exceptional recovery grants available, noting that of the investment losses £326,712 (2022



£28,874) were unrealised losses. Surplus reserves carried forward amount to £4,182,614 and this includes investments of £3,847,179 and cash at bank £259,269. This is the third successive year that our reserves have exceeded £4 million. Trustees are delighted to record their gratitude for the receipt of £216,065 in donations and £174,268 in legacies as reported elsewhere in this report.

There were generous grants Cadw and the Representative Body of the Church in Wales There were generous donations from trusts such as the Bartleet Family Trust, the Samuel Gurney Foundation, J & M Britton Trust, and others. There have been donations from many kind individuals, who wish to remain anonymous.

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

#### *Reserves policy*

The unrestricted reserves of the Charity are an inherent part of the risk management policy. They represent funds for the periodic repair of existing vested churches, to provide for the repair of new vestings (excluding those covered by the New Mechanism for the conservation of redundant churches in Wales), and to fund working capital required between the commencement of contracts and the receipt of third-party grants. The Council considered that, as of 31 March 2023, the unrestricted reserves were adequate to meet immediate needs but, although they are growing, they are in no way sufficient to address long-term demands on the Charity. There remains a backlog of repairs at existing vestings, and the ability to save more churches depends critically upon funds being available for that purpose.

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

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

#### *Grant-making policy*

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

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

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

#### *Investment Policy*

The Council has appointed an Investment and Finance Sub-Committee which usually meets twice a year. The Sub-Committee makes a formal report of its meetings to the Council. The Articles of Association, as amended in 2005 and 2006, grant the Council permissive rights to delegate discretionary investment powers and nominee status to an outside

organisation. Detailed negotiations, assisted by the Charity's legal advisors, resulted in clearance from the Charity Commission to put these powers into force early in 2008-09. The function of the Investment and Finance Sub-Committee thus changed from reviewing individual holdings to that of recommending to the Council the strategic context within which our broker is delegated to operate and the subsequent monitoring of performance. The decision to buy or sell investments now rests with our broker alone. The strategic contexts for the general portfolio and for the Cottam Will Trust are set differently in order to match the objectives of the separate funds. Underlying strategy may, from time to time, be reviewed.

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

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

#### *Risk*

#### *Management*

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

#### *Membership*

At 31 March 2023, the total memberships of the Friends of Friendless Churches was 2,958.

#### *Future*

#### *Outlook*

The Charity will continue to strive for the preservation and conservation of the historic churches in its possession. The level of giving and legacies in recent years, and specifically grants in 2022-23, has enabled the Charity to tackle the backlog of repairs at certain places of worship in its care, and the taking on of additional threatened churches into care - although the Charity's capital base is likely to remain modest for a body charged with looking after 60 buildings.

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

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

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

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

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

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

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

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

### **Auditors**

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

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

Roger Evans MA  
Chairman

10 August 2023

## **Opinion**

We have audited the financial statements of Friends of Friendless Churches (the 'charitable company') for the year ended 31 March 2023 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 2023 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 of opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	3	463,646	435,913	-	899,559	3,719,085
Other trading activities	4	6,545	-	-	6,545	20,728
Investment income	5	<u>82,548</u>	<u>10,966</u>	<u>3,167</u>	<u>96,681</u>	<u>85,347</u>
<b>Total</b>		552,739	446,879	3,167	1,002,785	3,825,160
<b>EXPENDITURE ON</b>						
Raising funds	6	15,177	5,947	1,001	22,125	27,370
Charitable activities	7	<u>206,957</u>	<u>1,346,643</u>	<u>-</u>	<u>1,553,600</u>	<u>3,361,235</u>
<b>Total</b>		<u>222,134</u>	<u>1,352,590</u>	<u>1,001</u>	<u>1,575,725</u>	<u>3,388,605</u>
<b>NET INCOME/(EXPENDITURE)</b>		330,605	(905,711)	2,166	(572,940)	436,555
<b>Transfer between funds</b>	20	<u>(814,725)</u>	<u>814,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>		(484,120)	(90,986)	2,166	(572,940)	436,555
Gains/(losses) on investment assets	11	<u>(227,511)</u>	<u>(142,839)</u>	<u>(26,599)</u>	<u>(396,949)</u>	<u>(40,571)</u>
<b>Net movement in funds</b>		(711,631)	(233,825)	(24,433)	(969,889)	395,984
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<u>3,239,243</u>	<u>1,452,381</u>	<u>460,879</u>	<u>5,152,503</u>	<u>4,756,519</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>2,527,612</u></u>	<u><u>1,218,556</u></u>	<u><u>436,446</u></u>	<u><u>4,182,614</u></u>	<u><u>5,152,503</u></u>

The notes form part of these financial statements

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	15	12,046	12,476
Investments	16	<u>3,847,179</u>	<u>4,272,820</u>
		3,859,225	4,285,296
<b>CURRENT ASSETS</b>			
Debtors	17	106,740	634,610
Cash at bank		<u>259,269</u>	<u>1,056,002</u>
		366,009	1,690,612
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(42,620)</u>	<u>(823,405)</u>
<b>NET CURRENT ASSETS</b>		<u>323,389</u>	<u>867,207</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,182,614</u>	<u>5,152,503</u>
<b>NET ASSETS</b>		<u>4,182,614</u>	<u>5,152,503</u>
<b>FUNDS</b>			
Unrestricted funds	20	2,527,612	3,239,243
Restricted funds		1,218,556	1,452,381
Endowment funds		<u>436,446</u>	<u>460,879</u>
<b>TOTAL FUNDS</b>		<u>4,182,614</u>	<u>5,152,503</u>

The financial statements were approved by the Board of Trustees on 10 August 2023 and were signed on its behalf by:

Roger Evans MA - Chairman

The notes form part of these financial statements



	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>	1	(922,103)	523,031
<b>Investing activities:</b>			
Purchase of tangible fixed assets			(1,295)
Purchase of investments		(357,359)	(472,787)
Proceeds on disposal of investments		386,048	572,612
Interest received		501	746
Dividends received		96,180	84,601
<b>Net cash provided by (used in) investing activities</b>		125,370	183,877
<b>Change in cash and cash equivalents in the reporting period</b>		(796,733)	706,908
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,056,002	349,094
<b>Cash and cash equivalents at the end of the reporting period</b>		259,269	1,056,002

The notes form part of these financial statements

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2023 £	2022 £
<b>Surplus for the year</b>	(969,889)	395,984
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	430	431
Loss/(gain) on investments	396,949	40,571
Interest received	(501)	(746)
Dividends received	(96,180)	(84,601)
 Movement in working capital:		
(Increase)/decrease in debtors	527,870	(422,896)
Increase/(decrease) in creditors	(780,782)	594,288
 <b>Cash generated from operations</b>	<u>(922,103)</u>	<u>523,031</u>

**1. STATUS**

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

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

**2. ACCOUNTING POLICIES**

**Accounting convention**

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

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

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

**Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. 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 capital.

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

Computer equipment	-	33.33% on cost
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### Heritage assets

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

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

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

### Fixed asset investments

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

**2. ACCOUNTING POLICIES (continued)**  
**Financial instruments**

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

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

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

***Basic financial assets***

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

***Basic financial liabilities***

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

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

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

**Employee benefits**

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

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

**Retirement benefits**

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

**Cottam Will Trust**

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

**Critical accounting estimates and judgements**

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

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

### 3. DONATIONS AND LEGACIES

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Donations	215,341	724	216,065	359,671
Royalties received	524	-	524	1,412
Legacies	174,268	-	174,268	350,950
Subscriptions	73,513	-	73,513	98,259
Grants	-	435,189	435,189	2,908,793
	<u>463,646</u>	<u>435,913</u>	<u>899,559</u>	<u>3,719,085</u>

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

	Unrestricted	Restricted	2023	2022
	£	£	£	£
CADW	-	162,270	162,270	235,805
Church in Wales	-	60,000	60,000	66,608
Listed Places of Worship Scheme	-	204,169	204,169	490,170
Historic England	-	-	-	2,110,010
Other grants	-	8,750	8,750	6,200
	<u>-</u>	<u>435,189</u>	<u>435,189</u>	<u>2,908,793</u>

For the year ended 31 March 2022:

	Unrestricted	Restricted	2022
	£	£	£
Donations	355,427	4,244	359,671
Royalties received	1,412	-	1,412
Legacies	350,950	-	350,950
Subscriptions	98,259	-	98,259
Grants	-	2,908,793	2,908,793
	<u>806,048</u>	<u>2,913,037</u>	<u>3,719,085</u>

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

	Unrestricted	Restricted	2022
	£	£	£
CADW	-	235,805	235,805
Church in Wales	-	66,608	66,608
Listed Places of Worship Scheme	-	490,170	490,170
Historic England	-	2,110,010	2,110,010
Other grants	-	6,200	6,200
	<u>-</u>	<u>2,908,793</u>	<u>2,908,793</u>

### 4. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Christmas card sales	5,095	8,770
Other income	1,450	11,958
	<u>6,545</u>	<u>20,728</u>

**5. INVESTMENT INCOME**

	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
UK investment income	60,339	8,385	3,167	71,891	71,949
Overseas investment income	21,943	2,346	-	24,289	12,652
Deposit account interest	<u>266</u>	<u>235</u>	<u>-</u>	<u>501</u>	<u>746</u>
	<u>82,548</u>	<u>10,966</u>	<u>3,167</u>	<u>96,681</u>	<u>85,347</u>

For the year ended 31 March 2022:

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

**6. COST OF RAISING FUNDS**

	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
Representations	175	-	-	175	895
Brokers' fees	<u>15,002</u>	<u>5,947</u>	<u>1,001</u>	<u>21,950</u>	<u>26,475</u>
	<u>15,177</u>	<u>5,947</u>	<u>1,001</u>	<u>22,125</u>	<u>27,370</u>

For the year ended 31 March 2022:

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

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs	Support costs	Total funds
	£	£	£
Charitable activities	<u>1,526,070</u>	<u>27,530</u>	<u>1,553,600</u>

For the year ended 31 March 2022:

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

## 8. DIRECT COSTS

	Unrestricted £	Restricted £	2023 £	2022 £
Purchase of objects of beauty		22,522	22,522	19,320
Office costs	28,224		28,224	20,527
Repairs and maintenance		1,047,907	1,047,907	2,867,088
Field Officer's expenses	-	-	-	-
Insurance	22,230	2,458	24,688	22,038
Travel expenses	9,362	-	9,362	9,310
Ancient Monuments Society shared costs	-	-	-	(2,541)
Website and Media	12,314	-	12,314	33,763
Newsletter	22,659	-	22,659	9,863
Other costs	35	-	35	2,659
Salaries	81,383	-	81,383	79,949
Pension	4,574	-	4,574	3,639
Depreciation	430	-	430	431
New Vestings		-		1,010
New Mechanism - Repairs and maintenance	-	243,939	243,939	207,019
New Mechanism - Professional Fees	-	8,636	8,636	16,408
New Mechanism - Insurance	-	15,425	15,425	14,146
New Mechanism - Travel expenses	-	501	501	2,227
New Mechanism - Field Officer's expenses	-	241	241	3,058
New Mechanism - Ancient Monuments Society shared costs	-	-	-	23,252
New Mechanism - Sundries	-	3,230	3,230	3,969
	<u>181,211</u>	<u>1,344,859</u>	<u>1,526,070</u>	<u>3,337,135</u>

For the year ended 31 March 2022:

	Unrestricted £	Restricted £	2022 £
Purchase of objects of beauty	-	19,320	19,320
Office costs	20,527	-	20,527
Repairs and maintenance	-	2,867,088	2,867,088
Field Officer's expenses	-	-	-
Insurance	19,888	2,150	22,038
Travel expenses	9,310	-	9,310
Ancient Monuments Society shared costs	(3,041)	500	(2,541)
Website and media	33,763	-	33,763
Newsletter	9,863	-	9,863
Other costs	2,659	-	2,659
Salaries	79,949	-	79,949
Pension	3,639	-	3,639
Depreciation	431	-	431
New Vestings	1,010	-	1,010
New Mechanism - Repairs and maintenance	-	207,019	207,019
New Mechanism - Professional fees	-	16,408	16,408
New Mechanism - Insurance	-	14,146	14,146
New Mechanism - Travel expenses	-	2,227	2,227
New Mechanism - Field Officer's expenses	-	3,058	3,058
New Mechanism - Ancient Monuments Society shared costs	-	23,252	23,252
New Mechanism - Sundries	-	3,969	3,969
	<u>177,998</u>	<u>3,159,137</u>	<u>3,337,135</u>



**9. SUPPORT COSTS**

	Unrestricted	Restricted	2023	2022
	£	£	£	£
Trustees' travel expenses	2,397	-	2,397	2,064
Bank charges	883	434	1,317	1,948
AGM and other expenses	16,496	-	16,496	13,488
Auditors' remuneration	5,970	1,350	7,320	6,600
	<u>25,746</u>	<u>1,784</u>	<u>27,530</u>	<u>24,100</u>

For the year ended 31 March 2022:

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

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

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

	2023	2022
	£	£
Auditors' remuneration – audit fee	3,900	3,500
Auditors' remuneration – non audit services	3,420	3,100
	<u>7,320</u>	<u>6,600</u>

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

	Unrestricted	Restricted	Endowment	2023	2022
	£	£	£	£	£
Realised gains/(losses) on investment assets	(44,526)	(22,467)	(3,244)	(70,237)	(11,697)
Unrealised gains/(losses) on investment assets	(182,985)	(120,372)	(23,355)	(326,712)	(28,874)
	<u>(227,511)</u>	<u>(142,839)</u>	<u>(26,599)</u>	<u>(396,949)</u>	<u>(40,571)</u>

For the year ended 31 March 2022:

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

## 12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023, nor for the year ended 31 March 2022.

### Trustees' Expenses

Travel expenses amounting to £2,397 have been reimbursed to 6 members of the Council during the year (2022 £2,064 to 5 members).

## 13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	78,210	75,463
Social security costs	3,173	4,486
Other pension costs	<u>4,574</u>	<u>3,639</u>
	<u>85,957</u>	<u>83,588</u>

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

	2023	2022
Administration	<u>2</u>	<u>2</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 £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	806,048	2,913,037	-	3,719,085
Other trading activities	20,728	-	-	20,728
Investment income	<u>74,285</u>	<u>8,641</u>	<u>2,421</u>	<u>85,347</u>
	901,061	2,921,678	2,421	3,825,160
<b>EXPENDITURE ON</b>				
Raising funds	17,985	7,967	1,418	27,370
Charitable activities	<u>200,172</u>	<u>3,161,063</u>	<u>-</u>	<u>3,361,235</u>
	<u>218,157</u>	<u>3,169,030</u>	<u>1,418</u>	<u>3,388,605</u>
<b>NET INCOME/(EXPENDITURE)</b>	682,904	(247,352)	1,003	436,555
<b>Transfer between funds</b>	<u>(272,690)</u>	<u>272,690</u>	<u>-</u>	<u>-</u>
	410,214	25,338	1,003	436,555
Gains/(losses) on investment assets	<u>29,656</u>	<u>(66,598)</u>	<u>(3,629)</u>	<u>(40,571)</u>
<b>Net movement in funds</b>	439,870	(41,260)	(2,626)	395,984
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u>2,799,373</u>	<u>1,493,641</u>	<u>463,505</u>	<u>4,756,519</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>3,239,243</u>	<u>1,452,381</u>	<u>460,879</u>	<u>5,152,503</u>

15. TANGIBLE FIXED ASSETS

	Heritage £	Computer Equipment £	Totals £
<b>COST</b>			
At 1 April 2022	11,610	3,249	14,859
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>11,610</u>	<u>3,249</u>	<u>14,859</u>
<b>DEPRECIATION</b>			
At 1 April 2022	-	2,383	2,383
Charge for year	-	430	430
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>-</u>	<u>2,813</u>	<u>2,813</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>11,610</u>	<u>866</u>	<u>12,476</u>
At 31 March 2023	<u>11,610</u>	<u>436</u>	<u>12,046</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 60 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 2022	4,165,288	107,532	4,272,820
Additions	284,215	73,144	357,359
Disposals	(456,288)		(456,288)
Revaluations	<u>(326,712)</u>		<u>(326,712)</u>
At 31 March 2023	<u>3,666,503</u>	<u>180,676</u>	<u>3,847,179</u>

Listed investments comprise:

	2023 £	2022 £
United Kingdom equities and funds	2,453,160	1,360,792
Overseas equities	<u>1,213,343</u>	<u>2,804,496</u>
	<u>3,666,503</u>	<u>4,165,288</u>

The historical cost of the total of investments held is: 3,079,603      3,387,829

Included in investments are investments with a market value of £1,013,886 (2022 £1,157,153) which are held specifically for the Cottam Will Trust.

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

	2023 £	2022 £
Other debtors	<u>106,740</u>	<u>634,610</u>

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

	2023 £	2022 £
Trade creditors	29,982	814,555
Other creditors	<u>12,638</u>	<u>8,850</u>
	<u>42,620</u>	<u>823,405</u>

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

	Unrestricted funds	Restricted funds	Endowment funds	2023 Total funds	2022 Total funds
	£	£	£	£	£
Fixed assets	436	11,610	-	12,046	12,476
Investments	2,340,990	1,151,124	355,065	3,847,179	4,272,820
Cash at bank	110,792	71,601	76,876	259,269	1,056,002
Other current assets	86,682	15,553	4,505	106,740	634,610
Current liabilities	<u>(11,288)</u>	<u>(31,332)</u>	<u>-</u>	<u>(42,620)</u>	<u>(823,405)</u>
	<u>2,527,612</u>	<u>1,218,556</u>	<u>436,446</u>	<u>4,182,614</u>	<u>5,152,503</u>

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

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

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

## 20 MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	2,404,622	103,094	(814,725)	1,692,991
Designated funds	<u>834,621</u>	<u>-</u>	<u>-</u>	<u>834,621</u>
	3,239,243	103,094	(814,725)	2,527,612
<b>Restricted funds</b>				
Welsh Churches - 4 Original	5,137	(3,919)	2,027	3,245
Welsh Churches - New Mechanism	126,219	(16,604)	(51,140)	58,475
Other Churches	-	(655,346)	655,346	-
Cottam Will Trust	1,201,835	(154,760)	(500)	1,046,575
Fabric funds	<u>119,190</u>	<u>(217,921)</u>	<u>208,992</u>	<u>110,261</u>
	1,452,381	(1,048,550)	814,725	1,218,556
<b>Endowment funds</b>				
Brett Trust	224,735	(24,433)	-	200,302
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	460,879	(24,433)	-	436,446
<b>TOTAL FUNDS</b>	<u>5,152,503</u>	<u>(969,889)</u>	<u>-</u>	<u>4,182,614</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	552,739	(222,134)	(227,511)	103,094
Designated funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	552,739	(222,134)	(227,511)	103,094
<b>Restricted funds</b>				
Welsh Churches - 4 Original	1,691	(5,610)	-	(3,919)
Welsh Churches - New Mechanism	257,372	(272,032)	(1,944)	(16,604)
Other Churches	127,894	(783,240)		(655,346)
Cottam Will Trust	12,753	(30,193)	(137,320)	(154,760)
Fabric funds	<u>47,169</u>	<u>(261,515)</u>	<u>(3,575)</u>	<u>(217,921)</u>
	446,879	(1,352,590)	(142,839)	(1,048,550)
<b>Endowment funds</b>				
Brett Trust	<u>3,167</u>	<u>(1,001)</u>	<u>(26,599)</u>	<u>(24,433)</u>
<b>TOTAL FUNDS</b>	<u>1,002,785</u>	<u>(1,575,725)</u>	<u>(396,949)</u>	<u>(969,889)</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 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	1,964,752	712,560	(272,690)	2,404,622
Designated funds	<u>834,621</u>	<u>-</u>	<u>-</u>	<u>834,621</u>
	2,799,373	712,560	(272,690)	3,239,243
<b>Restricted funds</b>				
Welsh Churches - 4 Original	8,023	(6,847)	3,961	5,137
Welsh Churches - New Mechanism	66,396	59,823	-	126,219
Other Churches	-	-	-	-
Cottam Will Trust	1,298,705	(96,870)	-	1,201,835
Fabric funds	<u>120,517</u>	<u>(270,056)</u>	<u>268,729</u>	<u>119,190</u>
	1,493,641	(313,950)	272,690	1,452,381
<b>Endowment funds</b>				
Brett Trust	229,161	(2,626)	-	226,535
James Johnston Fund	<u>236,144</u>	<u>-</u>	<u>-</u>	<u>236,144</u>
	<u>463,505</u>	<u>(2,626)</u>	<u>-</u>	<u>460,880</u>
<b>TOTAL FUNDS</b>	<u><u>4,756,519</u></u>	<u><u>395,984</u></u>	<u><u>-</u></u>	<u><u>5,152,503</u></u>

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

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

**20. MOVEMENT IN FUNDS – continued**

**Designated Funds**

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

For investment as capital to provide future unrestricted income	£ <u>834,621</u>
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**Restricted Funds**

Restricted funds comprise:

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

Other funds for the repair and upkeep of specific churches.

**Endowment Funds**

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

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

**21. COMMITMENTS**

At 31 March 2023, there were no capital commitments, however the Trustees had authorised future expenditure of £65,356 in pursuit of the objects of the Cottam Will Trust.

**22. ANCIENT MONUMENTS SOCIETY**

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



The Charity was responsible for all or part of the year for 60 redundant but architecturally and historically important places of worship which are held either freehold or on long lease. They are:

*English vestings*

01 January 1974	Old St Matthew's, Lightcliffe, West Yorkshire	(99-year lease)
01 January 1974	Old St Luke's, Milland, West Sussex	(99-year lease)
01 January 1975	St Mary's, Mundon, Essex	(999-year lease)
01 January 1975	St Peter's, Wickham Bishops, Essex	(999-year lease)
01 January 1976	St Andrew's, South Huish, Devon	(999-year lease)
01 May 1976	Old St Peter's, Saltfleetby, Lincolnshire	(999-year lease)
26 July 1978	Chapel, Urishay, Herefordshire	(freehold)
24 June 1979	St Andrew's, Wood Walton, Cambridgeshire	(999-year lease)
05 December 1979	St John the Baptist's, Papworth St Agnes, Cambridgeshire	(freehold)
20 March 1980	St Mary's, Eastwell, Kent	(freehold)
03 July 1981	St John the Baptist's, Sutterby, Lincolnshire	(freehold)
15 April 1982	St Mary Magdalene's, Caldecote, Hertfordshire	(freehold)
07 September 1982	The Assumption, Hardmead, Buckinghamshire	(99-year lease)
07 October 1983	St Mary Magdalene's, Boveney, Berkshire	(999-year lease)
31 December 1986	Strict & Particular Chapel, Waddesdon, Buckinghamshire	(freehold)
01 February 2000	Ayshford Chapel, Burlescombe, Devon	(125-year lease)
15 March 2002	St John the Baptist's, Matlock Bath, Derbyshire	(freehold)
23 January 2007	St Peter's, Llancillo, Herefordshire	(freehold)
15 November 2010	Chapel of Ease, Thornton-le-Beans, North Yorkshire	(freehold)
01 January 2011	St John the Baptist's, Allington, Wiltshire	(freehold)
07 January 2011	St Mary's, Long Crichel, Dorset	(freehold)
20 May 2011	St Mary of the Angels, Brownhill, Gloucestershire	(freehold)
12 September 2011	St Mary's, Fordham, Norfolk	(freehold)
28 December 2011	All Saints', Ballidon, Derbyshire	(freehold)
30 November 2016	St Denis's, East Hatley, Cambridgeshire	(freehold)
17 December 2019	St Mary's, Temple Corsley, Wiltshire	(freehold)
17 December 2019	St Leonard's, Spennall, Warwickshire	(999-year lease)
02 October 2020	St Lawrence's, Hutton Bonville, North Yorkshire	(freehold)
16 November 2020	St Helen's, Barmby on the Marsh, ER of Yorkshire	(freehold)
27 August 2021	St Helen's, Skeffling ER of Yorkshire	(freehold)
20 January 2023	St Andrew's, South Runcton, Norfolk	(freehold)

*Welsh vestings*

01 November 1978	SS Afran, Ieuan & Sannan, Llantrisant, Anglesey	(999-year lease)
07 October 1983	St Andrew's, Bayvil, Dyfed	(999-year lease)
22 November 1989	St Mary the Virgin's, Llanfair Kilgeddin, Monmouthshire	(freehold)
07 February 1991	St Baglan's, Llanfaglan, Gwynedd	(freehold)
19 November 1999	St David's, Llangeview, Monmouthshire	(999-year lease)
19 November 1999	St Mary's, Tal-y-Llyn, Anglesey	(999-year lease)
19 November 1999	St Ellyw's, Llanelieu, Powys	(999-year lease)
19 November 1999	St Beuno's, Penmorfa, Gwynedd	(999-year lease)
10 August 2000	St David's, Manordeifi, Pembrokeshire	(999-year lease)
17 December 2000	Chapel, Hodgeston, Pembrokeshire	(999-year lease)
01 December 2002	St Cynhaearn's, Ynyscynhaearn, Gwynedd	(999-year lease)
01 December 2002	St Mark's, Brithdir, Gwynedd	(999-year lease)
01 December 2002	St Mary's, Derwen, Denbighshire	(999-year lease)
01 December 2002	St Eloi's, Llandeloy, Pembrokeshire	(999-year lease)
01 January 2005	St Brothen's, Llanfrothen, Gwynedd	(999-year lease)
10 June 2005	St Peulan's, Llanbeulan, Anglesey	(999-year lease)
10 June 2005	St Decuman's, Rhoscrowther, Pembrokeshire	(999-year lease)
24 April 2006	St Oudoceus's, Llandawke, Carmarthenshire	(999-year lease)
01 February 2007	St Migael's, Llanfigael, Anglesey	(999-year lease)
30 July 2008	St Michael's, Llanfihangel Rogiet, Monmouthshire	(999-year lease)
14 May 2009	St Mary's, Penllech, Gwynedd	(999-year lease)
01 December 2013	St Michael's, Tremain, Ceredigion	(999-year lease)
24 June 2016	St Michael & All Angels, Castlemartin, Pembrokeshire	(999-year lease)
27 October 2017	St Michael & All Angels, Gwernesney, Monmouthshire	(999-year lease)
27 October 2017	St Dogfael's, Meline, Pembrokeshire	(999-year lease)
13 August 2018	St Jerome's, Llangwm Uchaf, Monmouthshire	(999-year lease)
13 August 2018	St Anno's, Llananno, Powys	(999-year lease)
10 March 2021	St Philip's, Caerdeon, Gwynedd	(999-year lease)
21 March 2023	St Cadoc's, Llangattock Vibon Avel, Monmouthshire	(999-year lease)