

Charity registration number 1113097

Company registration number 1119137 (England and Wales)

FRIENDS OF FRIENDLESS CHURCHES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024



FRIENDS OF FRIENDLESS CHURCHES

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number	1113097
Company number	1119137
Registered office	70 Cowcross Street London EC1M 6EJ office@fofc.org.uk/fofc.org.uk
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 (until 13 May 2023) Hugh Johnson OBE John Porteous OBE Professor Andrew Saint Hon FRIBA
Board of Trustees	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 Thomas Lloyd OBE DL FSA (from 7 October 2023) 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
Auditor	Xeinadin Audit Limited 46 Hamilton Square Birkenhead Wirral Merseyside CH41 5AR

FRIENDS OF FRIENDLESS CHURCHES

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Coutts & Co
St Martins Office
440 Strand
London
WC2R 0QS

National Westminster Bank Plc
46 Notting Hill Gate
London
W11 3HZ

Solicitors

Clifton Ingram
22-24 Broad Street
Wokingham
RG40 1GA

Investment advisors

JM Finn & Co
25 Cophall Avenue
London
EC2R 7AH

FRIENDS OF FRIENDLESS CHURCHES

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FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum & Articles of association, the Companies Act 2006 and "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 2019).

Objectives and activities

The objects of the charity are:

- 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.
- 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.
- 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.
- 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.
- 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.

Public benefit

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

New vestings

The financial year 2023-24 brought vesting of one church, St Mary's, Kenderchurch in Herefordshire. However, we have been busy undertaking urgent repairs at St Lawrence's, Gumfreston, Pembrokeshire and St James's, Llangua, Monmouthshire while the vesting process is underway.

St Mary's, Kenderchurch is a Grade II listed building. It's perched on a mound overlooking a busy road and has Pontrilas Sawmills – one of the UK's largest independent sawmills – as a next-door neighbour. The village, comprising just a few houses, is found on the other side of the road. St Mary's first came to our attention in 2010, when it had already been little used for a long time. After various attempts to sell the building for domestic conversion, the Diocese found it just wasn't saleable, and it has now come to us.

St Mary's is a small medieval church that was thoroughly restored by William Chick of Hereford in 1870-1. The site was founded in the 12th century – as evidenced by the tapering sandstone font with zig-zags incised on the rim. However, it has legendary associations with the 6th-century Welsh saint, Cynidr, who was the first Bishop of Glasbury, Powys. Indeed, the churchyard is roughly oval, which may suggest pre-Conquest origins. We look forward to researching its history in much greater detail.

St Mary's came into our care in October 2023 after lying empty for more than a decade. It needs quite a bit of work to roofs and walls. The interior has a significant woodworm infestation. We are currently developing the project – obtaining ecology licences and statutory consents, and look forward to starting on site in spring 2025.

The process of vesting churches in our care can take many years – there are various schemes that need to be published which are then followed by conveyancing. In some cases, where a church is in dire need, we start our repairs before the vesting process is complete. This is the case for St James's, Llangua and St Lawrence's, Gumfreston, Pembrokeshire, both of which were officially designated "at-risk" and to which we were already committed. The vesting of these buildings will hopefully take place in 2024-25.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 only (as heritage is a devolved administration), totalling £2.11m. This was 80% of the total eligible costs – the Charity had to raise the final 20% from other sources. The contracts for these repairs all came with a retention, that is 2.5% of the contract sum was retained for twelve months. After this rectification period, the Charity, lead consultant and contractor inspected the repairs, and any snagging was completed before the final 2.5% of the contract figure was released. Our budgeting for England for 2023-24 was dominated by these items. In addition, we implemented access improvements to the interior of Lightcliffe tower, Halifax, and are preparing to undertake works to the tower building.

In Wales, 2023-24 our main programme of work was at St Lawrence's Gumfreston – the largest single-phase project the Charity has ever undertaken. Development – surveys, tendering and enabling works – was carried out in the first half of the year, and works began in October 2023. A temporary roof scaffold was erected, and repairs to roofs and walls were prioritised. At the time of writing, all roofs (slate, sandstone and lead) have been relaid and repairs to the timber trusses completed. All cement pointing has been raked out, repointed in hot-mixed lime mortar, and the tower, which is exposed and vulnerable to leaking has been rendered and lime-washed. Internally, the yellow emulsion was removed (under the supervision of the wall-paintings conservator) and the walls re-plastered and re-lime-washed where appropriate. The works have continued through the current (2024-25) financial year, and we aim to complete the drainage works and wall paintings conservation by May 2025, when our grant from the National Heritage Memorial Fund expires.

Staying in Wales, we completed the re-roofing of St Beuno's, Penmorfa, Gwynedd, as well as repairing and redecorating the timber window frames and doors. At St Jerome's, Llangwm Uchaf in Monmouthshire, we undertook a scheme of minor repairs – localised repointing of masonry, glazing repairs and improving the lighting scheme.

St James's, Llangua in Monmouthshire is in Wales but is part of the Diocese of Hereford, and is therefore not part of our New Mechanism agreement with Cadw and The Church in Wales (see following section for more). The works at Llangua are also part-funded by the National Heritage Memorial Fund grant, but only started on site in April 2024 (i.e. outside the reporting year). The repairs to the fragile 15th-century roof are complex and detailed planning was needed throughout the financial year 2023-24 to ensure that the project could run smoothly once it started on site. The aim is that these works will complete in April 2025, in time for the grant deadline.

In addition to major repairs, we undertake a programme of rolling repairs across our estate – localised repointing, timber treatment, redecorating rainwater goods, and so on. On top of this, all of our churches benefit from at least one routine maintenance visit per year (clearing gutters, rodding drains, re-fixing slipped tiles, etc). Those that are overhung by trees or have complicated roofs have two routine visits.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Funding - grants

2023-24 saw the successful continuation of the funding arrangement between the Charity, Cadw, and the Representative Body of the Church in Wales. This arrangement involves the Charity making an annual grant 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 2023-24, we received £70,000 from the Church in Wales and £93,877 from Cadw. (£163,877 in total). We are immensely grateful for the financial support provided by Cadw and the Church in Wales.

Other funding applications submitted in the financial year 2022-23 bore fruit: we were awarded £769,309 from the National Heritage Memorial Fund towards the repair of St Lawrence's, Gurfreston and St James's, Llangua; we were awarded £212,932 from Cadw's Heritage at Risk fund towards the repair of St Lawrence's, Gurfreston only.

Funding - donations and legacies

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 gratefully received from Jenny Dereham, Susan Easton, Christine Huggins, Michael Kerney, Christopher Downing Leather, Robin Perry, Valerie Pusey and Edward Sanford.

We also received generous grants from the Bartleet Family Trust, The Buchanan Programme, The Drapers' Charitable Fund, Essex Community Foundation, Ethel and Gwynne Morgan Trust, The Golden Bottle Trust, J & M Britton Trust, Robbins Family Charitable Fund, Samuel Gurney Foundation, Seaton Family Trust, Shropshire Historic Churches Trust and The Tanner Trust.

Membership subscriptions are a significant part of our regular 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. In 2023-24, our membership numbers and income reached a record high 2,968 members earning us an income of £102,048.76

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.

Staffing

Thanks to the support of a generous benefactor, in late 2023, we were able to increase our staff size from one full-time Director and one part-time Administrator to three full-time staff. As well as the Director, these roles are an Operations Manager and a Volunteer Coordinator. The intention is that these roles will enable the Friends to be bolder, undertake more projects, become a serious player in the future of closed churches, improve our outreach and engagement, and better support our volunteers.

Volunteering

Our Volunteering Coordinator started in post in October 2023. This is a brand new role for the Friends, and the first few months have been spent ensuring we have a suitable framework in place for recruiting and supporting volunteers. After this, it was essential to begin to meet volunteers.

With the Volunteer Coordinator in post, we have recruited many more volunteers. Some of these are specific to a church, a geographical area or a project. As well as this, we have organised project talks and open days, as a way to engage local people with our work, and hope that they will volunteer to help look after the church.

We rely heavily on groups of Friends and volunteers, who care for the churches on a day-to-day basis and without whom we could not do our work. Our volunteers are the backbone of the charity. They do so much from opening churches and welcoming visitors, to writing guidebooks and organising events, and everything in between. We are so grateful to the team of people across England and Wales who support the day-to-day running of our buildings, and who respond to local needs in their church – our churches are used as foodbanks, book-clubs, exhibitions, school music lessons and more. Thank you to all who volunteer to support our work.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Press & PR

Throughout 2023-24, we sought to increase the profile of the Charity and raise awareness about our work. We enjoyed significant press coverage during the year. We featured in the national press, with two articles appearing in The Times reporting on our grant success; we appeared as the front-cover story of Church Times, with an article on the Friends adapted from the recently published book, Steeple Chasing by Peter Ross, for which our Director, a Trustee, volunteers and supporters were interviewed; BBC Wales online ran an article on several of our Welsh churches. We also appeared on ITV News, GB News, and in a special feature by Sky News titled, Are Britain's abandoned churches worth saving?. We are indebted to the support from regional press, such as Western Telegraph, Tenby Observer, and Goole Times.

The Director and Trustees spoke at various conferences and events throughout 2023-24, including, a Creative Heritage day at the University of Canterbury; the National Trust event of Building Heritage : Celebrating Skill at Dinefwr Castle, Carmarthenshire; Wales Heritage Group; The Maldon Townswomen Guild, and many more.

We continue to generate engaging, attractive content for our online supporters. We are very active on four channels: Twitter, Facebook, Instagram, and LinkedIn, and have, in the past twelve months started to share more videos about our work on YouTube. We grateful for the encouragement, engagement and financial support from our online followers, which on 31 March 2024, totalled 90,150 accounts.

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 2023-24, four applications were made to the Cottam Will Trust. Two awards were made. These were: £4,000 towards the creation of a new engraved, glazed tympanum over the entrance at St Mary's, Barnard Castle, Durham, and £4,710 towards a new painted Doom at St Mary's, Woodham Ferrers, Essex. The Barnard Castle grant was claimed in the financial year 2023-24.

Other legacies

The remainder of the Easton Legacy (a small legacy left to Friends to distribute as grants for the conservation, creation or purchase of ecclesiastical textiles) was awarded to the church of St John the Evangelist, Upper Norwood, London for the conservation of a Blessed Sacrament banner designed for the church by Ninian Comper. The award totalled £1,710. All of this legacy has now been distributed.

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.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Financial review

The financial position is set out in the financial statements for the year. These show a considerable surplus of £1,691,411 for 2023-24 including net investment gains of £518,147; this reflects the extremely generous donations referred to elsewhere in the report and which will be expended in future periods. The comparative amounts for 2022-23 showed net outgoing resources of £572,940 to which losses on investments of £396,949 need to be adjusted making the total shortfall for the prior year £969,899. The Council was satisfied that this one-off position in 2023 was justified since to take advantage of the large and exceptional DCMS's recovery grants available that year required the Friends to contribute 20% of the costs. It is noted that the investment gains (2022-23 loss) are largely unrealised revaluations. Surplus reserves carried forward amount to £5,874,025 and includes investments of £5,743,675 and cash at bank £153,155. This is the fourth successive year that our reserves have exceeded £4 million. Trustees are delighted to record their gratitude for the receipt of £1,567,442 in donations and £208,127 in legacies as reported elsewhere in this report.

There were generous grants from Cadw and the Representative Body of the Church in Wales, the Tanner 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 2024, the unrestricted reserves were adequate to meet immediate and medium term needs but, the demands on the Charity and the need for long term repairs at existing vestings continues to grow. Our 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.

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.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 & 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 occasionally be reviewed.

The members of the Investment & 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.

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. 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, a new review is to be undertaken over the next eighteen months. The financial position is regularly monitored by the Council.

Plans for future periods

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 2023-24, 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 61 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).

Structure, governance and management

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

The Charity is governed by its Memorandum and Articles of Association, as amended on 26 October 2005, and 6 March 2006 as part of the above re-organisation. A further amendment on 4 October 2021 permitted the use, in certain circumstances, of remote video conferencing for general meetings and Council meetings.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr R K Evans MA - Chairman
Mr P J Scott MBE BA FCA - Honorary Treasurer
Mr S J M Evans MA - Company Secretary
Rev'd Fr P T Gray BA CertEd - Honorary Chaplain
Rev'd J A Barrow MA Oxon M Litt BSc
Sir Paul J J Britton CB CVO MA
Mr G R H Bulmer MA
Ms C A T S Cullis MBE MA
Mr J W Edwards BA ACA
Dr E Green PhD
Mr R Halsey MBE BA FSA
Dr J R Morgan Guy MA PhD LicDD DipMin (Resigned 7 October 2023)
FRHistS FSA
Mr H L Pool BA FCMA (Resigned 18 June 2024)
Mr J E Vigar MA FSA Scot FRSA
Ms K Robbins MA DipArch MArch RIBA AABC
Mr T O S Lloyd OBE (Appointed 7 October 2023)

The Trustees of The Friends form the Council which is responsible for the governance and management of the Charity. Trustees are as listed above 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 2023-24, 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 potential new vestings. The Investment and Finance Sub-Committee met twice during the year.

The Council and Staff would like to offer their sincere thanks to Professor John Morgan-Guy, who stepped down as Trustee in October 2023 after several decades of service. With his vast expertise in a whole range of subjects, John formed part of the scholarly backbone of our organisation. We owe him an enormous debt of gratitude.

In June 2024, the Council were deeply saddened to learn of the death of Trustee, Howard Pool. Howard joined the Charity's Board of Trustees in 2010 and latterly our Investment Sub-Committee. He shared his vast financial expertise with us and his on-the-ground experience of being a church warden in a rural church. Howard was a dear, loyal and valued colleague.

The Annual General Meeting, which accepted the annual report for 2022-23, was held on 04 October 2023 at Old St David's, Manordeifi in Pembrokeshire. The meeting was chaired by Roger Evans, Chairman of the Charity. Seventy-six 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 2023-24, Clare Kirk provided freelance digital content creation services.

FRIENDS OF FRIENDLESS CHURCHES

TRUSTEES' REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

Mr R K Evans MA - Chairman

Trustee

6 September 2024

FRIENDS OF FRIENDLESS CHURCHES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also the directors of Friends Of Friendless Churches for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

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

FRIENDS OF FRIENDLESS CHURCHES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

Opinion

We have audited the financial statements of Friends Of Friendless Churches (the 'Charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2024 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity 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 Trustees' 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 Charity'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 Trustees 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 Trustees are 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

FRIENDS OF FRIENDLESS CHURCHES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose 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 Charity'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

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.

FRIENDS OF FRIENDLESS CHURCHES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

FRIENDS OF FRIENDLESS CHURCHES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FRIENDS OF FRIENDLESS CHURCHES

Helen Furlong FCCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

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Chartered Accountants
Statutory Auditor

46 Hamilton Square
Birkenhead
Wirral
Merseyside
CH41 5AR

FRIENDS OF FRIENDLESS CHURCHES

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
	Notes					
Income from:						
Donations and legacies	3	1,832,206	581,284	-	2,413,490	899,559
Other trading activities	4	7,978	-	-	7,978	6,545
Investments	5	79,366	13,289	2,625	95,280	96,681
Total income and endowments		<u>1,919,550</u>	<u>594,573</u>	<u>2,625</u>	<u>2,516,748</u>	<u>1,002,785</u>
Expenditure on:						
Raising funds	6	16,402	6,524	1,000	23,926	22,125
Charitable activities	7	281,589	1,037,969	-	1,319,558	1,553,600
Total expenditure		<u>297,991</u>	<u>1,044,493</u>	<u>1,000</u>	<u>1,343,484</u>	<u>1,575,725</u>
Net gains/(losses) on investments	13	<u>247,650</u>	<u>248,224</u>	<u>22,273</u>	<u>518,147</u>	<u>(396,949)</u>
Net income/(expenditure)		1,869,209	(201,696)	23,898	1,691,411	(969,889)
Transfers between funds		<u>(407,923)</u>	<u>407,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	10	1,461,286	206,227	23,898	1,691,411	(969,889)
Reconciliation of funds:						
Fund balances at 1 April 2023		<u>2,527,612</u>	<u>1,218,556</u>	<u>436,446</u>	<u>4,182,614</u>	<u>5,152,503</u>
Fund balances at 31 March 2024		<u>3,988,898</u>	<u>1,424,783</u>	<u>460,344</u>	<u>5,874,025</u>	<u>4,182,614</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

FRIENDS OF FRIENDLESS CHURCHES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
Income from:					
Donations and legacies	3	463,646	435,913	-	899,559
Other trading activities	4	6,545	-	-	6,545
Investments	5	82,548	10,966	3,167	96,681
Total income and endowments		<u>552,739</u>	<u>446,879</u>	<u>3,167</u>	<u>1,002,785</u>
Expenditure on:					
Raising funds	6	15,177	5,947	1,001	22,125
Charitable activities	7	206,957	1,346,643	-	1,553,600
Total expenditure		<u>222,134</u>	<u>1,352,590</u>	<u>1,001</u>	<u>1,575,725</u>
Net gains/(losses) on investments	13	<u>(227,511)</u>	<u>(142,839)</u>	<u>(26,599)</u>	<u>(396,949)</u>
Net income/(expenditure)		103,094	(1,048,550)	(24,433)	(969,889)
Transfers between funds		<u>(814,725)</u>	<u>814,725</u>	-	-
Net movement in funds	10	<u>(711,631)</u>	<u>(233,825)</u>	<u>(24,433)</u>	<u>(969,889)</u>
Reconciliation of funds:					
Fund balances at 1 April 2022		<u>3,239,243</u>	<u>1,452,381</u>	<u>460,879</u>	<u>5,152,503</u>
Fund balances at 31 March 2023		<u>2,527,612</u>	<u>1,218,556</u>	<u>436,446</u>	<u>4,182,614</u>

FRIENDS OF FRIENDLESS CHURCHES

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		4		436
Heritage assets	16		11,610		11,610
Investments	17		5,743,675		3,847,179
			<u>5,755,289</u>		<u>3,859,225</u>
Current assets					
Debtors	18	63,234		106,740	
Cash at bank and in hand		153,155		259,269	
		<u>216,389</u>		<u>366,009</u>	
Creditors: amounts falling due within one year	19	(97,653)		(42,620)	
Net current assets			118,736		323,389
Total assets less current liabilities			<u>5,874,025</u>		<u>4,182,614</u>
The funds of the Charity					
Endowment funds	21		460,344		436,446
Restricted income funds	22		1,424,783		1,218,556
Unrestricted funds			3,988,898		2,527,612
			<u>5,874,025</u>		<u>4,182,614</u>

The financial statements were approved by the Trustees on 6 September 2024

Mr R K Evans MA - Chairman
Trustee

Company registration number 1119137 (England and Wales)

FRIENDS OF FRIENDLESS CHURCHES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		1,176,955		(922,103)
Investing activities					
Purchase of investments		(655,722)		(357,359)	
Proceeds from disposal of investments		(722,627)		386,048	
Investment income received		95,280		96,681	
		<hr/>		<hr/>	
Net cash (used in)/generated from investing activities			(1,283,069)		125,370
Net cash used in financing activities			-		-
			<hr/>		<hr/>
Net decrease in cash and cash equivalents			(106,114)		(796,733)
Cash and cash equivalents at beginning of year			259,269		1,056,002
			<hr/>		<hr/>
Cash and cash equivalents at end of year			153,155		259,269
			<hr/> <hr/>		<hr/> <hr/>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Friends Of Friendless Churches is a private company limited by guarantee incorporated in England and Wales. The registered office is 70 Cowcross Street, London, EC1M 6EJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Memorandum & Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements 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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

1.3 Charitable funds

The charity had the following types of funds:

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

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.5 Expenditure

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.

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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost. Assets over £500 are not capitalised.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33.33% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.7 Heritage assets

The Charity owns the freehold or long leasehold of sixty-one 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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments 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 the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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 payments 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.12 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.

1.13 Retirement benefits

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

1.14 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.

2 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.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	1,521,774	45,666	1,567,440	215,341	724	216,065
Legacies receivable	208,127	-	208,127	174,268	-	174,268
Grants	-	535,618	535,618	-	435,189	435,189
Membership fees	101,979	-	101,979	73,513	-	73,513
Donated goods and services	326	-	326	524	-	524
	<u>1,832,206</u>	<u>581,284</u>	<u>2,413,490</u>	<u>463,646</u>	<u>435,913</u>	<u>899,559</u>
Grants receivable for core activities						
CADW	-	93,877	93,877	-	162,270	162,270
Church in Wales	-	70,000	70,000	-	60,000	60,000
Listed Places of Worship Scheme	-	149,638	149,638	-	204,169	204,169
National Heritage Memorial Fund	-	217,853	217,853	-	-	-
Other	-	4,250	4,250	-	8,750	8,750
	<u>-</u>	<u>535,618</u>	<u>535,618</u>	<u>-</u>	<u>435,189</u>	<u>435,189</u>

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
AGM contribution	995	1,450
Other income	1,650	-
Christmas card sales	5,333	5,095
Other trading activities	<u>7,978</u>	<u>6,545</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Income from investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
UK investment income	61,580	7,826	2,625	72,031
Overseas investment income	12,803	2,346	-	15,149
Interest receivable	4,983	3,117	-	8,100
	<u>79,366</u>	<u>13,289</u>	<u>2,625</u>	<u>95,280</u>

Previous year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
UK investment income	60,339	8,385	3,167	71,891
Overseas investment income	21,943	2,346	-	24,289
Interest receivable	266	235	-	501
	<u>82,548</u>	<u>10,966</u>	<u>3,167</u>	<u>96,681</u>

6 Cost of raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Trading costs				
Representations	347	-	-	347
Investment management	16,055	6,524	1,000	23,579
	<u>16,402</u>	<u>6,524</u>	<u>1,000</u>	<u>23,926</u>

Previous Year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Representations	175	-	-	175
Investment management	15,002	5,947	1,001	21,950
	<u>15,177</u>	<u>5,947</u>	<u>1,001</u>	<u>22,125</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Expenditure on charitable activities

	2024 £	2023 £
Direct costs		
Staff costs	123,259	85,957
Depreciation and impairment	432	430
Purchase of objects of beauty	4,000	22,522
Office costs	34,922	28,224
Repairs and maintenance	273,943	1,047,907
Insurance	28,183	24,688
Travel expenses	8,634	9,362
Website and media	13,363	12,314
Newsletter	24,147	22,659
Other costs	-	35
New Mechanism - Repairs and maintenance	723,705	243,939
New Mechanism - Professional Fees	1,457	8,636
New Mechanism - Insurance	16,943	15,425
New Mechanism - Travel expenses	-	501
New Mechanism - Field Officer's expenses	3,506	241
New Mechanism - Sundries	8,874	3,230
New vestings	9,395	-
	<u>1,274,763</u>	<u>1,526,070</u>
Grant funding of activities (see note 8)	500	-
Share of support and governance costs (see note 9)		
Governance	44,295	27,530
	<u>1,319,558</u>	<u>1,553,600</u>
Analysis by fund		
Unrestricted funds	281,589	206,957
Restricted funds	1,037,969	1,346,643
	<u>1,319,558</u>	<u>1,553,600</u>

8 Grants payable

	2024 £
Grants to institutions:	
Friends of Llanefydd Church	500
	<u>500</u>

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FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs allocated to activities

	2024	2023
	£	£
Governance costs	44,295	27,530
	<u>44,295</u>	<u>27,530</u>
	2024	2023
	£	£
Governance costs comprise:		
Audit fees	4,290	3,900
Accountancy	3,859	3,420
Trustees' travel expenses	2,778	2,397
Bank charges	1,587	1,317
AGM and other expenses	31,781	16,496
	<u>44,295</u>	<u>27,530</u>

10 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable to the charity's auditor:		
- for the audit of the charity's financial statements	4,290	3,900
- for other financial services	3,859	3,420
Depreciation of owned tangible fixed assets	432	430
	<u>432</u>	<u>430</u>

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

Travel expenses amounting to £2,778 have been reimbursed to 8 members of the Council during the year (2023 £2,397 to 6 members).

12 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Administration	2	2
	<u>2</u>	<u>2</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	110,389	78,210
Social security costs	6,718	3,173
Other pension costs	6,152	4,574
	<u>123,259</u>	<u>85,957</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	<u>1</u>	<u>-</u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	<u>74,605</u>	<u>60,085</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Gains and losses on investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Gains/(losses) arising on:				
Revaluation of investments	260,523	245,241	22,273	528,037
Sale of investments	(12,873)	2,983	-	(9,890)
	<u>247,650</u>	<u>248,224</u>	<u>22,273</u>	<u>518,147</u>

Previous year

Gains and losses on investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Gains/(losses) arising on:				
Revaluation of investments	(182,985)	(120,372)	(23,355)	(326,712)
Sale of investments	(44,526)	(22,467)	(3,244)	(70,237)
	<u>(227,511)</u>	<u>(142,839)</u>	<u>(26,599)</u>	<u>(396,949)</u>

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

15 Tangible fixed assets

	Computers £
Cost	
At 1 April 2023	3,249
At 31 March 2024	<u>3,249</u>
Depreciation and impairment	
At 1 April 2023	2,813
Depreciation charged in the year	432
At 31 March 2024	<u>3,245</u>
Carrying amount	
At 31 March 2024	<u>4</u>
At 31 March 2023	<u>436</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Heritage assets

	£
At 1 April 2023 and at 31 March 2024	11,610

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 61 churches which are not recognised in the balance sheet.

17 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2023	3,666,503	180,676	3,847,179
Additions	655,722	1,033,184	1,688,906
Valuation changes	528,037	-	528,037
Disposals	(320,447)	-	(320,447)
At 31 March 2024	4,529,815	1,213,860	5,743,675
Carrying amount			
At 31 March 2024	4,529,815	1,213,860	5,743,675
At 31 March 2023	3,666,503	180,676	3,847,179

Investments at fair value comprise:	2024 £	2023 £
United Kingdom equities and funds	2,954,616	2,453,160
Overseas equities	1,575,201	1,213,343
	4,529,817	3,666,503

Fixed asset investments revalued

The historical cost of the investments was £3,226,569 (2023 £3,079,603).

18 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	63,234	106,740

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	2,497	-
Trade creditors	84,474	29,982
Other creditors	10,682	12,638
	<u>97,653</u>	<u>42,620</u>

20 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,152	4,574
	<u>6,152</u>	<u>4,574</u>

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2024 £
Permanent endowments					
Brett Trust	200,302	2,625	(1,000)	22,273	224,200
James Johnston Fund	236,144	-	-	-	236,144
	<u>436,446</u>	<u>2,625</u>	<u>(1,000)</u>	<u>22,273</u>	<u>460,344</u>
Previous year:					
	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 March 2023 £
Permanent endowments					
Brett Trust	224,735	3,167	(1,001)	(26,599)	200,302
James Johnston Fund	236,144	-	-	-	236,144
	<u>460,879</u>	<u>3,167</u>	<u>(1,001)</u>	<u>(26,599)</u>	<u>436,446</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21 Endowment funds

(Continued)

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.

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
Welsh Churches - 4 Original	3,245	-	(2,420)	684	-	1,509
Welsh Churches - New Mechanism	58,475	330,737	(754,584)	385,056	(564)	19,120
Other Churches Cottam Will Trust	-	243,233	(210,806)	(32,427)	-	-
Fabric Funds	1,046,575	10,405	(12,368)	-	241,357	1,285,969
	110,261	10,198	(64,315)	54,610	7,431	118,185
	<u>1,218,556</u>	<u>594,573</u>	<u>(1,044,493)</u>	<u>407,923</u>	<u>248,224</u>	<u>1,424,783</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
Welsh Churches - 4 Original	5,137	1,691	(5,610)	2,027	-	3,245
Welsh Churches - New Mechanism	126,219	257,372	(272,032)	(51,140)	(1,944)	58,475
Other Churches Cottam Will Trust	-	127,894	(783,240)	655,346	-	-
Fabric Funds	1,201,835	12,753	(30,193)	(500)	(137,320)	1,046,575
	119,190	47,169	(261,515)	208,992	(3,575)	110,261
	<u>1,452,381</u>	<u>446,879</u>	<u>(1,352,590)</u>	<u>814,725</u>	<u>(142,839)</u>	<u>1,218,556</u>

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.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
General fund	1,692,991	1,919,550	(297,991)	(407,923)	247,650	3,154,277
Designated funds	834,621	-	-	-	-	834,621
	<u>2,527,612</u>	<u>1,919,550</u>	<u>(297,991)</u>	<u>(407,923)</u>	<u>247,650</u>	<u>3,988,898</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
General fund	2,404,622	552,739	(222,134)	(814,725)	(227,511)	1,692,991
Designated funds	834,621	-	-	-	-	834,621
	<u>3,239,243</u>	<u>552,739</u>	<u>(222,134)</u>	<u>(814,725)</u>	<u>(227,511)</u>	<u>2,527,612</u>

Designated funds comprise specific income allocated by the trustees for the investment as capital to provide for future unrestricted income.

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.

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
Tangible assets	4	-	-	4
Heritage assets	-	11,610	-	11,610
Investments	3,972,123	1,394,338	377,214	5,743,675
Current assets/(liabilities)	16,771	18,835	83,130	118,736
	<u>3,988,898</u>	<u>1,424,783</u>	<u>460,344</u>	<u>5,874,025</u>

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:				
Tangible assets	436	-	-	436
Heritage assets	-	11,610	-	11,610
Investments	2,340,990	1,151,124	355,065	3,847,179
Current assets/(liabilities)	186,186	55,822	81,381	323,389
	<u>2,527,612</u>	<u>1,218,556</u>	<u>436,446</u>	<u>4,182,614</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

At 31 March 2024, there were no capital commitments, however the Trustees had authorised future expenditure of £71,900 in pursuit of the objects of the Cottam Will Trust.

26 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

27 Cash generated from operations

	2024 £	2023 £
Surplus/(deficit) for the year	1,691,411	(969,889)
Adjustments for:		
Investment income recognised in statement of financial activities	(95,280)	(96,681)
Loss on disposal of investments	9,890	70,237
Fair value gains and losses on investments	(528,037)	326,712
Depreciation and impairment of tangible fixed assets	432	430
Movements in working capital:		
Decrease in debtors	43,506	527,870
Increase/(decrease) in creditors	55,033	(780,782)
Cash generated from/(absorbed by) operations	<u>1,176,955</u>	<u>(922,103)</u>

28 Analysis of changes in net funds

The Charity had no material debt during the year.

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Charity was responsible for all or part of the year for 61 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, Sperrall, 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)
22 February 2024	St Mary's Kenderchurch, Herefordshire	(freehold)

FRIENDS OF FRIENDLESS CHURCHES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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)