



Churches Conservation

Annual Report and Financial Statements For the year ended 31 March 2022

Churches Conservation

Company information

Charity Registration Number	1150968
Company Registration Number	08372099
Registered office	66 Lincoln's Inn Fields London WC2A 3LH
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, West Malling Kent ME19 4JQ
Investment managers	Investec 2 Gresham Street London EC2V 7QP
Auditors	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

Churches Conservation

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Churches Conservation

Trustees' Report for the year ended 31 March 2022

The Trustees of Churches Conservation, who also act as Directors for the purposes of company law, present their report and audited financial statements for the year ended 31 March 2022 in accordance with the Charities Act 2011 and the Companies Act 2006. The Trustees are satisfied, to the best of their knowledge, that these statements comply with the current statutory requirements, the church's governing documents, and are in accordance with the Charity Commission's Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

Structure, Governance and Management

Governing Document

The organisation was incorporated as a charitable company on 23 January 2013. It is limited by guarantee and governed by its Memorandum and Articles of Association.

Statement of Trustees' Responsibilities

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on an going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Charity and which enable them to ensure that the financial statements comply with applicable law. 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.

Trustees

Trustees are appointed by the Board. The Trustees set out below held office for the whole of the year and up to the date of this report, unless otherwise stated.

Stephen Chater
William Donaldson
Colin Shearer
Alice Ullathorne
Humphrey Welfare

Churches Conservation

Trustees' Report for the year ended 31 March 2022

Recruitment and Appointment of Trustees

New Trustees are recruited to meet the skill needs of the organisation. Trustees are recruited through advertising or personal recommendation.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Group's aims and objectives both in the year under review and in planning future activities. The Trustees give their time voluntarily and receive no private benefit. A trustee training plan has been implemented.

Risk Management

The major risks to which the Charity is exposed, as identified by the Trustees, are reviewed and scored for current probability and impact. Risks are formally reviewed each year.

Covid 19

At this point in time it is not possible to fully consider the ongoing impacts arising from COVID-19, however the Trustees have considered the possible risks and have put in place measures to maintain income and reduce future expenditure if required. The position will be kept under constant review and the Trustees will as required take necessary steps to ensure Churches Conservation continues as a going concern.

The Ukraine War and the cost-of-living crisis

We have considered the potential impact of the Ukraine War and the cost-of-living crisis on the Charity. Increasing energy prices, rising pressure on inflation rates, unease in stock market trading and interest rate rises are likely to affect the Charity's performance. The Charity's Funds are unlikely to be materially affected and we will closely monitor the Funds' performance.

Activities

The main activities of Churches Conservation are:

- The conservation of churches and chapels of historic and archaeological importance for the benefit of members of the communities in which they are located and for the benefit of the wider public.
- To benefit the residents of the communities in which such churches and chapels are located by adapting and improving premises so that they can be used for the provision of facilities for residents and for voluntary and other organisations for:
 - (a) The advancement of education
 - (b) The relief of people who are in need due to age, ill health, disability, social disadvantage.
 - (c) The development of skills and capacity of residents of those communities to enable them to participate more fully in society.

Future plans

Churches Conservation intends to seek opportunities to widen its funding sources to enable further grants to be made to suitable conservation projects. Churches Conservation continues to review the implications of the ongoing impacts of COVID 19. Any significant risk identified are discussed by Trustees at Board meetings. No significant risk have been identified.

Churches Conservation Trustees' Report for the year ended 31 March 2022

Financial review

Income of £1.1m (2020/21 £1.1M) and expenditure of £1.0M (2020/21 £650,347) were made in the year. Churches Conservation moves into 2022/23 with a healthy balance sheet holding sufficient unrestricted reserves to maintain operations and restricted funds to support the projects for which restricted grant monies were given. Trustees consider the 2021/22 performance to be acceptable.

Reserves policy

In the Trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

The Trustees propose to maintain the charity's reserves at a level which is at least equivalent to six months operational expenditure and have done so having regards to its manner of operation of likely funding streams.

The Trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the charity's continuing obligations on a quarterly basis at their Trustee meeting.

The Trustees have reviewed the current level of unrestricted reserves of £8,326 and feel they are adequate to cover six months operation.

Auditors

So far as each of the Trustees is aware there is no relevant audit information of which the charitable company's auditors are unaware; and The Trustees have taken all the steps they ought to have taken in order to make themselves aware of any relevant audit information and to establish that Churches Conservation's auditors are aware of that information.

Mazars LLP will be proposed for re-appointment as auditors at the AGM.

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Trustees on ^{09-Dec-2022} and signed on their behalf



**Stephen Chater
Trustee**

Churches Conservation

Independent auditor's report to the members of Churches Conservation

We have audited the financial statements of Churches Conservation (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, 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, including FRS 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 charity's affairs as at 31 March 2022 and of 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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' 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 the audit:

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

Matters on which we are required to report by exception

In 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.
- trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement on page 3, the trustees (who are also the directors of the charity for the purposes of company laws) 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 charity 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.


Nicola Wakefield (Dec 12, 2022 19:16 GMT)

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date 12-Dec-2022

Churches Conservation

Statement of financial activities (including the Income and Expenditure Account) For the year ended 31 March 2022

	Notes	Unrestricted £	Restricted £	Total 2022 £	Total 2021 £
Income from Raised Funds					
Income from Charitable Activities	2	-	1,067,558	1,067,558	1,061,608
Other Income		1,201	-	1,201	3,138
Total Income		1,201	1,067,558	1,068,759	1,064,746
Expenditure					
Expenditure on Charitable Activities	3	9,101	999,946	1,009,047	650,347
Total Expenditure		9,101	999,946	1,009,047	650,347
Net Income		(7,900)	67,612	59,712	414,399
Other recognised gains					
Unrealised gains on investments		-	104,290	104,290	410,532
Net movement in funds		(7,900)	171,902	164,002	824,931
Balance B/fwd. at 1 April		16,226	6,867,911	6,884,137	6,059,206
Balance C/fwd. at 31 March		8,326	7,039,813	7,048,139	6,884,137

All of the above results are derived from continuing activities.
All gains and losses recognised in the year are included above.

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Balance Sheet as at 31 March 2022

		2022	2021
Fixed Assets	Notes	£	£
Fixed asset investments	5	2,124,801	2,178,070
Current assets			
Debtors	6	1,067,558	1,061,608
Cash at bank and in hand		4,862,890	4,296,886
		<u>5,930,448</u>	<u>5,358,494</u>
Creditors: Amounts falling due within one year	7	1,007,110	652,427
		<u>4,923,338</u>	<u>4,706,067</u>
Net current assets			
		<u>7,048,139</u>	<u>6,884,137</u>
Net assets			
		<u>7,048,139</u>	<u>6,884,137</u>
Funds			
Unrestricted Funds	9	8,326	16,226
Restricted Funds	8	7,039,813	6,867,911
		<u>7,048,139</u>	<u>6,884,137</u>

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved and authorised for issue by the board on 09-Dec-2022

Signed on its behalf by



Stephen Chater
Trustee

Churches Conservation

Statement of cash flows for the year ended 31 March 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income for the financial year	164,002	824,931
Adjustments for:		
(Gains) on investments	(104,290)	(410,532)
(Increase) / Decrease in trade and other debtors	(5,950)	366,694
Increase in trade and other creditors	354,683	278,006
Net Cash generated from operations	408,445	1,059,099
Cash flows from investing activities		
Sales of fixed asset investments	157,559	-
Net Cash provided by investing activities	157,559	-
Net increase in cash and cash equivalents	566,004	1,059,099
Cash and cash equivalents at start of year	4,296,886	3,237,787
Cash and cash equivalents at the end of the year	4,862,890	4,296,886

Churches Conservation

Notes to the financial statements for the year ended 31 March 2022

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (2019), Financial Reporting Standards 102 (the applicable standards in the United Kingdom and Republic of Ireland) (effective 1 January 2019) and the Companies Act 2006. The charity is a public benefit entity.

The trustees believe that it is appropriate for these financial statements to be prepared on the going concern basis given the level of reserves held.

1.2 Funds accounting

Unrestricted funds are those which are not subject to any special restrictions and they can be used as the Trustees decide in furtherance of the general objectives of the charity.

Restricted funds are those where the donor has imposed restrictions on how the fund may be used, but which do not prevent the fund being spent.

1.3 Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities on a receipts basis. Tax recoverable on gift aid donations is recognised at the same time as the gift to which it relates.

Income from charitable activities is included when the activity occurs.

1.4 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit.

Churches Conservation

Notes to the financial statements for the year ended 31 March 2022

1. Accounting policies (continued)

1.5 Going Concern

The Trustees have agreed budgets for the year ended 31 March 2023 and cash-flow projections for the year ended 31 March 2023. Both sources of income and types of expenditure have been reviewed. As a result the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The Charity's business activities are set out on page 4. Trustees consider that Churches Conservation has sufficient reserves and is well placed to manage its risks successfully. Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

No other material uncertainties that may cast significant doubt about the ability of Churches Conservation to continue as a going concern have been identified by the Trustees.

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Notes to the financial statements for the year ended 31 March 2022

2. Income from charitable activities

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Grant from the Churches Conservation Trust	-	1,067,558	1,067,558	1,061,608
Total	-	1,067,558	1,067,558	1,061,608

3. Expenditure on charitable activities

	Unrestricted	Restricted	2022 Total	2021 Total
Charitable activities	£	£	£	£
Grants made	6,000	999,946	1,005,946	645,263
Support costs (Note 4)	3,101	-	3,101	5,084
Total	9,101	999,946	1,009,047	650,347

4. Support Costs

	Unrestricted	Restricted	2022 Total	2021 Total
	£	£	£	£
Audit Fees	3,000	-	3,000	3,000
Bank Fees / Miscellaneous	101	-	101	2,084
Total	3,101	-	3,101	5,084

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Notes to the financial statements for the year ended 31 March 2022

5. Investments

	£
Balance at 1 April 2021	2,178,070
(Sales)	(157,559)
Change in market value	104,290
Balance at 31 March 2022	2,124,801
Historic cost at 31 March 2022	1,797,027

Equities	1,537,507
Fixed interest	218,642
Property	75,430
Alternative assets	147,886
Cash	145,336
Total	2,124,801

There is one holding in excess of 5% of the portfolio: Vanguard S&P 500 fund (8.9%)

6. Debtors

	2022	2021
	£	£
Amount due from related party	1,067,558	1,061,608
Total	1,067,558	1,061,608

All amounts fall due within one year.

7. Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Balance due to related party	999,946	645,763
Accruals	7,164	6,664
Total	1,007,110	652,427

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Notes to the financial statements for the year ended 31 March 2022

8. Restricted Funds

Balance at April 2021 £	Income and Gains £	Expenditure £	Balance at 31 March 2022 £
6,867,911	1,171,848	999,946	7,039,813

9. Analysis of Net Assets Between Funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2022 are represented by :			
Debtors	-	1,067,558	1,067,558
Investments and Cash at bank	15,490	6,972,201	6,987,691
Creditors	(7,164)	(999,946)	(1,007,110)
Total net assets at 31 March 2022	8,326	7,039,813	7,048,139

10. Related party transactions

Income from charitable activities includes a grant of £1.1M (2020/21: £1.1M) from the Churches Conservation Trust, which is restricted for furtherance of the Churches Conservation Trust's charitable objects. In addition, restricted grants of £1.0M (2020/21: £641,764) were made to the Churches Conservation Trust during the year. The balance due from Churches Conservation Trust at the year end was £1.1M (2020/21: £1.1M) and the balance due to Churches Conservation Trust was £1.0M (2020/21: £645,764). Churches Conservation shares a minority of its Trustees with Churches Conservation Trust (Charity Number 258612).

No Trustee received any remuneration or reimbursement of expenses during the current year. The Trustees are considered to be the key management personnel of the charity.

Churches Conservation

Notes to the financial statements for the year ended 31 March 2022

11. Comparative Statement of Financial Activities

	Unrestricted £	Restricted £	2021 £
Income from Raised Funds			
Income from Charitable Activities	-	1,061,608	1,061,608
Other Income	3,138	-	3,138
	<hr/>	<hr/>	<hr/>
Total Income	3,138	1,061,608	1,064,746
 Expenditure			
Expenditure on Charitable Activities	8,548	641,763	650,347
	<hr/>	<hr/>	<hr/>
Total Expenditure	8,584	641,763	650,347
 Net Income / (Expenditure)	(5,446)	419,845	414,399
 Unrealised Gains on investments	-	410,532	410,532
	<hr/>	<hr/>	<hr/>
Net movement in funds	(5,446)	830,377	824,931
 Balance B/fwd. at 1 April	21,672	6,037,534	6,059,206
	<hr/>	<hr/>	<hr/>
Balance C/fwd. at 31 March	16,226	6,867,911	6,884,137

12. Post balance sheet events

None.