



**THE FRIENDS OF MALVERN PRIORY**

**(Registered Charity Number 503383)**

**Financial Statements for the year ended**

**31 December 2020**

**KENDALL WADLEY LLP**

**Chartered Accountants**

**MALVERN WORCESTER**

**THE FRIENDS OF MALVERN PRIORY**

**Financial Statements for the year ended**

**31 December 2020**

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**THE FRIENDS OF MALVERN PRIORY**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

<b>CHARITY NUMBER</b>	503383	
<b>TRUSTEES:</b>		
<b>Principal Officers</b>	P.J. Chappell	Chairman (to 22 October 2020)
	Mrs A.E. Eglington	Acting Chairman (22 October to 9 December 2020) Chairman (from 9 December 2020)
	R. Boyer	Secretary (to 25 July 2020)
	M. Eglington	Acting Secretary (25 July to 9 December 2020)
	Mrs M. Rowsell	Secretary (from 9 December 2020)
	D.R. Valentine	Treasurer
<b>Ex-Officio PCC Members</b>	Rev'd R. Corke	Vicar
	J.J. Tudge	Churchwarden (to 22 October 2020)
	Dr D.R.P. Guy	Churchwarden (from 22 October 2020)
	N.J. Paulley	Churchwarden
	H.J. Wells	
	Mrs A.E. Eglington	(to 22 October 2020)
	J.F. Wray	(from 30 November 2020)
<b>Other Trustees</b>	P. Babb	(to 9 December 2020)
	Mrs M. Campbell	
	M. Eglington	
	Ms J.M.I. Hill	(from 9 December 2020)
	F.A.R. Huntley	
	Ms M.E. Nance	
	R.W.B. Sutton	
	P. Young	(to July 2020)
<b>PRINCIPAL OFFICE</b>	Church House Church Street Great Malvern WR14 2AY	
<b>AUDITORS</b>	Kendall Wadley LLP Granta Lodge 71 Graham Road Great Malvern WR14 2JS	
<b>BANKERS</b>	Barclays Bank Plc 2 Worcester Road Great Malvern WR14 4QR	
<b>INVESTMENT MANAGERS</b>	CCLA Investment Management & C.O.I.F Charities Deposit Fund 85 Queen Victoria Street London EC4V 4ET	
	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP	

## **THE FRIENDS OF MALVERN PRIORY**

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

The Friends of Malvern Priory ("The Friends" or "the Charity") is operated under the rules of its Constitution dated 16th July 1949 and amended on 14th May 2014 and 9th December 2020. The Charity was registered with the Charity Commission under charity number 503383, on 13 November 1974.

The management of the Charity is the responsibility of the Council, which is presided over by a Chairman, Honorary Secretary and Honorary Treasurer who are elected annually by members at the Annual General Meeting (normally held in June, but in 2020 the AGM was delayed until 9th December due to the Covid pandemic).

Other members of the Council are (a) five ex-officio members of the Parochial Church Council of Malvern Priory ("the PCC") the Vicar, the two Churchwardens plus two others and (b) a maximum of six and no fewer than four other members elected at an AGM to serve for four years. The ex-officio members are not entitled to vote on decisions on making grants to the PCC.

New trustees are formally advised of their responsibilities as trustees of a registered charity and to read in particular the Charity Commission's Trustee Welcome pack and CC3 and CC3a; their attention is also drawn to other Charity Commission publications and to the Friends' Constitution which highlights some of the main responsibilities of trustees.

The Friends has a close relationship with the PCC, to whom grants are made in accordance with the Charity's Objects.

### **REPORT OF THE TRUSTEES**

The Trustees present their Report and Accounts for the year ended 31 December 2020.

#### **Objects**

During the year, the Constitution was amended to bring it into line with the current activities undertaken, especially the operation of the Shop. The Objects of the Charity were expanded to include the promotion of the Priory's musical tradition and the fostering of public interest in the Priory. Also, the opportunity was taken to subsume the Radford Bequest sub-committee into the main Council; and to amend/define/clarify which Officers may or may not be members of the Priory PCC, the notice required for meetings, what constitutes a quorum at Council meetings, voting procedures, etc. As required by charity law, the proposed changes in the Objects and the Dissolution Procedure were approved by the Charity Commission. Subsequently, all the amendments were approved unanimously by members at the AGM in December 2020.

The Objects of the Friends now are:

- To educate the public about the Priory and to foster public interest in the building and its grounds;
- To support the maintenance, restoration and enhancement of the Priory's fabric, furnishings and adornments;
- To promote the Priory's musical tradition for the public benefit.

## **THE FRIENDS OF MALVERN PRIORY**

### **REPORT OF THE TRUSTEES (Cont'd)**

#### **Public Benefit: Achievement & Performance**

To quote the Chairman at the AGM in December: "What a year we have had! What challenges there have been and what challenges lie ahead! Never before have the Priory doors been closed for months followed by severely restricted numbers once they opened again. Who could have imagined that this would be the story of 2020? But the Priory building lives on and continues to be a focus for the town of Malvern - floodlit after dark, and currently open for visitors and for people to enter for prayers and some peace and sanctuary. The monks survived the Black Death in the C14th, which should encourage us all today."

In a more normal year, the first Object would have been achieved by offering guided tours of the building to the public; holding an annual Heritage & Faith lecture about aspects of the Priory's history; producing and selling guide books about the building and its contents; and encouraging the public to come to the building for the Lunch Box programme of lunch-time concerts and talks. However, from March onwards, the Covid pandemic in 2020 all but stopped these activities.

Since its foundation in 1949, the Friends has been focused on the preservation of the heritage of the Priory, founded in 1085, and now incorporating, amongst other important features, some of the finest English medieval and Victorian stained glass in Europe. The Priory is a notable attraction to tourists, both from the UK and from overseas, which in turn contributes significantly to the local economy. It is unlikely the congregation of the Priory could afford the upkeep without the help of the Friends.

The second Object was not particularly affected by Covid. The Friends made grants to the PCC of Malvern Priory for six relatively minor maintenance items totalling £10,645 (2019 - £22,863. See Financial Statement Note 7) .

However, promotion of the Priory's musical tradition was significantly curtailed by Covid. The annual Friends' evensong and Community Carol Service both had to be cancelled. But the Friends was able to support the production of a CD recorded by the Priory Choirs and sell copies via the Friends' Shop when it was able to be open.

The Friends' Shop, which provides a welcoming presence to visitors, is located in the Priory and, inter alia, offers information about the building and its origins. Due to Covid, the Priory and hence the Shop were closed to visitors for much of the year. This impacted on the Shop's profit for the year which was £2,000 (2019 - £7,000): this amount was granted to the PCC (see Financial Statement Note 7)

No staff were furloughed during the year because the Friends has no paid staff. However, because of Covid, some of the volunteers in the Shop were reluctant to risk potential exposure to the virus.

Covid has also restricted enrolment of new members.

On a positive note, the decision to hold the AGM by video-conference was a success. It attracted twice as many members as the previous year and included members from further afield in the UK as well as from abroad.

#### **Financial Review**

During the year expenditure exceeded income by £1,567 (2019 - income exceeded expenditure £342,251) prior to investment losses of £2,012 (2019 - gains £43,341). This provided a negative movement in funds of £3,579 (2019 positive movement £385,592).

In April 2019 the Charity received an Endowment legacy of £350,000 from the estate of Charles Eglington. The capital funds, known as The Eglington Bequest, are now invested in CCLA Charities Ethical Investment Fund (see Note 14c).

The restricted fund made a realised gain on the sale of investments in the period of £4,123 (2019 - loss £1,171).

Dividends and treasury interest received in the period amounted to £8,512 (2019 - £11,275) and bank interest of £883 was received (2019 - £1,136).

At 31 December 2020, unrestricted (general) funds £66,496 (2019 - £68,937). Restricted funds £396,745 (2019 - £392,154). Endowment funds £344,272 (2019 - £350,000). Total resources £807,513 (2019 - £811,091).

## **THE FRIENDS OF MALVERN PRIORY**

### **REPORT OF THE TRUSTEES (Cont'd)**

#### ***Reserves policy***

It is the policy of the charity to maintain sufficient reserves within its unrestricted funds to fund its governance costs.

#### ***Investment policy***

At the year end, 89% of the Radford Bequest was managed by stockbrokers Investec Wealth and Investment who provide quarterly valuations and details of sales and purchases of all investments. The Eglington Bequest was invested in CCLA Charities Ethical Investment Fund (see Note 14c).

During 2021, a sub-committee of the Council will be evaluating future investment policy.

#### ***Accounting Policies***

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Church of England Measures (the Parochial Church Councils (Powers) Measure 1956 as amended and the Church Representation Rules (contained in Schedule 3 to the Synodical Government Measure 1969, as amended)), the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2019)

#### ***Principal risks and uncertainties***

The Trustees have assessed the major strategic, business and operational risks to which the Charity is exposed, and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

#### ***Principal sources of funding***

Funds are received from investments as well as from life and annual membership subscriptions and donations, including legacies. The Charity has also published two guidebooks which are sold through The Friends' Shop in the Priory in order to raise funds.

### **PLANS FOR FUTURE PERIODS**

The Charity continues to be in discussion with the PCC as to fund-raising, particularly in the light of the Priory considering a significant development plan for the building.

A drive to increase membership numbers from the current 264 is planned.

#### ***Disclosure of information to auditors***

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 auditors are aware of such information.

Approved by the Trustees and signed on their behalf

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**Mrs A.E. Eglington, Chairman**

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**D.R. Valentine, Hon. Treasurer**

**Date: 4 May 2021**

**THE FRIENDS OF MALVERN PRIORY****Auditors' Report to  
The Friends of Malvern Priory****Opinion**

We have audited the accounts of The Friends of Malvern Priory for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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 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 accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 Charities Act 2011.

**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 accounts section of our report. We are independent of The Friends of Malvern Priory in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

## **THE FRIENDS OF MALVERN PRIORY**

### **Auditors' Report to the The Friends of Malvern Priory**

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the accounts which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Trustees is obtained and their attitude to risk ascertained
- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made
- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity
- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.
- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same
- it is established if there have been any instances of non-compliance with applicable laws and regulations, none were identified for this period

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Auditand-assurance/Standards-and-guidance/Standards-and-guidance-forauditors/Auditors-responsibilities-for-audit/Description-of-auditorsresponsibilities-for-audit.aspx>. This description forms part of our auditor's report.



**THE FRIENDS OF MALVERN PRIORY**

**Auditors' Report to**  
**The Friends of Malvern Priory**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Needham ACA CTA(VAT) (Senior Statutory Auditor)  
for and on behalf of Kendall Wadley LLP

Chartered Accountants  
Statutory Auditor  
Granta Lodge  
71 Graham Road  
Malvern  
Worcestershire  
WR14 2JS

Kendall Wadley LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE FRIENDS OF MALVERN PRIORY****Statement of Financial Activities**  
**for the year ended 31 December 2020**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds</b>	<b>2020 £</b>	<b>2019 £</b>
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and legacies	3	5,910	-	-	5,910	354,509
Other trading activities						
Functions		-	-	-	-	2,804
Guide books, CDs and bookshop sales		11,789	-	-	11,789	28,454
Church Tours		308	-	-	308	828
Investment income	4	86	9,309	-	9,395	12,411
<b>Total</b>		<b>18,093</b>	<b>9,309</b>	<b>-</b>	<b>27,402</b>	<b>399,006</b>
<b>EXPENDITURE ON:</b>						
Raising funds	6	9,878	-	-	9,878	20,317
Charitable activities						
Grants payable	7	9,063	3,582	-	12,645	29,863
Governance costs	8	1,593	4,852	-	6,445	6,574
<b>Total</b>		<b>20,534</b>	<b>8,435</b>	<b>-</b>	<b>28,969</b>	<b>56,754</b>
<b>Net income/(expenditure) prior to investments</b>		<b>(2,441)</b>	<b>874</b>	<b>-</b>	<b>(1,567)</b>	<b>342,251</b>
Net realised gains/(losses) on investments	10	-	4,123	-	4,123	(1,171)
Unrealised gains/(losses) on revaluation of investments	10	-	(407)	(5,728)	(6,135)	44,512
<b>Net income/(expenditure) being the net movement in funds</b>		<b>(2,441)</b>	<b>4,590</b>	<b>(5,728)</b>	<b>(3,579)</b>	<b>385,592</b>
<b>Reconciliation of funds:</b>						
Total funds at 1 January 2020		68,937	392,154	350,000	811,092	425,500
<b>Total funds at 31 December 2020</b>	<b>14</b>	<b>66,496</b>	<b>396,745</b>	<b>344,272</b>	<b>807,513</b>	<b>811,092</b>

**THE FRIENDS OF MALVERN PRIORY****Statement of Financial Activities  
for the year ended 31 December 2019****Comparative Data for 2019**

	<b>Note</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>2019 £</b>
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and legacies	<b>3</b>	4,509	-	350,000	354,509
Other trading activities					
Functions		2,804	-	-	2,804
Guide books and bookshop sales		28,454	-	-	28,454
Church Tours		828	-	-	828
Investment income	<b>4</b>	248	12,163	-	12,411
<b>Total</b>		<b>36,843</b>	<b>12,163</b>	<b>350,000</b>	<b>399,006</b>
<b>EXPENDITURE ON:</b>					
Raising funds	<b>6</b>	20,317	-	-	20,317
Grants payable	<b>7</b>	19,863	10,000	-	29,863
Governance costs	<b>8</b>	1,662	4,912	-	6,574
<b>Total</b>		<b>41,842</b>	<b>14,912</b>	<b>-</b>	<b>56,754</b>
<b>Net income/(expenditure) prior to investments</b>		<b>(5,000)</b>	<b>(2,749)</b>	<b>350,000</b>	<b>342,251</b>
Net realised gains/(losses) on investments	<b>10</b>	-	(1,171)	-	(1,171)
Unrealised gains/(losses) on revaluation of investments	<b>10</b>	-	44,512	-	44,512
<b>Net income/(expenditure) being the net movement in funds</b>		<b>(5,000)</b>	<b>40,592</b>	<b>350,000</b>	<b>385,592</b>
<b>Reconciliation of funds:</b>					
Total funds at 1 January 2019		73,937	351,563	-	425,500
<b>Total funds at 31 December 2019</b>	<b>14</b>	<b>68,937</b>	<b>392,154</b>	<b>350,000</b>	<b>811,092</b>

**THE FRIENDS OF MALVERN PRIORY****Balance Sheet**  
**as at 31 December 2020**

	<b><u>Note</u></b>	<b>£ <u>2020</u></b>	<b>£ <u>2019</u></b>
<b>FIXED ASSETS</b>			
Investments	<b>10</b>	<b>700,943</b>	348,197
<b>CURRENT ASSETS</b>			
Stock		<b>13,602</b>	11,481
Debtors	<b>11</b>	<b>770</b>	560
Cash at Bank and In Hand		<b>93,182</b>	455,547
		<b>107,555</b>	467,588
Creditors:			
Amounts falling due within one year	<b>12</b>	<b>985</b>	4,693
<b>NET CURRENT ASSETS</b>		<b>106,570</b>	462,895
<b>NET ASSETS</b>		<b>807,513</b>	811,092
<b>FUNDS</b>			
Unrestricted	<b>14a</b>	<b>66,496</b>	68,937
Restricted	<b>14b</b>	<b>396,745</b>	392,154
Endowment	<b>14c</b>	<b>344,272</b>	350,000
		<b>807,513</b>	811,092

Approved by the Trustees on 4 May 2021  
and signed on their behalf by:

..... Mrs A.E. Eglington, Chairman of The Friends of Malvern Priory

..... D.R.Valentine, Hon. Treasurer

CHARITY No. 503383

The notes on pages 11 to 18 form part of these financial statements.

**THE FRIENDS OF MALVERN PRIORY****Statement of cash flows**  
**for the period ended 31 December 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
<b>Cash flows from operating activities</b>			
<b><i>Net cash used in operations</i></b>	<b>15</b>	<b>(17,002)</b>	<b>300,452</b>
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		9,395	12,411
Proceeds from sale of investments		117,167	88,923
Purchase of investments		<u>(471,925)</u>	<u>(94,564)</u>
<b><i>Net cash provided by investments</i></b>		<b>(345,363)</b>	<b>6,770</b>
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		<b>(362,365)</b>	<b>307,221</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>455,547</b>	<b>148,326</b>
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>	<b>15</b>	<b><u>93,182</u></b>	<b><u>455,547</u></b>

## **THE FRIENDS OF MALVERN PRIORY**

### **Notes to the Financial Statements for the year ended 31 December 2020**

#### **1. STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES**

The Trustees are responsible for preparing the Report of the Friends and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period.

In preparing these accounts, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts Reports) Regulations 2008 and trust deed. 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **2. ACCOUNTING POLICIES**

##### **CHARITY INFORMATION**

The Friends of Malvern Priory is an unincorporated charity registered in England & Wales (charity number 503383). The principal address is Parish Office, Church Street, Great Malvern, WR14 2AY.

##### **ACCOUNTING CONVENTION**

The accounts have been prepared in accordance with the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

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

The accounts have been prepared on the historical cost convention as modified to include the revaluation of investments at market value. The principal accounting policies adopted are set out below.

##### **GOING CONCERN**

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

## **THE FRIENDS OF MALVERN PRIORY**

### **Notes to the Financial Statements for the year ended 31 December 2020**

#### **CHARITABLE FUNDS**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### **DONATIONS, GIFTS and LEGACIES**

Donations, gifts and legacies are included in the period in which they are receivable, which is when the Charity becomes entitled to the resource. Those items not received at the balance sheet date are included in debtors.

#### **INVESTMENT INCOME**

Income from investments is included in the Statement of Financial Activities (SOFA) in the period in which it is receivable.

#### **RESOURCES EXPENDED**

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. Those items not settled at the balance sheet date are included in creditors.

Grants are approved by the Trustees in principal but are not payable until the expenditure has been incurred by Malvern Priory PCC and are included in the SOFA at that point.

Governance costs represent costs, attributable to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements. They are allocated to funds by relevance of the underlying expense.

#### **GRANT MAKING POLICIES**

##### **The Restricted Funds**

Grants are only made for the preservation and beautification of the fabric of the building.

##### **The Endowment Funds**

Endowment funds are to be held as capital and the income generated from them to be used for purposes as specified by the donor.

The Eglington Bequest funds may be used a) for the provision of glass doors at the Priory North West main entrance b) as a permanent endowment of the residual capital with any income allocated for the maintenance of Priory stonework and stained glass.

##### **The General Funds**

All grants paid out are requested by Malvern Priory PCC and approved by the Council of The Friends.

#### **FIXED ASSET INVESTMENTS**

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA.

#### **STOCK**

Stock is valued at the lower of cost and net realisable value.

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements**  
**for the period ended 31 December 2020****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 when the Charity becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the accounts 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 trade and other receivables 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.

***Basic Financial Liabilities***

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

***Derecognition of Financial Liabilities***

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



**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements  
for the period ended 31 December 2020**

3. DONATIONS AND LEGACIES	Unrestricted	Restricted	Endowment	<u>2020</u> Total	<u>2019</u> Total
	£	£	£	£	£
Subscriptions	2,070	-	-	2,070	2,470
Donations	2,119	-	-	2,119	1,479
Gift Aid on Subscriptions & Donations	721	-	-	721	560
Legacies	1,000	-	-	1,000	350,000
	<u>5,910</u>	<u>-</u>	<u>-</u>	<u>5,910</u>	<u>354,509</u>
31 December 2019	4,509	-	350,000	354,509	
Grateful thanks are recorded to Mr Ken Earl for his legacy to The Friends.					
4. INVESTMENT INCOME	Unrestricted	Restricted	Endowment	<u>2020</u> Total	<u>2019</u> Total
	£	£	£	£	£
Dividends and interest on listed investments	-	8,512	-	8,512	11,275
Interest on cash deposits	86	797	-	883	1,136
	<u>86</u>	<u>9,309</u>	<u>-</u>	<u>9,395</u>	<u>12,411</u>
31 December 2019	248	12,163	-	12,411	
5. EXPENDITURE	Unrestricted	Restricted	Endowment	<u>2020</u> Total	<u>2019</u> Total
	£	£	£	£	£
Net incoming (resources expended)/resources are stated after charging:					
Audit remuneration	180	805	-	985	985
31 December 2019	180	805	-	985	
6. RAISING FUNDS	Unrestricted	Restricted	Endowment	<u>2020</u> Total	<u>2019</u> Total
	£	£	£	£	£
Function costs	-	-	-	-	860
Guide books	-	-	-	-	1,124
Shop cost of sales	6,722	-	-	6,722	18,333
CD cost of sales	3,156	-	-	3,156	-
	<u>9,878</u>	<u>-</u>	<u>-</u>	<u>9,878</u>	<u>20,317</u>
31 December 2019	20,317	-	-	20,317	
7. GRANTS PAYABLE	Unrestricted	Restricted		<u>2020</u> Total	<u>2019</u> Total
	£	£		£	£
All grants are payable to Malvern Priory PCC.					
Contribution from Shop Trading	2,000	-		2,000	7,000
North porch				-	10,000
Organ Camera				-	3,265
Millennium Window Leaflets				-	96
Cleaning North Aisle Floor				-	5,430
Organ Stepper				-	4,072
Priory roof repairs and cleaning	250	2,250		2,500	
Priory stonework		1,332		1,332	
Ringling chamber fire escape design	1,450			1,450	
Priory heating pumps	4,043			4,043	
Wall cleaning	600			600	
Churchyard water main repair	720			720	
	<u>9,063</u>	<u>3,582</u>		<u>12,645</u>	<u>29,863</u>
31 December 2019	19,863	10,000		29,863	

Malvern Priory PCC is a related party as described in the report of the Trustees

**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements  
for the period ended 31 December 2020**

8. GOVERNANCE COSTS	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Secretarial expenses	568	-	568	368
Auditors fees	180	805	985	985
Fee charges (Investments)	-	4,047	4,047	4,107
Shop Manager Expenses	109	-	109	605
Insurance	457	-	457	453
Marketing Costs	280	-	280	56
	<u>1,593</u>	<u>4,852</u>	<u>6,445</u>	<u>6,574</u>
31 December 2019	1,662	4,912	6,574	

**9. TRUSTEES AND RELATED PARTIES:**

None of the Trustees (or any person connected with them) received any remuneration nor were reimbursed expenses during the year.

Donations totalling £1,066 (2019 - £10 ) were received from Trustees during the course of the year.

**10. LISTED INVESTMENTS – RESTRICTED**

	2020 £	2019 £
Balance brought forward 01.01.20	348,197	299,215
Additions	121,925	94,564
Disposals	(117,167)	(88,923)
Revaluations	(407)	44,512
Profit (Loss) on Disposal	4,123	(1,171)

Balance carried forward 31.12.20	356,671	348,197
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Cost	314,425	312,259
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**Fixed asset investments at market value comprised:**

	2020			2019		
	Book Cost £	Value £	%	Book Cost £	Value £	%
UK fixed interest securities	-	-	0.0%	-	-	0.0%
UK equities	114,728	111,100	31.1%	131,012	140,609	40.4%
Overseas Fixed Interest	27,379	27,804	7.8%	36,866	37,215	10.7%
North American equities	17,151	18,135	5.1%	15,645	19,481	5.6%
Far East & Australasian equities	19,114	32,127	9.0%	18,980	25,182	7.2%
International equities	64,346	84,339	23.6%	44,052	54,010	15.5%
UK Property	20,912	22,781	6.4%	18,173	20,160	5.8%
Alternative Assets	31,387	33,050	9.3%	17,711	20,961	6.0%
Emerging Economies	9,541	12,281	3.4%	19,879	19,332	5.6%
European equities	9,867	15,054	4.2%	9,941	11,247	3.2%
	<u>314,425</u>	<u>356,671</u>	<u>100%</u>	<u>312,259</u>	<u>348,197</u>	<u>100%</u>

**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements  
for the period ended 31 December 2020**

<b>10. LISTED INVESTMENTS – ENDOWMENT</b>			<b>2020</b>	<b>2019</b>
cont'd			£	£
Balance brought forward 01.01.20			-	-
Additions			350,000	-
Disposals			-	-
Revaluations			(5,728)	-
Profit (Loss) on Disposal			-	-
			<hr/>	<hr/>
Balance carried forward 31.12.20			344,272	-
			<hr/>	<hr/>
Cost			350,000	-
			<hr/>	<hr/>
The endowment fund investments comprise 125,062.53 CCLA COIF Charities Ethical Investment Fund - Income Units				
<b>LISTED INVESTMENTS – TOTAL</b>			<b>2020</b>	<b>2019</b>
			£	£
Balance brought forward 01.01.20			348,197	299,215
Additions			471,925	94,564
Disposals			(117,167)	(88,923)
Revaluations			(6,135)	44,512
Profit (Loss) on Disposal			4,123	(1,171)
			<hr/>	<hr/>
Balance carried forward 31.12.20			700,943	348,197
			<hr/>	<hr/>
Cost			664,425	312,259
			<hr/>	<hr/>
<b>11. DEBTORS</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020</b>	<b>2019</b>
	£	£	Total	Total
			£	£
Income tax on gift aid	720	-	720	560
Subscriptions due	50	-	50	-
	<hr/>	<hr/>	<hr/>	<hr/>
	770	-	770	560
	<hr/>	<hr/>	<hr/>	<hr/>
<b>12. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020</b>	<b>2019</b>
	£	£	Total	Total
			£	£
Audit accrual	180	805	985	985
Grant to Great Malvern Priory PCC			-	3,500
Expenses			-	208
	<hr/>	<hr/>	<hr/>	<hr/>
	180	805	985	4,693
	<hr/>	<hr/>	<hr/>	<hr/>
<b>13 FINANCIAL INSTRUMENTS</b>			<b>2020</b>	<b>2019</b>
			£	£
Carrying amount of financial assets.				
Debt instruments measured at amortised cost			770	560
Carrying amount of financial liabilities.				
measured at amortised cost			985	4,693

**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements  
for the period ended 31 December 2020****14 ALLOCATION OF CHARITY NET ASSETS**

The net assets held for various funds are as follows:-

		<b>Fixed Asset Investments</b>	<b>Net Current Assets</b>	<b>2020 Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Restricted Funds:-	Martin Radford Bequest	<b>356,671</b>	<b>38,573</b>	<b>395,244</b>
	Eglington Bequest	-	<b>1,501</b>	<b>1,501</b>
Endowment Fund	Eglington Bequest	<b>344,272</b>	-	<b>344,272</b>
Unrestricted Funds:-	General Fund	-	<b>66,496</b>	<b>66,496</b>
		<b>700,943</b>	<b>106,570</b>	<b>807,513</b>
		<b>Fixed Asset Investments</b>	<b>Net Current Assets</b>	<b>2019 Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Restricted Funds:-	Martin Radford Bequest	348,197	43,213	391,410
	Eglington Bequest	-	745	745
Endowment Fund	Eglington Bequest	-	350,000	350,000
Unrestricted Funds:-	General Fund	-	68,937	68,937
		<b>348,197</b>	<b>462,895</b>	<b>811,092</b>

**14a. UNRESTRICTED FUNDS**

The Unrestricted Funds are retained as necessary to cover working capital.

**14b. RESTRICTED FUNDS**

	<b>Balance 01.01.20 b/f</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Loss on investments</b>	<b>Balance 31.12.20 c/f</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Martin Radford Bequest	<b>391,410</b>	<b>8,553</b>	<b>(8,435)</b>	<b>3,716</b>	<b>395,244</b>
Eglington Bequest	<b>745</b>	<b>756</b>	-	-	<b>1,501</b>
	<b>392,155</b>	<b>9,309</b>	<b>(8,435)</b>	<b>3,716</b>	<b>396,745</b>
	<b>Balance 01.01.19 b/f</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Loss on investments</b>	<b>Balance 31.12.19 c/f</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Martin Radford Bequest	351,563	11,418	(14,912)	43,341	391,409
Eglington Bequest	-	745	-	-	745
	<b>351,563</b>	<b>12,163</b>	<b>(14,912)</b>	<b>43,341</b>	<b>392,154</b>

The Friends of Malvern Priory was bequeathed a share of the residue of the estate of Martin Radford who died on 30 January 1982. The funds are restricted in that they can only be used for the preservation and beautification of the fabric of the church.

For details of the Eglington Bequest see Note 14c.

**THE FRIENDS OF MALVERN PRIORY****Notes to the Financial Statements****14c. ENDOWMENT FUNDS**

	Balance 01.01.20 b/f £	Incoming Resources £	Resources Expended £	Gain (Loss) on Revaluation £	Balance 31.12.20 c/f £
Eglington Bequest	350,000	-	-	(5,728)	344,272
	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>(5,728)</u>	<u>344,272</u>

The Friends of Malvern Priory was bequeathed the sum of £350,000 in April 2019 as a legacy from the estate of Charles Eglington. The fund known as The Eglington Bequest is for use:

- a) to provide glass doors at the North West entrance to the Priory, and
- b) as a permanent endowment for use to support the maintenance of Priory stonework and stained glass.

On 30 December 2020 these funds were invested on a longer term basis with CCLA Investment Management COIF Charities Ethical Investment Fund Income Units.

**15. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<u>2020</u>	<u>2019</u>
<b>Net Income for the reporting period (per SOFA)</b>	<b>(3,579)</b>	<b>385,592</b>
<b>Adjustments for:</b>		
Unrealised losses/(gains) on investments	6,135	(44,512)
Dividends, interest and rents from investments	(9,395)	(12,411)
Realised (losses)/gains on the sale of fixed assets	(4,123)	1,171
(Increase)/decrease in stocks	(2,121)	(809)
(Increase)/decrease in debtors	(211)	60
Increase/(Decrease) in creditors	(3,708)	(28,639)
<b>Net cash used in operations</b>	<b><u>(17,002)</u></b>	<b><u>300,452</u></b>
 <b>Analysis of cash and cash equivalents</b>		
Cash in hand	93,182	455,547
<b>Total cash and cash equivalents</b>	<b><u>93,182</u></b>	<b><u>455,547</u></b>

**16. AUDITORS' ETHICAL STANDARDS**

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standards – Provisions Available for Small Entities are that, in common with many charities of our size and nature, we use our auditors to assist with the preparation of the accounts.

