



THE FRIENDS OF MALVERN PRIORY

(Registered Charity Number 503383)

Financial Statements for the year ended

31 December 2021

KENDALL WADLEY LLP

Chartered Accountants

MALVERN WORCESTER

THE FRIENDS OF MALVERN PRIORY

Financial Statements for the year ended

31 December 2021

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THE FRIENDS OF MALVERN PRIORY**REFERENCE AND ADMINISTRATIVE INFORMATION**

CHARITY NUMBER	503383	
TRUSTEES:		
Principal Officers	Mrs A.E. Eglington	Chairman
	Mrs M. Rowswell	Secretary (to 17 June 2021)
	M. Eglington	Secretary (from 17 June 2021)
	D.R. Valentine	Treasurer
Ex-Officio PCC Members	Rev'd R. Corke	Vicar
	Dr D.R.P. Guy	Churchwarden
	N.J. Paulley	Churchwarden
	H.J. Wells	(to 17 June 2021)
	Mrs H.M. Wall	(from 17 June 2021)
	J.F. Wray	
Other Trustees	Mrs M. Campbell	
	M. Eglington	(to 17 June 2021)
	Ms J.M.I. Hill	
	F.A.R. Huntley	
	Ms M.E. Nance	(to 17 June 2021)
	Mrs R.M. Rowswell	(from 17 June 2021)
	R.W.B. Sutton	
PRINCIPAL OFFICE	Church House Church Street Great Malvern WR14 2AY	
AUDITORS	Kendall Wadley LLP Granta Lodge 71 Graham Road Great Malvern WR14 2JS	
BANKERS	Barclays Bank Plc 2 Worcester Road Great Malvern WR14 4QR	
INVESTMENT MANAGERS	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 13th 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).

Other members of the Council are (a) five ex-officio members of the Parochial Church Council of Malvern Priory ("the PCC") viz. 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 2021.

Objects

The Objects of the Friends 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

In furtherance of the charity's first object of educating the public about the Priory and fostering public interest in the building, six new tour guides were trained during the year and regular Saturday morning guided tours were re-instated following a period of the church being closed during the Covid epidemic. The annual Heritage and Faith lecture in October which was given by Professor Joyce Hill who spoke about Malvern's Benedictine Inheritance, attracted an audience of 170. After a year and a half of covid lockdowns, the Lunch Box programme of fortnightly lunch-time concerts and talks re-started in the autumn with over 100 at most events.

In June 2021, The Friends launched its new, separate, website at minimal cost <www.friendsofmalvernpriory.uk>. A Facebook page was also launched at the same time, and by the end of the year, this had 125 followers.

During 2021, the number of members of The Friends increased by 40 to a total of 298.

In pursuance of the charity's second object of supporting the maintenance, restoration and enhancement of the Priory's fabric, furnishings and adornments, The Friends suggested to the PCC that the conservation and environmental protection of one of the Priory's medieval stained glass windows would provide a focus of interest and serve as a pilot project ahead of the main Priory Development Plan; and indicated that The Friends would assist with the cost thereof. This was agreed, with The Friends deciding to hold a fund-raising appeal for the C15th Creation window in St. Anne's Chapel. This, the largest fund-raising appeal undertaken in over forty years, was launched at the AGM in June 2021.

Thanks to the generosity of many members of the Friends and of the Priory congregation, as well as visitors, together with grants from both the Headley Trust and The Worshipful Company of Glaziers and Painters of Glass, the estimated cost of c.£125,000 for conserving the window and repairing the surrounding stonework was more than fully covered within a few months and £50,000 is being carried forward towards funding the cost of conserving another window in due course. Application for a faculty has been made by the PCC, and work on the Creation window is scheduled to be undertaken during summer 2022.

Whereas the charity's third object of promoting the Priory's musical tradition for the public benefit had been significantly curtailed in 2020 due to Covid restrictions, 2021 saw the revival of The Friends' Choral Evensong in June and Community Carol Service in December.

The Friends' Shop in the Priory continued to provide a welcoming presence to visitors. Inter alia, it offers information about the building and its origins. Due to Covid, the Priory and hence the Shop were closed to visitors for part of the year. However, the Shop's profit for the year was at a record £10,000, (2020: £2,000) which was granted to the PCC (see financial note 7).

Financial Review

During the year income exceeded expenditure by £135,239 (2020 - expenditure exceeded income £1,567) prior to investment gains of £103,813 (2020 - losses £2,012). This provided a positive movement in funds of £239,052 (2020 - negative movement £3,579).

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, remain invested in CCLA Charities Ethical Investment Fund.

During 2021, at the request of PCC, the Charity undertook a fundraising campaign to support the restoration of one of the nationally important medieval windows. A new Restricted Fund was opened for this purpose and funds primarily invested in CCLA Ethical Investment Fund (see Note 14).

The restricted funds made realised investment gains in the period of £27,212 (2020 - loss £4,123).

Dividends and treasury interest received in the period amounted to £21,092 (2020 - £8,512) and bank interest of £2 was received (2020 - £883).

At 31 December 2021, unrestricted (general) funds £77,944 (2020 - £66,496). Restricted funds £573,736 (2020 - £396,745). Endowment funds £394,885 (2020 - £344,272). Total resources £1,046,565 (2020 - £807,513).

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 and during the year surplus cash balances from other funds were also invested in these units. (see Note 14c).

During 2022, 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 further from the current 298 (2020 - 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

Mrs A.E. Eglington, Chairman

D.R. Valentine, Hon. Treasurer

Date: 4 May 2022

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 2021 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 2021 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 non-compliance 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

Date: _____

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 2021

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	Endowment Funds	2021 £	2020 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	5,795	114,527	-	120,322	5,910
Other trading activities						
Functions		2,226	-	-	2,226	-
Guide books, CDs and bookshop sales		24,229	-	-	24,229	11,789
Church Tours		648	-	-	648	308
Investment income	4	811	20,283	-	21,094	9,395
Total		33,709	134,810	-	168,519	27,402
EXPENDITURE ON:						
Raising funds	6	15,809	-	-	15,809	9,878
Charitable activities						
Grants payable	7	10,233	-	-	10,233	12,645
Governance costs	8	1,663	5,575	-	7,238	6,445
Total		27,705	5,575	-	33,280	28,969
Net income/(expenditure) prior to investments		6,004	129,235	-	135,239	(1,567)
Net realised gains/(losses) on investments	10	-	27,212	-	27,212	4,123
Unrealised gains/(losses) on revaluation of investments	10	5,444	20,544	50,613	76,601	(6,135)
Net income/(expenditure) being the net movement in funds		11,448	176,991	50,613	239,052	(3,579)
Reconciliation of funds:						
Total funds at 1 January 2020		66,496	396,745	344,272	807,513	811,092
Total funds at 31 December 2020	14	77,944	573,734	394,885	1,046,565	807,513

THE FRIENDS OF MALVERN PRIORY**Statement of Financial Activities
for the year ended 31 December 2021****Comparative Data for 2020**

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

THE FRIENDS OF MALVERN PRIORY**Balance Sheet**
as at 31 December 2021

	<u>Note</u>	<u>£</u> <u>2021</u>	<u>£</u> <u>2020</u>
FIXED ASSETS			
Investments	10	1,002,846	700,943
CURRENT ASSETS			
Stock		11,872	13,602
Debtors	11	2,984	770
Cash at Bank and In Hand		33,848	93,182
		48,704	107,555
Creditors:			
Amounts falling due within one year	12	4,985	985
NET CURRENT ASSETS		43,719	106,570
NET ASSETS		1,046,565	807,513
FUNDS			
Unrestricted	14a	77,944	66,496
Restricted	14b	573,734	396,746
Endowment	14c	394,885	344,272
		1,046,563	807,513

Approved by the Trustees on 4 May 2022
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 2021

	<u>Note</u>	<u>2021</u>		<u>2020</u>	
		£	£	£	£
Cash flows from operating activities					
<i>Net cash used in operations</i>	15		117,661		(17,002)
Cash flows from investing activities					
Dividends and interest from investments		21,095		9,395	
Proceeds from sale of investments		133,460		117,167	
Purchase of investments		(331,550)		(471,925)	
<i>Net cash provided by investments</i>			(176,995)		(345,363)
<i>Change in cash and cash equivalents in the reporting period</i>			(59,334)		(362,365)
Cash and cash equivalents at the beginning of the reporting period			93,182		455,547
<i>Cash and cash equivalents at the end of the reporting period</i>	15		33,848		93,182

THE FRIENDS OF MALVERN PRIORY

Notes to the Financial Statements for the year ended 31 December 2021

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 2021

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 2021**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 2021**

3. DONATIONS AND LEGACIES	Unrestricted	Restricted	Endowment	<u>2021</u> Total	<u>2020</u> Total
	£	£	£	£	£
Subscriptions	3,910	-	-	3,910	2,070
Donations	899	101,921	-	102,820	2,119
Gift Aid on Subscriptions & Donations	986	12,606	-	13,592	721
Legacies		-	-	-	1,000
	<u>5,795</u>	<u>114,527</u>	<u>-</u>	<u>120,322</u>	<u>5,910</u>
31 December 2020	5,910	-	-	5,910	

Grateful thanks are recorded to Mr Ken Earl for his legacy to The Friends.

4. INVESTMENT INCOME	Unrestricted	Restricted	Endowment	<u>2021</u> Total	<u>2020</u> Total
	£	£	£	£	£
Dividends and interest on listed investments	810	20,282	-	21,092	8,512
Interest on cash deposits	1	1	-	2	883
	<u>811</u>	<u>20,283</u>	<u>-</u>	<u>21,094</u>	<u>9,395</u>
31 December 2020	86	9,309	-	9,395	

5. EXPENDITURE	Unrestricted	Restricted	Endowment	<u>2021</u> Total	<u>2020</u> Total
	£	£	£	£	£
Net incoming (resources expended)/resources are stated after charging:					
Audit remuneration	180	805	-	985	985
31 December 2020	180	805	-	985	

6. RAISING FUNDS	Unrestricted	Restricted	Endowment	<u>2021</u> Total	<u>2020</u> Total
	£	£	£	£	£
Function costs	1,711	-	-	1,711	-
Guide books	808	-	-	808	-
Shop cost of sales	13,290	-	-	13,290	6,722
CD cost of sales		-	-	-	3,156
	<u>15,809</u>	<u>-</u>	<u>-</u>	<u>15,809</u>	<u>9,878</u>
31 December 2020	9,878	-	-	9,878	

7. GRANTS PAYABLE	Unrestricted	Restricted		<u>2021</u> Total	<u>2020</u> Total
	£	£		£	£
All grants are payable to Malvern Priory PCC.					
Contribution from Shop Trading	10,000			10,000	2,000
Organ Plaque	233			233	-
Priory roof repairs and cleaning				-	2,500
Priory stonework				-	1,332
Ringling chamber fire escape design				-	1,450
Priory heating pumps				-	4,043
Wall cleaning				-	600
Churchyard water main repair				-	720
	<u>10,233</u>	<u>-</u>		<u>10,233</u>	<u>12,645</u>
31 December 2020	9,063	3,582		12,645	

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 2021**

8. GOVERNANCE COSTS	Unrestricted £	Restricted £	<u>2021</u> Total £	<u>2020</u> Total £
Secretarial expenses	656		656	568
Auditors fees	180	805	985	985
Fee charges (Investments)		4,538	4,538	4,047
Shop Manager Expenses	262		262	109
Insurance	467		467	457
Marketing Costs	98	232	330	280
	<u>1,663</u>	<u>5,575</u>	<u>7,238</u>	<u>6,445</u>
31 December 2020	1,593	4,852	6,445	

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 £21,235 (2020 - £1,066) were received from Trustees and Related Parties during the course of the year.

10. LISTED INVESTMENTS – INVESTEC MANAGED

	<u>2021</u> £	<u>2020</u> £
	Restricted	Restricted
Balance brought forward 01.01.20	356,671	348,197
Additions	129,550	121,925
Disposals	(133,460)	(117,167)
Revaluations	13,806	(407)
Profit (Loss) on Disposal	27,212	4,123
	<u>393,779</u>	<u>356,671</u>
Balance carried forward 31.12.21	393,779	356,671
Cost	<u>337,618</u>	<u>314,425</u>

Fixed asset investments at market value comprised:

	<u>2021</u>			<u>2020</u>		
	Book Cost £	Value £	%	Book Cost £	Value £	%
UK fixed interest securities	12,459	12,223	3.1%	-	-	0.0%
UK equities	84,357	92,158	23.4%	114,728	111,100	31.1%
Overseas Fixed Interest	13,957	13,630	3.5%	27,379	27,804	7.8%
North American equities	46,846	53,171	13.5%	17,151	18,135	5.1%
Far East & Australasian equities	32,779	31,948	8.1%	19,114	32,127	9.0%
International equities	70,695	95,351	24.2%	64,346	84,339	23.6%
UK Property	17,883	22,089	5.6%	20,912	22,781	6.4%
Alternative Assets	39,234	43,817	11.1%	31,387	33,050	9.3%
Emerging Economies	9,541	11,551	2.9%	9,541	12,281	3.4%
European equities	9,867	17,841	4.5%	9,867	15,054	4.2%
	<u>337,618</u>	<u>393,779</u>	<u>100%</u>	<u>314,425</u>	<u>356,671</u>	<u>100%</u>

THE FRIENDS OF MALVERN PRIORY**Notes to the Financial Statements
for the period ended 31 December 2021**

10. LISTED INVESTMENTS – CCLA cont'd				<u>2021</u>	<u>2020</u>
	£ Unrestricted	£ Restricted	£ Endowment	£ Total	£ Endowment
Balance brought forward 01.01.21			344,272	344,272	-
Additions	54,000	148,000		202,000	350,000
Disposals	-	-	-	-	-
Revaluations	5,444	6,738	50,613	62,795	(5,728)
Profit (Loss) on Disposal	-	-	-	-	-
Balance carried forward 31.12.21	59,444	154,738	394,885	609,067	344,272
Cost	54,000	148,000	350,000	552,000	350,000
CCLA Investments comprise COIF Charities Ethical Investment Fund - Income Units					
	Units held				
	18,826.39	49,006.55	125,062.53	192,895.47	125,062.53
LISTED INVESTMENTS – TOTAL				<u>2021</u>	<u>2020</u>
				£	£
Balance brought forward 01.01.21				700,943	348,197
Additions				331,550	471,925
Disposals				(133,460)	(117,167)
Revaluations				76,601	(6,135)
Profit (Loss) on Disposal				27,212	4,123
Balance carried forward 31.12.21				1,002,846	700,943
Cost				889,618	664,425
11. DEBTORS	Unrestricted	Restricted	<u>2021</u>		
	£	£	Total £	<u>2020</u>	Total £
Income tax on gift aid	641	2,344	2,984		720
Subscriptions due	-	-	-		50
	641	2,344	2,984		770
12. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR	Unrestricted	Restricted	<u>2021</u>		
	£	£	Total £	<u>2020</u>	Total £
Audit accrual	180	805	985		985
Grant to Great Malvern Priory PCC	4,000		4,000		
Expenses			-		
	4,180	805	4,985		985
13. FINANCIAL INSTRUMENTS				<u>2021</u>	<u>2020</u>
				£	£
Carrying amount of financial assets.					
Debt instruments measured at amortised cost				2,984	770
Carrying amount of financial liabilities.					
measured at amortised cost				4,985	985

THE FRIENDS OF MALVERN PRIORY**Notes to the Financial Statements
for the period ended 31 December 2021****14 ALLOCATION OF CHARITY NET ASSETS**

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

		Fixed Asset Investments £	Net Current Assets £	<u>2021</u> Total £
Restricted Funds:-	Martin Radford Bequest	435,459	8,582	444,041
	Eglington Bequest	7,176	4,725	11,901
	Creation Window	105,883	11,912	117,795
Endowment Fund	Eglington Bequest	394,885	-	394,885
Unrestricted Funds:-	General Fund	59,444	18,500	77,944
		1,002,846	43,719	1,046,565
		Fixed Asset Investments £	Net Current Assets £	<u>2020</u> Total £
Restricted Funds:-	Martin Radford Bequest	356,671	38,573	395,244
	Eglington Bequest	-	1,501	1,501
Endowment Fund	Eglington Bequest	344,272	-	344,272
Unrestricted Funds:-	General Fund	-	66,496	66,496
		700,943	106,570	807,513

14a. UNRESTRICTED FUNDS

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

14b. RESTRICTED FUNDS

	Balance 01.01.21 b/f £	Incoming Resources £	Resources Expended £	Gains (Loss) on investments £	Balance 31.12.21 c/f £
Martin Radford Bequest	395,244	9,441	(5,342)	44,696	444,039
Eglington Bequest	1,501	10,224	-	175	11,900
Creation Window Fund	-	115,144	(232)	2,882	117,794
	396,745	134,809	(5,574)	47,753	573,733
	Balance 01.01.20 b/f £	Incoming Resources £	Resources Expended £	Loss on investments £	Balance 31.12.20 c/f £
Martin Radford Bequest	391,410	8,553	(8,435)	3,716	395,244
Eglington Bequest	745	756	-	-	1,501
	392,155	9,309	(8,435)	3,716	396,745

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
for the period ended 31 December 2021****14c. ENDOWMENT FUNDS**

	Balance 01.01.21 b/f £	Incoming Resources £	Resources Expended £	Gain (Loss) on Revaluation £	Balance 31.12.21 c/f £
Eglington Bequest	344,272	-	-	50,613	394,885
	<u>344,272</u>	<u>-</u>	<u>-</u>	<u>50,613</u>	<u>394,885</u>
	Balance 01.01.20 b/f £	Incoming Resources £	Resources Expended £	Loss on investments £	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>

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

	<u>2021</u>	<u>2020</u>
Net Income for the reporting period (per SOFA)	239,052	(3,579)
Adjustments for:		
Unrealised losses/(gains) on Investec managed investments	(13,806)	6,135
Unrealised losses/(gains) on CCLA managed investments	(62,795)	
Dividends, interest and rents from investments	(21,094)	(9,395)
Realised (losses)/gains on the sale of investments	(27,212)	(4,123)
(Increase)/decrease in stocks	1,731	(2,121)
(Increase)/decrease in debtors	(2,214)	(211)
Increase/(Decrease) in creditors	4,000	(3,708)
Net cash used in operations	<u>117,661</u>	<u>(17,002)</u>
Analysis of cash and cash equivalents		
Cash in hand	<u>33,848</u>	<u>93,182</u>
Total cash and cash equivalents	<u>33,848</u>	<u>93,182</u>

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.

