



THE FRIENDS OF MALVERN PRIORY

(Registered Charity Number 503383)

Financial Statements for the year ended

31 December 2022

KENDALL WADLEY LLP

Chartered Accountants

MALVERN WORCESTER

THE FRIENDS OF MALVERN PRIORY

Financial Statements for the year ended

31 December 2022

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

CHARITY NUMBER	503383
TRUSTEES:	
Principal Officers	<div>Mrs A.E. Eglington Chairman</div> <div>M. Eglington Secretary</div> <div>D.R. Valentine Treasurer</div>
Ex-Officio PCC Members	<div>Rev'd R. Corke Vicar</div> <div>Dr D.R.P. Guy Churchwarden</div> <div>N.J. Paulley Churchwarden</div> <div>Mrs H.M. Wall</div> <div>J.F. Wray</div>
Other Trustees	<div>Mrs M. Campbell</div> <div>Mrs J.M.I. Hill</div> <div>F.A.R. Huntley</div> <div>Mrs R. Nixon (from 16 February 2022)</div> <div>Mrs R.M. Rowswell (to 6 April 2022)</div> <div>R.W.B. Sutton</div> <div>Mrs M. Weatherill (from 16 June 2022)</div>
PRINCIPAL OFFICE	<div>Church House</div> <div>Church Street</div> <div>Great Malvern</div> <div>WR14 2AY</div>
AUDITORS	<div>Kendall Wadley LLP</div> <div>Granta Lodge</div> <div>71 Graham Road</div> <div>Great Malvern</div> <div>WR14 2JS</div>
BANKERS	<div>Barclays Bank Plc</div> <div>2 Worcester Road</div> <div>Great Malvern</div> <div>WR14 4QR</div>
INVESTMENT MANAGERS	<div>CCLA Investment Management</div> <div>& C.O.I.F Charities Deposit Fund</div> <div>One Angel Lane</div> <div>London</div> <div>EC4R 3AB</div> <div>Investec Wealth & Investment</div> <div>2 Gresham Street</div> <div>London</div> <div>EC2V 7QP</div>

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 2022.

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, 2022 saw the full reintroduction of Saturday morning guided tours throughout the year as well the provision of a tour guide to answer questions on an ad-hoc basis on one afternoon per week.

An audience of 160 at the annual Heritage and Faith lecture in September heard Professor Sarah Brown, Director of York Glaziers Trust, speak about Great Malvern's Creation Window: the Conservation and Protection of a Medieval Treasure. This was of particular interest because, later in the autumn, the stained-glass of the Creation Window was dismantled and taken to York for cleaning and restoration.

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 on behalf of the Priory PCC applied to three third party grant-making trusts to assist with the cost of repairing the roof of St. Anne's Chapel. As a result, the PCC received grants from the Garfield Weston Foundation (£20k), the Droitwich Heritage Trust (£10k) and Worcester & Dudley Historic Churches Trust (£1k) towards the total cost of £142k, with The Friends pledging to pay the remaining £111k (£66.6k in 2022; the balance in 2023).

As mentioned above, the stained-glass of the Creation Window was dismantled by York Glaziers Trust in November and taken to York for cleaning and conservation. It is expected that the glass will be re-installed with an environmental protective glazing system sometime in the spring of 2023. The PCC has secured grants from the Headley Trust (£35k) and the Worshipful Company of Glaziers and Painted Glass Artists (£4k) towards the estimated total cost of £127.4k, with The Friends pledging to pay the remaining £88.4k in 2023.

In pursuance of the charity's third object of promoting the Priory's musical tradition for the public benefit, The Friends' Choral Evensong in June and Community Carol Service in December were again held to attract members of the local community into the Priory.

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. From the Shop's surplus £10,000, (2021: £10,000) was granted to the PCC (see financial note 7).

Lunch Box's programme of 14 fortnightly lunch-time concerts and talks in the spring and autumn attracted over 100 at most events.

The Friends' website <www.friendsofmalvern priory.uk> continued to attract about 4,000 visits per month and the number of followers of the Facebook page increased from 125 to 185. During 2022, the number of members of The Friends increased by 22 to a total of 320 (2021 - 298).

Financial Review

During the year expenditure exceeded income by £12,489 (2021 - income exceeded expenditure £135,239) prior to investment losses of £120,835 (2021 - gains £103,813). This provided a negative movement in funds of £133,325 (2021 - positive movement £239,052).

During 2021 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). Of the £135,261 in the Window Restricted Fund at end 2022, £88,400 will be used in 2023 to pay for the conservation of the Creation Window.

The restricted funds made realised investment gains in the period of £531 (2021 - gain £27,212).

Dividends and treasury interest received in the period amounted to £24,595 (2021 - £21,092) and bank interest of £197 was received (2021 - £2).

At 31 December 2022, unrestricted (general) funds £77,425 (2021 - £77,945). Restricted funds £493,557 (2021 - £573,736). Endowment funds £342,259 (2021 - £394,885). Total resources £913,241 (2021 - £1,046,566).

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).

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.

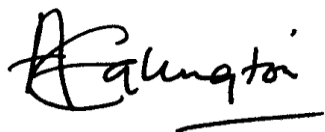
PLANS FOR FUTURE PERIODS

The charity is committed to paying grants in 2023 totalling £132.9k ie the remaining balance of £44.5k for repairing the roof of St Anne's Chapel plus £88.4k for the conservation of the Creation Window. This very significant commitment is more than the total of grants made to the PCC over the course of the last 12 years (excluding surpluses from the Shop) and it is unlikely that further grants will be made during 2023. Dependent upon how the Priory Development Plan evolves, the Trustees are expecting to raise further funds in due course for the conservation of more medieval stained-glass windows and their surrounding stonework.

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: 27 April 2023

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 2022 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 2022 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: 27 April 2023

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 2022

	<u>Note</u>	Unrestricted Funds £	Restricted Funds £	Endowment Funds	2022 £	2021 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	5,606	28,918	-	34,524	120,322
Other trading activities						
Functions		2,562	-	-	2,562	2,226
Guide books, CDs and bookshop sales		34,253	-	-	34,253	24,229
Church Tours		618	-	-	618	648
Investment income	4	1,631	23,161	-	24,792	21,094
Total		44,671	52,079	-	96,751	168,519
EXPENDITURE ON:						
Raising funds	6	24,635	-	-	24,635	15,809
Charitable activities						
Grants payable	7	11,072	66,562	-	77,634	10,233
Governance costs	8	1,561	5,409	-	6,970	7,238
Total		37,268	71,971	-	109,240	33,280
Net income/(expenditure) prior to investments		7,403	(19,892)	-	(12,489)	135,239
Unrealised gains/(losses) on revaluation of investments	10	(7,922)	(60,818)	(52,626)	(121,366)	76,601
Net realised gains/(losses) on investments	10	-	531	-	531	27,212
Net income/(expenditure) being the net movement in funds		(519)	(80,180)	(52,626)	(133,325)	239,052
Total funds at 1 January 2021		77,944	573,736	394,885	1,046,565	807,513
Total funds at 31 December 2022	14	77,425	493,556	342,259	913,240	1,046,565

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

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 £
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	5,795	114,527	-	120,322
Other trading activities					
Functions		2,226	-	-	2,226
Guide books and bookshop sales		24,229	-	-	24,229
Church Tours		648	-	-	648
Investment income	4	811	20,283	-	21,094
Total		33,709	134,810	-	168,519
EXPENDITURE ON:					
Raising funds	6	15,809	-	-	15,809
Grants payable	7	10,233	-	-	10,233
Governance costs	8	1,663	5,575	-	7,238
Total		27,705	5,575	-	33,280
Net income/(expenditure) prior to investments		6,004	129,235	-	135,239
Unrealised gains/(losses) on revaluation of investments	10	5,444	20,544	50,613	76,601
Net realised gains/(losses) on investments	10	-	27,212	-	27,212
Net income/(expenditure) being the net movement in funds		11,448	176,991	50,613	239,052
Total funds at 1 January 2021		66,496	396,745	344,272	807,513
Total funds at 31 December 2021	14	77,944	573,736	394,885	1,046,565

THE FRIENDS OF MALVERN PRIORY**Balance Sheet**
as at 31 December 2022

	<u>Note</u>	<u>£</u> <u>2022</u>	<u>£</u> <u>2021</u>
FIXED ASSETS			
Investments	10	878,094	1,002,846
CURRENT ASSETS			
Stock		11,921	11,872
Debtors	11	1,710	2,984
Cash at Bank and In Hand		62,781	33,848
		<u>76,412</u>	<u>48,704</u>
Creditors:			
Amounts falling due within one year	12	41,266	4,985
		<u>35,146</u>	<u>43,719</u>
NET CURRENT ASSETS			
		<u>913,240</u>	<u>1,046,565</u>
NET ASSETS			
FUNDS			
Unrestricted	14a	77,425	77,944
Restricted	14b	493,556	573,736
Endowment	14c	342,259	394,885
		<u>913,240</u>	<u>1,046,565</u>

Approved by the Trustees on 27 April 2023
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 2022

	<u>Note</u>	<u>2022</u>		<u>2021</u>	
		£	£	£	£
Cash flows from operating activities					
<i>Net cash used in operations</i>	15		223		117,661
Cash flows from investing activities					
Dividends and interest from investments		24,792		21,095	
Proceeds from sale of investments		52,640		133,460	
Purchase of investments		(48,722)		(331,550)	
<i>Net cash provided by investments</i>			28,710		(176,995)
<i>Change in cash and cash equivalents in the reporting period</i>			28,933		(59,334)
Cash and cash equivalents at the beginning of the reporting period			33,848		93,182
<i>Cash and cash equivalents at the end of the reporting period</i>	15		62,781		33,848

THE FRIENDS OF MALVERN PRIORY

Notes to the Financial Statements for the year ended 31 December 2022

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 2022

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 2022**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 2022**

3. DONATIONS AND LEGACIES	Unrestricted	Restricted	Endowment	<u>2022</u> Total	<u>2021</u> Total
	£	£	£	£	£
Subscriptions	3,730	-	-	3,730	3,910
Donations	924	28,160	-	29,084	102,820
Gift Aid on Subscriptions & Donations	952	758	-	1,710	13,592
Legacies	-	-	-	-	-
	<u>5,606</u>	<u>28,918</u>	<u>-</u>	<u>34,524</u>	<u>120,322</u>
31 December 2021	5,795	114,527	-	120,322	
4. INVESTMENT INCOME	Unrestricted	Restricted	Endowment	<u>2022</u> Total	<u>2021</u> Total
	£	£	£	£	£
Dividends and interest on listed investments	1,608	22,987	-	24,595	21,092
Interest on cash deposits	23	174	-	197	2
	<u>1,631</u>	<u>23,161</u>	<u>-</u>	<u>24,792</u>	<u>21,094</u>
31 December 2021	811	20,283	-	21,094	
EXPENDITURE	Unrestricted	Restricted	Endowment	<u>2022</u> Total	<u>2021</u> Total
	£	£	£	£	£
Net incoming (resources expended)/resources are stated after charging:					
Audit remuneration	180	805	-	985	985
31 December 2021	180	805	-	985	
6. RAISING FUNDS	Unrestricted	Restricted	Endowment	<u>2022</u> Total	<u>2021</u> Total
	£	£	£	£	£
Function costs	2,819	-	-	2,819	1,711
Guide books	748	-	-	748	808
Shop cost of sales	21,068	-	-	21,068	13,290
	<u>24,635</u>	<u>-</u>	<u>-</u>	<u>24,635</u>	<u>15,809</u>
31 December 2021	15,809	-	-	15,809	
7. GRANTS PAYABLE	Unrestricted	Restricted		<u>2022</u> Total	<u>2021</u> Total
	£	£		£	£
All grants are payable to Malvern Priory PCC.					
Contribution from Shop Trading	10,000	-		10,000	10,000
Window Leaflets	210	-		210	-
Candlestand repair	176	-		176	-
Noticeboard	686	-		686	-
St Anne's Chapel Roof	-	66,562		66,562	-
Organ Plaque	-	-		-	233
	<u>11,072</u>	<u>66,562</u>		<u>77,634</u>	<u>10,233</u>
31 December 2021	10,233	-		10,233	

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 2022**

8. GOVERNANCE COSTS	Unrestricted	Restricted	<u>2022</u> Total	<u>2021</u> Total
	£	£	£	£
Secretarial expenses	550	-	550	656
Auditors fees	180	805	985	985
Fee charges (Investments)	-	4,388	4,388	4,538
Shop Manager Expenses	344	-	344	262
Insurance	274	-	274	467
Marketing Costs	213	216	429	330
	<u>1,561</u>	<u>5,409</u>	<u>6,970</u>	<u>7,238</u>
31 December 2021	1,663	5,575	7,238	

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>2022</u> £	<u>2021</u> £
	Restricted	Restricted
Balance brought forward 01.01.22	393,779	356,671
Additions	48,723	129,550
Disposals	(52,639)	(133,460)
Revaluations	(40,197)	13,806
Profit (Loss) on Disposal	531	27,212
	<u>350,197</u>	<u>393,779</u>
Balance carried forward 31.12.22	350,197	393,779
Cost	<u>334,118</u>	<u>337,618</u>

Fixed asset investments at market value comprised:

	<u>2022</u>			<u>2021</u>		
	Book Cost	Value	%	Book Cost	Value	%
	£	£		£	£	
UK fixed interest securities	12,459	9,758	2.8%	12,459	12,223	3.1%
UK equities	42,986	49,954	14.3%	84,357	92,158	23.4%
Overseas Fixed Interest	20,519	17,256	4.9%	13,957	13,630	3.5%
North American equities	62,074	63,445	18.1%	46,846	53,171	13.5%
Far East & Australasian equities	32,753	27,527	7.8%	32,779	31,948	8.1%
International equities	86,802	100,815	28.8%	70,695	95,351	24.2%
UK Property	17,883	14,970	4.3%	17,883	22,089	5.6%
Alternative Assets	39,234	42,239	12.1%	39,234	43,817	11.1%
Emerging Economies	9,541	9,819	2.8%	9,541	11,551	2.9%
European equities	9,867	14,414	4.1%	9,867	17,841	4.6%
	<u>334,118</u>	<u>350,197</u>	<u>100%</u>	<u>337,618</u>	<u>393,779</u>	<u>100%</u>

THE FRIENDS OF MALVERN PRIORY**Notes to the Financial Statements
for the period ended 31 December 2022**

10. LISTED INVESTMENTS – CCLA cont'd				<u>2022</u>	<u>2021</u>
	£	£	£	£	£
	Unrestricted	Restricted	Endowment	Total	Total
Balance brought forward 01.01.22	59,444	154,738	394,885	609,067	344,272
Additions	-	-	-	-	202,000
Disposals	-	-	-	-	-
Revaluations	(7,922)	(20,622)	(52,626)	(81,170)	62,795
Profit (Loss) on Disposal	-	-	-	-	-
Balance carried forward 31.12.22	51,522	134,116	342,259	527,897	609,067
Cost	54,000	148,000	350,000	552,000	552,000
CCLA Investments comprise COIF Charities Ethical Investment Fund - Income Units					
Units held	<u>2022</u>	<u>18,826.39</u>	<u>49,006.55</u>	<u>125,062.53</u>	<u>192,895.47</u>
	<u>2021</u>	<u>18,826.39</u>	<u>49,006.55</u>	<u>125,062.53</u>	<u>192,895.47</u>
LISTED INVESTMENTS – TOTAL				<u>2022</u>	<u>2021</u>
				£	£
Balance brought forward 01.01.22				1,002,846	700,943
Additions				48,723	331,550
Disposals				(52,639)	(133,460)
Revaluations				(121,366)	76,601
Profit (Loss) on Disposal				531	27,212
Balance carried forward 31.12.22				878,094	1,002,846
Cost				886,118	889,618
11. DEBTORS				<u>2022</u>	<u>2021</u>
	Unrestricted	Restricted	Total	Total	Total
	£	£	£	£	£
Income tax on gift aid	952	758	1,710		2,984
	952	758	1,710		2,984
12. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR				<u>2022</u>	<u>2021</u>
	Unrestricted	Restricted	Total	Total	Total
	£	£	£	£	£
Audit accrual	180	805	985		985
Grant to Great Malvern Priory PCC	-	39,930	39,930		4,000
Expenses	350	-	350		-
	530	40,735	41,266		4,985
13. FINANCIAL INSTRUMENTS				<u>2022</u>	<u>2021</u>
				£	£
Investments measured at fair value through the Statement of Financial Activities				878,094	1,002,846

THE FRIENDS OF MALVERN PRIORY**Notes to the Financial Statements
for the period ended 31 December 2022****14 ALLOCATION OF CHARITY NET ASSETS**

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

		Fixed Asset Investments £	Net Current Assets £	2022 Total £
Restricted Funds:-	Martin Radford Bequest	386,322	(49,955)	336,367
	Eglington Bequest	6,219	15,710	21,929
	Window	91,771	43,490	135,261
Endowment Fund	Eglington Bequest	342,259	-	342,259
Unrestricted Funds:-	General Fund	51,523	25,902	77,425
		878,094	35,147	913,241
		Fixed Asset Investments £	Net Current Assets £	2021 Total £
Restricted Funds:-	Martin Radford Bequest	435,459	8,582	444,041
	Eglington Bequest	7,175	4,725	11,900
	Window	105,883	11,912	117,795
Endowment Fund	Eglington Bequest	394,885	-	394,885
Unrestricted Funds:-	General Fund	59,445	18,500	77,945
		1,002,847	43,719	1,046,566

14a. UNRESTRICTED FUNDS

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

14b. RESTRICTED FUNDS

	Balance 01.01.22 b/f £	Incoming Resources £	Resources Expended £	Gains (Loss) on investments £	Balance 31.12.22 c/f £
Martin Radford Bequest	444,040	9,301	(71,755)	(45,220)	336,366
Eglington Bequest	11,901	10,985	-	(956)	21,930
Window Fund	117,795	31,793	(216)	(14,111)	135,261
	573,736	52,080	(71,971)	(60,288)	493,557
	Balance 01.01.21 b/f £	Incoming Resources £	Resources Expended £	Loss on investments £	Balance 31.12.21 c/f £
Martin Radford Bequest	395,244	9,442	(5,342)	44,696	444,040
Eglington Bequest	1,501	10,225	-	175	11,901
Window Fund	-	115,145	(232)	2,882	117,795
	396,745	134,812	(5,574)	47,753	573,736

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 2022****14c. ENDOWMENT FUNDS**

	Balance 01.01.22 b/f £	Incoming Resources £	Resources Expended £	Gain (Loss) on Revaluation £	Balance 31.12.22 c/f £
Eglington Bequest	394,885	-	-	(52,626)	342,259
	<u>394,885</u>	<u>-</u>	<u>-</u>	<u>(52,626)</u>	<u>342,259</u>
	Balance 01.01.21 b/f £	Incoming Resources £	Resources Expended £	Loss on investments £	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>

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.

The Bequest is to be used:

- a) for the provision of glass doors at the North West main entrance to Great Malvern Priory; and
- b) the residue of the total bequest is to be treated as permanent endowment in a fund whose income is restricted for the maintenance of the stonework and stained glass of Great Malvern Priory.

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

	<u>2022</u>	<u>2021</u>
Net Income for the reporting period (per SOFA)	(133,325)	239,052
Adjustments for:		
Unrealised losses/(gains) on Investec managed investments	40,197	(13,806)
Unrealised losses/(gains) on CCLA managed investments	81,170	(62,795)
Dividends, interest and rents from investments	(24,792)	(21,094)
Realised losses/(gains) on the sale of investments	(531)	(27,212)
(Increase)/decrease in stocks	(50)	1,731
(Increase)/decrease in debtors	1,274	(2,214)
Increase/(Decrease) in creditors	36,281	4,000
Net cash used in operations	<u>223</u>	<u>117,661</u>
Analysis of cash and cash equivalents		
Cash in hand	<u>62,781</u>	<u>33,848</u>
Total cash and cash equivalents	<u>62,781</u>	<u>33,848</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.

