

ANNUAL REPORT 2021

Free Church Federal Council (Incorporated)

Email: fcg@freechurches.org.uk

Website: <https://www.freechurches.org.uk/>

27 Tavistock Square,

London, WC1H 9HH

Tel: 0203 651 8338

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COMPANY INFORMATION

Company number	00364987
Charity number	236878
Directors / Trustees (as at date of report)	Revd Helen Cameron (Moderator) Revd Dr Hugh Osgood (Past Moderator) Mr Eric Southwick (Treasurer) Pastor Joshua Bandele Revd James Breslin Mrs Yvonne Campbell Revd Deseta Davis Major David Evans Revd Trevor Howard Revd Christopher Whiteley Revd Daniel Yarnell
General Secretary	Revd Paul Rochester
Registered Office	27 Tavistock Square, London, WC1H 9HH.
Bankers	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ.
Solicitors	Ashtons Legal Waterfront House, Wherry Quay, Ipswich, Suffolk, IP4 1AS.
Independent Examiner	Mark Heaton FCCA DChA FCIE K M 1st Floor, Block C, The Wharf, Manchester Road, Burnley, Lancashire, BB11 1JG.
Fund Managers	CCLA Investment Management Ltd COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET.
Property Agents	Curchod & Co Portmore House, 54 Church Street, Weybridge, Surrey, KT13 8DP.

DIRECTORS' REPORT

The Trustees present their annual report with the accounts for the year ended 31 December 2021. The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, Financial Reporting Standard 102 and follow the recommendations in 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).

PROMOTING WITNESS IN THE PUBLIC SQUARE

Strategic Highlights

The Free Churches, the operating arm of the Free Church Federal Council (Incorporated), enjoyed a successful year in 2021.

The FCG continued to adjust its business in response to the pandemic and an operating environment in flux. Staff returned to the office on a part-time basis and there was a gradual increase in room hire as that part of the business restarted. To promote the meeting rooms, we registered with Zip Cube to cater for the private sector market, local neighborhood to attract local organisations and Cladder's website, which allows the FCG to rent to Government departments. The FCG expects to see an increase in bookings from its Group Members in the coming year.

The FCG has terminated the contract with its Property Agent for the Bognor Regis and Westbury properties, with effect from 1st January 2022. The work needs to be market tested as the existing contract was no longer meeting the needs of the business. The FCG will manage inhouse the core work required to maintain its properties in 2022, seeking help from its Group Members who have expertise in this area.

We have continued to develop a hybrid approach to events and meetings, with the majority taking place on online. For example, all the Board and Group meetings were held online.

In terms of staffing, Mark Newitt joined the FCG from the beginning of January 2021, as the Secretary for Healthcare Chaplaincy. There was a couple of months overlap with his predecessor, Revd Meg Burton. Meg Burton did an excellent job, particularly in supporting Chaplains. She was commended by Chaplains for the spiritual support she gave from the outset of the pandemic until her retirement. We hope that Meg enjoys her well-earned retirement.

Sara Iles, who was responsible for the communication and social media work part-time, left the FCG to take up new employment. We expressed our gratitude to Sara Iles for her contribution to the work of the FCG, wishing her the best in the future. The General Secretary, Revd Paul Rochester, continued to manage operations. Weekly staff meetings were held online as, for most of the year, staff worked from home.

Strategic Highlights (continued)

The Board of directors in 2021 remained the same, however, the Revd Canon Helen Cameron stood down as the Chair of the Board. The Revd James Breslin was elected as the new Chair of the Board and the Revd Daniel Yarnell as the vice chair. These changes in responsibilities will ensure the FCG continues to operate in line with its articles of association and byelaws, where the roles of the Chair of the Board and the Moderator are not carried out by the same person. The Revd Helen Cameron will take up the appointment as the FCG Moderator in April 2022. From April 2021, Helen Cameron shadowed the current Moderator, the Revd Dr Hugh Osgood, which should help to ensure a seamless transition.

Hugh Osgood, continued to fulfil his responsibilities to the organisations of which he is a patron. He used those and other opportunities to represent the Free Churches, although there were fewer public events because of the pandemic. He carried out his responsibilities as the Churches Together in England Free Churches President and attended meetings including the National Service of Remembrance at the Cenotaph in Whitehall, where he represented the Free Churches.

We have made progress in respect of the five-year strategy (2019-2023). The Board set up working groups to look at communications and working towards a balanced budget by 2023. This proved helpful as it gave directors an opportunity to directly contribute to tackling key aspects of the FCG's work programme.

In terms of communication, we continued to see an increase in the circulation list for the FCG's e-newsletter. Work was done on the FCG's key messages, which were used to promote the work of the FCG. Hugh Osgood updated the Wikipedia page for the Free Churches. The page only partly reflected the Free Churches' historical journey in England and Wales and needed updating from 1940 forward to the present time. We still need to develop the use of social media and the website requires a limited redesign, which we hope to complete inhouse during 2022.

The use of online platforms increased the Free Churches' engagement with Government. The FCG, along with other ecumenical instruments, supported the vaccination programme, whilst recognising the importance of not infringing people's right to choose to take the vaccine or not.

There has been further movement on the work to explore wider access for Free Churches to Armed Forces chaplaincy. The FCG have nineteen Group Members who are non-sending denominations in respect of chaplaincy to HM Armed Forces. Whilst there are routes for these Group Members to seek participation in Armed Forces chaplaincy, in most cases they are unwieldy and therefore not a realistic long-term solution. There is still much to do in this work stream to find a satisfactory solution, but given this is a matter of fairness, we believe it sits well with our Free Church values and should be a priority for 2022. We hope to therefore continue making progress on this area of work in 2022 and have begun the process of setting up a new FCG committee to help focus and drive that work.

The Commission

We continued to build on the results of the Commission on *'The Church and Social Cohesion: Connecting Communities and Serving People.'* A successful physical event was held in Liverpool to promote the Commission's report and two 'how to booklets' for churches wishing to foster cohesion and statutory bodies seeking to work with churches. The event helped to raise awareness of the Commission in the North of England. We had excellent support from the Free Churches Group in Liverpool, who jointly hosted the event with the FCG. There is greater scope to engage with local churches and groups on the steps to foster cohesive communities, as the country rebuilds post pandemic and seeks to tackle pressing issues such as the economy and increasing household costs, due to rising inflation and energy costs. Some local churches are using the 'how to booklets' and, where possible, we will be looking to develop case studies to encourage wider participation. We have also ensured that we link to other projects, such as, a Churches Together in Britain and Ireland project for the four nations, which is looking at 'Nationhood and Identity' with reference to social cohesion.

Other Business

The FCG has continued its membership of Eurodiaconia. Despite the UK leaving the European Union, we need, more than ever, to maintain our relationships with diaconal groups across Europe. The UK's relationship and future arrangements with the European Union are still being finalised, however the eventual outcome of those negotiations should not affect membership of Eurodiaconia as the organisation's constitution allows for members inside and outside the European Union. The FCG should therefore be able to continue playing a full role in the work of Eurodiaconia. Eurodiaconia has just been awarded a further four years of funding by the European Union, so its long-term future is secure.

We held a very successful Deputies' meeting in October. Our distinguished speaker this year was the Rev Dr Robert Pope, Vice Principal of Westminster College, Cambridge. He unfolded his intriguing title for our troubled times of *"The Greatest Terror of Mankind" - Contagion, the Church and the Providence of God*, showing that the exactions of COVID are neither unprecedented nor unforeseen. It was an excellent lecture and in future we want to do more to increase participation in these stimulating lectures.

The Deputies hold a historic "privileged body" right of access to the throne, which is exercised on great occasions by the presentation of loyal addresses. We therefore wrote to Buckingham Palace about the 70th anniversary of Her Majesty's succession to the Throne, expressing our wish to show its gratitude to Her Majesty, by making an Address to the Throne. The FCG has been privileged to make an Address to the Throne in previous years, celebrating the many milestones of Her Majesty's reign.

In term of the FCG's membership of the Churches Legislation Advisory Service (CLAS), several dominations/groups contributed to Government consultations on various policy areas of interest to Churches. CLAS continues to be an excellent vehicle for highlighting and responding to Government consultations and policy developments that are directly or indirectly relevant to the Churches. The FCG's membership of CLAS gives access to those Group Members who do not hold their own membership.

Other Business (continued)

The FCG continued to work with the Churches Ministerial Counselling Service (CMCS), representing its Group Members who are not members of this organisation. The pandemic has noticeably increased pressures on ministers and chaplains. The FCG supported chaplains through its core chaplaincy services, as highlighted below. The FCG with its Group Members need to consider what more they can do to support ministers, as lockdown restrictions ease and we get back to some normality. The FCG will continue to promote CMCS to the smaller Group Members as an option for supporting their respective ministers. Flexibility in the way churches pay for this service could help to increase usage.

Education

The Free Church Education Committee continued to pursue its strategy of informing, engaging and supporting the FCG Group Members in building links with educational institutions in their communities. As part of this, the Committee began a review of the ways in which it helped to recruit and support Free Church members of Local Authority Standing Advisory Councils on Religious Education (SACREs), with the aim of strengthening processes and building relationships.

We were delighted to be awarded a grant by the Westhill Endowment towards our project supporting Free Church Chaplains in Higher Education Institutions. Weekly “Coffee and Chat” sessions were attended by up to 15 chaplains from a range of universities in England and Wales. Chaplains discussed issues they were facing, shared ideas about how to engage with students and staff in situations where many of them were not allowed to spend time on campus and spent time together in prayer and reflection. We were also able to offer a series of webinars including building community in a virtual world and student mental health in the pandemic. These were attended by up to 50 chaplains, and the recordings were made available on YouTube, with links from the FCG website. The FCG also offered a cross-sector webinar, “Opening up Chaplaincy” which attracted over 150 registrations.

We have continued to engage with Government and attended regular online meetings with the Department for Education, along with other faith groups. These have offered us the opportunity to stay up to date with policy developments and to have input into discussions about the implementation of initiatives, particularly in schools.

Submissions have been made on behalf of the FCG to several Government consultations relating to education, including the Higher Education (Freedom of Speech) Bill, and the Office for Students consultations about quality and standards in Higher Education. As a result of a submission of evidence to the House of Commons Bill Committee reviewing proposed amendments to the Higher Education (Freedom of Speech) Bill, we were given the opportunity to engage with one of the Committee members and to propose wording for an amendment.

Partnerships with other organisations have continued to be an important focus for our work in education, and we have worked extensively with the Centre for Chaplaincy in Education (CCE), particularly in preparing and delivering its biennial conference, and in establishing a London hub for school and college chaplains.

Education (continued)

The Free Church Federal Council was a founder member of the Religious Education Council of England and Wales in 1973 and has continued to be an active member. The Free Church Education Officer, Sarah Lane Cawte, was elected as Chair of the Religious Education Council in May 2020 and will serve a 3 year-term in the role, beginning in September 2020. Membership of the Religious Education Council enables the Free Churches to participate in the support and development of Religious Education in schools, and to work collaboratively with a wide range of faith and belief organisations, and other organisations that support the subject.

Prison Chaplaincy

Prison Chaplaincy continued in much the same vein in 2021 as in 2020, with the sporadic lifting, re-establishing and tightening of lockdown restrictions. As an organisation, the need to respond professionally with online services to meet the increased needs of Prison Chaplains working across England and Wales, stretched us, but it also resulted in deeper levels of engagement with many more chaplains than would have been possible previously. All chaplains, including Volunteer Chaplains, were recognised as key workers and their continued presence was noted as being crucial in the maintenance of decent regimes in prisons. The Director General of Prisons in HMPPS, Phil Copple, noted publicly that the provision of Chaplaincy services had been instrumental in helping the prison service manage through an unprecedented period of its history.

The increased pastoral load on Free Churches Prison Chaplains however has meant that there has been an increasing strain placed on the resilience of those providing care. It was a great privilege therefore to take a few chaplains on retreat where, within a brief time, it was possible to see a sense of re-envisioning, together with a degree of enthusiasm in facing what the future may hold. One of our Free Church Chaplains was awarded a Commendation this year by the Butler Trust for his services to women leaving prison at a time when reintegration into society was particularly difficult.

The FCG's working relationship with HMPPS Chaplaincy has continued to develop and has been particularly productive in seeking innovative ways to equip establishments and their chaplains to meet the needs of residents and staff of HM Prisons. We continued this year to provide media solutions such as regular broadcasts on National Prison Radio, and video presentations on "Wayout TV", an in-prison television service. "The best Christmas present ever" was the comment of one resident in a letter to the FCG in response to our Christmas Day service at the end of 2020. We have continued to work with HMPPS Chaplaincy in developing a sustainable and fair way of funding the Free Churches Faith Advisor for Prison Chaplaincy. A Memorandum of Understanding has been established with the goal of developing this role and sharing financial responsibility for the post. The FCG continues to welcome these developments and seek to work into 2022 to see progress on joint working between the FCG and HMPPS.

Prison Chaplaincy (continued)

The over-representation of BAME people in prisons has been a driving concern for the FCG since its move into the area of Prison Chaplaincy endorsement and support, and great progress has been made over the years. There has been an opportunity this year to build on that work through engagement with the Churches Together in England Racial Justice forum.

The Prison Service has been recognized as having responded well to the threat of Coronavirus in its lockdown approach to saving lives. It has carefully managed regimes through this year so that we are beginning to see communal worship services and volunteer engagement re-established. Prison Chaplains have continued to be on the front line of this response. Chaplains have seen their role becoming focused on caring pastorally, often in one-on-one settings, sometimes wearing PPE, always with compassion for those increasingly affected by the deaths of relatives, sickness of colleagues, and threat to their own wellbeing. Through careful Risk Assessment and compassionate commitment, Prison Chaplains have continued in the face of these adversities and increased demand to offer an extraordinary service to all who live and work in the prison establishments across England and Wales. In supporting these chaplains, the FCG is recognized as a key factor in their recruitment, training and support. In this period, we are extremely proud to be associated with on average 220 people who have continued in extraordinary circumstances to selflessly support and serve all who live and work in the prisons of England and Wales.

Healthcare Chaplaincy

2021 continued the challenges of 2020 for chaplains working in health and social care settings. While restrictions for the public were gradually eased through the first part of the year, many health and social care settings have remained at high alert levels. This has meant the continuation of challenging working conditions such as the need to wear PPE, including masks making effective communication within a pastoral encounter much harder. Even when Covid-19 levels have been at their lowest, the pressure on the NHS was not eased. Not only was there a backlog of work that had to be postponed, but people were often coming into hospitals with much more complex emotional and physical needs. Throughout the pandemic healthcare chaplains have made headline news in relation to the vital role they have played not only in supporting patients, but increasingly in supporting other NHS Staff; the past year saw a noticeable increase in job adverts for chaplains who had a particular staff wellbeing focus.

Over the past year we have worked in several different ways to equip, engage, and support chaplains working in difficult and pressured circumstances. Through the early months of the year, weekly 'Tea and Chat' sessions were hosted enabling chaplains to have a few moments out of their day to connect with peers from across the country. As social restrictions were eased and the need for these lessened, monthly continuing professional development sessions were introduced to enable chaplains to maintain and enhance their knowledge and skills and work to best practice. On a rolling three-month pattern there was the opportunity to engage in reflective practice, participate in a journal club exploring a recent research article, and to learn from some teaching or training.

Healthcare Chaplaincy (continued)

The training/teaching session for November 2021 formed the Annual Study Day. Recognising the pressure that chaplains had been working under for over 18 months, the day was titled '*There is a Crack in Everything: reflecting on grief, trauma and resilience in light of chaplain's experience during the pandemic*'. The day was delivered remotely with around 50 chaplains attending.

Further support for chaplains has been provided with regular emails containing information and resources. This has included the development of a monthly information digest called *the Narrative* which contains:

- A short opening spiritual reflection
- Information and resources recently shared or updated
- Details of forthcoming events relating to chaplaincy/spiritual care
- Links, with brief comments, to recent research related articles
- A list of current health and social care vacancies

As such, *the Narrative* shares good practice, encourages research literacy, and fosters wellbeing and a sense of connection. As a service to the profession *the Narrative* is freely available to any chaplain to sign up for it. Currently it is sent out to over 500 recipients from a range of faith and belief backgrounds.

At a national level we have continued to support, promote, and initiate initiatives aimed at developing high quality, safe, effective pastoral, spiritual and religious care. We have contributed to education programs, ranging from those for volunteers exploring chaplaincy to postgraduate studies for experienced chaplains: these include those run by St Padarn's College, Cardiff; Guy's and St Thomas NHS Foundation Trust; the Network for Pastoral, Spiritual, and Religious Care in Health (the Network), and Regents Theological College.

Members of the Healthcare Chaplaincy Steering Committee attend, contribute to, and in some instances chair meetings of national bodies including the Network, the College of Health Care Chaplains, the UK Board of Healthcare Chaplaincy and the Chaplaincy Forum for Pastoral Spiritual and Religious Care in Health (this is the body that brings the main chaplaincy bodies in England into conversation with NHS England). A significant contribution was made to the work revising the Network's guide to *Endorsement of Healthcare Pastoral, Spiritual and Religious (Chaplaincy) Staff and Volunteers* and we are represented on the Steering Group set up by NHS England to support the writing of new chaplaincy guidelines.

Financial Highlights

As mentioned previously, Free Churches has been successful in securing funding from the Westhill Trust to part fund the Commission. It has also secured funding to carry out projects in the education and healthcare chaplaincy sectors.

“Readjusting from the pandemic - Challenges and Opportunities in 2022”

Looking Ahead

There are exciting opportunities for 2022, which we will need to explore. The FCG will seek to strengthen its working relationship with its Group Members. We expect to see the churches working together on what the post-Covid19 Church looks like. We sense that there are concerns about the lasting effect of Covid-19 on how churches organise and manage new expectations. Where this work can be done collectively across the churches and learning shared, we believe that the results will be better.

There will be changes in the ecumenical landscape as we see changes in leadership teams and the FCG will need to respond to that. The FCG transition to its new Moderator has been very well managed, so we expect this to run smoothly.

We will revisit the FCG’s 2019-2023 strategy to ensure it is still relevant for the opportunities and challenges we expect to see over the next two-years. We will continue to focus on the core work of chaplaincy, which is an important ministry that helps to promote the Free Church voice in the public square. There are exciting developments in our education work that we need to build on, as we seek to increase the participation of local churches.

Structure, Governance and Management

The Free Church Federal Council (Incorporated) is a company limited by guarantee (company number 00364987) and a registered charity (charity number 236878). The governing instrument of the charitable company is the Memorandum and Articles of Association.

The charity is the incorporated body of, and uses the working name of, the Free Churches Group, an unincorporated association, whose members are representatives of its constituent denominations who subscribe to the Doctrinal Statement of the Free Churches.

The members of the company are representatives of the constituent denominations who are members of the Free Churches Group, together with the officers of the Free Churches. They meet as "The Group Meeting" to identify the particular beliefs and values which are held in common and agree the company's objectives.

The directors (who are also trustees for the purposes of charity law) are elected by the company members, seeking the necessary financial and legal skills for the task from within the constituent denominations. They are responsible for financial policy.

The directors / trustees who served during the year were:

- Pastor Joshua Bandele
- Revd James Breslin
- Revd Helen Cameron (Moderator)
- Mrs Yvonne Campbell
- Revd Deseta Davis
- Major David Evans
- Revd Trevor Howard
- Revd Dr Hugh Osgood (Past Moderator)
- Mr Eric Southwick (Treasurer)
- Revd Christopher Whiteley
- Revd Daniel Yarnell

The Moderator chaired directors' meetings for part of the year, but a new chair was elected from within Board as mentioned above. Those new to the work of the company meet with the General Secretary to receive an orientation on the work of the Free Churches.

The day-to-day work of the company was delegated to the General Secretary, Revd Paul Rochester, who reported directly to the Board of Directors. The officers responsible for the healthcare and prison chaplaincy, and education programmes of the Free Churches were supported by specialist committees to shape these areas of work.

Objectives and Activities

The principal object of The Free Church Federal Council (incorporated) (FCFC) is “the advancement of the Christian religion.” The furtherance of the objects takes place through the work of the Free Churches by means such as evangelistic, educational, training and business activities or other meetings as deemed necessary from time to time. Free Churches promotes faithful witness in the public square with a focus, but not solely, on chaplaincy work in Prisons and Healthcare and faith in Education.

Free Churches express the unity in Christ that is shared by Free Churches in England and Wales by promoting fellowship, shared counsel and working together to extend Christ’s kingdom in every sphere of society. This is done whilst recognising that each Group Member remains at liberty to fulfil its own distinctive witness and mission. There are currently twenty-six denominations and Church groups that are members of Free Churches.

Public Benefit

The Free Churches purpose is in the support of its member church denominations in their mission across England and Wales. In as much as this mission is founded in and seeks to express the unconditional love of God, the benefits of all that the Free Churches seeks to do are understood to be ‘public’ and for the benefit of the wider society. Member churches and their congregations express this through public worship and in service to the communities in which they are set.

The Free Churches upholds a right to the freedom of expression of religious faith. This has come out of a particular historical context but finds expression afresh in the current time and is understood to have application wider than the Free Churches own membership.

The Free Churches particular engagement with education, health care, prisons and the legislative governance of the nation, amongst other things, is evidential of a commitment to wider society and a concern for public wellbeing.

Particular examples include:

- Engagement in the training of hospital chaplains and their on-going professional development contributes to the quality of a service offered to all patients and hospital staff and to ensure patient trust and safety.
- The support of SACRE representatives in local authorities serves to ensure the appropriate balance in religious education curricula.
- The developed Faith Endorsement criteria of Prison Chaplains ensures that both Public and Private Sector prisons are well served by a diverse range of professional ministers to work as Chaplains in prisons.

Financial Review

Income derives mainly from investment returns on both listed investments and property. This is supplemented by subscriptions from member churches and other activities. In addition, specific grants have been received, for restricted purposes, to support the work in Healthcare and Prisons. Income remained comparable to previous years apart from grant income which has increased. Grants are made at the directors' discretion.

Total expenditure has been in line with that incurred in the previous year. This has resulted in a net deficit of £115,937 (2020: £141,771) in the general fund which, together with a £210,843 (2020: £83,071) gain on investments, has been transferred from reserves.

Risk Review

The directors undertake each year a wide-ranging appraisal to identify the major risks to which the charity is exposed. Steps are taken with a view to mitigating these risks as far as is reasonably possible.

The directors are aware that the continued financial stability of the charity relies on the continued performance and growth of the charity's investments. They believe their regular review of quoted investments, aided by information from the fund managers, largely mitigates this risk as far as possible.

Investment Powers and Policy

The investment powers of the charity are contained in the Articles of Association and include the power to appoint investment managers. The directors may invest any funds not immediately required by the charity into such securities, property and other investments as they consider greatest overall benefit to the charity, in line with the charity's objectives.

The directors' current policy is to invest in gilt edged securities or investment units with managers of common investment funds: Epworth Investment Management Limited and freehold commercial properties. Surplus funds held for the shorter term are placed in CCLA Investment Management Limited's COIF Charity Fund Deposit Account, which has consistently provided a rate of return higher than that available from a bank.

Reserves Policy

It is the policy of the directors to ensure that the charity has adequate reserves to enable it to meet both its ongoing commitments in respect of general charitable activities and its future funding requirements. The directors have assessed this with the aim of achieving reserves equivalent to one year's on-going expenses plus any known existing and future liabilities. This would require free reserves of around £300,000. Free reserves as at 31 December 2021 stood at £185,577 (2020: £106,008).

Reserves Policy (continued)

The charitable activities are largely financed from the yield on invested reserves. It is the long-term policy of the board to maintain the real value of invested reserves and apply their annual yield (interest, dividends, rents and a proportion of any growth in value) to funding the work of the Free Churches. The directors consider the level of reserves at the year-end to be sufficient for the current requirements of the charity but will continue to review the overall position and policy at regular intervals.

Independent Examiner

Mark Heaton FCCA DChA FCIE of KM, Chartered Accountants, has been appointed as the charitable company's Independent Examiner. A resolution proposing the reappointment of Mark Heaton will be put to the Annual General Meeting.

Statement of Directors' Responsibilities

The directors, who also act as trustees, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors (who are also trustees for the purposes of charity law) to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including income and expenditure, of the company for that period.

In preparing those financial statements, the directors are required to:

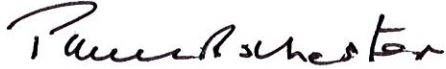
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

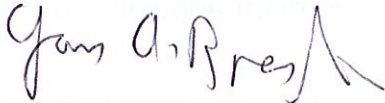
Approval

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



General Secretary: Revd Paul Rochester



Chair of the FCFC: Revd James Breslin
25th May 2022

MEMBER DENOMINATIONS

Assemblies of God
Baptist Union of Great Britain
Baptist Union of Wales
Christ Apostolic Church
Church of God of Prophecy
Church of the Nazarene
Churches in Communities International
Congregational Federation
Council of African and Caribbean Churches UK
Countess of Huntingdon's Connexion
Fellowship of Churches of Christ
Free Church of England
Free Methodist Church
Independent Methodist Churches
Joint Council of Churches for All Nations
Methodist Church
Moravian Church
New Testament Assembly
New Testament Church of God
Old Baptist Union
Order of St Leonard
Presbyterian Church of Wales
The Salvation Army
Undeb yr Annibynwyr Cymraeg
(Union of Welsh Independents)
United Reformed Church
Wesleyan Reform Union

INDEPENDENT EXAMINER'S REPORT

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st December 2021 which are set out on pages 16 to 24.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').


Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.


Mark Heaton FCCA FCIE DChA
KM Chartered Accountants
1st Floor, Block C, The Wharf,
Manchester Road,
Burnley
Lancashire, BB11 1JG

Date: 25th May 2022

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account)

For the year ended 31st December 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:					
Donations and legacies:					
Member church subscriptions		20,667	-	20,667	19,178
Donations		156	-	156	3,301
Charitable activities:					
Grants	2	-	16,750	16,750	20,000
Other trading activities:					
Endorsements		3,600	-	3,600	-
Rental income		6,143	-	6,143	33,197
Investments:					
UK listed investments		50,830	-	50,830	54,035
Rental properties		92,500	-	92,500	92,500
Other		4	-	4	99
Other					
Conference Fees		216	377	593	(94)
Other		5,383	-	5,383	3,762
Total		179,499	17,127	196,626	225,978
Expenditure on:					
Investment management costs:					
Property management costs		2,790	-	2,790	2,206
Charitable activities					
Grants payable	3	-	-	-	1,820
Other	3	292,646	17,127	309,773	363,723
Total		295,436	17,127	312,563	367,749
Net income / (expenditure)		(115,937)	-	(115,937)	(141,771)
Gains / (losses) on investment assets		210,843	-	210,843	83,071
Net income / (expenditure)		94,906	-	94,906	(58,700)
Net Movement in Funds		94,906	-	94,906	(58,700)
Reconciliation of funds					
Total funds brought forward		2,972,549	-	2,972,549	3,031,249
Total funds carried forward		3,067,455	-	3,067,455	2,972,549

Company Number: 00364987

BALANCE SHEET**As at 31st December 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed Assets					
Tangible assets	6	78,866		87,559	
Investments	7	<u>2,881,879</u>		<u>2,772,612</u>	
			2,960,745		2,860,171
Current Assets					
Debtors	8	134,033		104,625	
Cash at bank and in hand		<u>19,750</u>		<u>93,195</u>	
		153,783		197,820	
Current Liabilities					
Amounts falling due within one year	9	<u>47,073</u>		<u>85,442</u>	
Net Current Assets			106,710		112,378
Net Assets			<u><u>3,067,455</u></u>		<u><u>2,972,549</u></u>
Funds					
Unrestricted:					
General unrestricted funds	10		3,067,455		2,972,549
Restricted funds	10		-		-
Total Funds			<u><u>3,067,455</u></u>		<u><u>2,972,549</u></u>

For the year ending 31st December 2021 the company was entitled to exemption from audit under section 476 and section 477 of the Companies Act 2006 relating to small companies. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

Directors' responsibilities:

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

On behalf of the Board of Directors:

Revd Helen Cameron
Moderator


25th May 2022

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2021

1. Accounting Policies - Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Donations and incoming grants

Donations and grants are accounted for when received or receivable where entitlement is demonstrable.

Investment income

Incoming resources from investments are accounted for when receivable.

Grants payable

Grants are made on behalf of the Department of Health to members of the Healthcare Chaplaincy Faith and Belief Group. Grants are also paid to support various work carried out by organisations on behalf of the churches on an ecumenical basis nationally. Grants are accounted for when paid or when there is an obligation to pay.

Resources expended

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

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the Independent Examiner's fees and costs relevant to strategic management.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each tangible fixed asset over its expected useful life as follows:

1. Leasehold property improvements - straight line over the period to 31 December 2031
2. Furniture and equipment - 10% / 20% / 33% straight line

Investment properties

Investment properties are stated at market value. Realised and unrealised gains are included in the Statement of Financial Activities. No depreciation is provided on investment properties. This is a departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated. The directors consider that to depreciate the properties would not give a true and fair view. Depreciation is only one of the many factors reflected in the valuation and the amount which might otherwise have been shown.

1. Accounting Policies

The investment properties are maintained to a high standard and as such their residual value is expected to be not less than their cost and therefore the depreciation is immaterial to the accounts. Impairment reviews are carried out on an annual basis by the Board. The directors consider that this accounting treatment results in the financial statements giving a true and fair view.

Listed Investments

Listed investments are shown at market value. Realised and unrealised gains are disclosed in the Statement of Financial Activities.

Funds

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general fund.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of costs.

2. Income and endowments from Charitable Activities: Grants

	2021	2020
	£	£
Restricted Funds		
Departm't of Health - Health Care Chaplaincy	250	-
Methodist Church - Prison Chaplaincy	10,000	20,000
Culham ST Gabriels's - Education Project	4,000	-
Westhill Endowment - Education Project	2,500	-
Total	<u>16,750</u>	<u>20,000</u>

3. Expenditure on: Charitable Activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Grants payable:				
Ministerial counselling service	-	-	-	1,820
Other - The Welcome Directory	-	-	-	-
	-	-	-	1,820
Direct expenditure:				
General	177,015	-	177,015	179,222
Health Care Chaplaincy (HCC)	28,717	627	29,344	22,357
Public Affairs Project	-	-	-	39,720
Education officers	57,099	6,500	63,599	81,491
Prison Chaplaincy	29,815	10,000	39,815	40,933
	292,646	17,127	309,773	363,723
Total	292,646	17,127	309,773	365,543

4. Directors' Emoluments and Staff Costs

Staff costs during the year were:	2021	2020
	£	£
Wages and salaries	192,495	190,792
Social security costs	13,831	12,104
Pension contributions	17,633	37,489
Total	<u>223,959</u>	<u>240,385</u>

No employees received remuneration greater than £60,000.

The average number of employees during the year was:	2021	2020
	Number	Number
Direct charitable activities	4	4
Management and administration	2	2
Total	<u>6</u>	<u>6</u>

Total compensation paid to key management personnel in the year amounted to £45,142 (2020: £45,142).

Directors' emoluments, including pension benefits, amounted to £nil (2020: £nil).

Expenses reimbursed to two (2020: five) directors for travel, subsistence and conference expenses were £436 (2020: £1,366).

5. Net Income / (Expenditure)

Net incoming resources is stated after charging:	2021	2020
	£	£
Independent Examiner's Fee	2,130	2,100
Depreciation	8,693	11,111

6. Tangible Fixed Assets

	Furniture and Equipm't	Leasehold Property Improvem't	Total
Cost	£	£	£
At 1 January 2021	24,726	234,444	259,170
At 31 December 2021	<u>24,726</u>	<u>234,444</u>	<u>259,170</u>
Depreciation			
At 1 January 2021	23,921	147,690	171,611
Charge for the year	805	7,888	8,693
At 31 December 2021	<u>24,726</u>	<u>155,578</u>	<u>180,304</u>
Net Book Value			
At 31 December 2021	-	78,866	78,866
At 31 December 2020	<u>805</u>	<u>86,754</u>	<u>87,559</u>

Leasehold property improvements were effected during preceding years to the London headquarters of the company which it occupies under the terms of a lease due to expire in 2032.

7. Investments

	UK Listed Investments General Funds	Investment Properties General Funds	Total
	£	£	£
Market Value			
At 1 January 2021	1,622,612	1,150,000	2,772,612
Increase on revaluation in year	210,843	-	210,843
Redeemed in year	(101,577)	-	(101,577)
At 31 December 2021	<u>1,731,878</u>	<u>1,150,000</u>	<u>2,881,878</u>
Historic Cost			
At 1 January 2021	1,459,902	667,881	2,127,783
Redemption in year	(86,852)	-	(86,852)
At 31 December 2021	<u>1,373,050</u>	<u>667,881</u>	<u>2,040,931</u>

The UK listed investments portfolio is made up of UK fixed interest stocks and equities, all quoted/listed within the UK. Investments which made up over 5% of the value of the portfolio are as follows:

	2021	2020
	%	%
COIF ethical income units	92.10	90.89
COIF fixed interest units	0.00	1.73
COIF property fund units	7.90	7.38

The investment properties were revalued at estimated open market value by the Directors in 2013, the directors do not believe that the market value has changed significantly since then.

8. Debtors

	2021	2020
	£	£
Trade debtors	24,838	29,205
Prepayments and accrued income	108,686	75,420
Total	<u>133,524</u>	<u>104,625</u>

9. Current Liabilities: Amounts Falling Due Within One Year

	2021	2020
	£	£
Accruals	2,142	41,862
Deferred rental income	10,625	10,625
Other Creditors	34,016	32,955
Total	<u>46,783</u>	<u>85,442</u>

10. Funds

	01-Jan-21	Transfers between funds	Income	Expend iture	Gains / (Losses)	31-Dec-21
	£		£			£
Unrestricted Funds:						
General reserve	106,008	195,506	179,499	(295,436)	-	185,577
Investment reserve	1,553,831	(180,781)	-	-	-	1,373,050
Investment revaluation reserve	162,710	(14,725)	-	-	210,843	358,828
Property reserve	667,881	-	-	-	-	667,881
Property revaluation	482,119	-	-	-	-	482,119
Total unrestricted	2,972,549	-	179,499	(295,436)	210,843	3,067,455
Restricted Funds						
Healthcare Chaplaincy	-	-	627	(627)	-	-
Prison Chaplaincy	-	-	10,000	(10,000)	-	-
Education	-	-	6,500	(6,500)	-	-
Total restricted	-	-	17,127	(17,127)	-	-
Total Funds	2,972,549	-	196,626	(312,563)	210,843	3,067,455

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as a general fund. Investments and Property assets are represented as separate funds distinguishing between cost and revaluations as these funds are not available for day to day expenditure.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of costs. During the year a grant from the Methodist Church was restricted to the costs of prison chaplaincy.

11. Analysis of Net Assets Between Funds

	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Unrestricted Funds				
General unrestricted funds	78,866	2,881,879	106,710	3,067,455
Restricted Funds	-	-	-	-
Total Funds	78,866	2,881,879	106,710	3,067,455

12. Comparative Statement of Financial Activities by fund type

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:			
Donations and legacies:			
Member church subscriptions	19,178	-	19,178
Donations	3,301	-	3,301
Charitable activities:			
Grants	-	20,000	20,000
Other trading activities:			
Rental income	33,197	-	33,197
Investments:			
UK listed investments	54,035	-	54,035
Rental properties	92,500	-	92,500
Other	99	-	99
Other			
Conference Fees	(94)	-	(94)
Other	3,762	-	3,762
Total	<u>205,978</u>	<u>20,000</u>	<u>225,978</u>
Expenditure on:			
Investment management costs:			
Property management costs	2,206	-	2,206
Charitable activities			
Grants payable	1,820	-	1,820
Other	336,058	27,665	363,723
Total	<u>340,084</u>	<u>27,665</u>	<u>367,749</u>
Net income / (expenditure)	<u>(134,106)</u>	<u>(7,665)</u>	<u>(141,771)</u>
Gains / (losses) on investment assets	83,071	-	83,071
Net income / (expenditure)	<u>(51,035)</u>	<u>(7,665)</u>	<u>(58,700)</u>
Net Movement in Funds	<u>(51,035)</u>	<u>(7,665)</u>	<u>(58,700)</u>

13. Related Parties and Control

The General Secretary had day to day control of the charity. The trustees have overall control of the charity.

Previously Eric Southwick & Co Charity Accountants was appointed to provide the services of Finance Officer to the charity. Eric Southwick & Co Charity Accountants is controlled by E Southwick, a director / trustee of The Free Church Federal Council (Incorporated). E Southwick declared his interest in Eric Southwick & Co Charity Accountants and was absent from discussions and took no part in the decision to appoint Eric Southwick & Co Charity Accountants.

The remaining directors were satisfied that it was in the best interests of The Free Church Federal Council (Incorporated) to appoint Eric Southwick & Co Charity Accountants and did so under the authority provided within the company's Articles of Association. The cost of these services in the year was £12,000.

Previously Charis Communications was appointed to provide services to support the development of the charity's website and to increase the charity's use of social media.

Charis Communications engages the services of the Rev Dr H Osgood and Rev T Howard is one of its directors, both are directors / trustees of The Free Church Federal Council (Incorporated).

The Rev Dr H Osgood and Rev T Howard declared their interests in Charis Communications and were absent from discussions and took no part in the decision to appoint Charis Communications.

The remaining directors were satisfied that it was in the best interests of The Free Church Federal Council (Incorporated) to appoint Charis Communications and did so under the authority provided within the company's Articles of Association. The cost of these services in the year was £4,800.