

**THE FRIENDS OF ESSEX CHURCHES TRUST  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2016**

**Registered Charity Number: 236033**

**EDMUND CARR LLP**

Chartered Accountants  
146 New London Road  
Chelmsford  
Essex  
CM2 0AW

**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

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**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**TRUSTEES (THE EXECUTIVE COMMITTEE)**

**In office during 2016 or at 6 March 2017**

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<b>Chairman</b>	Dr J Bettley	
<b>Vice-Chairman</b>	Dr C Starr	(to May 2016)
	Mr J Beale	(Appointed May 2016)
<b>Hon Secretary</b>	Mr M Stuchfield	
<b>Hon Treasurer</b>	Canon H Marsh	
<b>Other Trustees</b>	Mr J Beale	(to May 2016)
	Mrs J Cole	
	Mr K Gardner	
	Mrs R Grainger	(Appointed May 2016)
	Mrs C Hutley	(to May 2016)
	Mr D Lodge	
	Miss S Markham	
	Mr R Meloy	
	Mr J Pickthorn	
	Dr C Starr	(from May 2016)

## **THE FRIENDS OF ESSEX CHURCHES TRUST**

### **OTHER OFFICIALS OF THE ASSOCIATION**

#### **YEAR ENDED 31 DECEMBER 2016**

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**Patrons** Lord Petre, H M Lord-Lieutenant of Essex  
The Right Revd. Stephen Cottrell, Bishop of Chelmsford  
The Right Revd. Alan Williams, Bishop of Brentwood

**President** Mr P Martin

**Holding Trustees** Dr J Bettley  
Dr C Starr  
Canon H Marsh

#### **Registered Office**

5, Vicarage Lane, Great Baddow, Chelmsford, CM2 8HY

#### **Charity Commission Registration Number**

236033

#### **Bankers**

Barclays Bank plc, 40-41 High Street, Chelmsford, CM1 1DE

Shawbrook Bank, Lutea House, Warley Hill Business Park, Brentwood CM13 3BE

Virgin Money, Jubilee House, Gosforth, Newcastle on Tyne, NE3 4PL

#### **Investment Manager**

M & G Securities Ltd, Laurence Pountney Hill, London, EC4R 0HH

#### **Independent Examiner**

Ray Crace FCA, Edmund Carr LLP, 146 New London Road, Chelmsford, Essex, CM2 0AW

# **THE FRIENDS OF ESSEX CHURCHES TRUST**

## **REPORT OF THE TRUSTEES**

### **YEAR ENDED 31 DECEMBER 2016**

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The trustees present their report together with the financial statements for the year ended 31 December 2016 which have been the subject of an independent examination.

#### **OBJECTIVES AND ACTIVITIES**

The principal objects of the Trust are the promotion of public interest in the history of the Christian Churches in the area of the Diocese of Chelmsford and assisting in the preservation, repair and restoration of their fabric, through grant giving. From January 2015 grants are also made for work to improve church buildings.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

#### **Grant making policy**

The charity invites applications for the funding of repair and restoration projects, and from 2015 also for improvements to churches. Applications are reviewed against specific criteria by the Grants Committee which meets quarterly. Grants are allocated based on the highest priority and the funds available. The charity aims to make grants equivalent to its net annual income supplemented by legacy income, when this occurs, gradually reducing unrestricted funds to the reserve level.

#### **Gutter Clearance Scheme**

The Diocese of Chelmsford launched the Gutter Clearance Scheme in November 2013 and the Trust will give the first 100 parishes to undertake the work a grant of £50 towards the work costs, as well as incurring the cost of publicity. To date only 13 grants have been taken up.

#### **ACHIEVEMENTS AND PERFORMANCE**

The 2016 grant allocations were £ 112,750 (2015 - £159,000) and one small grant lapsed during this year (2015 - nil). Grants were offered to a total of 16 Churches and ranged in amount from £1,500 to £15,000. Grant cheques of £149,000 (2015 - £144,500) were paid in the year.

During 2016 the total grant allocations included £6,250 for improvements to 2 churches, and of this amount nil was paid out during the year.

#### **FINANCIAL REVIEW**

The accounts for the financial year ended 31 December 2016 are set out on the following pages 7 to 12.

The Statement of Financial Activities and the Balance Sheet, together with the accompanying notes, provide a detailed review of the charity's performance for the year.

During the year income (excluding any gains on investments) reduced from £148,813 in 2015 to £141,887, both figures including the gross receipts from the Ride & Stride event. Support expenditure remained low during the year, representing 1.4% (2015 - 1.4%) of income.

During the year a number of fundraising events are held at which volunteers provide support. These events, of which the principal one is Ride & Stride, have generated net income of £49,603, and the charity anticipates that this level of income will be maintained. Of the money raised by Ride and Stride approx 50%, net of gift aid, is returned to the participating Churches and this figure is shown in the Notes.

# **THE FRIENDS OF ESSEX CHURCHES TRUST**

## **REPORT OF THE TRUSTEES (*Continued*)**

### **YEAR ENDED 31 DECEMBER 2016**

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#### **Investment Policy**

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes account of recent demand for funds and the grant making policy set out above. During 2014 all the previous investments were realised and fresh investment was made in M & G Charifund income units. The value of the monies invested increased substantially during the year and the previous years' unrealised losses of £3,457 were recouped out of a total £19,970 unrealised gain. The performance of the investment will continue to be monitored by the trustees.

#### **Reserves Policy**

It is the policy of the charity to maintain unrestricted reserves at a level consistent with enabling the charity to provide sufficient funds to meet the agreed grants allocation for the year plus expected outgoings and a provision for contingencies.

The agreed grants allocation for the year will be constrained by the previous year's income less expected outgoings plus any reduction in reserves adopted by the Committee from time to time.

The reserves policy is reviewed annually and a range of options consistent with prudent investment policy considered.

The trustees consider the current level of reserves is sufficient to meet the reserves policy.

### **STRUCTURE GOVERNANCE AND MANAGEMENT**

The Friends of Essex Churches Trust is registered as a charity with the Charity Commission. The affairs of the Trust are governed by its Constitution which was originally adopted on 29 January 1983 as amended most recently on 13 May 2015. These constitutional changes were mainly related to officers, committee structure, bank accounts and other administrative items.

#### **Trustees**

The trustees of the Trust both during 2016 and at the date of signature are set out on page 1. The Executive Committee (trustees) consists of the honorary officers and not less than 5 and not more than 11 members elected at the annual general meeting, who hold office from the conclusion of that meeting.

The honorary officers, being the Chairman, Vice-Chairman, Secretary and Treasurer, are elected by the members from amongst themselves at the annual general meeting. Other Executive Committee members are nominated by members of the Charity in writing to the Secretary of the Executive Committee at least 14 days before the annual general meeting. Should nominations exceed vacancies, elections are by ballot.

When a new trustee is appointed appropriate training and induction are provided.

# **THE FRIENDS OF ESSEX CHURCHES TRUST**

## **REPORT OF THE TRUSTEES (*Continued*)**

### **YEAR ENDED 31 DECEMBER 2016**

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#### **Trustees' Responsibilities**

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

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the 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.

#### **Independent Examiner**

Following the trustees' decision in 2015 to move to an independent examination, Ray Crace FCA of Edmund Carr LLP was appointed as Independent Examiner. Mr Crace has expressed his willingness to continue in office and a resolution to re-appoint him will be proposed at the annual general meeting.

The accounts (financial statements) have been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Approved by the trustees on 6 March 2017 and signed on their behalf by:

**H A Marsh**

Hon Treasurer

**J Bettley**

Chairman

**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**  
**YEAR ENDED 31 DECEMBER 2016**

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I report on the accounts of the charity for the year ended 31st December 2016 which are set out on pages 7 to 12.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn. We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act;

have not been met; or

2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**R Crace FCA**

9 March 2017

146 New London Road  
Chelmsford  
Essex  
CM2 0AW



**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2016**

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	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Income from:</b>			
Donations and subscriptions	2	37,685	35,843
Legacies		-	500
Fundraising activities	3	87,849	96,562
Investment income	4	16,403	15,908
<b>Total income</b>		<u>141,937</u>	<u>148,813</u>
<b>Expenditure on:</b>			
Fundraising activities	5	38,246	43,528
Charitable activities	6	115,635	163,776
<b>Total expenditure</b>		<u>153,881</u>	<u>207,304</u>
<b>Net gains/(losses) on investments</b>			
Unrealised gain/(loss) on investments	8	19,970	( 848)
<b>Net income/(expenditure) / Net movement in funds</b>		<u>8,026</u>	<u>( 59,339)</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		471,742	531,081
<b>Total funds carried forward</b>		<u><u>479,768</u></u>	<u><u>471,742</u></u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All funds are unrestricted.

**The notes on pages 9 to 12 form part of these financial statements.**

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**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	8	301,940	281,970
<b>CURRENT ASSETS</b>			
Debtors	9	1,500	743
Cash at bank	10	263,008	312,999
		<u>264,508</u>	<u>313,742</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>86,680</u>	<u>123,970</u>
<b>NET CURRENT ASSETS</b>		177,828	189,772
<b>NET ASSETS</b>		<u>479,768</u>	<u>471,742</u>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted General Fund	12	479,768	471,742
<b>TOTAL CHARITY FUNDS</b>		<u>479,768</u>	<u>471,742</u>

Approved by the Trustees on 6 March 2017 and signed on their behalf by:

**H A Marsh**  
Hon Treasurer

**J Bettley**  
Chairman

The notes on pages 9 to 12 form part of these financial statements.

**THE FRIENDS OF ESSEX CHURCHES TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

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**1. Accounting Policies**

**Basis of accounting**

The accounts (financial statements) have been prepared in accordance with the statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Friends of Essex Churches Trust meets the definition of a public benefit entity under FRS 102.

**First time adoption of FRS 102**

The Trust transitioned to FRS 102 on 1 January 2015, being the first day of the comparative period. No transitional adjustments were required on adoption of FRS 102.

**Branches**

The committee consider the overall activities of branches to be immaterial and account for them on a net income received basis.

**Fundraising activities**

The committee consider directly attributable expenditure on fundraising activities to be material, therefore income is accounted for gross of expenditure. The return payments to local Churches are shown as outgoings.

**Income and expenditure**

All income and expenditure is recognised once there is a legal or constructive obligation to that income/ expenditure, it is probable that settlement is required and the amount can be measured reliably.

**Legacies received**

Legacies are accounted for when receivable as long as they are capable of financial measurement.

**Investment Income**

Investment income is accounted for on a received basis.

**Interest on bank deposits**

Interest is accounted for on an accruals basis.

# THE FRIENDS OF ESSEX CHURCHES TRUST

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS *(Continued)*

### YEAR ENDED 31 DECEMBER 2016

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#### **Grants Payable**

Grants payable are recognised as expenditure when the grant is allocated.

#### **Debtors and Creditors**

Trade and other debtors are recognised at the settlement amount due. Creditors are recognised at their settlement amount.

#### **Fund accounting**

Unrestricted general funds - these are funds which can be used in accordance with the charitable object at the discretion of the trustees.

#### **Taxation**

As the Trust is a charity, it is exempt from taxation - other than VAT, which is included in the relevant costs in the Statement of Financial Activities - to the extent that any income and gains are applied to its charitable objectives.

### **2. Donations and Subscriptions**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Subscriptions	17,312	17,314
Donations	15,587	13,539
Southend Branch - Donation to parent charity	1,000	1,000
Gift Aid	3,786	3,990
	<u>37,685</u>	<u>35,843</u>

### **3. Income from Fundraising Activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Ride and Stride - Donations	61,686	67,172
- Gift Aid	8,690	9,540
Other Events	17,473	19,850
	<u>87,849</u>	<u>96,562</u>

### **4. Investment Income**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dividends received	13,962	13,569
Interest receivable	2,441	2,339
	<u>16,403</u>	<u>15,908</u>

**THE FRIENDS OF ESSEX CHURCHES TRUST**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS *(Continued)***

**YEAR ENDED 31 DECEMBER 2016**

**5. Expenditure on Fundraising Activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Ride and Stride - Expenses	2,234	2,909
- Returned to sponsoring Churches	29,559	33,194
Other Event expenses	6,453	7,425
	<u>38,246</u>	<u>43,528</u>

**6. Charitable Activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Grants offered during year - 16 (2015 - 24)	106,500	114,000
- Maintenance	6,250	45,000
- Improvements	( 1,000)	-
2013 lapsed grant	<u>111,750</u>	<u>159,000</u>
Promotion of public interest in churches	1,830	2,683
Governance and support costs (note 7)	2,055	2,093
	<u>115,635</u>	<u>163,776</u>

**7. Governance and Support Costs**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Independent examiner's fee	1,380	1,320
Other administration costs	675	773
	<u>2,055</u>	<u>2,093</u>

**8. Investments**

	<b>Investment b/f 1/1/16 £</b>	<b>Unrealised Gain £</b>	<b>Investment c/f 31/12/16 £</b>
M & G Charifund - Income units	<u>281,970</u>	<u>19,970</u>	<u>301,940</u>

# THE FRIENDS OF ESSEX CHURCHES TRUST

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS *(Continued)*

### YEAR ENDED 31 DECEMBER 2016

#### 9. Debtors

	2016 £	2015 £
Gift Aid recoverable	431	552
Interest accrued	1,069	191
	<u>1,500</u>	<u>743</u>

#### 10. Cash At Bank

	2016 £	2015 £
<b>Current</b>		
Barclays - 5 various accounts for each section	6,968	7,570
<b>Deposit</b>		
Barclays - easy access	31,040	80,429
Virgin Money - easy access	50,000	225,000
Virgin Money - 100 days notice (from June 2016)	100,000	-
Shawbrook - 12 months fixed deposit (from September 2016)	75,000	-
	<u>263,008</u>	<u>312,999</u>

#### 11. Creditors: amounts falling due within one year

	2016 £	2015 £
Outstanding obligations for grants	79,750	117,000
Grants and publicity for Gutter Clearance Scheme	5,550	5,650
Accruals	1,380	1,320
	<u>86,680</u>	<u>123,970</u>

#### 12. Funds

All funds held by the charity during the year are unrestricted general funds.

#### 13. Trustees Remuneration/ Related Party Transactions

No trustees or connected persons received any remuneration or personal expenses either directly or indirectly (2015 - nil).

There were no related party transactions during the financial year (2015 - nil).