

**THE FRIENDS OF ESSEX CHURCHES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

Registered Charity Number: 236033

EDMUND CARR LLP

Chartered Accountants
146 New London Road
Chelmsford
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CM2 0AW

THE FRIENDS OF ESSEX CHURCHES TRUST
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YEAR ENDED 31 DECEMBER 2018

CONTENTS	PAGE
Trustees (The Executive Committee)	1
Other Officials of the Association	2
Report of the Trustees	3
Report of the Independent Examiner	6
Statement of Financial Activities	7
Balance Sheet	8
Notes forming part of the Financial Statements	9

THE FRIENDS OF ESSEX CHURCHES TRUST
TRUSTEES (THE EXECUTIVE COMMITTEE)
In office during 2018 or at 18 March 2019

Chairman	Mr J Beale
Vice-Chairman and Hon Secretary	Mr M Stuchfield
Hon Treasurer	Canon H Marsh
Other Trustees	Mrs C Arnold (from 16 May 2018)
	Mrs J Cole
	Mr K Gardner (to 16 May 2018)
	Mrs R Grainger
	Mr L Lepper (from 16 May 2018)
	Mr D Lodge
	Revd P McEune (to June 2018)
	Mr R Meloy
	Mr J Pickthorn
	Dr C Starr (to May 2018)

THE FRIENDS OF ESSEX CHURCHES TRUST

OTHER OFFICIALS OF THE ASSOCIATION

YEAR ENDED 31 DECEMBER 2018

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

President The Right Revd. Thomas McMahon

Holding Trustees Mr J Beale
Mr M Stuchfield
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 2018

The trustees present their report together with the financial statements for the year ended 31 December 2018 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.

Gutter Clearance Scheme

The Diocese of Chelmsford launched the Gutter Clearance Scheme in November 2013 and as well as incurring the initial cost of publicity the Trust will give the first 100 parishes to undertake the work a grant of £50 towards the work costs. To date only 17 grants have been taken up and it is felt that few more are likely to be received. Therefore the net creditor of £5,350 was written back during 2018.

ACHIEVEMENTS AND PERFORMANCE

The 2018 grant allocations were £89,000 (2017 - £273,350). Grants were offered to a total of 15 Churches and ranged in amount from £2,000 to £12,500. Grant cheques of £242,750 (2017 - £79,850) were paid in the year for completed projects. During 2018 the total grant allocations included £24,000 for improvements to 5 churches, and of this amount £8,000 was paid out during the year.

FINANCIAL REVIEW

The accounts for the financial year ended 31 December 2018 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 the gain on investments) increased from £135,907 in 2017 to £142,800, both figures including the gross receipts from the Ride & Stride event. Support expenditure remained low.

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 £43,923, and the charity expects 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 2018

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 a fresh investment was made in M & G Charifund income units. The value of the monies invested increased substantially until 2017, but market conditions were causing a substantial 2018 loss. In May 2018 a substantial proportion was redeemed at a small gain on the year, but an unrealised loss of £27,000 arose over the year on the remainder. 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 just enough to meet this 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.

Trustees

The trustees of the Trust both during 2018 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 2018

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 18 March 2019 and signed on their behalf by:

H A Marsh

Hon Treasurer

J Beale

Chairman

THE FRIENDS OF ESSEX CHURCHES TRUST
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
YEAR ENDED 31 DECEMBER 2018

I report to the charity trustees on my examination of the accounts of the Charity for the year ended 31 December 2018, which are set out on pages 7 to 12.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material 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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

R Crace FCA

146 New London Road
Chelmsford
Essex
CM2 0AW

21 March 2019

THE FRIENDS OF ESSEX CHURCHES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Income from:			
Donations and subscriptions	2	58,184	32,810
Legacies		1,000	4,507
Fundraising activities	3	69,528	81,833
Investment income	4	14,088	16,757
Total income		<u>142,800</u>	<u>135,907</u>
Expenditure on:			
Fundraising activities	5	25,957	34,632
Charitable activities	6	88,178	283,570
Total expenditure		<u>114,135</u>	<u>318,202</u>
Net gains/(losses) on investments			
Unrealised (loss)/gain on investments	8	(27,429)	21,093
Net income/(expenditure) / Net movement in funds		<u>1,236</u>	<u>(161,202)</u>
Reconciliation of funds			
Total funds brought forward		318,566	479,768
Total funds carried forward		<u>319,802</u>	<u>318,566</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.

THE FRIENDS OF ESSEX CHURCHES TRUST**BALANCE SHEET****AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
FIXED ASSETS			
Investments	8	180,353	323,033
CURRENT ASSETS			
Debtors	9	2,719	2,674
Cash at bank	10	257,730	275,339
		<u>260,449</u>	<u>278,013</u>
CREDITORS: Amounts falling due within one year	11	<u>121,000</u>	<u>282,480</u>
NET CURRENT ASSETS/ LIABILITIES		139,449	(4,467)
NET ASSETS		<u>319,802</u>	<u>318,566</u>
FUNDS OF THE CHARITY			
Unrestricted General Fund	12	319,802	318,566
TOTAL CHARITY FUNDS		<u>319,802</u>	<u>318,566</u>

Approved by the Trustees on 18 March 2019 and signed on their behalf by:

H A Marsh
Hon Treasurer

J Beale
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 2018

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.

General Information

The Friends of Essex Churches Trust is an unincorporated charity which meets the definition of a public benefit entity under FRS 102. The registered office is 5 Vicarage Lane, Great Baddow, Chelmsford, CM2 8HY.

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 2018

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

	2018	2017
	£	£
Subscriptions	15,537	16,612
Donations	39,309	12,356
Southend Branch - final donation to parent charity	-	450
Gift Aid	3,338	3,392
	<u>58,184</u>	<u>32,810</u>

3. Income from Fundraising Activities

	2018	2017
	£	£
Ride and Stride - Donations	43,923	50,107
- Gift Aid	6,060	6,753
Other Events	19,545	24,973
	<u>69,528</u>	<u>81,833</u>

4. Investment Income

	2018	2017
	£	£
Dividends received	12,193	14,700
Interest receivable	1,895	2,057
	<u>14,088</u>	<u>16,757</u>

THE FRIENDS OF ESSEX CHURCHES TRUST

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

YEAR ENDED 31 DECEMBER 2018

5. Expenditure on Fundraising Activities

	2018	2017
	£	£
Ride and Stride - Expenses	161	131
- Returned to sponsoring Churches	20,429	24,938
Other Event expenses	5,367	9,563
	<u>25,957</u>	<u>34,632</u>

6. Charitable Activities

	2018	2017
	£	£
Grants offered during year 10 (2017 - 26)	65,000	167,350
5 (2017 - 12)	24,000	106,000
lapsed grants for gutter clearance	(5,350)	-
	<u>83,650</u>	<u>273,350</u>
Promotion of public interest in churches	2,487	8,508
Governance and support costs (note 7)	2,041	1,712
	<u>88,178</u>	<u>283,570</u>

No grants awarded in 2018 exceeded £15,000. (2017 £30,000 to Crowthorne United Reformed Church and £25,000 to Saffron Walden Parochial Church Council.)

7. Governance and Support Costs

	2018	2017
	£	£
Independent examiner's fee	1,500	1,440
Other administration costs	541	272
	<u>2,041</u>	<u>1,712</u>

8. Investments

	2018	2017
	£	£
Market value at 1 January	323,033	301,940
Disposal proceeds	(115,251)	-
Realised gain on investments	264	-
Unrealised (loss)/gain on investments	(27,693)	21,093
Market value at 31 December	<u>180,353</u>	<u>323,033</u>
Historical cost at 31 December	<u>183,826</u>	<u>285,427</u>

All investments are held in a M&G Charifund Income units.

THE FRIENDS OF ESSEX CHURCHES TRUST

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

YEAR ENDED 31 DECEMBER 2018

9. Debtors

	2018 £	2017 £
Gift Aid recoverable	2,283	1,849
Interest accrued	370	738
Other accrued income	66	87
	<u>2,719</u>	<u>2,674</u>

10. Cash At Bank

	2018 £	2017 £
Current		
Barclays - 5 various accounts for each section	22,309	8,643
Deposit		
Barclays - easy access	10,421	41,696
Virgin Money - easy access	140,000	50,000
Virgin Money - 100 days notice		100,000
Shawbrook - 12 months fixed deposit (from September 2018)	85,000	75,000
	<u>257,730</u>	<u>275,339</u>

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Outstanding obligations for grants	119,500	273,250
Grants and publicity for Gutter Clearance Scheme	-	5,450
Accruals	1,500	3,780
	<u>121,000</u>	<u>282,480</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 (2017 - nil).

There were no related party transactions during the financial year (2017 - nil).