

THE FRIENDS OF THE CITY CHURCHES

Trustees' Annual Report and Financial Statements

for the

Year Ended 31 March 2015



St Mary Abchurch, Abchurch Lane, London EC4N 7BA

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Registered charity number 1155049

The Friends of the City Churches (FCC)

Trustees' Annual Report for the year ended 31 March 2015

- In November this year, FCC will celebrate 20 years of dedication to the task of preserving and protecting City churches for the public benefit.
- FCC is now widely recognised as a focal point for church visiting and publicity in the City of London.
- The growing active use of City churches for both spiritual and secular events indicates the strong desire of both the general public and overseas visitors to enjoy our cultural heritage.

The objectives of FCC are to preserve and protect for the public benefit:

- (i) churches and chapels of architectural and/or historic interest situated in the City of London, whether belonging to or formerly used by the Church of England or any other body;
- (ii) the monuments, fittings, fixtures, organs, stained glass, furniture, ornaments and chattels of any such church or chapel and their united parishes; and
- (iii) the churchyard and burial ground belonging or formerly belonging to any such church or chapel.

The principal aim of FCC hitherto has been to keep the churches open, thereby ensuring proper attention to maintenance and repair, but also directly offering a superb display of our heritage for the public benefit.

This aim will continue. Additionally, FCC will seek to increase its membership more widely, promote education and awareness among more diverse groups, and provide better access for the public to its archive material.

Trustees	Oliver Leigh-Wood	Chairman	
	Paul Simmons	Vice Chairman	
	Neil Graham	Honorary Treasurer	(from 1 July 2014)
	Liz Simpson	Honorary Secretary	(from 1 July 2014)
	Nancy Branson		
	Brian Evans		(from 1 July 2014)
	Signe Hoffos		
	David Jessop		
	Mary Milne-Day		
	John Reynolds		
	Tony Tucker		
	David Cutler	Honorary Treasurer	(to 30 June 2014)
	David Salter		(to 31 December 2013)
Office Manager	Alice Rankin		

The Friends of the City Churches (FCC) Trustees' Annual Report for the year ended 31 March 2015

The Trustees have pleasure in presenting their Annual Report and Financial Statements on the activities of FCC for the year ended 31 March 2015.

Structure, governance and management

FCC was reconstituted as a Charitable Incorporated Organisation ('CIO') with effect from 17 December 2013 and operates under the 'Association Model' constitution for such organisations. This Annual Report and Financial Statements will be the first to be filed with the Charity Commission under our new registration.

Trustees are appointed by the membership of the CIO in general meeting, and serve for three years after which they may offer themselves for re-election. Four of the Trustees are *ex officio* appointments: Chairman, Vice-Chairman, Honorary Treasurer and Honorary Secretary. The recruitment and induction process for new Trustees is operated in a manner commensurate with the scale and nature of FCC. All Trustees are required to have read the Guide to Trustees' Duties and Guidance on Public Benefit publications issued by the Charity Commission.

The Trustees have complied with their duty under law (s17(5), Charities Act 2011) to have due regard to the Charity Commission's public benefit guidance when exercising powers or duties to which the guidance is relevant.

The Trustees do not carry on activities, either voluntary or for profit, which conflict with their duties for FCC. Several Trustees, however, do have roles in other charities or churches, or work for their own account, which activities are complementary to their work for FCC.

None of the Trustees receive remuneration for their work for FCC.

The Trustees meet monthly to decide overall strategic direction, priorities and planning, to receive reports from sub-committees and working groups, and to agree financial commitments, including the award of grants to selected City Churches. The governance structure is kept under review in response to the strategic need of FCC, so as to achieve the most efficient balance between the full Trustees Meeting and the sub-committees and working groups.

The Trustees collectively provide a wealth of experience on heritage conservation and knowledge of the City of London.

This year several new Trustees have taken office: our Honorary Treasurer, Neil Graham, replacing David Cutler; our Watching Coordinator, Brian Evans, replacing David Salter; and our Honorary Secretary, Liz Simpson, who had previously acted as Secretary on an interim basis only.

Membership

Our membership numbers are stable. We have around 1000 active accounts, many of which are joint memberships, so that the number of members is far higher than

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1000. We had 66 new accounts opened during the year. The Trustees are aware of the considerable expertise residing within the Membership and will seek to tap this knowledge more in the future.

Promotional activity

Generally our promotional efforts have held up well, though I believe we can and should do more to reach a more diverse membership; we are now exploring various tactical initiatives. For example, recently Alice Rankin has published articles in the national press on the City churches.

- **Newsletter**

Four issues of the Newsletter were published during the year, generously supported by a grant from the Golden Bottle Trust. This is an excellent quality publication receiving high praise in many quarters; it provides a useful window on all the activities of FCC and sets the tone for what we are about. Our thanks go to all, and particularly to our Editor, Vice-Chairman, Paul Simmons.

- **City Events**

City Events has been regularly issued through the year and distributed to churches, information centres and other locations, and is available on our website. This year the coverage will be widened still further, so that most City churches, if willing, will in fact be included within the publication; in future we plan to include also certain churches just outside the City's perimeter which have shown an interest in the publication. Our thanks go to John Reynolds, Trustee and Ingrid Slaughter for all their dedication and care in producing this invaluable publication.

- **Website et al**

Our website has been improved considerably over the year mainly due to the efforts of Alexey Moskvina. We now have improved links, increasingly interesting photographs (which will continue) and more accurate up to date information. This year we are seeking further improvements, conscious that a growing proportion of our Membership expects to enjoy the facility of a well-maintained, easy-to-use website.

The Twitter account is run and managed on a voluntary basis, by FCC member, Amber Raney-Kincade. It was established in February 2013 under the name FriendsCityChurches, and has attracted 770 followers to date. It is currently used to advertise the opening times of the City churches, lunch time recitals as well as any spare places on lectures or talks hosted by FCC.

FCC has an Eventbrite account which will allow Members to pay for events by debit or credit card. Following payment an electronic ticket is emailed to the recipient. This facility will be used by FCC for its large-scale events only. For all walks where places are limited, the traditional system of a ballot will remain in place. Members will still have the option of providing the office with a cheque as an alternative to Eventbrite.

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- **Events**

We have enjoyed more than 20 walks, talks and visits this year, many of which have been over-subscribed, and have been repeated on demand. Our guided visits have included livery halls and their associated churches, several Inns of Court, specialist museums and the Whitechapel Bell Foundry. Talks included new architecture and stained glass, while guided walks have included everything from strolls through famous streets, alleyways and gardens to charnel houses, monasteries and God and Mammon!

We are grateful to Signe Hoffos, Trustee and fellow Trustees for organising such a successful programme, and extend our sincere thanks to the many City Guides and guest lecturers who support our activities every year.

Chairman's outing: in October this popular annual fixture visited Lenham, Charing and Westwell in Kent, which hold a wealth of heritage and architectural interest within earshot of the M20.

Postman's Park: in August, FCC organised a garden party for Members in the churchyard of St Botolph Aldersgate to celebrate the Memorial to Heroic Self-Sacrifice initiated there by the Victorian artist G F Watts. Tony Tucker, Trustee has since joined a new working group, comprising the Archdeaconry of London, the City of London Corporation and the Watts Gallery to help care for the monument.

Concert: in June we heard some beautiful singing from several choirs at a summer concert, organised by David Jessop, Trustee.

Carol Service: for the second consecutive year, we held our annual carol service in St Mary Abchurch, efficiently organised as ever by Nancy Branson, Trustee, and very well attended. The choir from Haberdashers' Askes' Hatcham College performed magnificently, and we are very grateful to the Rev'd Prebendary Nick Mercer for leading the service. Everyone seemed to enjoy the mince pies and mulled wine afterwards.

The Worshipful Company of Fruiterers held their customary annual service on St Paul's Day, 26 January 2015, at which their new Master and Officers were sworn in to office. Additionally, in February, Past Master Peter Cooper, gave a presentation to FCC Trustees on the history and connections between the Fruiterers and St Mary Abchurch.

FCC volunteers again staffed stalls at the St Lawrence Jewry Music Festival in August, and provided guided talks on St Mary Abchurch at the Ride and Stride/London Open City Day in September.

- **Merchandise**

FCC merchandise continues to be sold at events and by mail order. The pocket guide book to City churches by Tony Tucker, Trustee, remains an exceedingly popular item. Also, despite extended print runs, FCC Christmas cards and the superbly

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illustrated calendars were quickly exhausted this year. We are continuing to research suppliers of a tasteful ladies' scarf with FCC logo, as a complementary offering to the men's ties. Other new lines of merchandise are kept under review. Our thanks go to Liz Simpson, Hon Secretary for organising merchandise.

Our support for churches

- **St Mary Abchurch**

Services

In addition to the annual service held by the Fruiterers Company and the FCC carol service mentioned above, St Mary Abchurch has continued to hold a weekly communion service. Regrettably, our resident Chaplain, the Rev'd Craig Barber, has been unable to hold recent services himself due to illness, and we wish him well. Additionally, the Russian Chaplaincy uses the church each Sunday for its weekly Russian Orthodox services.

Major improvements

We have completed the necessary improvements to enable the church to meet existing fire regulations, and have improved security arrangements, mainly by installing new internal CCTV cameras.

The font cover has been renovated. The kitchen has had a major upgrade, which has been generally well received. The West door to the vestry has been made serviceable. We continue to research means of improving lighting to the dome, and ways to increase the performance area for choirs. In the crypt is a war memorial (WWI and WWII), which we would like to display as a monument in the church.

We now have a Bell Restoration Appeal and I am hopeful that we will substantially reach our fundraising target of £6,000 for the exciting restoration of our 1675 bell. If the funds are available, then the restoration by the Whitechapel Bell Foundry can begin later this year.

I am particularly pleased to say that we have also restored the flagpole, and now fly the Diocesan flag.

All completed works have had the support and approval of the Archdeacon of London's Office.

So we remain active in doing what we can to present this wonderful church for the public. Statistics are approximate, but we calculate that over 5000 people will have visited the church during the financial year – an achievement when one considers that not so long ago the alternative was closure.

Letting

FCC lets out church space for spiritual and secular events. Currently, about a third of income derives from the Russian Chaplaincy, another third from Alcoholics Anonymous counselling groups, and the remaining income derives principally from the Orlando Chamber choir and the Chinese Philharmonic Choir, who use the church

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regularly both for rehearsals and concerts. There remains considerable interest for church lettings from a variety of other groups – the constraint is merely the time-scheduling. Our thanks go to David Jessop, Trustee for his splendid organisation of our lettings and all that he does as Church Manager.

- **Church Watching**

The Church Watching scheme has been at the heart of our success in keeping the City churches open and used, and it is pleasing to note the continued enthusiasm from so many Watchers – on average, around 90 make themselves available from time to time. They have been ably coordinated this year for the first time by Brian Evans, Trustee, supported by his equally able team of Rota Managers: Hellena Cleary, Liz Dolan, Peter Eaton, Barbara Figg, Melvyn Jeremiah and Lesley Thrift. (Terry Barber kindly stood in for Hellena for several months whilst she was unwell). Our thanks to all for their loyalty and dedication.

Melvyn Jeremiah has indicated his wish to step down; Melvyn has provided an enormous wealth of experience and dedication over many years and we shall miss him greatly. Marion Watson is joining the team in his stead.

We watch in 17 churches. During the year we have gained St Anne & St Agnes, St Clement Eastcheap and St Michael Cornhill, but lost St Botolph Aldersgate, where the Christian Heritage Centre now operates four days a week, making our watching service unnecessary.

Various administrative improvements have continued throughout the year: Watchers' Handbooks are being updated; 'A' display boards are being renovated where necessary; Watcher master lists have been revised and will in future be kept under review annually; and statistics are being prepared showing visitor numbers to watched churches.

In May the Trustees are planning to show their appreciation to all Watchers by hosting a tea party here in St Mary Abchurch.

- **Grant programme**

This year our focus has been mainly on St Mary Abchurch, and grants to other churches have been very light. We have not benefited from legacies and gifts income quite as much as in the prior year, and this has constrained somewhat what we would like to do for the other churches.

In future we plan to establish an inventory of potential works for City churches for which FCC can make a sensible contribution by way of grants. This will enable us to plan ahead more effectively and conduct necessary fund-raising, where appropriate.

Financial review

- **Overall result**

First, I should like to thank all those who have kindly made donations to FCC – a multitude of small donations, but also several large gifts, which are very gratefully

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received. We continue to be a going concern and carry healthy reserves of some £300,000, about which more is explained below.

The General Fund, which is an unrestricted fund, after taking account of exceptional items, incurred an overall deficit of £9,063, compared with a deficit of £2,646 in the prior year. This represents a drain on our reserves, which, although manageable in the short term, is not a desirable position for the longer term. There is a partial mitigation in that it could be said that the exceptional cost of improvements to St Mary Abchurch (some £12,000 this year) is an appropriate use of our reserves – fully within our charitable objectives. However, we should not allow our 'normal running' costs to drain our reserves – these should be funded by our regular income. The Honorary Treasurer will explain later how we seek to eradicate this deficit – principally by increasing our subscription rates.

- **Restricted funds**

There are two new restricted funds: the Bell Restoration Appeal Fund, which I have mentioned already, and the NADFAS City Church Recording Fund. FCC has agreed to administer the income and expenses of this church recording group on behalf of NADFAS. The Fund's income comprises grants received directly from NADFAS and other sources, and it does not use FCC monies.

The Trustees are aware that they have full responsibility for these funds, and that they are to be applied for the relevant specific purpose, and not commingled with the General Fund.

- **Reserves**

We are required to agree a 'Reserves Policy', under which tranches of reserves may be earmarked for specific strategic purposes at specific times. This would assist the Trustees in determining the particular investment strategy for each tranche of investment assets.

Whilst initial steps have been taken towards this, the matter is still work-in-progress and is dependent on final clarification of future strategy. The current 'working model' of our Reserves Policy is therefore to allocate approximately £100,000 to 'long-term' (more than 10 years), and £100,000 to 'medium-term' (3 to 10 years) reserves, with the balance of reserves (approximately £70,000) being held for 'short-term' use. The Trustees have agreed that an additional £30,000 should be maintained on readily realisable cash deposit, so as to provide for working capital needs plus a contingency. Appropriate investment of reserves for the long- and medium-term will occur when market conditions allow.

- **Risk management**

The Trustees regularly review the risk profile of FCC and maintain suitable documentation commensurate with the scale and nature of FCC.

FCC is not responsible for the maintenance and repair of the St Mary Abchurch structural fabric, nor the insurance thereof, which is a Diocesan responsibility. FCC

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works with the Diocese to ensure consistency and completeness of insurance coverage, and regularly reviews Health & Safety matters. We are grateful to the Diocese for awarding a substantial grant towards the cost of advice on fire prevention measures.

Transport for London have kept the Diocese and FCC regularly informed on the progress of the Bank Underground Station Upgrade project, which includes driving a new tunnel for the Northern line partially under St Mary Abchurch. The Trustees are satisfied that appropriate contingency is in place in the event that monitoring devices indicate church fabric movement.

FCC has a commitment to pay the Diocese rent of £125,000 over a five year period terminating on 31 May 2018, which amount may however be reduced to the extent of agreed capital improvements made to St Mary Abchurch by FCC. Current estimates are that capital deductions may reach approximately £50,000, leaving £75,000 rent payable over the five year period, of which £21,500 has been paid to 31 March 2015. Apart from this, FCC has no significant contracts or contingent liabilities, and has no pending litigation or threat of litigation.

- **Financial controls**

FCC follows the guidance issued by the Charity Commission on 'Internal Financial Controls'. Our controls are kept under review annually by the Honorary Treasurer and are designed appropriately for the scale and nature of our operations.

Conclusion

Already above I have thanked many Members, Watchers, volunteers, visiting guides and lecturers for all their hard work and patience in working with FCC. I must of course equally thank not only all my fellow Trustees, past and present, who labour for so long without complaint, but also Alice Rankin, our Office Manager, whose versatile skills are invaluable and whose unflinching caring support to all is exemplary. Collectively, all play their part in ensuring that our charity gives of its best for the sake of the City churches and the visiting public.

Additionally, on behalf of FCC, I give my sincere thanks to the Bishop of London, the Archdeacon, Martin Sargeant and the Area Dean for, once again, their continued support and understanding throughout the year. We are all very much looking forward to further cooperation with the Diocese during this year, when we celebrate our 20th anniversary.

Signed:

Oliver Leigh-Wood, Chairman of the Trustees

1 May 2015

The Friends of the City Churches
Financial Statements for the Year Ended 31 March 2015

INCOME AND EXPENDITURE ACCOUNT

2013/14 Combined funds			2014/15 General unrestricted	2014/15 Bell restricted	2014/15 NADFAS restricted	2014/15 Combined funds
£			£	£	£	£
	GENERAL MANAGEMENT					
14,802		Membership subscriptions	15,147			15,147
11,366		Donations and collections	8,511	2,949	1,000	12,460
4,052		Gift Aid	3,378	530		3,908
3,729		Interest	2,865			2,865
33,949		Total general income	29,901	3,479	1,000	34,380
7,954	Promotional	Newsletter (net expense)	8,573			8,573
-960		City Events (net income)	-2,870			-2,870
-568		Merchandise sales (net income)	-961			-961
786		Website	1,726			1,726
310		Advertising and other	225			225
-5,129		Events and activities (net income)	-5,640			-5,640
2,393			1,053	0	0	1,053
10,799	Administration	Personnel	10,634			10,634
500		Professional fees	270			270
4,132		Office costs	2,353			2,353
15,431			13,257	0	0	13,257
0	St Mary Abchurch	Clergy and sacrament	86			86
9,902		Rent and Insurance	14,309			14,309
6,755		Utilities	6,716			6,716
0		Repairs and maintenance	1,844			1,844
0		Security and fire	1,697			1,697
500		Organist and organ maintenance	1,574			1,574
0		Equipment	304			304
17,157			26,530	0	0	26,530
-9,045		Less: Church lettings	-11,123			-11,123
8,112		Net cost of St Mary Abchurch	15,407	0	0	15,407
25,936		Total general expense	29,717	0	0	29,717
8,013		SURPLUS/(DEFICIT) before Exceptional Items and Support	184	3,479	1,000	4,663
	EXCEPTIONAL ITEMS					
18,361		Legacies	3,042			3,042
5,000		Grants and gifts received	2,000			2,000
23,361		Total exceptional income	5,042	0	0	5,042
11,604		Professional fees	0			0
13,792		Improvements and major projects	12,339			12,339
25,396		Total exceptional expense	12,339	0	0	12,339
-2,035		Net Exceptional Income/(Expense)	-7,296	0	0	-7,296
	SUPPORT TO CITY CHURCHES					
878		Church Watching	1,341			1,341
7,746		Grants to churches	610			610
8,624		Net Expense of supporting City Churches	1,951	0	0	1,951
-2,646		SURPLUS/(DEFICIT) for the year	-9,063	3,479	1,000	-4,584

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BALANCE SHEET AT 31 MARCH 2015

2014 General unrestricted £		2015 General unrestricted £	2015 Bell restricted £	2015 NADFAS restricted £	2015 Combined funds £
0	Fixed Assets	0	0	0	0
	Current assets				
0	Debtors	1,400	530		1,930
103	Accrued revenue	5,378			5,378
2,499	Prepayments	0			0
2,602		6,778	530	0	7,308
1,360	Merchandise stock	830	0	0	830
0	Deposits: Metro Bank plc	50,000			50,000
0	Nationwide Building Society	30,000			30,000
123,361	Virgin Money plc	83,361			83,361
105,000	Scottish Widows Bank plc	0			0
66,437	CBF Church of England Deposit Fund	62,753			62,753
0	Skipton Building Society	52,451			52,451
294,798		278,565	0	0	278,565
0	Bank Savings Account: Lloyds Bank plc	0	0	1,000	1,000
11,617	Bank Current Account: Lloyds Bank plc	13,546	2,949	0	16,495
2	Petty Cash	13	0	0	13
310,379	Total assets	299,732	3,479	1,000	304,211
	Less: Current liabilities				
0	Creditors	60			60
1,050	Accrued expense	890			890
2,656	Deposits held and income in advance	1,172			1,172
3,706	Total liabilities	2,122	0	0	2,122
306,673	Total net assets	297,610	3,479	1,000	302,089
	Financed by:				
	General Reserves				
309,319	Balances brought forward	306,673	0	0	306,673
-2,646	Surplus/(deficit) for the year	-9,063	3,479	1,000	-4,584
306,673	Balances carried forward	297,610	3,479	1,000	302,089

Signed:

Neil T Graham, FCA Honorary Treasurer and Trustee

Paul D Simmons Vice-Chairman of the Trustees

Date: 1 May 2015

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STATEMENT OF FINANCIAL ACTIVITIES

2013/14 Combined funds £		2014/15 General unrestricted £	2014/15 Bell restricted £	2014/15 NADFAS restricted £	2014/15 Combined funds £
	<i>Incoming resources</i>				
30,220	Subscriptions, donations and Gift Aid	27,036	3,479	1,000	31,515
18,361	Legacies and gifts	3,042			3,042
9,095	Charitable activities	8,420			8,420
17,886	Other trading activities	23,100			23,100
3,729	Investment income	2,865			2,865
<u>79,291</u>	Total incoming resources	<u>64,463</u>	<u>3,479</u>	<u>1,000</u>	<u>68,942</u>
	<i>Resources expended</i>				
4,240	Raising funds	7,327			7,327
62,266	Charitable activities	52,942			52,942
15,431	Administration	13,257			13,257
<u>81,937</u>	Total resources expended	<u>73,526</u>	<u>0</u>	<u>0</u>	<u>73,526</u>
-2,646	Net income/(expenditure)	-9,063	3,479	1,000	-4,584
0	Transfers between funds	0	0	0	0
<u>-2,646</u>	Net movement in funds	<u>-9,063</u>	<u>3,479</u>	<u>1,000</u>	<u>-4,584</u>
309,319	Funds brought forward	306,673	0	0	306,673
<u>306,673</u>	Funds carried forward	<u>297,610</u>	<u>3,479</u>	<u>1,000</u>	<u>302,089</u>

Note:

In the year ended 31 March 2014, there was one restricted fund only, this being a £5000 donation which was fully applied to Newsletter costs during that year.

**INDEPENDENT EXAMINERS' REPORT
TO
THE FRIENDS OF THE CITY CHURCHES**

This report on the accounts of The Friends of City Churches for the year ended 31st March 2015 is in respect of an examination carried out under Section 43 of the Charities Act 1993.

Respective Responsibilities of Trustees and Examiner

As the trustees of the charity, you are responsible for the preparation of the accounts; you consider that the audit requirement of Section 43 (2) of the Charities Act 1993 (the Act) does not apply. It is our responsibility to issue this report on those accounts in accordance with the terms of Regulation 7 of the Charities (Accounts and Reports) Regulations 1995.

Basis of Independent Examiners' Report

Our examination was carried out in accordance with the General Directions given by the Charity Commission under Section 43(7)(b) of the Act and to be found in the guidance from the Church Board of Finance. That examination includes a review of the accounting records kept by The Friends of City Churches and a comparison of the accounts with those records. It also includes considering 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 we do not express an audit opinion on the view given by the accounts.

Independent Examiners' Statement

In connection with our examination, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that in any material respect the requirements
to keep accounting records in accordance with Section 41 of the Act; and
to prepare accounts which accord with the accounting records and to comply with the requirements of the Act.
have not been met: or
- (2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Mitchell, Rodrigues & Co Ltd (signed)

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Mitchell, Rodrigues and Co. Ltd.
Chartered Accountants

Suite 14, Zeal House,
8 Deer Park Road, London, SW19 3GY.

13th April 2015

