



**The Friends of the City Churches (FCC)
Trustees' Annual report for the year ended 31 March 2016**

The Friends of the City Churches celebrated twenty years of 'Church Watching' in November 2015; a notable landmark in its history of preserving and protecting churches in the City of London for the benefit of residents, City workers and visitors both from the UK and overseas.

The objectives of the 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 to or formerly belonging to any such church or chapel.

The FCC aims to keep churches open, so that their architectural and decorative treasures are available to an interested public and so that they receive an acceptable level of maintenance and repair. In addition, the FCC will continue its efforts to increase its membership, offer benefits to members, disseminate information through different media and promote education and awareness.

Trustees

Oliver Leigh-Wood	Chairman
Paul Simmons	Vice-Chairman
Neil Graham	Honorary Treasurer
Liz Simpson	Honorary Secretary
Nancy Branson	
Brian Evans	
Signe Hoffos	
David Jessop	
Alexey Moskvina	(Co-opted from October 2015)
John Reynolds	
Tony Tucker	

Administrator

Alice Rankin (until 31 August 2015)
Karen Hearn (from 16 November 2015)

Structure, governance and management

The FCC is a Charitable Incorporated Organisation ('CIO') and operates under the 'Association Model' constitution for such organisations.

Trustees are appointed by the membership of the CIO at the Annual General Meeting, and serve for three years (unless filling a place vacated by retirement or resignation) 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 the FCC. All Trustees are required to have read the Guide to Trustees' Duties and Guidance on Public Benefit publications issued by the Charity Commission and to update themselves regularly on matters associated with the operation of small charities.

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

The Trustees do not carry on activities, whether voluntary or for profit, which conflict with their duties for the 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 the FCC.

None of the Trustees receive remuneration for their work for the FCC. A policy statement has been drafted to cover claims for expenses.

The Trustees meet monthly to discuss strategic planning and priorities, to receive and act on reports from sub-committees* and working groups** and to agree financial commitments including the award of grants to selected City churches. This governance structure is sufficiently flexible to respond to any future developments or changes.

* Finance Sub-committee, Fabric Sub-committee

** Events, Promotion, Publications

Mary Milne-Day retired as a Trustee at the end of her term of office at the 2015 AGM and Alexey Moskvina was co-opted to the Trustees' Committee in October 2015. The Constitution of December 2013 was amended at the AGM to allow for official communication by email between members and the FCC, and for the Notice, Agenda and Minutes of the AGM and Annual Reports to be downloaded from the FCC website rather than being sent in hard-copy form in a mass-mailing.

Membership

Membership numbers have increased slightly, with 1024 active accounts, 256 of which are joint memberships so that the number of individual members is significantly higher. The raising of the annual subscription at the 2015 AGM does not appear to have had an appreciable effect on membership numbers. A total of 79

new members have joined since the last AGM, and the new category of Life Membership has attracted several applications. Under this heading we must mention the sterling efforts of Alexey Moskvin, Neil Graham and Karen Hearn in building a new membership data-base system (MADS) more appropriate to FCC's needs and usage.

Promotional Activity

Promotional activities were maintained in 2015 - 2016. A small ad hoc working group put forward several innovative ideas and an immediate result in November 2015 was the inclusion of a panel presentation about the work of the FCC as part of the Guildhall Library's programme of talks and lectures. The Chairman, Trustee Tony Tucker and regular Watcher Judy Stevenson gave short talks.

i Newsletter

Four issues of the Newsletter were published during the year and our thanks go to all the contributors and to the Editor, our Vice-Chairman Paul Simmons, for the excellent quality of the publication. A small group of Trustees continues to consider the future format of the Newsletter, so that we can take full advantage of various newer methods of sharing information and news.

ii 'City Events'

The free broadsheet 'City Events' was issued on a regular basis and was distributed to churches, information centres and other locations. Using the link to the FCC website, issues can now be downloaded shortly after publication. As referred to in last year's Report, information provided by some of the churches which are near-neighbours to the City is now included. Our thanks to Trustee John Reynolds and to Ingrid Slaughter for the time and effort they put into this valuable publication.

iii Website and other communications media

Improvements to the FCC website have continued, resulting in a cleaner design and regularly updated content. Thanks are due to Alexey Moskvin and David Jessop for this.

FCC's Twitter account is now managed through the FCC office and has 954 followers. We will continue to use it to publicise church opening times and last-minute closures, and other FCC or City events. The FCC would like to thank FCC member Amber Raney-Kincade for initiating the account and running it until December 2015, when our Administrator Karen Hearn assumed this responsibility.

FCC's Eventbrite account is available to purchase tickets for large-scale events such as lectures, but has not proved popular so far. The traditional ballot system with payment by cheque remains in place for all members' events.

iv Events

- The programme of events offered to members included talks, guided walks and visits, repeated on demand where they were oversubscribed. Members returned to the Whitechapel Bell Foundry (where St Mary Abchurch's own bell was being restored), visited the London Metropolitan Archives and followed walks including 'Shardlake's London' and 'From Coffee to Tea in the City'. A talk on wood-carving by master-carver Tony Webb was a highpoint in the programme and drew audience members from beyond the FCC membership. Again, our thanks go to Trustee Signe Hoffos and her collaborators for arranging the extensive programme for FCC members and

to the many City Guides and guest lecturers without whose support the programme could not have been organised.

- The Chairman's outing in October visited St Mary's Church, Chilham; All Saints, Boughton Aluph; and St Gregory and St Martin, Wye before enjoying tea at Wicken Manor near Charing.
- November and December were busy months for the FCC. On 19 November the anniversary of 20 years of Church Watching was marked by a celebration at St Sepulchre, the first Watched church. The service was led by the FCC's patron, The Bishop of London and was preceded by Trustees and Members walking the Friends' banner from St Mary Abchurch to St Sepulchre. This was fully reported in the Newsletter. The annual FCC Carol Service was held on 10 December in St Michael Cornhill, the latest church to join FCC's portfolio of Watched churches. Our thanks go to Trustee Nancy Branson, who bore the brunt of organising these events, which were both enjoyed by all the participants.
- In a new initiative for the FCC and St Mary Abchurch, two performances of Martin Prest's one-man show, based on Charles Dickens' 'A Christmas Carol', were given before Christmas.
- The Worshipful Company of Fruiterers held their annual service at St Mary Abchurch on 25 January 2016. A service for the Worshipful Company of Parish Clerks was held for the first time at St Mary Abchurch on 13 January 2016.

Merchandise

FCC merchandise is sold by mail-order, at St Mary Abchurch and at FCC events elsewhere. Trustee Tony Tucker's popular guide-book to City Churches has now been joined by his guide to sword rests in the City of London, launched with an event at St Mary Abchurch in December.

The FCC Christmas cards sold-out again in 2015. However, the 2016 calendar, featuring images of the first thirteen 'Watched churches', continuing the theme of the 20th anniversary of Church Watching, proved to be a slow seller.

A new FCC mug is now available for purchase and Trustees are also investigating suppliers for bookmarks and pencils, to add lower-cost items to the range of merchandise on offer.

Our support for churches

i St Mary Abchurch

Services

Regular weekly communion services have been held by the Reverend David Goodburn and the Russian Chaplaincy continues to use St Mary Abchurch for Sunday services. The special services for the Worshipful Company of Fruiterers and the Worshipful Company of Parish Clerks have been referred to above; in addition St Mary Abchurch hosted services for the Tyndale Society and the international law firm CMS Cameron McKenna.

Improvements and renovations

The state of the fabric of St Mary Abchurch has been kept under review, particularly with the imminent start of the TfL upgrade of Bank station.

The original company which installed the dome lighting was identified and work was carried out to repair the existing system. However, it is generally felt that this system is no longer adequate and more work will be required to install a system which will show the dome to its best advantage.

The Bell Restoration Appeal raised significant funds towards the restoration of St Mary Abchurch's 1675 bell. The bell was collected by Whitechapel Bell Foundry in January 2016 and when repairs have been completed it is intended to display the bell within the church before returning it to the bell tower.

With the support of the Archdeacon of London's office, we continue to develop ways in which St Mary Abchurch can be shown at its best to the visiting public ... and the statistics for visitors are proof of FCC's success.

Lettings and income generation

The FCC lets out St Mary Abchurch for spiritual and secular events. As reported previously in the 2014-2015 Annual Report, letting income derives mainly from AA counselling groups, the Russian Chaplaincy, and from the Orlando Choir, the Chinese Philharmonic Choir and other choirs, which use St Mary Abchurch for rehearsal and performance. The generous donation by CMS Cameron McKenna after their Christmas carol service was a welcome addition to our income.

Trustee David Jessop's hard work as Church Manager must again be recognised in this Report and FCC is extremely grateful to him.

ii Church Watching

Church Watching is for many people the heart of FCC's activities and it is the very public face of what we do to keep City churches open for all to enjoy. Trustee Brian Evans's coordination of the scheme continued to ensure that the 17 Watched churches were open regularly. His team of rota-managers were Hellena Cleary, Liz Dolan, Peter Eaton, Barbara Figg, Lesley Thrift and Marion Watson. During the year under review Liz Dolan stood down and was replaced by Mary Ann Tarver. We are extremely grateful to Brian Evans and his team of rota-managers and the 90-odd volunteer Watchers who regularly give their time each Watching period.

2015 was a significant year for events linked to this activity. In May a tea-party for Watchers was held at St Mary Abchurch as a means of showing our thanks to them for their commitment to voluntary Church Watching. Sadly attendance was affected by appalling 'summer' weather but the array of cakes was appreciated by all. In November, 20 years of Church Watching was celebrated in the special service at St Sepulchre's, already mentioned in this Report, where clergy, Watchers, church administrators and FCC members joined together in a moving event co-ordinated by Trustee Nancy Branson and her team of helpers.

iii Small Grants Programme

There has been a slight, but marked, improvement in the number of grant awards made this year to City churches. These include grants for enhanced security at St Lawrence Jewry, for replacing a stolen poor box at St Benet Paul's Wharf and for repairing a period bench at St Mary Abchurch. A designated 'Textile' fund has been established for the repair of church fabrics, including vestments and kneelers.

All FCC members including Church Watchers are encouraged to disseminate information about the Small Grants Programme and identify projects that might be supported. Notes about the scheme and a downloadable application form have

been added to the FCC website, information has been sent to churches and Trustees will continue to ensure that this encouraging work continues.

Other outreach and education

i Open House Weekend

FCC members volunteered at several of the City churches which were opened for Open House Weekend on 19 and 20 September 2015. St Mary Abchurch was open on Saturday 19 September, when nearly 200 visitors were greeted by volunteers from the Fruiterers' Company and FCC Trustees.

ii City of London Festival

The FCC benefited from a free advertisement in the Festival programme and several FCC members and Church Watchers volunteered in participating Wren churches on the day of the Choral Marathon event.

iii St Lawrence Jewry summer music festival

Volunteers staffed a stall at each concert of the August 2015 festival, answering questions about the FCC and selling merchandise and books.

iv Worcester Polytechnic Institute, Massachusetts, USA

The FCC offered facilities and support to a team of 4 US undergraduate students who prepared a project on opening access to City churches and their art-works as an assessed part of their engineering degree courses. Their report can be accessed on wp.wpi.edu/london/projects/art-alive

Financial review

i Overall result

The Trustees are grateful to all those who have kindly made donations to FCC – a multitude of small donations, but also several large gifts. We also benefited this year from a legacy of £20,000 from the late David Raphaeline, who had been a FCC Member for some 15 years, and who left money to the Sandys Row Synagogue as well as to several City churches. Given that we have little in the way of heritage grant income, all such donations and legacies have been, and continue to be, vital to sustain the work of this charity for the long-term.

FCC continues to be a going concern and carries healthy reserves of over £300,000. Regulation requires that a comment is made on our going concern status, and perhaps it is apt to do so this year, in which we did see the failure of a significant charity. That charity, despite their best intentions, displayed many widely-reported undesirable features. Please be assured that the Trustees have considered these issues seriously, and are pleased to report that they see no reason to change our current direction and working practices; FCC does not suffer from cash-flow difficulties or governance issues.

The Combined Funds, after taking account of exceptional items, incurred an overall surplus of £6763, compared with a deficit of £4584 in the prior year. The surplus includes exceptional items – the legacy already mentioned of £20,000, offset by our renovation grants and improvements of £17888, but even excluding the exceptional items and support to churches, we enjoyed a surplus on our 'normal' operating result of £4651. This is a more healthy position than last year and shows the effect of the increased subscription rates beginning to work through. It also includes over

£1000 relating to our new designated Textile Fund, set up for the renovation of church vestments, altar frontals and other church textiles.

ii Restricted funds

At the year-end, there was one restricted fund: the NADFAS City Church Recording Fund. FCC has agreed to administer the income and expense of this church recording group on behalf of NADFAS. The Fund does not use FCC monies. The Trustees are aware that they have full responsibility for the Fund, and that it is to be applied for its specific purpose, and not co-mingled with the General Fund.

During the year, the restricted Bell Restoration Appeal Fund achieved a total contribution after Gift Aid of £4217 which has enabled us to proceed with the complete renovation of the 1675 Bell of St Mary Abchurch at a cost of £5797, the shortfall being made good by the General Fund. This restricted fund was closed on 31 January 2016.

iii Reserves

The Trustees are required to agree a 'Reserves Policy', under which tranches of reserves may be earmarked for specific strategic purposes at specific times. This assists the Trustees in determining the particular investment strategy for each tranche of investment assets. Last year it was reported that this was still work-in-progress; however, a final policy has now been approved by the Trustees.

There is an Operational Liquidity Reserve of £30,000 (being approximately 6 months' normal operating expenditure) on readily realisable cash deposit (with CCLA), to provide for liquidity needs in an emergency. Ignoring this and ignoring the restricted and designated funds, at the year-end there was an amount of £276,000 in Reserves, which the Trustees do not consider excessive. The Policy demonstrates that there are tactical projects for the short- to medium-term which could absorb around £120,000, and a longer-term need for at least £150,000 to cope with a sudden surge in grant applications; the latter might very well occur, given the time-expiry of much City church post-war restoration work, now some 60 years old.

Accordingly, the current 'working model' of allocating approximately £100,000 to 'long-term', £100,000 to 'medium-term' and the balance (approximately £76,000) for 'short-term' use has served well and will continue.

This assessment, however, is made against the background of realising that there are significant changes occurring in the Diocese of London, which may affect the long-term strategic aim of FCC. For that reason, the Trustees have agreed to review the Reserves Policy annually.

iv Investments

Following agreement on the Reserves policy, we can and should examine ways of investing that portion of funds, which are designated 'long-term', in a more appropriate manner. The Investment Policy, Finance Sub-Committee and broker relationships are already in place. However, given the current volatility in the markets, the Trustees will proceed cautiously and are likely also still to maintain quite high deposit balances with 'challenger' banks and building societies, as at present.

The Trustees are aware that the year-end balance of deposits with Virgin Money exceeds the limit of cover (£75,000) under the Financial Services Compensation Scheme. Members should note that a reduction in that balance has already been made to below £75,000.

v 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 works with the Diocese to ensure consistency and completeness of insurance coverage, and regularly reviews Health & Safety matters.

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 nearly £50,000, leaving just over £75,000 rent payable over the five year period, of which £39,500 has been paid to 31 March 2016. Apart from this, FCC has no significant contracts or contingent liabilities, and has no pending litigation or threat of litigation.

vi Financial controls

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

Conclusion

We offer thanks to all the members of the FCC, volunteer Trustees and Church Watchers, guides and lecturers whose hard work and enthusiasm make the FCC the exceptional organisation that it is today. This is also the opportunity to give an especial thanks to Alice Rankin, who resigned in August from the post of Office Administrator which she had filled so ably. The Trustees were delighted to be able to appoint Karen Hearn to take her place, and they are sure that all FCC members will enjoy their regular contacts with her as she develops her role.

On behalf of the FCC, I give my sincere thanks to the Bishop of London, our Patron, to our new Archdeacon, to the Area Dean and to Martin Sargeant for their continued support throughout the year. 2015 has been a momentous year as we looked back over 20 years of Church Watching - now we can look forward to at least another 20 years to come.

Signed

Oliver Leigh-Wood, Chairman of the Trustees

1 May 2016

The Friends of the City Churches
Financial Statements for the Year Ended 31 March 2016

INCOME AND EXPENDITURE ACCOUNT

2014/15 Combined funds £		2015/16 Combined funds £	Note
	FCC MANAGEMENT		
27,426	Membership subscriptions, donations and Gift Aid	27,956	
2,865	Interest on bank deposits	2,649	
30,291	<i>FCC general income</i>	30,605	4
5,703	Charitable activities	6,779	
-4,346	Trading activities (net income)	-5,835	
13,257	Governance and administration	14,593	
14,614	<i>FCC general expense</i>	15,537	4
15,677	<i>FCC general net income</i>	15,068	
	SMA MANAGEMENT		
11,123	Church lettings	12,225	
4,089	Collections, donations and Gift Aid	4,759	
15,212	<i>SMA general income</i>	16,983	4
13,500	Rent	18,000	
12,726	Other costs	9,400	
26,226	<i>SMA general expense</i>	27,400	4
-11,014	<i>SMA general net expense</i>	-10,417	
4,663	SURPLUS/(DEFICIT) before Support and Exceptional Items	4,651	
	SUPPORT TO CITY CHURCHES		
1,341	Church Watching	1,465	
12,338	Major renovation projects	14,968	-SMA
0		0	- other
610	Grants to other churches	1,455	
0	Grants from Designated Textile Fund	0	
14,289	<i>Net Expense of supporting City Churches</i>	17,888	
	EXCEPTIONAL ITEMS		
3,042	Legacies	20,000	
2,000	Grants and gifts received	0	
5,042	<i>Net exceptional income</i>	20,000	
-4,584	SURPLUS/(DEFICIT) for the period	6,763	

The Friends of the City Churches
Financial Statements for the Year Ended 31 March 2016

BALANCE SHEET AT 31 March 2016

2015 Combined funds £		2016 Combined funds £	Note
0	Fixed Assets	0	
	Current assets		
1,930	Debtors	2,724	
5,378	Accrued revenue	5,573	
0	Prepayments	0	
7,308		8,297	
830	Merchandise stock	3,308	
50,000	Deposits: Metro Bank plc	30,000	
30,000	Nationwide Building Society	50,000	
83,361	Virgin Money plc	83,361	
62,753	CBF Church of England Deposit Fund	56,937	
52,451	Skipton Building Society	74,451	
278,565		294,749	
1,000	Bank Savings Account: Lloyds Bank plc	1,001	
16,495	Bank Current Account: Lloyds Bank plc	9,273	
13	Petty Cash	0	
304,211	Total assets	316,628	
	Less: Current liabilities		
60	Creditors	0	
890	Accrued expense	4,998	
1,172	Deposits held and income in advance	2,778	
2,122	Total liabilities	7,776	
302,089	Total net assets	308,852	
	Financed by:		
£	General Reserves	£	
306,673	Balances brought forward	302,089	
-4,584	Surplus/(deficit) for the year	6,763	
302,089	Balances carried forward	308,852	5

Signed:

Neil T Graham, FCA Honorary Treasurer and Trustee

Paul D Simmons Vice-Chairman of the Trustees

Date: 1 May 2016

The Friends of the City Churches
Financial Statements for the Year Ended 31 March 2016

STATEMENT OF FINANCIAL ACTIVITIES

2014/15 Combined funds £		2015/16 Combined funds £
	<i>Incoming resources</i>	
31,515	Subscriptions, donations and Gift Aid	32,715
3,042	Legacies and gifts	20,000
8,420	Charitable activities	6,840
23,100	Trading activities	24,374
2,865	Investment income	2,649
<u>68,942</u>	<i>Total incoming resources</i>	<u>86,578</u>
	<i>Resources expended</i>	
7,327	Raising funds	6,314
52,942	Charitable activities	58,907
13,257	Governance and Administration	14,593
<u>73,526</u>	<i>Total resources expended</i>	<u>79,814</u>
-4,584	<i>Net movement in funds</i>	6,763
306,673	<i>Funds brought forward</i>	302,089
<u><u>302,089</u></u>	<i>Funds carried forward</i>	<u><u>308,852</u></u>

The Friends of the City Churches

Financial Statements for the Year Ended 31 March 2016

Notes to the Financial Statements

1 Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities using the Financial Standard for Smaller Entities (FRSSE), the Charities Act 2011 and applicable regulations. They have been prepared under the historical cost convention, using the applicable concepts of going concern, accruals, prudence and materiality.

Fund structure

FCC operates a single unrestricted ('General') fund, from which grants, on application, are made for the preservation and protection for public benefit of all City of London churches. Additionally, FCC is obligated and incentivised to maintain the fabric of St Mary Abchurch. Consequently, restricted funds are unnecessary and administratively burdensome to achieve the objective of maintaining the fabric of City churches, since that is the prime objective of the General Fund.

Within the General Fund, the Trustees from time to time may, at their discretion, establish designated funds for particular purposes.

Additionally, FCC may operate restricted funds, the funds of which are to be used solely in accordance with the restrictions imposed by the donor, will or trust deed. These may allow FCC to undertake restoration beyond the normal level of operating expenditure of the General Fund. So as to reduce the administrative burden, FCC will not usually wish to open restricted funds with an initial sum of less than £1000.

FCC currently has no endowment funds.

Income recognition

Income is recognised when received or when receivable with sufficient certainty of timing and amount.

Life membership subscriptions are amortised over 15 years.

Gift Aid is accrued as the related subscription income or donation is credited.

Grants or legacies are not accrued until the grantor/executor has indicated with adequate certainty the timing of receipt and the amount of the grant or legacy.

Grants and legacies are accounted for as exceptional items.

Dividends are recognised when declared. Interest is accrued on bonds or other fixed term instruments including term deposits. Interest is also accrued on deposit accounts if credited by the bank at long intervals, eg over 6 months. Otherwise, a cash basis is used on the grounds that the result would not be materially different from a strict application of the accruals basis.

All relevant income is allocated to designated and restricted funds, if material to the fund.

Expense recognition

Liabilities are recognised when a binding commitment has arisen, or if there is an obligation which can be measured with sufficient certainty of timing and amount.

Governance costs are identified separately, and would, if material, attract an allocation of overhead, although currently the relevant overhead cost is immaterial.

Merchandise deemed to be 'low value' items are written off in the year of purchase. Merchandise expense is confirmed by annual stocktakes.

Equipment, such as office computers, catering utensils or maintenance tools, are written off in the year of purchase. FCC would not normally capitalise single items less than £1000.

The full rent cost payable to the Diocese of London has by agreement been reduced dependent on the level of improvements made to St Mary Abchurch over a five year period. The current rent payable assumes these improvements will be made and is therefore the best estimate of the likely rent payable. The arrangement is reviewed annually.

Charitable activities comprise the City Events and Newsletter publications, expenditure on St Mary Abchurch and other City churches, including Watching costs. Trading activities, together with the associated cost of raising funds for these, comprise sales of merchandise as well as revenue from church lettings and from FCC's programme of events.

All relevant expenditure is allocated to designated and restricted funds, if material to the fund.

Investments

Investments are made only in accordance with FCC's Investment Policy, which prohibits investment in unquoted or complex financial instruments. Investments are revalued at period end to fair market value. Realised and unrealised gains and losses are recognised through the Income & Expenditure statement.

Listed equities are valued at closing mid-price. Bonds are valued including accrued interest. Broking charges and other investment costs are disclosed in a note, but are netted against investment income, this being deemed by the Trustees as a fair presentation.

2 Restricted Funds

At the start of the year, FCC had two restricted funds – the Bell Restoration Appeal Fund and the NADFAS City Church Recording Fund. No new restricted funds have been set up during the year.

The former fund was closed on 31 January 2016, having received a total sum, after Gift Aid, of £4217. Accordingly, after bell restoration payments made, a sum of £1899 was transferred on closure to the General Fund. Further payments will continue in the next financial year. The shortfall in cost of at least £1500 will be met from the General Fund, and the expected full cost has been accrued by the General Fund.

The NADFAS Fund has effectively been dormant for the year, pending production by the City Church Recording Group of their first Church Record.

INCOME AND EXPENDITURE ACCOUNT – Restricted Funds

2014/15 Bell restricted £	2014/15 NADFAS restricted £		2015/16 Bell restricted £	2015/16 NADFAS restricted £
2949	1000	Donations	643	
530		Gift Aid	95	
		Interest		1
<u>3479</u>	<u>1000</u>	<i>Restricted fund income</i>	<u>738</u>	<u>1</u>
		Major renovation projects – SMA bell	2318	
		Transfer to General Fund re further bell payments	1899	
<u>0</u>	<u>0</u>	<i>Restricted fund expense</i>	<u>4217</u>	<u>0</u>
<u>3479</u>	<u>1000</u>	Surplus/(Deficit) for the year	<u>(3479)</u>	<u>1</u>

BALANCE SHEET – Restricted Funds

2015 Bell restricted £	2015 NADFAS restricted £		2016 Bell restricted £	2016 NADFAS restricted £
530		Current Assets		
	1000	Debtors	0	
2949		Lloyds Bank plc		1001
		Lloyds Bank plc	0	
<u>3479</u>	<u>1000</u>	<i>Total restricted fund net assets</i>	<u>0</u>	<u>1001</u>
		Restricted fund Reserves		
0	0	Balances brought forward	3479	1000
3479	1000	Surplus/(Deficit) for the year	(3479)	1
<u>3479</u>	<u>1000</u>	Balances carried forward	<u>0</u>	<u>1001</u>

3 Designated funds

During the year the Trustees decided to 'designate' monies within the General Fund for the repair of church textiles and soft furnishings, to be known as the Textile Fund.

INCOME AND EXPENDITURE ACCOUNT – Textile Fund

2014/15 Textile designated £		2015/16 Textile designated £
0	Donations	1110
0	Gift Aid	275
<u>0</u>	<i>Designated fund income</i>	<u>1385</u>
0	<i>Designated fund expense</i>	0
<u>0</u>	Surplus/(Deficit) for the year	<u>1385</u>

BALANCE SHEET – Textile Fund

2015 Textile designated £		2016 Textile designated £
	Current Assets	
	Debtors	Gift Aid accrued
	Lloyds Bank plc	Current account
<u>0</u>	<i>Total designated fund net assets</i>	<u>1385</u>
	Designated fund Reserves	
0	Balance brought forward	0
<u>0</u>	Surplus/(Deficit) for the year	<u>1385</u>
<u>0</u>	Balance carried forward	<u>1385</u>

4 General Fund – detailed account analysis

This year account caption headings for the General Fund have been presented so as to show separate results (before Support and Exceptional Items) for FCC's functions as a charity and as the SMA church manager. The detailed account analysis is shown below.

DETAILED ACCOUNT ANALYSIS – FCC General Management

2014/15 General unrestricted £		2015/16 General unrestricted £
	Income:	
15147	Membership subscriptions	17280
5246	Donations	5258
0	Designated Textile Fund	1110
2554	Gift Aid	3569
2865	Interest	2648
<u>25812</u>	<i>Total general income</i>	<u>29865</u>
	Expense:	
	<i>Charitable activities:</i>	
8573	Newsletter (net expense)	8839
<u>(2870)</u>	City Events (net income)	<u>(2060)</u>
5703		6779
	<i>Trading activities:</i>	
(961)	Merchandise (net income)	(2290)
(5640)	Events and activities (net income)	(5060)
1726	Website	877
225	Advertising and other (net expense)	418
304	Equipment	220
<u>(4346)</u>		<u>(5835)</u>
	<i>Governance and administration:</i>	
750	Governance	750
<u>12507</u>	Administration	<u>13843</u>
13257		14593
<u>14614</u>	<i>Total general expense</i>	<u>15537</u>

Membership subscriptions were raised with effect from 1 August 2015 to £25 and £20 for joint and single membership respectively (previously £20 and £15).

Governance costs comprise principally the Independent Examiner's fee and AGM costs.

This year, administration costs include approximately £1000 relating to a new membership administration database system (MADS) and new computer hardware.

DETAILED ACCOUNT ANALYSIS – SMA Management

2014/15 General unrestricted £		2015/16 General unrestricted £
	Income:	
11123	Church lettings	12225
3265	Collections	3807
0	Donations	0
824	Gift Aid	952
<u>15212</u>	<i>Total income</i>	<u>16983</u>
	Expense:	
13500	Rent	18000
809	Insurance	834
6716	Utilities	4993
1844	Repairs and maintenance	1798
1697	Security and fire	417
1574	Organ	1344
86	Clergy and sacrament	14
<u>26226</u>	<i>Total expense</i>	<u>27400</u>

5 Summary of reserves

The following summary shows reserve movements during the year for all Funds.

	General unrestricted £	Bell restricted £	NADFAS restricted £	Combined funds £
Balances brought forward at 1 April 2015	297610	3479	1000	302089
Surplus/(deficit) for the year	10241	(3479)	1	6763
Balances carried forward At 31 March 2016	<u>307851</u>	<u>0</u>	<u>1001</u>	<u>308852</u>

**INDEPENDENT EXAMINERS' REPORT
ON THE ACCOUNTS OF
THE FRIENDS OF THE CITY CHURCHES
(Charity number 1155049)**

This report on the accounts of The Friends of City Churches for the year ended 31st March 2016 is in respect of an examination carried out under Section 144 of the Charities Act 2011.

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 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is our responsibility to:

- Examine the accounts under section 145 of the Charities Act,
- To follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities act), and
- To state whether particular matters have come to my attention.

Basis of Independent Examiners' Report

Our examination was carried out in accordance with the General Directions given by the Charity Commission. That examination includes a review of the accounting records kept by The Friends of City Churches and a comparison of the accounts presented with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from the 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 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 130 of the Charities Act;
 - to prepare accounts which accord with the accounting records and to comply with the requirements of the Charities 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.

18th April 2016