

Company registration number: 5401165
Charity registration number: 1110761

Faithful Neighbours

(a company limited by guarantee)

Trustees' Report and Financial Statements

for the 18 Month Period Ended 30 September 2019

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Faithful Neighbours

Contents

	Pages
Trustees' Report	1
Statement of Trustees' Responsibilities	7
Independent Examiners Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Accounts	11 to 17

Faithful Neighbours Trustees Report

The trustees present their report and the financial statements for the 18 month period ended 30th September 2019.

Objectives and activities

Charitable objects

The objects of the charity are:

To advance education for the benefit of the public in the promotion of reconciliation and peace by establishing a Christian understanding of the issues relating to life in a multi-faith and multi cultural society within the Bradford Metropolitan District and elsewhere by enabling the people of Bradford and other communities to develop their understanding of the issues.

To promote general charitable purposes for the benefit of the people of the Bradford Metropolitan District and more widely and in particular to provide opportunities for those who live and work in the area to participate fully in the life of their community in ways that promote community cohesion and address and alleviate social and economic disadvantage.

To share with the wider world the experience and expertise, as expressed above, and seek to explore the application and relevance of that experience and expertise, in the UK and beyond.

To establish a local resource for Churches within Bradford and a national resource feeding on local work.

Activities undertaken to further public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales in planning activities. The charity furthers its charitable purpose for the public benefit through equipping, motivating and supporting faith communities as they build community cohesion and tackle social inequality and injustice

Objectives, strategies and activities

We have been continuing to carry out our strategic objectives of inspiring engagement, facilitating safe spaces and transforming communities. We have continued to build links across the five episcopal areas of the Diocese of Leeds, namely Bradford, Huddersfield, Leeds, Ripon and Wakefield encouraging confident and positive Christian engagement with people of different Faiths across West Yorkshire. Our activities have focussed on two inter-related work streams:

- Near Neighbours: working to bring together neighbours, to develop relationships across diverse faiths and ethnicities in order to improve their communities
- Presence and Engagement: equipping Christians for mission and ministry in the diversity of our multi faith society, focusing on the importance of the Church both remaining present in multi religious areas and engaging positively with communities of other faiths.

Faithful Neighbours Trustees Report

Achievements and Performance

Presence and Engagement

We delivered three P&E training programmes for incumbents in the Diocese of Leeds and two training programmes for curates, training a total of 36 incumbents and 41 curates. The new programme for incumbents has been well received and consists of three parts

- i) Area Visit (half a day) - a visit to a project or church in an area of religious diversity to meet with people of (a) different faith(s) and with local clergy.
- ii) Core Day (full day) - exploring some of the theology of presence and engagement and what this means for you and your context.
- iii) Thematic Options (half a day) - variety of workshops for you to choose from covering themes such as gender issues in interfaith work; gender in other religions; tools for sharing faith; culture vs religion; scriptural reasoning; media portrayals of faith and challenging inaccuracies.

All 3 elements aim to promote our Core Principles:

- That P&E is relevant and valuable in every context across the whole Diocese of Leeds
- That mission and ministry in a world of religious diversity is both enriching and challenging to our faith as Christians
- That P&E is integral to the Diocesan strategy of Confident Christians, Growing Churches and Transforming Communities - by Loving, Living & Learning
- That P&E reflects the national strategy endorsed by General Synod (July 2017):
 - i) Christians enjoy living, loving, worshipping in areas of religious diversity
 - ii) Christians engage with people of different faiths for the Common Good
 - iii) Christian faith is shared confidently and sensitively

During this period our Area Visits took place to All Hallows in Hyde Park, Leeds and St Paul's in Manningham, Bradford. We have also been working to diversify our Area Visits to enable participants to experience a broader range of contexts and faiths.

Additionally Presence and Engagement Training days have been run with a team of facilitators. We ran six different workshops as thematic options, covering topics including:

- sharing Christian faith confidently and sensitively with people of other faiths;
- planning events which are sensitive to the cultural and religious needs of others;
- engaging with New Religious Movements;
- Freemasonry and the Church of England; the whole Diocese of Leeds
- why we should be Present and Engaged with people of other faiths;
- and understanding our Muslim neighbours.

These were open to all. We are continuing to develop workshops on a range of topics and at times and in venues which will enable a wider range of people to attend.

We have continued to be a member of the national P&E task group, helping to plan and deliver the national Diocesan Inter Faith Advisors' residential conference in May 2018 and helping to develop the guidance for churches exploring hosting Iftars.

Towards the end of March 2018 we met with the Diocese of Leeds' Interfaith Advisor in preparation for the Diocese to take on the planning and delivery of this programme.

Faithful Neighbours Trustees Report

Near Neighbours

2018-19 was another great year for the work of Near Neighbours in West Yorkshire. The hub co-ordinator Kaneez Khan successfully ran projects across the hub helping to bring people together across difference for mutual understanding.

Real People Honest Talk: brings people together within local communities by providing opportunities for positive, constructive and personal encounters and interaction between people who live near one another and have different outlooks, cultures, attitudes or beliefs. We ran four groups, two in West Bowling and then one in Keighley and another in Girdlington. These were attended by 158 unique people across the sessions and were finished by a “Big Conversation” which was attended by 56 people. By providing a safe space for constructive conversation we provided a springboard for further conversations, interactions or collaborative action, strengthening local civil society. One example was a group that emerged within a local community following their participation in a “Real People Honest Talk” to help tackle drug abuse in their neighbourhood.

Small grants programme: This programme offers small grants between £250 and £5,000, as seed funding for local groups and organisations who are working to bring together neighbours, specifically working to develop relationships across diverse faiths and ethnicities in order to improve their communities. We gave out 29 grants to groups across Batley, Bradford, Huddersfield, Keighley Leeds and Wakefield for various activities such as arts workshops, cooking classes, photography projects and sports clubs. There was also £8,777 worth of additional funding for six of those groups to help expand their work.

Other Activity: In addition to those two key strands Near Neighbours contributed to events across the hub, helped encourage individuals, contributed to interfaith groups and discussions and developed key relationships.

Other Activities

Throughout this period we have been involved with the young North Kirklees Interfaith Council, including being a partner during the visioning day, and helping to recruit members from different faiths around North Kirklees. In North Kirklees we also met with other community and faith leaders for the consultation on the government’s Integration Green Paper and at the Cohesion team led Interfaith conversation for women on ‘why don’t women’s clothes have pockets?’

In June 2018 the Diocese of Leeds held its first Lay Conference. Faithful Neighbours contributed to the planning and organising of this event for the whole Diocese, where Bishop Toby and Kaneez Khan led a session on engaging with other faiths for church members.

In July 2018 we supported the Church Mission Society training week in Bradford, arranging and accompanying participants on visits to a Mosque, Mandir and Gurdwara and facilitating reflection and discussion afterwards.

We were given funding to run the Near Neighbours ‘Catalyst’ young leaders programme in Calderdale (which is not a Near Neighbours funded area) by Calderdale Community Foundation early in the year. Initially efforts to work with faith organisations recruitment was not as successful as hoped due to capacity during this time of transition. However, funding was transferred to Wellsprings Together who have redesigned the project and taken it forward.

Faithful Neighbours Trustees Report

Interfaith Week 2018

With North Kirklees Interfaith Council we planned and delivered the 'Roses for Peace' project during Interfaith Week in both Dewsbury and Batley; spoke at the 'Women in Faith' event run by Kirklees Council. We also produced a video for the Diocese of Leeds website to promote Interfaith Week and Presence and Engagement training as well as launch a photo competition for Interfaith Week which showcased some of the Interfaith activity around the Diocese.

Communications

The development of the Diocese's Digital Learning Platform has meant that Presence and Engagement resources, including book reviews, guidelines, Bible studies and events, have been shared more widely around the Diocese.

We also visited Birstall and Dewsbury Deaneries' joint synod to talk about Presence and Engagement in the Diocese, in the deaneries and to introduce Places of Welcome.

Due to uncertainty throughout the period about the legacy of Faithful Neighbours we have not promoted the brand as much as we have done previously. However, our following on social media has continued to grow with almost 800 followers across Twitter and Facebook.

Places of Welcome

In 2018 we took on the support of the Places of Welcome network in the Diocese. This including supporting the 21 Places of Welcome which were running in the Bradford area as well as encouraging existing activity to become part of the network and supporting organisations to launch new Places of Welcome. We met with Leeds Council to discuss their Priority Neighbourhoods and how Places of Welcome could be targeted in these areas and met with the Places of Welcome steering group to support the development of the national network. At the end of the year there were 26 Places of Welcome, including some in Leeds, Wakefield and Huddersfield Episcopal Areas, which will continue to be supported through Wellsprings Together and new Places of Welcome will be developed through area champions identified by the area Bishops.

Wellsprings Together

Throughout the period we have been involved in setting up Wellsprings Together, a new Joint Venture between the Diocese of Leeds and the Church Urban Fund. This has included showcasing the work of our partner churches and organisations to AllChurches Trust, a Wellsprings Together funder; helping with the recruitment of Trustees; and contributing to the writing of governing documents.

Staffing

The trustees are grateful for the commitment and hard work of all the staff and especially to the CEO Richard Bennett and Project worker, Emily Tidball and Near Neighbours Coordinator Kaneez Khan. In May 2018 the CEO of Faithful Neighbours left the charity to take up a new post with another organisation. Kaneez Khan (Near Neighbour Coordinator) and Emily Tidball (Presence and Engagement Coordinator) continued to deliver the work of Faithful Neighbours until the end of March 2019 when they transferred to Wellsprings Together.

Faithful Neighbours Trustees Report

Plans For The Future

Following the formation of the Diocese of Leeds in 2016 from three existing dioceses (Bradford, Wakefield, Ripon and Leeds) we have been exploring closer alignment of our work with other Church Urban Fund funded work in the new diocese. (CUF fund our Near Neighbours Programme). A new Joint Venture was formed in August 2018 between the Church Urban Fund and the Diocese of Leeds.

As outlined in our last annual report the Trustees of the Company agreed to wind up Faithful Neighbours as a Charity once the new Joint Venture is firmly established between Church Urban Fund and the Diocese of Leeds to streamline governance and administrative structures for Together Network and Near Neighbours programmes, whilst enabling P&E to be championed within the Diocese. Trustees agreed to transfer all assets to Wellsprings Together and this transfer has taken place as well as staff transfer. This is our last annual report as we are now in process of winding up the Company. Trustees wish to place on record their appreciation to the whole staff team for their valued contributions and we commend our work to Wellsprings Together and the Diocese of Leeds.

Financial Review

The results for the period are set out in the financial statements. Faithful Neighbours income for the period was £71,245 and total expenditure was £55,013. Any surplus funds were transferred to the succeeding charity Wellsprings Together. These amounted to £78,050. The trustees would like to record the support of the Church of England, Diocese of Leeds and of the Church Urban Fund, Near Neighbours in providing us with financial support during the period. The trustees also appreciate the prayer support for our work from local churches and our supporters far and wide.

Reserves policy

Previously, the trustees aimed to maintain adequate reserves to cover the withdrawal of grant income for a reasonable period and to ensure adequate working capital to sustain the activities of the charity. However, following the transfer of the activities and associated funds to Wellsprings Together, the reserves at 30 September 2019 were nil (31 March 2018 £60,088)

Structure, governance and management

Faithful Neighbours is a company limited by guarantee (number 5401165) and has no share capital. It is also a registered charity (number 1110761) constituted according to a Memorandum and Articles of Association.

The board of trustees which shall not be less than three in number, administers the charity. The board meets at least quarterly. A CEO is appointed by the trustees to manage the day to day operations of the Charity; to facilitate effective operations the CEO has delegated authority, within the terms of delegation approved by the trustees, for operational matters.

New trustees are appointed by an ordinary resolution of the Charity. All members are circulated with invitations to nominate trustees prior to the Annual General Meeting advising them of retiring trustees and requesting nominations for the Annual General Meeting. New trustees undergo orientation to brief them on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee and decision making process, the business plan and the recent financial performance of the Charity. Trustees are introduced to all staff members and other trustees. Trustees are encouraged to access external training where this will facilitate their undertaking of the role. The trustees regularly review their risk register and act to mitigate any material risks.

**Faithful Neighbours
Trustees Report**

Reference and Administrative Details

The Rt Revd Toby Matthew Howarth
Bruce Kevin Warren
Alistair Thomas Helm
Andrew Robert Norman
Denise June Poole

Principle Office

Church House
17-19 York Place
Leeds
LS1 2EX

Charity Registration Number

1110761

Companies House Registration Number

5401165

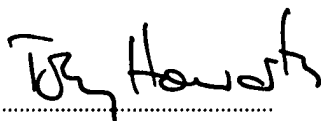
Bankers

Royal Bank of Scotland
45-47 Bank Street
Bradford
BD1 1TS

Independent Examiner

John Knox
Leeds DBF
Church House
17-19 York Place
Leeds
LS1 2EX

The annual report was approved by the trustees of the Charity on December 2019 and signed on their behalf by:



.....
Toby Matthew Howarth
Trustee

Faithful Neighbours

Statement of Trustees Responsibilities

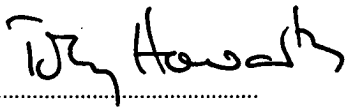
The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of

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

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

Approved by the trustees of the Charity on December 2019 and signed on their behalf by:



Trustee

Independent Examiner's Report to the trustees of the Faithful Neighbours

I report on the accounts of the church for the 18 month period ended 30 September 2019, which are set out on pages 7 to 15.

Respective Responsibilities of Trustees and Examiner

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

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

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

Basis of Independent Examiner's report

My examination was carried out in accordance with the 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.

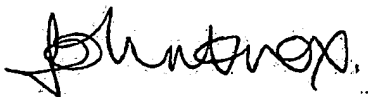
Independent examiner's statement

In connection with my examination, no matter 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 section 396 of the Companies Act 2006 and with methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities 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.



John Knox
Leeds DBF
Church House
17-19 York Place
Leeds
LS1 2EX

March 2020

Faithful Neighbours
Statement of Financial Activities for the Year Ended 30 September 2019
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds	Restricted Funds	Total 2019
	note			
Income and Endowments from:				
Donations and legacies	2	38,988	32,031	71,019
Charitable activities	3	147	-	147
Investment income	4	79	-	79
Total income		<u>39,214</u>	<u>32,031</u>	<u>71,245</u>
Expenditure on:				
Charitable activities	5	<u>25,843</u>	<u>29,170</u>	<u>55,013</u>
Total Expenditure		<u>25,843</u>	<u>29,170</u>	<u>55,013</u>
Net income		13,371	2,861	16,232
Transfer between funds		-	-	-
Transfer of Assets and Liabilities to Wellsprings Together		(73,459)	(4,591)	(78,050)
Net movement in funds		(60,088)	(1,730)	(61,818)
Reconciliation of funds				
Total funds brought forward		<u>60,088</u>	<u>1,730</u>	<u>61,818</u>
Total funds carried forward	15	<u>-</u>	<u>-</u>	<u>-</u>

		Unrestricted Funds £	Restricted Funds £	Total 2018 £
	note			
Income and Endowments from:				
Donations and legacies	2	85,000	47,762	132,762
Charitable activities	3	1,424	-	1,424
Investment income	4	32	-	32
Total income		<u>86,456</u>	<u>47,762</u>	<u>134,218</u>
Expenditure on:				
Charitable activities	5	<u>64,288</u>	<u>47,248</u>	<u>111,536</u>
Total Expenditure		<u>64,288</u>	<u>47,248</u>	<u>111,536</u>
Net income		22,168	514	22,682
Transfer between funds		-	-	-
Net movement in funds		22,168	514	22,682
Reconciliation of funds				
Total funds brought forward		<u>37,920</u>	<u>1,216</u>	<u>39,136</u>
Total funds carried forward	15	<u>60,088</u>	<u>1,730</u>	<u>61,818</u>

All of the Charity's activities derived from continuing operations during the above two periods.
The funds breakdown are shown in note 15.

Faithful Neighbours
(Registration number: 5401165)
Balance Sheet as at 30 September 2019

		2019	2018
	note		
Fixed assets			
Tangible assets	11	0	0
Current assets			
Debtors	12	0	34,000
Cash at bank and in hand		0	28,058
		<u>0</u>	<u>62,058</u>
Creditors: Amounts falling due within one year		<u>0</u>	<u>(240)</u>
Net current assets		<u>0</u>	<u>61,818</u>
Net assets		<u>0</u>	<u>61,818</u>
Funds of the Charity:			
Restricted funds		0	1,730
Unrestricted funds		0	60,088
Total funds	15	<u>0</u>	<u>61,818</u>

For the financial period ending 30 September the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

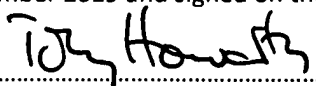
The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The charity closed during 2019, with the assets being transferred to a newly created charity "Wellsprings Together", which is a registered charity number 11423641 as well as a registered company in England and Wales number 1179481.

The financial statements on page 8 to 18 were approved by the trustees, and authorised for issue on December 2019 and signed on their behalf by:



Toby Matthew Howarth
Trustee

Faithful Neighbours

Notes to the Financial Statements Activities for the Year Ended 30 September 2019

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Basis of Preparation

Faithful Neighbours meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of the approval of the financial statements.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is possible that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the Charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the proportion of the assets use. Other support costs are allocated based on the spread of staff costs.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)). The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their useage.

Governance costs

Irrecoverable VAT

Irrecoverable Vat is charged against the category of resources expended for which it was incurred

Taxation

The Charity is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset Class	Depreciation rate and method
Furniture and equipment	25% straight line

Trade debtors

Trade debtors are amounts due from customers for merchandisesold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when ther is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is unconditional right to refer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Fund structure

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments**Classification****Recognition and measurement**

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Donations and legacies;				
Donations from individuals	0	0	0	0
Grants, including capital grants;				
Grants from other charities	38,988	32,031	71,019	132,762
	<u>38,988</u>	<u>32,031</u>	<u>71,019</u>	<u>132,762</u>

3. Income from charitable activities

Income from Charitable activities relates to the promotion of Dialogue and Diversity.

4. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Interest receivable and similar income;				
Interest receivable on bank deposits	79	0	79	32
	<u>79</u>	<u>0</u>	<u>79</u>	<u>32</u>

5. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Dialogue and Diversity	25,843	29,170	55,013	111,536
	<u>25,843</u>	<u>29,170</u>	<u>55,013</u>	<u>111,536</u>

	Actively undertaken directly £	Total 2019 £	Total 2018 £
Dialogue and diversity	55,013	55,013	111,536

£25,843 (2018 : £64,168) of the above expenditure was attributable to unrestricted funds and £29,170 (2017 : £47,128) to restricted funds.

Included within the expenditure analysed above, there are also governance costs of £253 (2018 : £240) which relate directly to charitable activities. See note 6 for further details.

6. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Independent Examiner's remuneration	133	120	253	240
Trustees remuneration and expenses	0	0	0	0
Legal fees	0	0	0	0
	<u>133</u>	<u>120</u>	<u>253</u>	<u>240</u>

7. Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	2019 £	2018 £
Loss on disposal of tangible fixed assets	0	0
Depreciation of fixed assets	0	417
	<u>0</u>	<u>417</u>

8. Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received and remuneration from the charity during the year.

No trustees have received any other benefits from the Charity during the year.

9. Staff Costs

The aggregate payroll costs were as follows

	2019 £	2018 £
Wages and salaries	42,668	83,672
Social security costs	976	5,034
Pension costs	3,510	5,856
	<u>47,154</u>	<u>94,562</u>

The staff employed by the charity were transferred to the newly created Wellsprings Together from 1 January 2019. Therefore, the staff costs reporting in the current financial period had an average fte of 2, during the 9 month period April 2019 to December 2019, inclusive.

3 (2018 - 4) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £3,510 (2018 £5,856).

The company operates defined contribution pension schemes for the benefit of it's employees.

No employee received emoluments of more than £60,000 during the period.

10. Taxation**11. Tangible Fixed Assets**

	Furniture and Equipment £	Total £
Cost		
At 1 April 2018	2,408	2,408
Additions	0	0
Disposals	(2,408)	(2,408)
At 30 September 2019	<u>0</u>	<u>0</u>
Depreciation		
At 1 April 2018	2,408	2,408
Eliminated on disposals	(2,408)	(2,408)
At 30 September 2019	<u>0</u>	<u>0</u>
Net book value		
At 30 September 2019	<u>0</u>	<u>0</u>
At 31 March 2018	<u>0</u>	<u>0</u>

12. Debtors

	2019 £	2018 £
Trade debtors	0	0
Prepayments and accrued income	0	34,000
	<u>0</u>	<u>34,000</u>

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	0	240
	<u>0</u>	<u>240</u>

14. Charity status

The Charity is a Charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

Faithful Neighbours

Notes to the Financial Statements Activities for the Year Ended 30 September 2019

15. Funds

	Balance at 1 April 2018	Incoming Resources	Resources expended	Transfers	Balance at 30 September 2019
Unrestricted funds					
General	60,088	39,213	(25,842)	(73,459)	0
Restricted funds					
Catalyst	1	0	0	(1)	0
Near Neighbours	1,729	32,031	(29,170)	(4,590)	0
Total restricted funds	<u>1,730</u>	<u>32,031</u>	<u>(29,170)</u>	<u>(4,591)</u>	<u>0</u>
Total funds	<u>61,818</u>	<u>71,244</u>	<u>(55,012)</u>	<u>(78,050)</u>	<u>0</u>

The charity's cash assets of £78k were transferred to the newly formed charity Wellsprings Together on 15 July 2019.

	Balance at 1 April 2017 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted funds					
General	37,920	86,456	(64,288)	0	60,088
Restricted funds					
Catalyst	1	0	0	0	1
Near Neighbours	1,215	47,762	(47,248)	0	1,729
Total restricted funds	<u>1,216</u>	<u>47,762</u>	<u>(47,248)</u>	<u>0</u>	<u>1,730</u>
Total funds	<u>39,136</u>	<u>134,218</u>	<u>(111,536)</u>	<u>0</u>	<u>61,818</u>

16. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Tangible fixed assets	0	0	0
Current assets	0	0	0
Current liabilities	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>

17. Related party transactions

There were no related party transactions in the year.