

CHURCH URBAN FUND⁺

CHANGING LIVES AND
COMMUNITIES TOGETHER



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2015

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Registered office:
Church House
Great Smith Street
London
SW1P 3AZ

Registered company
number 2138994

Registered Charity
number 297483

TRUSTEES, OFFICERS AND ADVISERS

PATRON

Her Majesty the Queen

President

The Most Reverend and The Right Honourable **Justin Welby**

TRUSTEES

Reverend Canon Paul Hackwood,
Chairman

Derek Twine CBE, Deputy Chairman

OTHER TRUSTEES

Brian Carroll

The Right Reverend **Christopher Chessun**

Patrick Coldstream CBE

Andrew Dorton

Reverend Canon Denise Poole

The Right Reverend **David Walker**
to 31.12.15

Marnie Woodward FCMA

John Iles

FINANCE AND ADMINISTRATION COMMITTEE

Marnie Woodward FCMA,
Chair (Trustee)

Brian Carroll (Trustee)

David Foxton QC

Reverend Canon Edward Carter

Charlie Wale

FUNDRAISING COMMITTEE

Patrick Coldstream CBE (Trustee)

Reverend Canon Denise Poole
(Trustee)

Colin Bullett

David Brealey

Miko Giedroyc

Brunel James

DEVELOPMENT COMMITTEE

John Iles, Chair (Trustee)

Patrick Coldstream CBE (Trustee)

Reverend Canon Denise Poole
(Trustee)

Andrew Dorton (Trustee)

Ed Saville *from 27.04.15*

Jet Jones *from 27.04.15*

PRINCIPAL OFFICERS

Paul Hackwood
Executive Chairman

Jeremy Aspinall
Director of Fundraising and
Communications

Michelle Brissett
Director of Finance and Resources

Jenny Baker
Director of Development

Bethany Eckley
Director of Research and Policy
from 27.10.15

ADVISERS

Bankers

National Westminster Bank Plc
Millbank Branch
PO Box 2
27-29 Horseferry Road
London SW1P 2AZ

Investment Managers

**CCLA Investment Management
Limited**
80 Cheapside
London EC2V 6DZ

Auditors

Mazars LLP
Times House
Throwley Way
Sutton, Surrey
SM1 4JQ

Solicitors

Legal advice is provided by:

The Legal Office
The Archbishops' Council
Church House
Great Smith Street
London SW1P 3AZ

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

CHAIRMAN'S REPORT

2015 was a good year for CUF. Our Together Network (the Joint Ventures we have developed with local communities through diocese and other partners) has built an extensive network of links deep into local communities and acts as a hub around which systemic social change can take place. We want to see a shift from tackling the symptoms of social and economic disadvantage to tackling the root causes by mobilising local people themselves and building on the assets already at work in local communities. We believe that this approach will have the greatest impact for the long term in changing lives and communities for the better.

In 2015 we began the process of developing a systemic response to financial exclusion and the unimaginable distress we come across daily in our work in response to high levels of personal debt; we will be working with the legacy of the Archbishop of Canterbury's Task Group on Responsible Credit and Savings. We have continued to support the Near Neighbours programme, which is now a well-established response to the separation and hate that has come to play a destructive part in community relations across the nation. During the next twelve months we will roll out across the country the Places of Welcome programme working with our Joint Ventures in Birmingham and the Black Country as a way of tackling the chronic loneliness that characterises the lives of so many. Our aim with all of these activities is long-term systemic change that brings together key players, works alongside local people and mobilises resources in ways which build on what is already underway in communities.

We have significantly developed our evaluation capability over the last 12 months as part of the wider process of creating sustainable change. We want to be clear that the impact we are having really is changing lives and doing so in a way which is sustainable. This has in part been about developing evaluation that runs through all that we do but it has also been about shaping the narrative of change that we work with nationally and locally.

2016 looks set to be a good year for us too. We have all we need now in place to begin to see the systemic change we have planned for.

None of this would be possible of course without our trustees and staff who are themselves deeply committed to the vision and objectives we have set for ourselves. It is inspiring (not to mention slightly intimidating) to work with such levels of passion and competence.

Paul Hackwood

29 February 2016

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2015. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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 published on 16 July 2014.

OVERVIEW

Church Urban Fund (CUF) was established by the Church of England, as a practical response to unmet need and has been active in local communities for over 30 years.

Our vision is to see people and communities all over England flourish and enjoy life in all its fullness. We work across the political spectrum and with a network of partners in churches, other faith communities and secular organisations, and are engaged with local communities across the country.

We are committed to working through relational partnerships to bring about long-term, sustainable change. Our aim is to mobilise local people to be the source of the change they want to see and to use the assets already available in their community.

AIMS AND OBJECTIVES

We do this through:

- **Enabling Infrastructure** – through the Together Network, which supports local churches and others in their engagement with their neighbourhood.
- **Accessing Resources** – build capacity and confidence in local communities and enable churches and others to respond to local need. Through our national programmes - Near Neighbours, Credit Champions and our Together Grants.
- **Shaping the public sphere** – by connecting with policy makers, local churches and its structures in order to influence and build individual resilience and agency as well as community capacity.

Legal structure and basis of consolidation

The Together Network is a network of organisations set up in partnership with CUF and Church of England dioceses and includes 20 member organisations.

The Together Network builds local capacity for action through dedicated development workers, who provide expertise and support to churches and other organisations as they seek to bring about positive change in their communities.

The Near Neighbours programme is funded by the Department for Communities and Local Government (DCLG) and CUF and brings people together who are near neighbours in communities that are religiously and ethnically diverse, so that they can get to know each other better, build relationships of trust and collaborate together on initiatives that improve the community they live in.

TRANSACTIONS BETWEEN THE GROUPS

During the year CUF undertook the following transactions with the Together Network and Near Neighbours:

- In 2015 CUF received a grant of £1.6m from DCLG (2014: £1.3m) which it passed over to Near Neighbours to deliver the programme.
- Near Neighbours paid CUF a grant of £1,110k (2014: £807k) to administer the Small Grants programme in addition to a contribution of £51k for the administration of the overall programme.
- CUF paid a total of £849k (2014: £666k) to the subsidiaries under the Together Network. An intercompany balance of £67k was owed by CUF to the Network at the year end. In the group accounts these transactions were eliminated on consolidation.

REVIEW OF 2015 AND PLANS FOR 2016

In 2015 we continued to support the transformation of lives and communities helping to support their safety, flourishing and prosperity. We worked through and supported the infrastructure of the Church of England building on its reach and depth in communities across the nation.

We have now completed all the major organisational changes we set for ourselves and have put in place an infrastructure fit for purpose and with the capacity to support local churches and other groups in their positive transformation of the communities of which they are a part.

We have invested in four main areas during 2015:

First the Together Network, our infrastructure of local joint ventures which act as hubs around which local churches and other groups can work together, change lives for the better and develop the learning necessary to ensure they are creating real and sustainable change. We now have established networks in partnership with the dioceses of Newcastle, Durham, York (based in Middlesbrough), Manchester, Blackburn, Chester, West Yorkshire and the Dales (based in Bradford), Nottingham, Lichfield, Birmingham, Coventry, Norwich, London, Southwark, Canterbury, Exeter (based in Plymouth), and Truro. We invest £50,000 per annum in each of these partnerships that employ a coordinator and costs associated with developing an investment ready infrastructure able to receive funds, account for them and invest in local churches and their capacity to bring about personal and social change. We believe this is money well spent because it enables sustainable change.

In 2015, the Together Network worked alongside over 500 churches to help them launch or develop social action initiatives. It facilitated almost 350 partnership projects, working alongside over 700 local and national partners, and delivered 365 workshops, training events and presentations, attended by almost 12,000 people. The Network also supported over 120 funding applications, helping to raise almost £600,000 for local groups and projects.

2016 will see us work towards financial sustainability for these JV's by building up higher levels of capacity for fundraising from local churches and individuals as well as from trusts and foundations. Our aim is to develop a network which will enable local action through churches and other organisations for the next 15 to 20 years.

Second is the programme work that we do, this breaks down into three areas at present:

Near Neighbours – The Near Neighbours programme has now been working in local communities bringing people from different ethnicities together for 5 years and has been awarded further funding of £1.5m by DCLG to support the work through to March 2017. As part of the programme in 2015, Near Neighbours invested £1.1 million in grassroots activity, giving grants to a total of 334 community projects. After completing their grant-funded activities, 92% of project leads reported feeling better equipped to take action and change things in the community.

The Casey review commissioned by the Prime Minister will review integration and social cohesion across the country with a report due mid-2016. We hope to be a part of this new strategy which will be aimed at developing integrated communities as an antidote to extremism and hate. It looks likely that the Church of England will be asked to play a key role in this work and we believe that we have much to offer in creating a society where people can live together well.

www.cuf.org.uk/how-we-help/near-neighbours

The Credit Champions Network (CCN) – this work is a continuation of the Archbishop of Canterbury’s Task Force on Responsible Credit and Savings. So far, CCN has engaged over 300 churches, trained over 250 Credit Champions, helped recruit over 2,300 new credit union members and is on track to reach its target of 3,000 new members by the end of 2016.

2016 will see us develop a fundraising strategy for rolling out the network across the country. The aim is to have a trainer in each diocese (working where available through our Together Network Joint Ventures) to develop Credit Champions in each parish with two main aims. First to provide an education function which helps people both within and outside of the churches to better manage their money. Then second to stimulate projects and activities which help to build a better market in affordable credit. We hope this programme will roll out towards the end of the year. www.toyourcredit.org.uk/toyourcredit

Places of Welcome – this is a new initiative which has been developed in Birmingham and has come out of the City’s Social Inclusion process chaired by Bishop David Urquhart. The aim is to simply open up a public building and invite people to come together for a coffee and a welcome. The programme has developed some momentum in Birmingham and the Black Country and we will now establish a programme aimed at rolling out the initiative across the country. It does much work in supporting isolated people and provides a way into community life for incoming migrants. www.placesofwelcome.org

Then **third** is the work we do in evaluating our impact. We take the view that much of the engagement in local communities is either piecemeal or seeks to create easy interventions for complex and multi-layered issues. We are working with local communities for the long term and we want to see good quality outcomes that bring about real and sustainable change in people’s lives and communities.

Over the last year we have invested time and resources in setting up robust monitoring mechanisms and conducting rigorous evaluations of our work. It matters to us that we know the impact we are having, that we are able to collect and disseminate stories of change, and that we share good practice within our networks and with our partners.

We use a Theory of Change model to evaluate our impact. Theory of Change is an approach that begins by defining an overarching aim and works back in logical steps to the actions and interventions undertaken by individuals and projects to achieve it. More specifically, it shows how *activities* lead to intermediate changes (*outcomes*) which then combine to tackle large-scale and often hard-to-measure problems (presented in the form of an *aim*). Using this approach helps us to define, and therefore measure, how we will achieve our vision of ‘changing lives and communities together’.

We have recently completed a large scale evaluation of the Near Neighbours programme undertaken by the Department for Peace, Trust and Social Relations of the University of Coventry. This has also established a framework for evaluation within the programme which will help us understand what delivers most of the impact on our objectives. We commissioned in 2015 evaluation programmes for the Together Network and for our small grants programme.

Working in partnership with Livability we have produced a report of specifically Christian responses to welfare provision. It shifts the focus of action from the provision of services to building up the already existing assets in local communities that can be mobilised for the common good. www.cuf.org.uk/research/fullness-life-together-reimagining-christian-engagement-our-communities

Earlier in the year we published our annual Church in Action report which sets out the state of Church based social action across the Church of England.

www.cuf.org.uk/research/church-action-0

Fourth have been the changes that we have made to our organisational structure:

We have changed much of our IT in 2015, updating our accounting software, shifting to a cloud based system for our fundraising software and moved to Microsoft Office 365 for our day to day IT use.

Towards the end of 2015 we initiated a new fundraising strategy to increase the funds available to us for the work that we do and aim to do this in two main ways. First to focus on fundraising events where we seek sponsorship through participation in locally based activities. We held our sponsored Advent Sleepout in November and December of 2015 and we will be repeating this in 2016. We are also sponsoring a Lenten fast initiative called 'Give it Up' and a 'Talents Programme' encouraging local churches to put on a local fundraiser to invest in CUF and its work. Then second we are substantially upgrading our Trusts, Corporates and High Net Worth fundraising capability.

We have also been exploring the development of a new brand. Our work has developed since the organisation was established in the 1980's. The social and economic need set out in our objects is no longer simply an urban phenomenon and we support work in very rural areas. In addition the original endowment fund which described the organisation is no longer in existence and the word 'fund' has come to mean a very different sort of organisation to the one we are. For the moment we have decided simply to work with the name 'CUF'. This is so long established in our history it is difficult to shift from it and so we will avoid the longer title Church Urban Fund and work with its abbreviation.

FINANCIAL REVIEW

OVERVIEW

The financial statements represent the consolidated income and expenditure and balance sheet for the year of CUF and its subsidiaries Near Neighbours and the Together Network.

The Together Network was consolidated in 2014 on the grounds of materiality and are detailed in note 3 of the accounts.

The results of the Near Neighbours subsidiary and the Together Network are shown in note 2 and 3 respectively of the accounts.

The charitable activities of CUF is delivered in three ways:

1 Enabling Infrastructure:

- Together Networks programme of activities is delivered through a network of churches, faith based organisations and other secular groups, and with a Network Development function through direct funding and capacity building via resources and events

2 Accessing Resources through:

- Together Grants - small grant programme supporting local action
- Near Neighbours
- Building Networks of people across particular neighbours and developing relationships across faith and ethnic boundaries through four presence and engagement hubs.
- Creating engagement through a small grants programme and supporting local action
- Building Capacity of community and leadership delivery partners, broadening skills of individuals and organisations

3 Shaping the public sphere through research, evaluation, promotion and dissemination of information to Network participants and the wider public.

INCOME AND EXPENDITURE

CUF consolidated income for the year was £4.4m (2014: £4.2m), of this £1.3m was unrestricted (2014: £0.9m) and £3.2m (2014: £3m) was restricted. Of the restricted income, £1.6m (2014: £1.3m) relates to Near Neighbours, £0.3m to the Joint Ventures and £1.3m (2014: £1.5m) to CUF's other programmes.

The total expenditure for the year was £4.8m (2014: £3.8m), reflecting spend on fundraising of £564k (2014: £429k) and expenditure on Charitable Activities of £4.2m (2014: £3.4m), £2m of which relates to Near Neighbours, £971k to the Joint Ventures and £1.3m to CUF's and other activities.

The balance sheet total funds have fallen by £0.3m to £3.6m, unrestricted funds have increased by £53k to £1.5m, and restricted funds fell to £2.2m (2014: £2.6m).

CUF gratefully acknowledges the many contributions it receives from individuals and churches, both large and small, without which its work would not be possible. The much-valued support from the Archbishops' Council of £0.2m (2014: £0.2m) is an important contribution as is the support from trusts and foundations.

RESERVES AND RESERVES POLICY

The trustees have reviewed the reserves policy and due to the volatile context in which the charity operates, consider a target level for reserves of £3m appropriate, £1m of which is unrestricted providing operational cover for 12 months. The remaining £2m is restricted and will support the Near Neighbours programme, the Together Network, the Credit Champions Network and new initiatives as they arise, ensuring a timely and well managed transition for the organisation if necessary.

At the year end unrestricted reserves at £1.5m (2014: £1.4m) includes £200k for the extension of the Neighbours Programme in addition to funding for the roll out of the Credit Champions Network. Restricted reserves fell by £0.4m to £2.2m (2014: £2.6m) and will be used to support the Together Network programme over a 12 month period in the event of funding being withdrawn at short notice.

INVESTMENT POLICY AND PERFORMANCE

There has been no change in our investment policy during the year. The policy continues to be to maintain the nominal value of the Charity's assets and to generate an income commensurate with a prime focus on capital security and liquidity. The policy is to invest in cash and cash-related investments. £3m was held with CCLA Investment Management Limited's "The CBF Church of England Deposit Fund". CCLA Investment Management Limited invests in accordance with the Church of England's ethical policies.

The performance of the investments is commensurate with the policy and the current economic situation.

DELIVERING PUBLIC BENEFIT

CUF's primary aim is to tackle social and economic disadvantage and we do this in ways set out earlier in this document. We are also working for the renewal of civil society and encouraging the development of the charitable sector.

We work through Church of England structures but focus our activity on people and organisations of all faiths and denominations. Beneficiaries are not restricted by faith, gender, ethnic origin, disability, age or sexual orientation.

The trustees consider the guidance on public benefit each year issued by the Charity Commission and are confident that CUF aims and objectives, as set out above, fulfil the criteria. The trustees do not anticipate any change in the future to this operational approach.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENTS

CUF is both a company limited by guarantee subject to the Companies Act 2006 and a charity registered with the Charity Commission. It is governed by its Memorandum and Articles of Association which were updated on 19 May 2011. The company registration number is 2138994 and the charity number is 297483. The directors of the company are known as trustees.

GOVERNANCE STRUCTURE

The Articles of Association allow for up to twelve trustees and provide that the Archbishop of Canterbury is President. Four trustees are nominated jointly by the Archbishops of Canterbury and York; three by the Church Commissioners; two by the Archbishops' Council; one by the Finance Committee of the Archbishops' Council and two are co-opted by the trustees after consultation with the Archbishops. The current composition of the Trustees and its Executives are set out on page 2.

The trustees have established three board sub-committees which support CUF work throughout the year and report fully to the Trustees Board:

- Finance and Administration Committee, which operates under their designated authority and which oversees and advises on financial and administrative matters,
- a Development Committee, which oversees the work of the Together Network, the social action they facilitate and the network they create, and
- a Fundraising Committee, which has responsibility for overseeing our fundraising work and acting as ambassadors to potential funders.

In 2016 we will be adding a fourth sub-committee to the governance structure, namely the Research and Policy Committee, whose task will be to oversee our research work.

The main Board meets five times a year.

On the 17 July 2015 the Charity Commission approved the employment of the Executive Chair as an employee of CUF with a paid salary which is disclosed in note 9 of the accounts. No other trustee received any remuneration or benefits from CUF. Any expenses reclaimed are set out in note 9 to the financial statements.

TRUSTEE INDUCTION AND TRAINING

On appointment, trustees receive a detailed induction which includes briefings from key staff, the Executive Chair and meetings with those active in our networks. This maintains their awareness of grass roots issues and developments. They also receive regular briefings on developments in CUF's operating environment to keep them up to date.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

The day-to-day management and the responsibility for the implementation of strategy and planning are delegated to the Executive Chair. Formal reporting to the trustee board takes place regularly throughout the year.

PRINCIPAL RISKS

The trustees have identified the most important potential risks and uncertainties that may seriously affect the performance, future prospects or reputation of the Charity and how to manage them (see table below). These are the Together Network, Fundraising, Near Neighbours, Research and Finance & Resources.

GOING CONCERN

The trustees have reviewed the charity’s financial position, taking account of the satisfactory levels of reserves and cash, the annual plan and its systems of financial and risk management. As a result of their review, the trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

KEY MANAGEMENT PERSONNEL REMUNERATION

The trustees consider the board of trustees, the Executive Chair and the Directors (listed in note 8) as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

The Executive Chair was remunerated for the five months period between July and December of 2015 following consent by the Charity Commission for his employment by the charity. All other trustees give of their time freely and were not remunerated in the year. Details of trustees and related party transactions are disclosed in note 22 to the accounts.

The pay of senior staff is reviewed annually and normally increased in accordance with inflation. In view of the nature of the charity, the directors benchmark against pay awards in similar charitable organisations.

Potential Risk	Management
Failure of a Joint Venture	Regular monitoring of Joint Ventures Effective communication with Joint Ventures
Reputational risk due to adverse publicity	Advice and support available Effective staff monitoring of press and media
Insufficient unrestricted income to cover unrestricted expenditure	Effective resource planning of all income streams Pursuing a number of different income sources
Research shown to be inaccurate and not fully representing the views or opinion of the organisation resulting in reputational risk	Reports follow best practice in referencing source material and methodology Reports go through a process appropriate to the content Reports appropriately reviewed
Inadequate capacity to respond to new initiatives	Regular Senior Management meetings Effective reporting procedures

THE TRUSTEES RESPONSIBILITY FOR PREPARING ANNUAL FINANCIAL STATEMENTS

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare annual financial statements for each financial year that give a true and fair view of the Charity's financial activities during the year, its surplus or deficit for the year and its financial position at the end of that year. In preparing annual financial statements, the trustees have followed best practice and:

- Selected suitable accounting policies and applied them consistently;
- Observed the methods and principles in the applicable Charities SORP;
- Made judgments and estimates that are reasonable and prudent
- Followed applicable Accounting Standards and Statements of Recommended Practice
- Prepared the annual financial statements on the going concern basis

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the Charity's assets and for taking reasonable steps to detect and prevent fraud and other irregularities. The trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees at the date of approval of this trustees' report confirms that:

- In so far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware and
- The trustees have taken all the steps that they are obliged to take as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information

SMALL COMPANY EXEMPTION

The company have taken advantage of the small companies' exemption as annual turnover and average number of employees is below the threshold. The accounts have been prepared in accordance with the special provision contained in the Companies Act.

The entity's Financial Statements comply with FRS102.

AUDITORS

The Trustees reappointed Mazars LLP as auditors at the Board Meeting 5th May 2016.

Approved by the trustees on 5th May 2016 and signed on their behalf by:



Paul Hackwood
Chairman of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURCH URBAN FUND

We have audited the financial statements of Church Urban Fund for the year ended 31 December 2015 which is comprised of the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statements of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on pages 11-12, the trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2015 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: **23rd June 2016**

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2015

		Unrestricted Funds 2015	Designated Funds 2015	Restricted Funds 2015	Total 2015	Total 2014 <i>Note 11</i> Restated
	<i>Note</i>	£'000	£'000	£'000	£'000	£'000
INCOME & EXPENDITURE						
INCOME						
Income from Donations & Legacies	4	1,021		1,012	2,033	1,918
Income from Trusts Income	5	32		117	149	505
Income from Charitable Activities						
Near Neighbours Programme (DCLG)	2			1,649	1,649	1,335
Together Network	3			327	327	207
Other Income	6	5	203	48	256	207
Investment income		18			18	18
Total Income		1,076	203	3,153	4,432	4,190
EXPENDITURE						
Expenditure on Raising funds	7	471	76	17	564	429
Expenditure on Charitable activities	7					
Enabling Infrastructure						
Together Network (TN)	7a		203	768	971	635
Network Development	7b	175	12	217	404	346
Accessing Resources						
Together Grants	7c	69	16	496	581	632
Near Neighbours						
Building Networks	7d			406	406	336
Creating Engagement	7e			1,110	1,110	807
Building Capacity	7f			499	499	494
Shaping the public sphere	7g	201	3	31	235	172
		445	234	3,527	4,206	3,422
Total Expenditure		916	310	3,544	4,770	3,851
Net income/(expenditure)		160	-107	-391	-338	339
Transfer between funds		220	-220		0	
Net movement in funds for the year		380	-327	-391	-338	339
Balance brought forward at 1 January		1,075	327	2,575	3,977	3,638
Balances carried forward 31 December		1,455	0	2,184	3,639	3,977

The charity has no recognised gains or losses other than the net movement in funds for the year shown above.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All items relate to continuing operations.

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Cash held on deposit	12	3,005		3,891	
Bank		966		629	
Debtors	13	279		151	
			4,250		4,671
CURRENT LIABILITIES					
Amounts falling due within one year:	14				
Grants awarded but not yet due for payment					
CUF		140		158	
NN		101		214	
Other creditors		370		319	
			611		691
NET CURRENT ASSETS					
			3,639		3,980
CREDITORS					
Amounts falling due after more than one year:	14				
Grants awarded but not yet due for payment					
CUF			-		3
NET ASSETS					
			3,639		3,977
FUNDS					
Restricted	16				
Church Urban Fund			1,549		2,079
Together Network (TN)			635		430
Near Neighbours (NN)			-		66
			2,184		2,575
Unrestricted			1,455		1,402
TOTAL FUNDS					
	21		3,639		3,977

The charity has taken advantage of the small companies exemption as annual turnover is less than £5.6m pounds and average number of employees is below the threshold. The accounts have been prepared in accordance with the special provisions contained in the Companies Act.

Approved by the Trustees on 5th May 2016 and signed on their behalf by:

Paul Hackwood:



Marnie Woodward:



BALANCE SHEET

AS AT 31ST DECEMBER 2015

		2015		2014	
	Note	£'000	£'000	£'000	£'000
CURRENT ASSETS					
Cash held on deposit	12	3,005		3,891	
Cash at bank		277		223	
Debtors	13	267		153	
			3,549		4,267
CURRENT LIABILITIES					
Amounts falling due within one year:	14				
Grants awarded but not yet due for payment					
CUF		140		158	
Near Neighbours		101		214	
Intercompany creditor (Together Network)		67		194	
Deferred Income		34		-	
Other creditors		203		217	
			545		783
NET CURRENT ASSETS			3,004		3,484
CREDITORS					
Amounts falling due after more than one year:	14				
Grants awarded but not yet due for payment			-		3
NET ASSETS			3,004		3,481
FUNDS					
Restricted	16		1,549		2,079
Unrestricted			1,455		1,402
TOTAL FUNDS			3,004		3,481

Approved by the Trustees on 5th May 2016 and signed on their behalf by:

Paul Hackwood: 

Marnie Woodward: 

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015		2014	
	£'000	£'000	£'000	£'000
Reconciliation of net movement in funds to net cash flow from operating activities				
Net (expenditure) / income for the reporting period (as per statement of financial activities)		-338		339
Adjustments for:				
(Increase) / decrease in debtors	-128		97	
(Decrease) / increase in creditors	-83		275	
Net cash (used) / gained in operating activities		-549		711
Change in cash and cash equivalents in the reporting period		-549		711
Cash and cash equivalents at the start of the reporting period		4,520		3,809
Cash and cash equivalents at the end of the reporting period		3,971		4,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (effective 1 January 2015) Charities SORP (FRS 102) and the Companies Act 2006. The date of transition to FRS 102 is 1 January 2014.

The consolidated accounts of the Group incorporate the accounts of the Charity, Church Urban Fund, its subsidiaries, Near Neighbours and the Together Network.

No separate Statement of Financial Activities is presented for the Charity as permitted by the Companies Act.

Gross income and expenditure for the charity alone for the year was £2.5m (2014: £2.6m) and £2.6m (2014: £2.2m) respectively.

The charity constitutes a public benefit entity as defined by FRS102.

The Trustees consider that it is appropriate to prepare the accounts on a going concern basis and believe that there are no material uncertainties about the organisation's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

Due to the changes under these standards, the apportionment of the support and governance costs to the activities of the charity have been updated. The prior year comparatives have been restated in line with this

Holiday pay accrual has been considered and is deemed to be immaterial.

b. Income recognition

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 income receivable can be measured reliably.

Donations include tax recoverable where applicable, and are recognised when receivable and when the charity has been notified in writing of both the amount and settlement date.

Legacies are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Grants receivable and Trust Income are accounted for in the year to which they relate.

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charity objectives.

Grants are charged to the Statement of Financial Activities when they are awarded.

Grants to Near Neighbours Delivery Partners are charged to the Statement of Financial Activities when the funds have been transferred to the recipient's account.

1 ACCOUNTING POLICIES *(continued)*

d. Grant support costs

The support costs include the costs of assessing, reporting on, facilitating the use of and paying grants.

e. Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the staff time spent on each activity. The allocation of support and governance costs is analysed in note 10.

f. Cost of raising funds

The cost of generating funds comprises costs incurred in encouraging churches, individuals, and trusts to contribute to its activities.

g. Charitable activities

Costs of charitable activities included grants made and apportionment of governance and support costs as shown in note 10.

h. Investment returns

Investment income is accounted for when receivable.

i. Pensions costs

The costs of contributions to defined contribution schemes are accounted for in the year to which they relate.

The charity contribution is restricted to the contributions disclosed in note 8. There are no outstanding contributions at the year end. The costs of the defined contribution scheme are included within support and governance costs and charged to the charity using the methodology set out in note 10. The organisation has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

j. Fund structure

Unrestricted General funds are available for use at the discretion of the trustees for any purpose in furtherance of the objectives of the charity.

Unrestricted Designated funds are funds that have been set aside by the trustees for a specific purpose in furtherance of the objectives of the charity.

Restricted funds are funds subject to specific restrictive conditions imposed by donors.

k. Operating lease

Rents payable under operating leases are charged on a straight-line basis over the term of the lease.

l. Tangible fixed assets and policy on capitalisation

Capital additions which do not exceed £10,000 are expensed in full in the year of purchase.

There were no tangible fixed assets in 2015 or 2014.

2 RESULTS OF SUBSIDIARY – NEAR NEIGHBOURS

Near Neighbours builds associations and relationships across faith and ethnic divisions and creates a context where people can come together to develop common values and address community issues. The Board of Trustees is appointed by Church Urban Fund and the Archbishops' Council.

Company registration number 7603317 and charity number 1142426.

Near Neighbours receives funding from the Department for Communities and Local Government (DCLG) and from the Church Urban Fund.

	2015	2014
	£'000	£'000
Income		
Income from Charitable Activities - DCLG via Church Urban Fund	1,649	1,335
Income from Charitable Activities - Church Urban Fund	300	
Total income	1,949	1,335
Expenditure		
Charitable activities		
Building Networks	406	336
Creating Engagement	1,110	807
Building Capacity:		
Faith Leaders	85	107
Young Leaders	162	131
Community	252	256
Total expenditure	2,015	1,637
Net expenditure	-66	-302
Balance brought forward at 1 January	66	368
Balance carried forward at 31 December	0	66

3 RESULTS OF SUBSIDIARIES – TOGETHER NETWORK

Together Network comprises of 18 small subsidiaries which are consolidated in the CUF group accounts at the year end.

A summary of the 18 subsidiaries are shown below:

	Church Urban Fund Income	Other External Income	Total Income	Total Expenditure	Balance b/f 01/01/15	Net Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Thrive Together Birmingham	50	125	175	178	39	36
Transformation Cornwall	45	22	67	59	30	38
Transforming Notts Together	50	8	58	61	53	50
Together Southwark	50		50	26	15	39
Together Lancashire	50	29	79	57	28	50
Together Newcastle	50	22	72	70	38	40
Wellsprings Together Bradford	73		73	57	33	49
Together Liverpool	50	50	100	83	17	34
Transforming Lives Together	50	4	54	31	26	49
Communities Together Durham	50		50	37	10	23
Together Middlesbrough and Cleveland	74	2	76	55	22	43
Capital Mass	40	60	100	56	27	71
Together for Change Coventry and Warwickshire	50	3	53	27	33	59
Transforming Communities Together	50	2	52	62	17	7
Together Canterbury	50		50	77	42	15
Transforming Plymouth Together	20		20	16		4
Greater Together Manchester	30		30	19		11
Together Norfolk	17		17			17
Total	849	327	1,176	971	430	635

3 RESULTS OF SUBSIDIARIES – TOGETHER NETWORK *(continued)*

A summary of the 18 subsidiaries that form part of Together Network are shown below. The Trustees for each subsidiary are appointed by CUF and one other organisation, with CUF having control by virtue of the majority of trustees being appointed:

Together Network	Company Reg. No.	Charity Reg. No.	Trustees appointed by CUF and:
Thrive Together Birmingham	8039675	1153942	Bishop of Birmingham
Transformation Cornwall	7329249	1138706	Bishop of Truro & Cornwall Methodist District
Transforming Notts Together	8399842	1152870	Southwell & Nottingham Diocesan Board of Finance
Together Southwark	8257445	1153362	South London Church Fund & Southwark Diocesan Board of Finance
Together Lancashire	7966145	1147848	Bishop of Blackburn & Lancashire Methodist District
Together Newcastle	8139375	1150824	Newcastle Diocesan Board of Finance
Wellsprings Together Bradford	6633154	1139674	Bradford Diocesan Board of Finance
Together Liverpool	8190148	1151977	Liverpool Diocesan Board of Finance
Transforming Lives Together	8419285	1157348	Chester Diocesan Board of Finance
Communities Together Durham	8860961	1157214	Durham Diocesan Board of Finance
Together Middlesbrough and Cleveland	9196281	1159355	York Diocesan Board of Finance
Capital Mass	9257264	1159501	London Diocesan Board of Finance
Together for Change Coventry and Warwickshire	8763866	1160133	Coventry Diocesan Board of Finance
Transforming Communities Together	9010580	1157772	Mercian Community Trust (Lichfield)
Together Canterbury	8763875	1159936	Canterbury Diocesan Board of Finance
*Transforming Plymouth Together	9716832	1166026	Exeter Diocesan Board of Finance
*Greater Together Manchester	9490223		Manchester Diocesan Board of Finance
*Together Norfolk	9725781	1166382	Norwich Diocesan Board of Finance

*Transforming Plymouth Together, Greater Together Manchester and Together Norfolk are in the process of obtaining full charitable status.

4 INCOME FROM DONATIONS AND LEGACIES

	2015	2015	2015	2014
	£'000	£'000	£'000	£'000
	Unrestricted	Restricted	Total	Total
Donations: Individual, Church and Community Donations	816	1,012	1,828	1,721
Legacies	205	-	205	197
	1,021	1,012	2,033	1,918

5 INCOME FROM TRUSTS

	2015	2015	2015	2015	2014
	£'000	£'000	£'000	£'000	£'000
	Unrestricted	Designated	Restricted	Total	Total
Trusts Income	32	-	117	149	505
	32	-	117	149	505

6 INCOME FROM OTHER ACTIVITIES

	2015	2015	2015	2015	2014
	£'000	£'000	£'000	£'000	£'000
	Unrestricted	Designated	Restricted	Total	Total
Archbishops' Council	-	203	-	203	203
Other Income	5	-	48	53	4
	5	203	48	256	207

7 EXPENDITURE

	Staff costs	Programme costs	Other direct costs	Support costs	Total 2015	Total 2014 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
	(note 8)	(note 7a-g)		(note 10)		
Expenditure on Raising Funds	295	-	139	130	564	429
Expenditure on Charitable Activities						
Enabling Infrastructure						
Together Network (7a)	672	184	-	115	971	635
Network Development (7b)	235	23	33	113	404	346
Accessing Resources						
Together Grants (7c)	59	496	-	26	581	632
Near Neighbours Programme						
Building Networks (7d)	51	320	25	10	406	336
Creating Engagement (7e)	39	1,065	6		1,110	807
Building Capacity (7f)	82	368	32	17	499	494
Shaping the Public Sphere (7g)	94	-	100	41	235	172
Total expenditure on Charitable Activities	1,232	2,456	196	322	4,206	3,422
Total expenditure	1,527	2,456	335	452	4,770	3,851

7a ENABLING INFRASTRUCTURE: TOGETHER NETWORK

	2015	2014 Restated
	£'000	£'000
Programme Costs	184	106
Staff costs	672	475
Support costs	115	54
	971	635

On consolidation grants totalling £849k (2014: £666k) awarded to each of the subsidiaries under the Together Network were eliminated (note 3).

7b ENABLING INFRASTRUCTURE: NETWORK DEVELOPMENT

	2015	2014 Restated
	£'000	£'000
Hull homelessness support grant	23	22
Capacity Building through resources & events	17	23
Conferences & Events	12	3
Volunteering	4	6
	56	54
Staff costs	235	196
Support costs	113	96
	404	346

7c ACCESSING RESOURCES: TOGETHER GRANTS

	2015	2014 Restated
	£'000	£'000
Grants awarded to projects during the year (see note 19 for details)	504	579
Less writebacks of awards	-8	-12
Net grant awards	496	567
Staff costs	59	44
Support costs	26	21
	581	632

Writebacks of awards represent grants awarded in previous years that have been unclaimed.

ACCESSING RESOURCES: NEAR NEIGHBOURS PROGRAMME

7d BUILDING NETWORKS

	2015	2014 Restated
	£'000	£'000
Funding Delivery Partners		
Faithful Neighbourhoods Centre, Birmingham	0	18
Thrive Together Birmingham	31	22
St Philip's Centre, Leicester	32	40
Centre for Theology and Community, East London	32	41
Faithful Neighbours, Bradford, Leeds & Dewsbury	37	35
King's Centre, West London	63	20
Faithful Neighbours, Rochdale & Bury	41	31
Transforming Communities Together, Black Country	42	29
Grassroots, Luton	42	31
	320	267
Staff costs	51	43
Other direct costs	25	15
Support costs	10	11
	406	336

7e CREATING ENGAGEMENT

	2015	2014 Restated
	£'000	£'000
Grants awarded to projects during the year (see note 20 for details)	1,080	774
Less writebacks of awards	-15	-5
Net grant awards	1,065	769
Staff costs	39	37
Other direct Costs	6	1
	1,110	807

Writebacks of awards represent grants awarded in previous years that have been unclaimed.

7f BUILDING CAPACITY

	2015	2014 Restated
	£'000	£'000
Funding Delivery Partners		
Faith Leaders capacity building		
Christian Muslim Forum	14	34
Council for Christians and Jews	8	12
3 Faiths Forum	18	16
Hindu Christian Forum	4	12
Young Leaders capacity building		
The Feast	40	35
Faithful Neighbours Catalyst Programme	40	37
St Philip's Centre, Leicester Catalyst Programme	41	29
Community capacity building		
Nehemiah Foundation	203	222
	368	397
Staff costs	82	61
Other direct costs	32	20
Support costs	17	16
	499	494

7g SHAPING THE PUBLIC SPHERE

	2015	2014 Restated
	£'000	£'000
Publications and printing	16	24
Web development and digital	22	14
Promotion and production	21	14
Research and evaluation	41	19
	100	71
Staff costs	94	68
Support costs	41	33
	235	172

8 STAFF COSTS

Church Urban Fund, Near Neighbours and Together Network	2015	2014 Restated
	£'000	£'000
Salaries	1,334	971
Social Security	103	88
Pensions	90	65
	1,527	1,124

The key management personnel of the charity is comprised of the trustees, the Executive Chair, Director of Development, Director of Finance & Resources, Director of Fundraising & Communications and Director of Policy & Research.

The total employment benefits of the key management personnel of the charity, including employer pension contributions were £261k (2014: £155k).

The number of staff whose emoluments for the year exceeded £60,000 was:	2015	2014
Normal emoluments (£60,000 - £70,000)	1	0

9 STAFF NUMBERS

The average monthly head count for the group was 48 staff (2014: 40 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year were:

	2015	2014
Direct Charitable	31	22
Fundraising	3	3
Communications	1	1
Management and Administration	5	4
	40	30

The Executive Chair was remunerated £44k (2014: nil) during the year following consent by the Charity Commission for his employment by the charity.

None of the other trustees received any other benefits from employment with the charity or its subsidiaries in the year (2014: £nil).

Appropriate expenses incurred in attending meetings and on other business of CUF were reimbursed to Trustees as follows:

	2015	
	No.	£'000
Travel, subsistence and other expenses	7	23

The amount waived by trustees for the year was £5k (2014: £5k).

10 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The charity identifies the costs of its support functions. It then identifies those costs which relate to governance.

Having identified those costs which relate to governance, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken (see note 7) in the year.

The breakdown of support costs and how these were allocated between governance and other support costs is shown below.

10a COST TYPE

	Other Support Costs 2015	Governance related 2015	Total allocated 2015	Total allocated 2014 Restated
	£'000	£'000	£'000	£'000
Support Costs				
Professional Costs	38	2	40	30
Audit		24	24	21
Accommodation	100	6	106	106
Other (office costs, travel & subsistence)	272	10	282	187
	410	42	452	344

10b GOVERNANCE COSTS

	2015	2014
	£'000	£'000
Staff costs	56	54
Support costs (see above)	42	22
Other direct costs	26	32
	124	108

The governance costs were apportioned based on staff time.

11 COMPARATIVE SOFA FOR THE YEAR ENDED 31 DECEMBER 2014

	Unrestricted Funds 2014	Designated Funds 2014	Restricted Funds 2014	Total 2014	Total 2015
	£'000	£'000	£'000	£'000	£'000
INCOME					
Income from Donations & Legacies	855		1,063	1,918	2,033
Income from Trusts	57		448	505	149
Income from Charitable Activities					
Near Neighbours Programme (DCLG)			1,335	1,335	1,649
Together Network			207	207	327
Other Income	4	203		207	256
Investment income	18			18	18
Total Income	934	203	3,053	4,190	4,432
EXPENDITURE					
Expenditure on Raising funds	393	27	9	429	564
Expenditure on Charitable activities					
Enabling Infrastructure					
Together Network			635	635	971
Network Development	156	6	184	346	404
Accessing Resources					
Together Grants	57	190	385	632	581
Near Neighbours					
Building Networks			336	336	406
Creating Engagement			807	807	1,110
Building Capacity			494	494	499
Shaping the public sphere	152	3	17	172	235
	365	199	2,858	3,422	4,206
Total Expenditure	758	226	2,867	3,851	4,770
Net income/(expenditure) and net movement in funds for the year	176	-23	186	339	-338
Transfer between funds - Designated Fund	-50	50			
Balance brought forward at 1 January	949	300	2,389	3,638	3,977
Balances carried forward 31 December	1,075	327	2,575	3,977	3,639

12 CASH HELD ON DEPOSIT

Group and Charity	2015	2014
	£'000	£'000
CCLA The CBF Church of England Deposit Fund - current assets	3,005	3,891
	3,005	3,891

13 DEBTORS

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Prepayments and accrued income	53	23	53	22
Other debtors				
Legacies	190	83	190	83
Donations (vouchers, credit cards)	20	9	20	9
Catalyst grant		25		25
Other Debtors	16	11	4	2
	279	151	267	141
Intercompany account (Near Neighbours)	-	-		12
	279	151	267	153

14 CURRENT LIABILITIES AND LONG-TERM LIABILITIES

	Group		Charity	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Grants payable CUF (note 15)	140	158	140	158
Grants payable NN (note 15)	101	214	101	214
Taxation & Social Security	27	17	26	17
Deferred income	34		34	
Accruals	309	302	177	200
	611	691	478	589
Intercompany account (Near Neighbours)	-	-	-	-
Intercompany account (Together Network)	-	-	67	194
	611	691	545	783
Amounts falling due after one year:				
Grants payable - CUF (note 15)	-	3		3
	611	694	545	786

15 MONEY FOR LOCAL ACTION

	Together Grants CUF Programme		Creating Engagement NN Programme		Total	Total
	2015	2014	2015	2014	2015	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Balance brought forward	161	150	214	1	375	151
Grants awarded (note 19 & 20)	504	579	1,080	774	1,584	1,353
Writebacks	-8	-12	-15	-5	-23	-17
	657	717	1,279	770	1,936	1,487
Less						
Grants paid during year	523	560	1,186	560	1,709	1,120
Returned Grants	-6	-4	-8	-4	-14	-8
	517	556	1,178	556	1,695	1,112
Balance of grants payable	140	161	101	214	241	375
Falling due within one year	140	158	101	214	241	372
Falling due after one year		3			0	3
Balance of grants payable	140	161	101	214	241	375

16 RESTRICTED FUNDS

	Balance at 2014	Income	Expenditure	Transfers between funds	Balance at 2015
	£'000	£'000	£'000	£'000	£'000
CUF Programme					
Together Grants	464	26	482		8
Network Development	1,615	505	279	-300	1,541
	2,079	531	761	-300	1,549
Near Neighbours	66	539	905	300	0
Near Neighbours - Creating Engagement	-	1,110	1,110		0
	66	1,649	2,015	300	0
Together Network	430	973	768	0	635
	2,575	3,153	3,544	0	2,184

The Together Grants provides small grants for faith based organisations to engage in social action.

Network Development costs are to support development work across the network.

The Near Neighbours programme costs enable the work of bringing faith based communities together.

The Together Network fund is to support the partnership work between Church Urban Fund and the Church of England dioceses of mobilising the church to respond to issues of poverty locally.

The transfer of £300k represents match funding for the Near Neighbours programme as agreed by the Trustees.

17 DESIGNATED FUND

	Balance at 2014	Income	Expenditure	Transfers	Balance at 2015
	£'000	£'000	£'000	£'000	£'000
CUF Programme					
Together grants	14		14		0
Together Network		203	203		0
IT Development and other	313		93	-220	0
	327	203	310	-220	0

The Designated Fund is no longer required and as a result it has been transferred back to the Unrestricted General Fund.

Together grants - the Fund is to support exceptional work associated with the Together Network.

Together Network - to support the partnership work between Church Urban Fund and the Dioceses.

IT Development and other - to develop the information systems across the organisation.

18 OPERATING LEASE

	Land and Building	
	2015	2014
	£'000	£'000
Rolling lease with one month notice	9	9

In 2015, one month notice was required to vacate Church House.

19 ACCESSING RESOURCES: TOGETHER GRANTS GRANTS AWARDED IN 2015 BY SECTOR

	2015	2014
	£'000	£'000
Together Grants/Mustard Seed Grants		
Addiction/Substance Abuse	20	10
Advice/Advocacy/Counselling	-	12
Community	157	222
Criminal Justice	29	15
Debt/Financial Advice	58	48
Education	-	15
Employment/Training	53	80
Health/Mental Health	52	25
Homeless/Housing	53	59
Interfaith	15	-
Prostitution/People Trafficking	9	-
Refugees/Asylum Seekers	44	25
Social Welfare	9	7
	499	518
Health and Belief Grants		
Advice/Advocacy/Counselling	-	7
Community	-	9
Health/Mental Health	-	34
	-	50
Disaster Relief Grant	5	11
Total Grants Awarded before writebacks (see Note 7c)	504	579

19a GRANTS AWARDED IN 2015 BY REGION (DIOCESE)

	2015	2014
	£'000	£'000
Bath & Wells	3	4
Birmingham	20	3
Blackburn	19	27
Bradford	-	41
Bristol	15	10
Canterbury	4	10
Carlisle	5	-
Chelmsford	15	21
Chester	19	9
Chichester	-	24
Coventry	31	13
Derby	5	5
Durham	12	20
Exeter	7	-
Gloucester	9	1
Guildford	-	7
Hereford	3	13
Leicester	5	5
Lichfield	42	20
Lincoln	5	-
Liverpool	19	46
London	23	86
Manchester	24	12
Newcastle	7	4
Norwich	5	20
Oxford	9	16
Peterborough	-	10
Ripon & Leeds	-	15
Rochester	3	-
Sheffield	5	6
St Edmundsbury & Ipswich	-	5
Southwark	17	29
Southwell & Nottingham	14	10
Truro	10	26
West Yorkshire & Dales	56	-
Wakefield	-	6
Winchester	10	5
Worcester	5	2
York	32	35
Grants covering more than one Diocese	46	13
Total Grants Awarded before writebacks (see Note 7c)	504	579

20 NEAR NEIGHBOURS PROGRAMME - CREATING ENGAGEMENT IN 2015 BY ACTIVITY

	2015	2014
Local Initiatives	£'000	£'000
First Encounters: between people of different faith and ethnic communities, encouraging the development of friendship and neighbourliness	114	109
Everyday Interactions: encouraging families and individuals to come together regularly	496	428
Social Action: bringing together people from different faith and ethnic communities to work together to change their neighbourhoods for the better	470	237
Total Grants Awarded before writebacks (see Note 7e)	1,080	774

20a NEAR NEIGHBOURS PROGRAMME - CREATING ENGAGEMENT IN 2015 BY REGION

	2015	2014
Regional Centre	£'000	£'000
Centre for Theology and Community, London	75	104
St Philip's Centre, Leicester	151	66
Faithful Neighbourhoods Centre, Birmingham	-	3
Thrive Together Birmingham	121	118
Faithful Neighbours, Bradford	280	187
King's Centre, West London	175	75
Transforming Communities Together, Black Country	176	127
Grassroots, Luton	102	94
Total Grants awarded before writebacks (see Note 7e)	1,080	774

21 NET ANALYSIS OF ASSETS AND LIABILITIES BY FUND

	Unrestricted	Restricted	2015	2014
	£'000	£'000	£'000	£'000
Current assets	1,638	2,612	4,250	4,671
Current liabilities	-183	-428	-611	-691
Long term liabilities	0		0	-3
	1,455	2,184	3,639	3,977
Church Urban Fund	1,455	1,549	3,004	3,481
Near Neighbours	-	-	-	66
Together Network	-	635	635	430
	1,455	2,184	3,639	3,977

22 RELATED PARTIES

The charity's key relationship in the pursuit of its charitable objectives is with the Church of England.

Church Urban Fund received a grant from the Archbishops' Council of £203k both this year and last. Additionally, Church Urban Fund's offices are located at Church House where there is a provision of an operating licence renewable annually and rental payment of £106k was made in 2015.

Listed below are grants made where there is a commonality of trusteeship as between the Church Urban Fund group and the recipient charity. All of these grants were made at arms length and in the normal course of the charity's business in pursuit of its charitable objectives.

Reverend Canon Denise Poole is a Trustee of Church Urban Fund, Near Neighbours and also of Faithful Neighbours, Bradford which received grants of £118k (2014: £118k) during the year.

The Right Reverend Richard Atkinson, a Trustee of Near Neighbours, is also Co-Chair of the Hindu Christian Forum which received a grant of £4k (2014: £12k) during the year.

John Iles, a Trustee of Church Urban Fund, is also a Trustee of Thrive Together Birmingham which received a grant of £81k (£50k from CUF and £31k from NN) during the year (2014: CUF £50k and NN £22k).

Reverend Canon Denise Poole is a Trustee of Church Urban Fund, Near Neighbours and also of Wellsprings Together Bradford which received a grant of £73k (2014: £65k) during the year.

During the year, CUF undertook the following transactions with its subsidiary Near Neighbours:

CUF received the full amount of the grant from DCLG of £1.6m (2014: £1.3m) and passed this over to Near Neighbours to deliver the programme.

Near Neighbours paid CUF a grant of £1,110k (2014: £807k) to administer the Small Grants programme.

Near Neighbours made a contribution of £51k to CUF for the administration of the overall programme.

At the year end, there was no intercompany balance for Near Neighbours (2014: £12k owed to CUF).

During 2015 CUF paid £849k (2014: £666k) to the subsidiaries under Together Network. The intercompany balance for the Together Network was £67k owed by CUF. In the group accounts these transactions are eliminated on consolidation.

There are no other outstanding balances with related parties.

23 LEGAL FORM OF THE ENTITY

CUF was established by the Church of England in England 1987, registration number 2138994 and charity number 297483. The charity is located at Church House, Great Smith Street, London SW1P 3AZ.