

NEAR NEIGHBOURS

BRINGING PEOPLE TOGETHER



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2015

CONTENTS

Trustees, Officers and Advisers	2
Report of the Trustees	3
■ Review of 2015	4
■ Future plans	7
■ Delivering public benefit	7
■ Structure, Governance and Management	8
■ Financial Review	10
■ The Trustees' Responsibility for preparing Annual Financial Statements	11
Independent Auditor's Report	12
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17

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

A company limited by guarantee.

Registered number
7603317

Registered Charity
number 1142426

TRUSTEES, OFFICERS AND ADVISERS

CHAIRMAN

Baroness Eaton DBE

TRUSTEES

Rt Revd Richard Atkinson, OBE

Rt Revd Mark Davies

Mr Francis Davis

Mr Matthew Girt

Revd Canon Paul Hackwood

Mr Tim Hind

Rt Revd Dr Toby Howarth

Rt Revd Dr Michael Ipgrave, OBE

Revd Canon Eve Pitts

Revd Canon Denise Poole

Revd Mark Poulson

PRINCIPAL OFFICERS

Elizabeth Carnelley,
Programme Director

ADVISERS

Bankers

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

Auditors

Mazars LLP
Times House
Throwley Way
Sutton
Surrey SM1 4JQ

Solicitors

Legal advice is provided by:

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees present their annual report and financials 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.

OBJECTIVES AND ACTIVITIES

The Near Neighbours (NN) programme brings people together as neighbours to strengthen personal relationships and at the same time strengthen civil society. Its aim is to create a more cohesive society where people live together respecting the differences they have with others and building a flourishing life together.

We are engaged in the business of encouraging people to connect with each other across religious and ethnic divides through practical action to improve their neighbourhood. This is not easy work and there are many centrifugal forces that create fragmentation and suspicion and which seek to exploit difference for political and often sectarian ends. Our focus therefore is on the building up of a 'thick middle' where people are encouraged to interact and relate openly across boundaries of faith and ethnicity. Various evaluations of the work have indicated that the programme is highly successful in achieving these aims.

Near Neighbours was created by CUF and the Archbishops' Council of the Church of England following the award of £5m by the Department for Communities and Local Government (DCLG) in February 2011. In March 2014 a further £3m was awarded to extend the programme for two further years. Church Urban Fund (CUF), the Church of England's social action charity has been working for 30 years in the most deprived areas of the country, including multi-faith communities. The programme works through the parish system of the Church of England that allows activity to take place deep within local communities, thereby accessing people who these sorts of programmes often do not reach.

It is well known that many of our cities are characterized by the separation of communities. Many within these communities share the aspiration to come together and at the same time to make things better in their area, but there are few spaces in local neighbourhoods where they can come together to talk about common concerns or to work collaboratively. There is a desire for change, but the capacity of the community to work together is often undeveloped and resources limited.

MAIN OBJECTIVES:

- Building up personal relationships so that people understand each other better and are not so susceptible to negative stereotypes of 'the other'. We aim to develop positive relationships that provide a foundation for people to work together.
- Building up civil society across divides of faith and ethnicity. We provide the opportunity for people to come together and work together on creating positive change in their neighbourhood.

REVIEW OF 2015

2015 has been a year of challenges for the work of Near Neighbours but one with many successes. Building integration through relationships is no easy matter; the levels of separation that have come to characterise many of our local neighbourhoods have created suspicion and mistrust, as has the increase in hate and violence which has often been justified through religious belief. The reality though, is that most people in the UK simply want to get on with their lives and live in peace with their neighbours. It is on this desire for integration and mutual respect that the programme builds.

Civil society has a key role to play in winning hearts and minds to the idea that we can all live together and live together well, with mutual respect and concern for each other. Near Neighbours works to support this view by connecting people of goodwill together, encouraging their participation in the life of their neighbourhood and building their capacity to contribute to the common good.

There is no better national institution to do this than the structures of the Church of England, both as a local and a national organisation, concerned with and competent in negotiating these issues. The institution of the Church acts as a benign broker of mutual engagement and partnership.

2015 HAS SEEN US ENGAGE IN THREE SETS OF ACTIVITIES:

First we have consolidated our **Network Building** in the areas where we have been working and put in place deep networks of connection between different communities, faith leaders and young people. These local networks are where trust and mutual respect is built and where common narratives of living together well can take root in the life of a local neighbourhood. We have seen some significant examples of developing levels of trust and encounter where misunderstanding and mistrust has been challenged. Our annual conference in Leeds was an important event in strengthening our network and spreading our reputation. Over 200 faith leaders and young people assembled for the event.

On the 26th October 16 young people (18-30) who are Christian and Muslim from Leeds and Rochdale attended a workshop in London with Community organiser and activist Arnie Graff and visited the House of Lords.

On the 21st December 28 people – Jewish, Muslim, Christian and agnostic – belonging to the NN network in West Yorkshire attended Twitter training at Thornbury Centre Bradford led by Nick Pickles, the policy head at Twitter.

Second we have increased levels of association between communities through our **Small Grants programme**. In 2015 we made over 322 grants which we estimate has brought another 188,000 people into new relationships with their neighbours from other faith and ethnic communities.



“Unity is goodwill faith is goodwill”

*Leeds Jewish Representative Council (LJRC): **Interfaith Women’s Network***

LJRC is the umbrella organisation for all Leeds-based Jewish organisations. With the help of a Near Neighbours grant they were able to set up an Interfaith Women’s Network for Leeds, which includes representatives of the Christian, Muslim, Hindu and Sikh faiths. They created a festival-themed multi-cultural cookery book as an initial team-building project. A second project, involving teaching adult literacy in a women’s prison, is also planned.

Dudley Al-Karim Foundation:

Open Door Project

Through our funding for their Open Door project, Dudley Al Karim have established themselves in the community and developed a track record of working with young men in the local area. The project included healthy lifestyle and discussion events, and aims to tackle community tensions, crime and Islamophobia. The Police and the Council are now working with the organisation and see them as a link to consulting people they struggle to engage with. Dudley Al Karim have now received further funding for their work from Awards for All.



*“Catalyst has shown me through **relationship building, activities and laughter** the importance of unity in todays society no matter the **religion or culture**”*

Then third, we have continued the work of **Building the capacity** of local faith and secular groups to respond to the challenges of living together. This has two strands:

- Our work with young people through the Catalyst programme and the Feast. We have seen over 313 young people go through Catalyst and the Feast engages directly with 200 young people a year (engaged with them face to face in activities) and 4000 a year indirectly through talks and events in clubs, schools, mosques and churches. These programmes which identify young people likely to be the future leaders then build their capacity to provide a positive lead on how we live well together.

In the Black Country some women who were part of Catalyst then formed a women's faith network. In Leeds some Catalyst graduates applied for a Near Neighbours small grant and Jewish, Muslim, Buddhist and Christian young people went away for a residential weekend to plan some local activities together. In Luton a young Catalyst graduate won a grant in a dragon's den type competition to run some inter faith youth events in Luton.

- in our work with Faith leaders through our partners The Faiths Forum (3FF), The Hindu Christian Forum (HCF), The Christian Muslim Forum (CMF), The Nehemiah Foundation and The Council of Christians and Jews (CCJ), where our focus has been in building up the skills and experience of faith leaders, from practical fundraising and finance skills to experience of encounter with other faith groups and partnering local communities on particular social issues local to their neighbourhood.

The Council of Christians and Jews (CCJ) in Manchester/ Bury ran a new Women's Sports Group for Christian, Jewish and Muslim women and have held successful session in the Prestwich area and are now seeking funding for an additional weeknight session to complement the Sunday session begun by NN funding.

The Nehemiah workers initiated projects and have been involved in NN fund applications, such as a craft project in Rochdale, and a summer holiday club in Tipton attended by 23 children (under 10) twice a week for six weeks. One of the Luton workers, Luke, has received some Awards for All funding and ran some cultural evenings with food attended by 200 people each evening of different backgrounds and faiths. Mahzer in Nottingham initiated some school twinning work which featured on the BBC local news. (Children from a Catholic school and a Muslim school coming together for harvest and to support a foodbank).

FUTURE PLANS 2016

2016 will see us continue this work of building relationships between different ethnic and religious groups, encourage greater levels of participation in this activity and develop the skills and experience of those we work with. Our key aim organisationally this year will be to begin a significant fundraising campaign, which will allow us to spread our work more widely and to move away from the single dependence on one source of funding. The programme has matured and

the research we commissioned from the University of Coventry during 2015 has given us evidence of the impact and effectiveness of our work and we now want to expand its reach and reputation.

DCLG have committed a further £1.5m for the extension of the programme from 1 April 2016 to 31 March 2017 with match funding of £200k from Church Urban Fund.

DELIVERING PUBLIC BENEFIT

Near Neighbours brings people together in diverse communities, helping them to build relationships and collaborate to improve the local community in which they live. Near Neighbours also financially supports and works with a wide range of community and faith organisations, all of which are working to bring communities together.

The trustees have reviewed the guidance on public benefit issued by the Charity Commission and consider that Near Neighbours' aims and activities, as set out above, fulfill the criteria. The trustees do not anticipate any change in the future to this operational approach. The trustees consider the guidance on public benefit each year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

GOVERNING DOCUMENTS

Near Neighbours is both a company limited by guarantee (Registration Number 7603317) subject to the Companies Act 2006 and a charity registered with the Charity Commission (Charity Number 1142426). It is governed by its Memorandum and Articles of Association dated March 2011.

GOVERNANCE STRUCTURE

The directors of the company are known as trustees. The Articles of Association allow for up to thirteen trustees, six being nominated by the Archbishops Council and seven by CUF.

The trustees meet four times a year. They have not established any board sub-committees but have established one 'working party' called the 'evaluation group', to oversee the work in this area on behalf of the Board. The trustees are listed on page 2 of this report.

None of the trustees receive any remuneration or benefits from Near Neighbours. Any expenses reclaimed are set out in note 8 to the financial statements.

TRUSTEE INDUCTION AND TRAINING

All trustees on appointment receive a detailed briefing on the Memorandum & Articles of Association, the objectives of the programme and the agreements with CUF, the DCLG and delivery partners.

Trustees also have the opportunity to visit projects and are kept abreast of developments at each board meeting through a detailed progress report by the Programme Director and a cycle of presentations by partners.

MANAGEMENT AND ORGANISATIONAL STRUCTURE

The day-to-day management and delivery of the Near Neighbours programme is delegated by the trustees to the Programme Director who is supervised by CUF's Executive Chair, and other members of CUF's staff. Formal reporting by the Programme Director to the Board takes place regularly throughout the year.

PRINCIPAL RISKS

The trustees have considered the key potential risks facing the Near Neighbours programme and how they are managed which are outlined below:

Potential Risk	Management
Failure to secure future funding for the programme	Pursuing a number of different funders
Organisational risk due to loss of key personnel	Short term support available from CUF staff and Trustees Procedures and processes are in place
Reputational risk from adverse publicity	Advice and support available Local and national media coverage are monitored
Failure of a grant which in turn impacts the organisations' reputation	Robust system in place Grants are checked by an advisor from a faith perspective Applications and approvals are closely reviewed

KEY MANAGEMENT PERSONNEL REMUNERATION

The trustees consider the board of trustees and the Programme Director 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 daily basis.

The salary of the Programme Director is reviewed annually and normally increased in accordance with inflation. In view of the nature of the charity, the trustees benchmark against pay awards in similar charitable organisations.

SMALL COMPANY EXEMPTION

The company has taken advantage of the small company exemption as it is within the threshold criteria. The accounts have been prepared in accordance with the special provision contained in the Companies Act.

FINANCIAL REVIEW

INCOME

Overall income for the year to 31st December 2015 was £1,949k (2014: £1,335k). All income was restricted to the Near Neighbours programme and relates to funding from the DCLG.

EXPENDITURE

The total expenditure on the three charitable activities was £2,015k (2014: £1,637k). The charitable activities together with their associated expenditure for the period are:

- Building Networks: £406k (2014: £336k) this expenditure principally reflects the grants to extend the capacity of the Local Presence and Engagement centres set out in notes 3 and 6 to the accounts.
- Building Capacity by these three activities:
 - Faith Leaders: £85k (2014: £107k)
 - Young Leaders: £162k (2014: £131k)
 - Communities: £252k (2014: £256k)

This expenditure principally reflects the grants to our partners set out in notes 3 and 6.

- Creating Engagement: £1,110k (2014: £807k) represents Near Neighbours small grant fund, as set out in note 4 to the accounts.

RESERVES AND RESERVES POLICY

All reserves are treated as restricted and any reserves held at the year end represent funds set aside for future programmes. There was a nil balance in reserves at 31st December 2015 (2014: £66k).

THE TRUSTEES RESPONSIBILITY FOR PREPARING ANNUAL FINANCIAL STATEMENTS

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
- 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 prevent and detect fraud and other irregularities. The trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise.

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

- 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 ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

AUDITORS

Mazars LLP was reappointed as auditors on 5th May 2016.

Approved by the trustees on 28th April 2016 and signed on their behalf by



Revd Mark Poulson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEAR NEIGHBOURS

We have audited the financial statements of Near Neighbours for the year ended 31 December 2015 which is comprised of the Statement of Financial Activities, the Balance Sheets, the Statement 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 page 8, 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 web-site 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 charity's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its 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 Report of the Trustees 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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)

Date: 12th July 2016

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor,
Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2015

		Restricted Funds 2015	Total Restated 2014
	<i>Notes</i>	£'000	£'000
INCOME & EXPENDITURE			
INCOME			
Income from Charitable activities	2	1,949	1,335
Total Income		1,949	1,335
EXPENDITURE			
Expenditure on Charitable activities:	3		
Building Networks		406	336
Creating Engagement	4	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
Total Funds brought forward		66	368
Total Funds carried forward		0	66

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 and the Financial Reporting Standard (FRS 102). All activities relate to ongoing operations.

BALANCE SHEET

AS AT 31ST DECEMBER 2015

	Notes	2015		2014	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Debtors & Accrued Income		0		1	
Cash at bank		7		93	
			7		94
CURRENT LIABILITIES					
Creditors	9	7		16	
Amount due to parent charity		0		12	
			7		28
NET CURRENT ASSETS			0		66
NET ASSETS			0		66
FUNDS					
Restricted Funds	10		0		66
TOTAL FUNDS			0		66

The charity has taken advantage of the small companies exemption as it meets the threshold criteria. The accounts have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 28th April 2016 and signed on their behalf by:

Revd Mark Poulson



Paul Hackwood



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Total Funds 2015		Prior Year Funds 2014	
	£'000	£'000	£'000	£'000
Reconciliation of net movement in funds to net cash flow from operating activities				
Net expenditure for the reporting period (as per statement of financial activities)		-66		-302
Adjustments for:				
Decrease in debtors	1		359	
(Decrease) / increase in creditors	-21		22	
Net cash (used in) / provided by operating activities		-86		79
Change in cash and cash equivalents in the reporting period		-86		79
Cash and cash equivalents at the start of the reporting period		93		14
Cash and cash equivalents at the end of the reporting period		7		93

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 ACCOUNTING POLICIES

a. Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes(s) to these accounts.

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

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. CUF is committed to support Near Neighbours programme in the short term in the event that no further funding from DCLG is obtained and will provide financial support to ensure that it continues 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. No restatement was required.

Holiday pay accrual have been considered and deemed to be immaterial.

b. Income recognition

Funds received by Church Urban Fund from the Department for Communities and Local Government (DCLG) are passed to Near Neighbours, which administers the programme, in accordance with the agreement between Church Urban Fund and Near Neighbours.

Additionally, Church Urban Fund contributed some of its own funds to support Near Neighbours. Income is recognised when it is received.

c. 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 upon staff time spent. Governance costs and support costs relating to charitable activities have been apportioned based upon staff time spent on each activity. The allocation of support and governance costs is analysed in note 8.

d. Charitable activities

The costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 3.

1 ACCOUNTING POLICIES *(continued)*

e. Grants

Delivery Partners submit quarterly returns against budget before they are paid future funding as unspent amounts in one year would result in a reduction of grant in the next. The grants are charged to the Statement of Financial Activities once funds have been transferred to the recipient's account. Payments are made on behalf of Partners where there is an absence of a operational bank account due to a delay in the setting up of the account.

The grant to Church Urban Fund to administer and make awards under the Small Grants Programme is charged to the Statement of Financial Activities once the funds have been committed.

f. Pensions costs

The costs of contributions to the defined contribution scheme are accounted for in the year to which they relate. The costs of the defined contribution scheme are included within support and governance costs and charged to the restricted funds of the charity using the methodology set out in note 8.

g. Support costs

In addition to the costs incurred directly in the course of each charitable activity, Near Neighbours also incurs support costs that are necessary to enable it to carry out its activities. These costs are apportioned to activities based upon the time spent on each.

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

2. INCOME FROM CHARITABLE ACTIVITIES

	2015	2014
	£'000	£'000
Income from Charitable Activities - DCLG via Church Urban Fund	1,649	1,335
Income from Charitable Activities - Church Urban Fund	300	
	1,949	1,335

Income from Charitable Activities - DCLG via Church Urban Fund represents the grant from the Department for Communities and Local Government (DCLG) to Church Urban Fund in respect of the Near Neighbours Programme. This is passed to Near Neighbours who administers the overall programme based on the agreement between Church Urban Fund and Near Neighbours. From this income Near Neighbours makes a grant to Church Urban Fund to administer and make awards under the Small Grants Programme - 'Creating Engagement'. In addition Near Neighbours reimburses CUF for other programme costs.

Income from Charitable Activities - Church Urban Fund represents funding granted by Church Urban Fund for the Near Neighbours programme.

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	Staff Costs	Grants	Other Direct Costs	Support and governance costs	2015 Total	2014 Total Restated
	£'000	£'000	£'000	£'000	£'000	£'000
	(note 5)	(note 6)	(note 7)	(note 8a)		
Charitable Activities						
Building Networks: Local Presence and Engagement Centres	51	320	25	10	406	336
Creating Engagement: Small Grants (note 4)	39	1,065	6	-	1,110	807
Building Capacity						
Faith Leaders	28	44	7	6	85	107
Young Leaders	26	121	10	5	162	131
Community	28	203	15	6	252	256
Total expenditure	172	1,753	63	27	2,015	1,637

Support costs have been allocated to activities in proportion to staff time incurred in each activity area. Total expenditure includes audit fees for the year of £9k: Statutory audit £5k and DCLG audit £4k (Total 2014: £9k (Statutory audit £5k and DCLG audit £4k)).

4. CREATING ENGAGEMENT: SMALL GRANTS

	2015	2014 Restated
	£'000	£'000
Grants awarded	1,080	774
Less writebacks of awards	-15	-5
Net grants awarded	1,065	769
Administration costs	0	1
Other costs	45	37
Total Costs	1110	807

Writebacks of awards represent grants awarded which have been wholly or partly unclaimed.

5. STAFF COSTS

	2015	2014 Restated
	£'000	£'000
Salaries	73	41
Social Security	7	5
Pensions	6	3
	86	49
Staff Costs allocated by Church Urban Fund and reimbursed by Near Neighbours in respect of programme, financial and communications management	51	60
Staff costs for small grants administration	35	32
	172	141

Near Neighbours had three full time members of staff (2014:1).

No staff emoluments for the year exceeded £60,000 (2014: nil). Pensions costs are allocated to activities in proportion to the related staffing costs incurred.

Key management personnel were remunerated £56k (2014: £55k).

None of the Trustees received any emoluments.

Expenses incurred in attending meetings and on other business of Near Neighbours were reimbursed to Trustees as follows:	2015		2014	
	No.	£'000	No.	£'000
Travel, subsistence and other expenses	6	7	6	10

6. GRANTS

	2015	2014
	£'000	£'000
Building Networks: Local Presence and Engagement Centres		
Faithful Neighbourhoods Centre, Birmingham	0	18
Thrive Together Birmingham	31	22
St Philip's Centre, Leicester	32	40
Centre for Theology and Community, London	32	41
Kings Centre, West London	63	20
Faithful Neighbours, Bradford, Leeds & Dewsbury	37	35
Faithful Neighbours, Rochdale & Bury	41	31
Transforming Communities Together, Black Country	42	29
Grassroots, Luton	42	31
	320	267
Building Capacity: Faith Leaders		
Christian Muslim Forum	14	34
Council for Christians & Jews	8	12
Hindu Christian Forum	4	12
3 Faiths Forum	18	16
	44	73
Building Capacity: Young Leaders		
The Feast	40	35
Bradford Catalyst	40	37
Leicester Catalyst	41	29
	121	101
Building Capacity: Community		
Nehemiah	203	222
Creating Engagement: Small Grants (note 4)	1,065	769
Total Grants	1,753	1,433

7. OTHER DIRECT COSTS

	2015	2014
	£'000	Restated £'000
Evaluation	42	4
Communications	14	21
Trustees Expenses	7	10
Faith Advisory Panel	0	2
	63	37

8. ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

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

8A. COSTS TYPE

	Other Support Costs 2015	Governance related 2015	Total allocated 2015	Total allocated 2014 Restated
	£'000	£'000	£'000	£'000
Support Costs				
Professional Costs	0	1	1	0
Audit	0	9	9	9
Other (office costs, travel & subsistence)	15	2	17	17
	15	12	27	26

8B. GOVERNANCE COSTS

	2015	2014
	£'000	£'000
Staff costs	12	18
Support costs (see above)	12	12
Other direct costs	3	4
	27	34

The governance costs were apportioned based on staff time.

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2015	2014
	£'000	£'000
Accruals	7	16

10. RESTRICTED FUNDS

	Balance at 1/1/15	Incoming Resources	Resources Expended	Balance at 31/12/15
	£'000	£'000	£'000	£'000
Near Neighbours Programme	66	1,949	2,015	0

All incoming grants are restricted to expenditure on the Near Neighbours programme. The total net assets of the charity continue to be represented by the single restricted fund.

11. ULTIMATE PARENT COMPANY

The ultimate parent charity is Church Urban Fund, a company and charity registered in England. Copies of the group accounts can be obtained from Church Urban Fund, Church House, Great Smith Street, London SW1P 3AZ.

12. RELATED PARTY TRANSACTIONS

During the year, Near Neighbours entered into the following transactions with its parent company CUF: CUF received the full amount of grant from DCLG of £1.6m (2014: £1.3m) and passed this over to Near Neighbours to deliver the programme.

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

Listed below are grants made where there is a commonality of trusteeship as between Near Neighbours 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 Paul Hackwood is a Trustee of both Church Urban Fund and Near Neighbours.

Reverend Canon Denise Poole, a Trustee of both Church Urban Fund and Near Neighbours is also a Trustee of Faithful Neighbours (previously Bradford Churches for Diversity and Dialogue) which received grants of £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 during the year.

The Right Reverend Dr Toby Howarth, a Trustee of Near Neighbours, is also Anglican President of Christian Muslim Forum which received a grant of £14k during the year, and Chair of Faithful Neighbours (previously Bradford Churches for Diversity and Dialogue) which received grants of £118k during the year.

Reverend Mark Poulson, a Trustee of Near Neighbours, is also Director of the Kings Centre which received a grant of £63k during the year.

The Right Reverend Dr Michael Ipgrave, a Trustee of Near Neighbours, is also Chair of the Council of Christians and Jews which received a grant of £8k during the year.