

Northern Friends Peace Board

Report and financial statements

For the year ended 31st December 2015

Northern Friends Peace Board

Independent examiner's report to the trustees for the year ended 31 December 2015

Charity number SC 024632

Registered office and operational address

- Quaker Meeting House, 38 Elmbank Crescent, Glasgow, G2 4PS

- Victoria Hall, Knowsley Street, Bolton BL1 2AS

Trustees Trustees who served during the year and up to the date of this report were as follows:

Jette Howard Clerk

Phoebe Spence Treasurer

Philip Latham Assistant Treasurer

Robin Bowles (resigned 28th November 2015)

Chris Butler (appointed 13th June 2015)

Robert Keeble (appointed 1st January 2015)

Jill Tutton

Key management Philip Austin Coordinator

Personnel Steven Waling Administrative Assistant

Bankers The Cooperative Bank, Olympic House, Montford Court, Salford, M5 2QP

Bank of Scotland, Craigs House, 78 Upper Street, Stirling FK8 2DE

Ecology Building Society. 7 Belton Road, Silsden, Keighley BD20 0EE

Independent Examiner James Gore-Langton FCCA DChA
Slade & Cooper Limited,
Greenfish Resource Centre,
46-50 Oldham St,
Manchester,
M4 1LE

Northern Friends Peace Board

Trustees' annual report for the year ended 31 December 2015

The Executive present their report and the independently examined financial statements for the year ended 31 December 2015.

Reference and administrative information set out on page 1 forms part of this report.

Objectives and activities

The objective of the Board is the advancement, within its areas of operation, of the principles of the Religious Society of Friends (Quakers) with special reference to the testimony against all wars, and through promoting peace, justice and care for the environment. This arises from our original mandates: "To advise and encourage Friends in the North, and through them their fellow Christians and citizens generally, in the active promotion of peace in all its height and breadth." It undertakes activities to this end.

The trustees (the organisation's Executive Committee) review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Objectives for the period covered were:

- To continue to support Friends in speaking out and witnessing for peace and against militarism and on alternative responses to terrorism and extremism.
- To encourage awareness of and opportunities for young people's involvement in peace work and for peace education. In addition, the issue of militarism in schools is of continuing concern to many Friends and we will be alert to opportunities to engage with this.
- As part of our work on Building Peace in Diverse Britain, to organise a further event for young people and to report on its period of funded work.
- The production of straightforward materials and running events to support Friends and others in speaking out on security for the common good.
- To strengthen our work throughout the Board's area, in 2015 having two of our Board meetings (rather than the usual one) in Scotland and participating in the Solas Festival
- To provide continued support for Friends in marking the centenary of the First World War.
- To widen opportunities for sharing information and inspiration with Friends at the local level through publishing more frequent news bulletins for Friends and begin experimenting with a series of smaller regional NFPB gatherings
- To make sure our Board meetings are effective in providing a framework for joint discernment, sharing information and ideas and for developing the community of our Board members.
- To organise a residential meeting of the NFPB trustees and to continue the new practice of monthly phone-conferences, in order to strengthen the group and its capacity.
- We will continue to seek funds from a diverse range of sources and develop ways of promoting sales of our materials via our website and other means.

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Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on supporting Quakers and the wider society in taking positive action for peace and are undertaken to further Frs102 charity's charitable purposes for the public benefit.

- Board meetings took place in Leeds, Glasgow, Perth and Lancaster with most Area Meetings represented at each one and Friends from the localities and wider area joining us for some or all of these meetings. *
- Fifty young people' participated in a second event on 'Young people, peace and community' exploring issues of diversity, identity, participation and conflict.
- Our Sustainable Security group developed in detail plans for a conference on engaging with the media and produced a leaflet and ran a workshop identifying key issues ahead for the General Election.
- We helped to facilitate a weekend workshop at Glenthorne for South Manchester Quaker meeting on Sowing the Seeds of Peace in a Violent World
- We continued our communications and outreach activities and responding to enquiries. We made good use of our website and social networking media to this end, as well as printed materials., We also collaborated with a number of Quaker and non-Quaker groups, sharing information and developing joint work.
- We participated and contributed to activities at the Solas Festival near Perth
- We completed the report of our project on Building Peace in Diverse Britain and members of the group presented material from this to a conference in London organised by the Quaker Committee on Christian and Interfaith Relationships.
- We wrote to the Government concerning the continuing conflicts in Ukraine and in Syria urging constructive and non-military approaches.
- We contributed to a panel discussion and workshop for Young Friends General meeting
- Friends attending our two NFPB meetings in Scotland were able to support the Meeting for worship at Faslane that is sustained by Scottish Friends throughout the year.
- One of our members participated in the annual Peace and Service Consultation for Quakers in Europe and the Middle East. We also participated in national and international networks, Quaker and non-Quaker, participating in a Quaker Council for European Affairs conference in Brussels and in collaborative work ahead of the Global Day of Action on Military Spending.
- Our Trustees held a residential meeting at Swarthmoor Hall, taking the opportunity whilst there to hold discussions with local Quakers.

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Beneficiaries of our services

Through our Area Meeting representatives, our work reaches the wider community of Quakers in the North of Britain, as well as non-Quaker individuals and groups in which these Quakers are active. Our workshops, Board meetings and other events enable the sharing of information and skills towards our main objectives of promoting peace – giving encouragement and support and raising awareness of a range of issues and opportunities for action. This year, we also organised a conference specifically for groups of young people from several towns in the North of Britain, looking at peace, participation and cooperation. Our website and social media are extensively used by a range of different organisations and individuals, and we continue to play an active part as members of the Network of Christian Peace Organisations.

Financial review

Our income from individual donations and financial contributions for Local and Area Quaker Meetings were at a lower level during the year. We are aware that this reduction was due in part to oversight by Area Meeting Treasurers. Our investments again performed well, generating an income of £8,000, with an additional £397 from building society interest. Increased pension contributions continue to be required on a monthly basis to cover the pension deficit, as anticipated. These have a significant effect on our funds and have also contributed to a shortfall at the end of the year.

We received no additional funding for project work during the year. Additional external funding will be sought for new projects. We spent resources on reprinting tea-towels and generated income from the sales of these and other materials. We also paid for travel and accommodation for staff and committee participation in national and international Quaker events. The remaining funds given some years ago for our Peace Papers project give us the opportunity to consider new ways of developing the original project.

We agreed to increase the guideline figure for contributions for Northern Quaker Area Meetings for the coming year, to enhance our fundraising capacity via online donations and to continue to seek additional funds from grant giving bodies. We are also preparing briefing materials so that our members are better resourced to report and explain our work and funding situation to Area Meetings.

No significant expenditure was made on office equipment during the year. Our expenditure on staff and committee development was spent on accommodation and travel for the Executive's Residential meeting and the Coordinator's participation in a European conference.

Reserves policy

In March 2001 Trustees agreed that we should endeavour to hold in our reserves the equivalent of four months' running costs, based on the period of notice required for the termination of our Co-ordinator's employment and any winding up costs associated with that.

Our current reserves exceed this margin, largely as a result of the receipt of legacies in recent years. We expect to continue to draw on this additional source of finance to develop project work when necessary but need to retain sufficient funds to meet the potential liability pertaining to the Pensions Trust. Our reserves are invested ethically, and expect to earn £9,000 per annum.

Plans for the future

- Strengthening the Board and Executive as a community, through its members' Meetings (this year taking place in Nottingham, Edinburgh, Penrith and York) and other activities.
- Working with Friends throughout the UK on Trident replacement, and those places in the North where there are particular implications

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Trustees' annual report for the year ended 31 December 2015

- Promotion of regional NFPB gatherings and development of programmes of activity
- Implementing plans for a conference looking at how we engage with a range of media and thereby the public on issues of peace and security, looking at the underlying causes
- Regular and more frequent mailings to Local Quaker Meetings, utilising email as well as print media
- Maintaining and developing our links through networks of other Quaker and peace-related organisations.
- Working with Board members in finding a way of continuing or developing our work on *Building Peace in Diverse Britain*
- Preparing publication of further materials using our *Peace Papers* funds, including publishing digital versions of some of the original materials

Structure, governance and management

The area of operation of the Board is primarily that covered by the Area Meetings of Britain Yearly Meeting in Scotland, North Wales and Northern England. Its constitution is governed by the Law of Scotland and is registered as a charity with the Office of the Scottish Charity Regulator. The Board maintains an office in Bolton and a Scottish postal address. It employs a full-time Co-ordinator and a part-time Administrative Assistant.

Procedures of the Board and its committees follow the general counsel on church affairs set out in *Quaker Faith and Practice*. Its trustees, appointed by the Board, form the Executive Committee and its work is guided by the meetings of all Board members, including Representatives of all Northern Area Meetings and co-opted members. The full Board and its Executive meet four times per calendar year and their various sub groups meet at different times, reporting to the Board and to the Executive.

The organisation is an unincorporated charity registered as a charity on 4 April 1996 in Scotland

The charity is constituted under a constitution, 2nd March 1996, revised 27th February 1999. The trustees are members of the charity but this entitles them only to rights to be full participants in the Quaker decision-making process. The trustees have no beneficial interest in the charity.

All Executive members give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

Risk management

We undertook a risk assessment and updated our risk management policy at our Residential (good to be specific) . We protect trustees against a potential liability arising from pensions' legislation by designating a significant portion of our reserves to meet any potential liability. We remain committed to avoiding such a liability crystallising and are investigating our future options in this regard options with regard to the Pensions liability. Our Assistant Treasurer is a member of The Pensions Trust Employers' Consultative Group, which provides a valuable additional opportunity for us to both to improve our understanding of the situation and to communicate our concerns.

Jette Howard

Clerk

Northern Friends Peace Board

Independent examiner's report to the trustees for the year ended 31 December 2015

I report on the accounts of the charity for the year ended 31 December 2015 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met, or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

James Gore-Langton FCCA DChA
Slade & Cooper Limited
Chartered Certified Accountants
Green Fish Resource Centre
46-50 Oldham Street
Manchester
M4 1LE

Date.....

Northern Friends Peace Board
Receipts and Payments Account
for the year ended 31 December 2015

	Note	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Receipts					
Donations		31,720	-	31,720	41,133
Legacies		-	-	-	5,000
Grants	3	5,050	-	5,050	5,105
Gross receipts from other charitable activities	4	1,024	-	1,024	2,512
Income from investments other than land and buildings	6	10,406	-	10,406	6,414
Total receipts		48,200	-	48,200	60,164
Payments					
Payments relating directly to charitable activities	7	58,287	2,039	60,326	58,542
Governance costs:					
Independent examination		200	-	200	1,527
Preparation of annual accounts		850	-	850	
Payroll		252	-	252	
Total payments		59,589	2,039	61,628	60,069
Net receipts/(payments)		(11,389)	(2,039)	(13,428)	95
Transfer between funds		-	-	-	-
Surplus/(deficit)		(11,389)	(2,039)	(13,428)	95

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Statement of balances
as at 31 December 2015

	Note	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Cash funds					
Bank and cash balances at start of year		51,575	3,444	55,019	54,924
Surplus / (deficit) shown on receipts and payments account		(11,389)	(2,039)	(13,428)	95
Bank and cash balances at end of year		40,186	1,405	41,591	55,019
Investments					
	Fund			Market valuation 2015	2014
Investment portfolio	Unrestricted			204,602	206,210
Other assets					
	Fund			2015	2014
Other debtors	Unrestricted			-	2,239
Stock of goods for resale	Unrestricted			3,072	1,837
Computer and office equipment	Unrestricted			1,228	1,228
Total other assets				4,300	5,304
Liabilities					
	Fund			2015	2014
Taxes payable	Unrestricted			-	568
Other creditors	Unrestricted			-	1,098
Total liabilities				-	1,666
Contingent liability					
	Fund			2015	2014
Pension scheme withdrawal debt	11 Unrestricted			117,050	105,275

Approved by the trustees on 23/04/2016 and signed on their behalf by:

Phoebe Spence (Trustee)

Northern Friends Peace Board

Notes to the accounts for the year ended 31 December 2015

1 Basis of accounting

These accounts have been prepared on the Receipts & Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

2 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

3 Grants received

	Unrestricted £	Restricted £	2015 £	2014 £
Friends' Trusts	550	-	550	605
Westcroft Trust	4,500	-	4,500	4,500
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	5,050	-	5,050	5,105
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Receipts from charitable activities

	Unrestricted £	Restricted £	2015 £	2014 £
Workshop fees and sales	419	-	419	1,221
Commissions	605	-	605	841
Reimbursements	-	-	-	450
	<hr/>	<hr/>	<hr/>	<hr/>
	1,024	-	1,024	2,512
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the accounts for the year ended 31 December 2015 (continued)

6 Investment receipts

	Unrestricted £	Restricted £	2015 £	2014 £
Bank interest	406	-	406	365
Dividends	10,000	-	10,000	6,049
	10,406	-	10,406	6,414
	10,406	-	10,406	6,414

7 Payments relating directly to charitable activities

	Unrestricted £	Restricted £	2015 £	2014 £
Staff costs	46,918	973	47,891	43,299
Premises	2,100	-	2,100	2,778
Publications produced	979	-	979	794
Publicity	120	-	120	232
Office costs	3,816	294	4,110	4,750
Meetings and events	516	668	1,184	1,305
Travel and accommodation	3,814	104	3,918	3,034
Professional fees	24	-	24	2,350
	58,287	2,039	60,326	58,542
	58,287	2,039	60,326	58,542

8 Trustee remuneration and expenses, and related party transactions

Neither the trustees nor any persons connected with them received any remuneration during the year .

Seven trustees received travel and subsistence expenses during the year of £609.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year.

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Notes to the accounts for the year ended 31 December 2015 (continued)

9 Analysis of movements in restricted funds

	Balance at 1 January 2015 £	Receipts £	Payments £	Transfers £	Balance at 31 December 2015 £
Building Peace in Diverse Britain	2,039	-	(2,039)	-	-
Peace Papers	1,405	-	-	-	1,405
	3,444	-	(2,039)	-	1,405
Total	3,444	-	(2,039)	-	1,405

Name of fund	Description, nature and purposes of the fund
Building Peace in Diverse Britain	A grant from the Joseph Rowntree Charitable Trust to fund work to arrange a series of events over a three year period.
Peace Papers	To produce a set of materials highlighting and detailing the range of activities for peace undertaken by British Quakers.

10 Analysis of movement in unrestricted funds

	Balance at 1 January 2015 £	Receipts £	Payments £	Transfers £	As at 31 December 2015 £
General fund	51,575	48,200	(59,589)	-	40,186
	51,575	48,200	(59,589)	-	40,186
	51,575	48,200	(59,589)	-	40,186

Name of fund	Description, nature and purposes of the fund
General fund	Bank and cash balances available for general charitable activities.

11 Pension scheme and contingent liability

The charity participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

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Notes to the accounts for the year ended 31 December 2015 (continued)

11 Pension scheme and contingent liability (contd)

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan. The charity has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2014. As of this date the estimated employer debt for Northern Friends Peace Board was £117,050.

The rules of the Plan give the Trustee (The Pensions Trust) the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

The charity paid contributions at the rate of 11% during the accounting period. Members paid contributions at the rate of 4% during the accounting period. The charity also makes monthly contributions towards the deficit and in 2015 this amounted to £7783.83.

As at the balance sheet date there was one active member of the Plan employed by the charity. The charity continues to offer membership of the Plan to its employees.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery Plan setting out the steps to be taken to make up the shortfall.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

Northern Friends Peace Board

Notes to the accounts for the year ended 31 December 2015 (continued)

11 Pension scheme and contingent liability (contd)

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis).

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

One of our Trustees, Philip Latham, is a member of the Pensions Trust Growth Fund Employers' Consultative Group, representing our concerns to the Trustees and keeping us informed of developments. We are keeping a watching brief on this matter.