

transforming conflict • embracing difference

place for hope



Place for Hope

**REPORT OF THE TRUSTEES
and
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31 March 2023

Charity No. SC 045224

Report and Financial Statements

For the Year Ended 31 March 2023

Contents

	<i>Pages</i>
Report of the Trustees (including Reference & Administrative Information)	2 – 10
Report of the Independent Examiner	11
Statement of Financial Activities	12
Statement of Financial Position	13
Notes to the Financial Statements	14 - 20

The trustees present their annual report and financial statements of the charity for the year ended 31st March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Objectives and Activities

Place for Hope is a charity which aims to resolve conflict in the faith community using voluntary practitioners so far as possible and whose primary purposes are:

- To advance conflict resolution and reconciliation through mediation as a means to help individuals, groups and leaders in faith communities and the wider community live more effectively with difference and diversity;
- To advance citizenship, community development and peace-making through promoting methods of interaction and dialogue which support healthy relationships and reconciliation drawing on the wisdom from Christian and other religious traditions;
- To advance conflict resolution and reconciliation through the promotion of societal harmony, and prevent conflict, by providing trained mediators to work with individuals and within communities, addressing issues of inequality and division; and
- To advance education through the provision of training in mediation and conflict resolution, conflict reconciliation and conflict transformation.

These purposes are achieved by:

- Providing leadership training, workshops and resources for understanding and working with conflict as well as hosting and navigating difficult conversations;
- Responding to requests for help and support, including helping groups and individuals at a time of crisis ; accompanying sensitive or difficult group conversations; providing individual coaching, advice and support ; hosting and enabling community dialogues on difficult, potentially divisive issues;
- Developing and supporting a team of practitioners skilled in understanding conflict and able to provide mediation, training and facilitation; and
- Nurturing a network of people and organisations who are committed to the work of peace building, equipping them in the work of conflict transformation in their communities, homes and lives.

Achievements and Performance

Place for Hope saw a further increase of activity levels across the full range of our work in 2022-23 as the country started to emerge from pandemic restrictions. We celebrated significant further embedding of our key partnerships, as the mediation pilot with the Methodist Church reached full fruition and a new 5-year agreement was signed with the Church of Scotland. We expanded our human resource again to meet these increased needs. The financial challenges of the year were anticipated and planned for by Trustees through use of reserves surplus.

Achievements and Performance (continued)

Partnership and culture change

Place for Hope strives to embed culture change for reconciliation and peace through work with denominational and other partners in line with our Choosing Peace Strategy. This is increasingly delivered through clear learning pathways, integrating our training, coaching and mediation work to enable both clergy and laity to reach their full potential as reconcilers and peacemakers.

We continued to grow our partnership with the Methodist Church and began work towards full integration of the Positive Working Together (PWT) and the Reconciliation and Mediation Team (RMT) programmes under a new agreement. Four further RMT Practitioners were trained and accredited through our residential Faith in Change and Conflict (FICC) course, with support and upskilling provided to the full RMT Practitioner cohort throughout the year. Work was undertaken on 17 new RMT cases during the year; far above the pilot target of nine. Feedback continued to indicate very high satisfaction levels, including *“From starting in a place where I was staring at a brick wall and wondering how on earth I was going to get over it, I am amazed by the transition and transformation I’ve seen”*. Awareness-raising through events and relationship-building, together with positive feedback and recommendations, led to a significant Methodist demand for our support beyond the RMT pilot regions, with 6 further cases open during the year. Total Methodist cases represented 40% of all Place for Hope’s casework in 2022-23. We focused training delivery under PWT on groups we had not previously worked with (Superintendent ministers and Circuit leaders; plus a transformational leadership workshop) as well as providing ongoing support for the existing PWT trainer network. We expanded the range of our training offer with a tailored 4-session Transforming Conflict in Ministry course, plus our new courses for times of change and transition. Discussions about rolling-out the intergrated work across the Connexion culminated in a decision by Methodist Council in March to recommend to Methodist Conference funding of a 5-year partnership programme with Place for Hope, which was approved after year-end in June 2023.

Our long-standing and valued partnership with the Church of Scotland took a significant step forward this year with the signing in December 2022 of a 5-year funding agreement for calendar years 2023-27. The impact of the halving of Church of Scotland funding in 2022 was felt mainly in this 2022-23 financial year (due to the payment of the whole calendar year grant in February 2022). Nevertheless, we took the decision to continue to meet all Church of Scotland requests for casework support throughout the year, with work on a total of 30 open cases for them during the period April-December 2022. The increase of grant funding offered by the new agreement provides firm foundations for the future of our partnership, with the first quarter of year-1 funding received in January 2023. This agreement enables an integrated programme of training and ongoing casework support for local clergy and congregations, with clear learning pathways identified for clergy under the restricted fund and the provision of training and support opportunities for laity too. We believe that this programme will expedite movement towards embedding a culture of reconciliation and peace across the Church of Scotland.

Place for Hope delivered a range of work for our Scottish Episcopal Church (SEC) and Metropolitan Community Churches (MCC) partners during the year. Training was delivered for seven further cohorts under the SEC Provincial training agreement. The 5-year agreement with the SEC Diocese of Brechin was signed, and year-1 implementation delivered through a mix of training, mediation, coaching and awareness-raising. We delivered online training to several global regions of Metropolitan Community Churches under our pilot training partnership, and additionally provided online casework for two local situations. The successful completion of the pilot led to the signing of a further agreement and provision of funding for the delivery of our Journeying/ Leading through Change and Transition courses in spring/summer 2023.

Place for Hope continued to be active in the Reconcilers Together (RT) network. We undertook an expanded range of training and coaching work with staff of one of the RT partners, The Iona Community, in 2022. We were delighted to sign a 2-year partnership agreement with them in January 2023 to provide a training programme for staff, trustees and members, and a conflict coaching facility for residential staff. We delivered the first trainings under this agreement in February 2023.

Achievements and Performance (continued)

We were also delighted to build relationships and deliver training for a range of organisations from the independent church sector during the year. We hope to build several of these into partnership agreements in the subsequent year.

Increased geographical reach

As we emerge from the pandemic Place for Hope has continued to deliver the majority of our training, coaching and mediation work online. Most of our partners and clients choose online delivery for the advantages it offers of flexibility in timings, elimination of travel time and cost, the possibility of more diverse training groups from dispersed locations, and the building of deeper relationship and trust in shorter sessions over several weeks than is possible in a single full day of training. This has enabled us to provide our training, coaching and mediation offer around the world; for example the MCC pilot training had participants in four continents. It also has the strong advantage of a lower carbon footprint, as we work on the development of a robust environmental policy for Place for Hope.

We continue to offer delivery in-the-room where we identify that operational imperatives for successful delivery make this the better choice or when clients ask for our mediators or trainers to attend in person.

Delivery and capacity

As stress, pain, fear and fracture from the years of pandemic, cost of living crisis, global conflict and environmental crisis continue to be acute in society, Place for Hope is experiencing a high level of need in faith communities for the training and support we offer to understand and transform conflict and build a culture of peace. The requests we receive indicate a need for upskilling for clergy and laity across faith communities to journey, lead and grow well through conflict, transition and change.

Place for Hope significantly expanded the range of our training in 2022-23 to meet this need, delivering new courses on Journeying through Change and Transition, Turning the Tables: The Call to Nonviolence, and High Conflict Behaviours. We embedded the 4-session Living Well with Differences course as our key foundational training, developed the interim level Transforming Conflict in Ministry course, and delivered our flagship residential 6-day Faith in Change in Conflict course at venues in both England (Cliff College) and Scotland (St Mary's Monastery, Kinnoull). Between April 2022 and March 2023 we delivered 45 training courses and workshops spread over 77 separate training sessions with a total of over 751 people trained. This included training for established and new partners, a range of other organisations and a small number of open courses. Place for Hope's volunteer training bank has continued to be expanded to try to match capacity to training delivery requests (see below).

We continue to receive very positive feedback for our training. For example, one participant wrote in their feedback form that, *"This was one of the most useful and constructive courses I think I have ever been on as it was so plugged into the reality of what we deal with"*. Another reported that, *"I have become an evangelist for this course and have already encouraged a number of colleagues to take the next opportunity to participate when it becomes available again"*. A participant on Journeying through Change and Transition noted that the course *"gave me permission to focus on the impact of change on me. I never take time to do that and always put all my energy into helping others navigate through. I didn't realise how much I needed this permission"*.

Place for Hope again had a busy year for casework with 94 mediation, facilitated conversation, coaching and awareness-raising cases during the year, of which 54 were opened during the year. Most casework was undertaken as part of broader peace education work for culture change for our key partners, but we also undertook individual casework for a Baptist church and explored casework possibilities with other new partners. Casework income in 2022-23 more than doubled from the figure in 2021-22. This was primarily due to Methodist cases outwith the RMT pilot regions, so this increase may not continue once roll-out of the current RMT element of the partnership commences in other regions of the Methodist Connexion.

Achievements and Performance (continued)

Human resources

Place for Hope again expanded our human resource capacity, both paid and voluntary, to meet the increased demand for our offer.

Staff member and outstanding trainer Abdul Rahim left Place for Hope early in the financial year, having served in various roles for us over the last seven years, first as a consultant and then in three staff posts: Lead Trainer, Training Manager and PWT Manager. We wish him all the very best as he devotes more time to growing and developing partner organisation The Centre for Good Relations (founded by Abdul and his wife Sam Tedcastle).

Over the subsequent four months Place for Hope expanded our paid training capacity by 40% (from five to seven staff days per week). Training Manager Martina Hunt's hours were increased from 21 to 28 hours per week in May 2022 and in September 2022 we were delighted to welcome David McColl to the team as Training Officer on 21 hours per week. We also worked hard to spread the load of training delivery more widely by increasing the size of the volunteer training bank from within our existing Practitioner and staff team, with one in-person and one on-line internal training (CPD) to upskill new volunteers and familiarise them with Place for Hope's training approach and ethos. We intend increasing integration of both mediation and training skills within a single Practitioner team over the next few years.

During the year, 11 new Practitioners successfully passed our rigorous skills practice assessment and were commissioned to undertake casework, being under the mentorship of more experienced Practitioners on each of their first few cases. Ongoing accreditation of the Practitioners through Scottish Mediation depends on them undertaking a minimum level of Place for Hope casework and Continuing Professional Development (CPD) each year. We also require our Practitioners to undertake supervision at least once each case. We provided two online CPD opportunities to our whole Practitioner team in the year: a full day in November 2022 and a session on neurodiversity delivered by Scottish Autism in February 2023. The staff team also support Practitioners through phone calls and the regular internal newsletter the Community Message.

The Trustees continue to be very grateful to all our staff and volunteers who have again risen magnificently to the challenge of ensuring high quality and responsive delivery despite ongoing high levels of illness in the team this year. In this regard we make particular mention of Place for Hope's former Chair, Nancy Adams, who continues to provide advice around finance processes and who undertook a significant amount of bookkeeping work for us over the year.

Communicating our vision

We continued to share news and inspiration for reconciliation and peacemaking into the wider community through summer and Christmas editions of our Peacemakers Network newsletter and via our social media channels. Place for Hope's Facebook followers increased by 84% and Twitter followers by 15% over the year.

Financial Review

Details of the income and expenditure for the year are shown in the Statement of Financial Activities on page 12, with further information provided in the notes to the accounts.

As planned and budgeted, the Trustees report net expenditure this year, due to the anticipated impact of the 2022 Church of Scotland funding cut and payment timing, and the decision to use the exceptionally high level of reserves at year-end 2021-22 to support the deficit budget. The net expenditure of £99,878 was lower than the budgeted deficit of over £115,000. The reduction in income between 2021-22 and 2022-23 was entirely due to the reduction in Church of Scotland income between the two years. There was a slight increase in other income this year. Trustees designated a fund to ring-fence the proportion of the Church of Scotland grant received in February 2022 but intended to be spent in the months April to December 2022. This fund was drawn down equally on a monthly basis during this period.

The Trustees are grateful that the 5-year funding agreement with the Church of Scotland signed this year provides a firm foundation to fund our ongoing work with this key partner. We are grateful too for confirmation in June 2023 of grant funding from the Methodist Church for a further five years to expand the positive impact of the partnership work throughout the Connexion.

Although the overall position at year-end is healthier than budgeted, the additional fundraising target of £25,000 over budgeted income could not be achieved. The Trustees approved a Funding Strategy 2023-27 in March 2023 to support the challenge of fundraising in 2023-24 and beyond through continued diversification of partners and clients and through smart applications for grant-funding.

Risk management

The risk identified at the last year-end related to the uncertainty of ongoing Church of Scotland funding has been mitigated this year through the 5-year funding agreement. The confirmation of new 5-year funding from the Methodist Church from October 2023 further reduces financial risk.

Although Trustees have again needed to approve a deficit budget for 2023-24, the projected deficit is just under £25,000, less than a quarter that of the previous year. In approving this budget in March 2023, Trustees approved both an additional funding target of £25,000 to eliminate the deficit and the Funding Strategy to guide future fundraising. The Trustees were confident that the level of unrestricted reserves at year-end can support a deficit budget of this level.

Two grant applications in the latter part of the year, although unsuccessful, received positive feedback. In one case Place for Hope was informed that we were strong contenders for the award, with a very close decision between Place for Hope and the organisation which received the grant. In the other we were told that the strength of applications was high and we were encouraged to keep applying in future quarterly funding rounds. We will continue to search pro-actively for grant-funding opportunities suitable for the niche nature of Place for Hope's work to further mitigate financial risk.

The capacity risk posed by an ongoing high level of sickness has been a particular challenge this year. This experience parallels that in wider society as the long-term legacy of the pandemic is seen in high levels of Long COVID and a variety of mental and physical illnesses. In order to ensure our continued reputation for excellence, Trustees will continue to monitor Place for Hope's human and financial resource capacity available to support the growth of activity in response to demand.

The Director undertakes a quarterly review of Place for Hope's risk register and reports to every Board meeting on updates. The Director has also commenced an operational review and will finalise the Operational Model following Trustee input. Place for Hope is also developing a robust Equality, Diversity and Inclusion policy, as well as an Environmental and Sustainability Policy.

Reserves policy

The Trustees have considered the level of reserves required and have taken into account their current and future liabilities. The Board of Trustees currently aims to maintain free reserves in unrestricted funds at a level which equates to at least four months of unrestricted charitable expenditure. However, mindful of changes to employment terms and conditions and the development of new partnership agreements over the last two years, Trustees have asked staff to review this figure and to report to the Finance and Funding Forum and Board in summer/autumn 2023 with any suggested amendments.

The small Reconciling Communities fund generated by the 2019 Gathering in Glasgow event was used up to partially offset expenditure for our partnership with the Diocese of Brechin. The monies designated as Future funding for the April-December 2022 Church of Scotland spend were used up during the year, but this fund was retained to ensure that expenditure of fees for specific partnership work is phased as agreed throughout each delivery period. Three quarters of the funding for the Iona Community partnership delivery in 2023 was placed in Future funding at year-end for draw-down during the period April to December 2023.

The total balance held in the general fund at 31 March 2023 was £84,793, and a further £8,250 is designated for identified future work. These two funds, totalling £93,043, can all be considered as free reserves, which are between 7 and 8 months' unrestricted charitable expenditure in the 2023-24 budget. The Trustees' plan to significantly reduce the very high level of reserves at the start of the year was successful. Reserves are planned to continue to fall towards the identified policy level in the year to come.

Plans for the future

Our key plans for 2023-24, which continue to reflect priorities in our 'Choosing Peace Strategy, include:

- Relationship building with key denominations with whom we are not yet in partnership
- Relationship-building with academic institutions providing ministry formation
- Agreements for training partnerships with clients new to Place for Hope in 2022-23
- Ongoing development of course materials for new training programmes
- Development of new models for equipping teams from partner organisations at regional level for conflict transformation
- Ongoing provision of outstanding coaching and mediation support alongside training to embed deep learning and a culture of reconciliation and peace
- *Long Walk for Peace* pilgrimage to offer a prophetic 'voice' for reconciliation and build awareness of and commitment to non-violence & peace-making
- Strengthening of the Trustee Board through targeted recruitment
- Development and approval of two new policies on; Equality, Diversity and Inclusion, and Environmental Sustainability
- Finalisation and embedding of Operational Model
- Income growth and diversification in line with the Funding Strategy to balance the budget

Report of the Trustees (continued)

Structure, Governance and Management

Governing Document

Place for Hope is a Scottish Charitable Incorporated Organisation (SCIO) which came into being in 2014 and was subsequently registered as a charity by the Office of the Scottish Charity Regulator (OSCR) with effect from 10th November 2014. Place for Hope is governed by a Board of Trustees under the terms of its constitution, most recently revised in September 2019.

Appointment of New Trustees (Members of the Board)

New Trustees must be nominated by at least two existing Trustees and are appointed by the Board. One third of all Trustees must retire at each AGM. A Trustee may offer themselves for re-election, but may hold office for a maximum of two consecutive terms before a compulsory break of at least one term prior to re-appointment. The minimum number of Trustees is 6 and the maximum number of Trustees holding office at any one time is 12.

Recruitment of new Trustees

The Board tries to ensure the Trustees have a range of skills to offer and represent a range of Christian denominations. Where there are gaps, the Board aims to appoint appropriate new Trustees who are co-opted until the AGM, whereupon they stand for election.

Representation of Practitioners

One place on the Board of Trustees is reserved for a volunteer Practitioner.

Structure

The Board meets quarterly to continue to guide the future direction of Place for Hope, set policy, consider risk and oversee delivery of the organisation's objectives. The Director is responsible for implementing the Board's policy and for managing the organisation on a day-to-day basis.

Key management personnel remuneration

The trustees consider the Board of Trustees and the 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 day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 4 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Director and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

The Director's salary is reviewed annually, ensuring the remuneration is fair. Remuneration, pay scales, and annual salary review and appraisal for all staff are guided by the Employee Engagement Report (2019). Details of the remuneration paid to key management personnel are provided in note 5 to the accounts.

Report of the Trustees (continued)

Reference and Administrative Information

Trustees:

Trustees serving at the date of this report:

John Conway	Chair
Muriel Pearson	Vice Chair
Richard Armiger	
John Collard	
Jane Fender-Allison	
Hugh Foy	
David Plews	
Mirella Yandoli	

Others who served as trustees

Elspeth McCallum	(resigned 7 September 2022)
Marian Pallister	(resigned 2 November 2022)

Director: Carolyn Merry

Bankers:	Charities Aid Foundation Bank	Triodos Bank UK Ltd
	25 Kings Hill Avenue	Deanery Road
	Kings Hill	Bristol
	West Malling	BS1 5AS
	Kent	
	ME19 4TA	

Independent Examiner: Paul M Clelland CA
Paul Clelland Accountancy
Suite 1, First Floor West
Clydeaway House
813 South Street
Glasgow
G14 0BX

Registered Office: Clydeaway House
813 South Street
Glasgow
G14 0BX

Charity Registration No: SC 045224

Report of the Trustees (continued)

Trustees' responsibilities in relation to the 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 Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees on 18 September 2023 and signed on their behalf by:



John Conway
Trustee and Chair

Report of the Independent Examiner

To the Trustees of Place for Hope

I report on the accounts of Place for Hope for the year ended 31 March 2023 which are set out on pages 12 to 20.

Respective responsibilities of committee and independent examiner

The Trustees of Place for Hope 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 Trustees of Place for Hope considers that the audit requirement of Regulation 10(1) (a) to (c) 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 statement

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 of Place for Hope 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 in the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 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 8 of the 2006 Accounts Regulations

have not been met, or

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



Paul M Clelland CA

Date: 28th September 2023

Member of the Institute of Chartered Accountants of Scotland

Paul Clelland Accountancy
Suite 1, First Floor West
Clydeaway House
813 South Street
Glasgow
G14 0BX

Statement of Financial Activities

For the year ended 31 March 2023



	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
<i>Donations</i>					
Grants & donations	2	13,245	124,334	137,579	280,406
<i>Charitable Activities</i>					
Fee income for provision of services		42,883	-	42,883	34,921
<i>Investments</i>					
Bank interest		1,258	-	1,258	163
Total income		<u>57,386</u>	<u>124,334</u>	<u>181,720</u>	<u>315,490</u>
Expenditure on:					
	3				
Staff costs		142,799	84,224	227,023	208,773
Practitioner costs		4,266	13,027	17,293	16,042
Project delivery costs		11,009	15,183	26,192	14,840
Administrative costs		9,278	40	9,318	7,084
Governance Costs		989	-	989	725
Total expenditure		<u>169,124</u>	<u>112,474</u>	<u>281,598</u>	<u>247,464</u>
Net (expenditure) / income		(111,738)	11,860	(99,878)	68,026
Transfers between funds		<u>9,684</u>	<u>(9,684)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(102,054)	2,176	(99,878)	68,026
Reconciliation of funds:					
Funds brought forward		<u>196,868</u>	<u>79,593</u>	<u>276,461</u>	<u>208,435</u>
Funds carried forward		<u><u>94,814</u></u>	<u><u>81,769</u></u>	<u><u>176,583</u></u>	<u><u>276,461</u></u>

The above statement includes all gains and losses recognised during the year.

Comparative figures for the previous year by fund type are shown in Note 11 on page 19.

The notes on pages 14 to 20 form part of these financial statements.

Statement of Financial Position

As at 31 March 2023



	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	1,771	1,645
Current assets			
Debtors	7	6,905	6,431
Cash at bank and in hand		<u>179,641</u>	<u>276,667</u>
		<u>186,546</u>	<u>283,098</u>
Creditors:			
Amounts due within one year:	8	<u>11,734</u>	<u>8,282</u>
Net current assets		<u>174,812</u>	<u>274,816</u>
Net total assets		<u>176,583</u>	<u>276,461</u>
Funds			
Unrestricted funds			
Designated fixed asset fund	9	1,771	1,645
Designated Reconciling Communities fund	9	-	588
Future funding	9	8,250	49,012
General fund	9	<u>84,793</u>	<u>145,623</u>
Total unrestricted funds		<u>94,814</u>	<u>196,868</u>
Restricted funds	9	<u>81,769</u>	<u>79,593</u>
Total Funds		<u>176,583</u>	<u>276,461</u>

The financial statements on pages 12 to 20 were approved by the trustees on 18 September 2023 and are signed on their behalf by:

Date:

18 - Sep - 23

Name: David Plews
Trustee

The notes on pages 14 to 20 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2023

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared on the historical cost basis and in accordance with the requirements of:

- Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 (Charities SORP (FRS102)); and
- the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

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

The accounts are prepared on the going concern basis. The trustees have considered whether there are any material uncertainties regarding the charity's ability to continue in operation for the foreseeable future, and are content that it is appropriate to report on this basis.

Income

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. Income received by way of grants and donations is included in full in the Statement of Financial Activities when receivable. Where entitlement is conditional on the delivery of a specific performance by the charity, grants are recognised when the charity earns the right to consideration by its performance. Grants and donations are allocated between charitable activities depending on the terms of each individual grant. Where a grant or donation is given for a specific purpose, it is included in restricted income and any unexpended portion is carried forward as a restricted fund.

Expenditure

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. Expenditure is reported by cost type as the charity has opted not to report on the activity basis.

Governance costs are those associated with meeting the statutory obligations of running the charity.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on the straight line basis at the following annual rates, in order to write off each asset over its estimated useful life.

Computer equipment: 25%

Other Basic Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Notes to the Financial Statements (continued)

1. Accounting Policies (continued)

Taxation

The organisation is a registered charity and is exempt from corporation tax on its charitable activity. No charge to corporation tax arose during the year. The organisation is not registered for VAT and expenditure includes VAT where relevant.

Pension Costs

The charity contributes to NEST on behalf of its employees. Contributions are charged to expenditure as they become payable.

Funds

Unrestricted funds can be used in accordance with any of the charitable objects at the discretion of the trustees.

Designated funds are set aside by the trustees out of unrestricted funds for specific future purposes or projects.

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

2. Grants & Donations

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<i>Grants</i>				
Church of Scotland	12,500	12,500	25,000	163,375
Methodist Church RMT Grant	-	82,935	82,935	82,139
Methodist Church PWT Grant	-	28,899	28,899	30,938
Coronavirus Job Retention Scheme	-	-	-	3,214
<i>Donations</i>				
	745	-	745	740
	<u>13,245</u>	<u>124,334</u>	<u>137,579</u>	<u>280,406</u>

Notes to the Financial Statements (continued)

3. Expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<i>Staff costs</i>				
Salaries (see Note 5)	139,573	83,624	223,197	207,349
Recruitment	430	-	430	250
Staff travel, subsistence and accommodation	1,602	-	1,602	1,174
Staff training & supervision	1,194	600	1,794	-
	<u>142,799</u>	<u>84,224</u>	<u>227,023</u>	<u>208,773</u>
<i>Practitioner costs</i>				
Practitioner recruitment	1,920	6,686	8,606	2,246
Practitioner training & supervision	2,346	6,341	8,687	13,796
	<u>4,266</u>	<u>13,027</u>	<u>17,293</u>	<u>16,042</u>
<i>Project delivery costs</i>				
Project travel, subsistence and accommodation	10,811	10,073	20,884	14,461
Project consultancy	-	5,110	5,110	-
Peacebuilding & Festivals work	198	-	198	379
	<u>11,009</u>	<u>15,183</u>	<u>26,192</u>	<u>14,840</u>
<i>Promotion and publicity</i>				
	<u>783</u>	<u>-</u>	<u>783</u>	<u>-</u>
<i>Administrative costs</i>				
Office running costs	6,469	40	6,509	4,328
Room hire & meeting costs	72	-	72	-
Insurance	1,170	-	1,170	1,002
Legal, professional & consultancy fees	794	-	794	894
Depreciation	773	-	773	860
	<u>9,278</u>	<u>40</u>	<u>9,318</u>	<u>7,084</u>
<i>Governance Costs</i>				
Independent Examination fee	750	-	750	725
Board meetings	239	-	239	-
	<u>989</u>	<u>-</u>	<u>989</u>	<u>725</u>
	<u>169,124</u>	<u>112,474</u>	<u>281,598</u>	<u>247,464</u>

Expenditure above includes:

	£	£
<i>Independent examiner's remuneration</i>		
For performance of independent examination	750	725
For other services provided	285	325
	<u>1,035</u>	<u>1,050</u>
<i>Employer's pension contributions</i>	15,122	14,000

4. Transactions with Trustees and Related Parties

No remuneration was paid to any trustees in the current or previous year.

During the year, travel and subsistence expenses of £595 were paid to one trustee (2022: £70 to one trustee).

Notes to the Financial Statements (continued)

5. Staff Costs

	2023	2022
	£	£
Wages and salaries, net of statutory payments recovered	193,880	180,680
Social security costs	14,196	12,669
Employer's pension contributions	15,122	14,000
	<u>223,198</u>	<u>207,349</u>

The average numbers of staff employed directly during the year, on a headcount basis, was 7 (2022: 7).

The total amount of employee benefits, including employer national insurance and pension contributions, paid in respect of key management personnel was £51,858 (2022: £49,570). No employee had emoluments of more than £60,000 in the current or previous year.

6. Tangible Fixed Assets

	Computer equipment	Total
	£	£
<i>Cost</i>		
At 1 April 2022	8,875	8,875
Additions	899	899
At 31 March 2023	<u>9,774</u>	<u>9,774</u>
<i>Depreciation</i>		
At 1 April 2022	7,230	7,230
Charge for the year	773	773
At 31 March 2023	<u>8,003</u>	<u>8,003</u>
<i>Net Book Value</i>		
At 31 March 2023	<u>1,771</u>	<u>1,771</u>
At 31 March 2022	<u>1,645</u>	<u>1,645</u>

7. Debtors

	2023	2022
	£	£
Trade debtors	4,414	5,169
Accrued income	482	38
Prepayments	2,009	1,224
	<u>6,905</u>	<u>6,431</u>

8. Creditors

	£	£
Trade creditors	4,344	1,146
Accruals & other creditors	7,390	7,136
	<u>11,734</u>	<u>8,282</u>

Notes to the Financial Statements (continued)

9. Movement in Funds

		At 1/4/22	Movement in year			At 31/03/23
	Notes	£	Income £	Expenditure £	Transfers £	£
Restricted funds:						
Methodist Church	(a)	52,809	82,935	(77,764)	(2,480)	55,500
Reconciliation & Mediation Team						
Methodist Church	(a)	26,784	28,899	(28,815)	(7,204)	19,664
Positive Working Together						
Church of Scotland	(b)	-	12,500	(5,895)	-	6,605
Ministry Benevolent Fund						
Total restricted funds		<u>79,593</u>	<u>124,334</u>	<u>(112,474)</u>	<u>(9,684)</u>	81,769
Unrestricted funds:						
Reconciling Communities	(c)	588	-	(588)	-	-
Designated fixed asset fund	(d)	1,645	-	(773)	899	1,771
Future funding	(e)	49,012	-	(49,012)	8,250	8,250
General fund		145,623	57,386	(118,751)	535	84,793
Total unrestricted funds		<u>196,868</u>	<u>57,386</u>	<u>(169,124)</u>	<u>9,684</u>	94,814
Total funds		<u>276,461</u>	<u>181,720</u>	<u>(281,598)</u>	<u>-</u>	176,583

Notes on funds:

Purposes of Restricted Funds:

- (a) These funds arise from an agreement with Methodist Connexion to fund two programmes. The Reconciliation & Mediation Team (RMT) will pilot the provision of coaching, mediation and facilitated conversations in three regions of the Methodist Church. The Positive Working Together (PWT) Training Programme will continue to offer training for conflict transformation. Both projects will be reviewed during 2023.
- (b) The Church of Scotland has agreed funding for 5 years from January 2023, which includes an element of restricted funding which must be applied towards eligible beneficiaries of the Church of Scotland's Ministry Benevolent Fund. The amount carried forward in the restricted fund will be spent in the subsequent financial year.

Purposes of Designated Funds:

- (c) Reconciling Communities fund: this fund arose from the surplus generated from the Gathering in Glasgow on Conflict and Faith in autumn 2019. The remaining balance was applied during the year.
- (d) Designated fixed asset fund: This corresponds to the net book value of fixed assets. Annual depreciation is charged to this fund and the cost of any fixed assets purchased out of unrestricted funds is transferred into the fund.
- (e) Future funding: The opening balance on this fund represented funding for April to December 2022 received in the prior year from the Church of Scotland, set aside by the trustees and applied to core expenditure in the current year. The fund is retained for monies designated for delivery of specific partnership work in a subsequent year. The balance at the year end is for delivery of Iona Community partnership work during April to December 2023.

Transfers are made between funds to:

- move the cost of fixed assets purchased into the fixed asset fund
- establish new designated funds or adjust the balance held in designated funds in line with decisions of the trustees
- transfer agreed allocations of core administration cost from restricted funds to the general fund in line with funding agreements

Notes to the Financial Statements (continued)

10. Analysis of Net Assets between Funds

	Unrestricted Funds			Restricted	Total
	General	Designated	Fixed Asset	Funds	Funds
	£	£	£	£	£
Tangible fixed assets	-	-	1,771	-	1,771
Debtors	6,905	-	-	-	6,905
Cash at bank & in hand	85,280	8,250	-	86,111	179,641
Creditors due within one year	(7,392)	-	-	(4,342)	(11,734)
Net assets at 31 March 2023	<u>84,793</u>	<u>8,250</u>	<u>1,771</u>	<u>81,769</u>	<u>176,583</u>

11. Statement of Financial Activities - Prior Year

	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Income from:			
<i>Donations</i>			
Grants & donations	167,329	113,077	280,406
<i>Charitable Activities</i>			
Fee income for provision of services	34,921	-	34,921
<i>Investments</i>			
Bank interest	163	-	163
Total income	<u>202,413</u>	<u>113,077</u>	<u>315,490</u>
Expenditure on:			
Staff costs	132,192	76,581	208,773
Practitioner costs	7,793	8,249	16,042
Project delivery costs	9,972	4,868	14,840
Administrative costs	7,057	27	7,084
Governance Costs	725	-	725
Total expenditure	<u>157,739</u>	<u>89,725</u>	<u>247,464</u>
Net income	44,674	23,352	68,026
Transfers between funds	8,666	(8,666)	-
Net movement in funds	53,340	14,686	68,026
Reconciliation of funds:			
Funds brought forward	<u>143,528</u>	<u>64,907</u>	<u>208,435</u>
Funds carried forward	<u>196,868</u>	<u>79,593</u>	<u>276,461</u>

Notes to the Financial Statements (continued)

12. Movement in Funds - Prior Year

	At 1/4/21 £	Movement in year		Transfers £	At 31/03/22 £
		Income £	Expenditure £		
Restricted funds:					
Methodist Church	44,626	82,139	(70,177)	(3,779)	52,809
Reconciliation & Mediation Team					
Methodist Church	20,281	30,938	(19,548)	(4,887)	26,784
Positive Working Together					
Total restricted funds	<u>64,907</u>	<u>113,077</u>	<u>(89,725)</u>	<u>(8,666)</u>	<u>79,593</u>
Unrestricted funds:					
Reconciling Communities	604	-	(16)	-	588
Designated fixed asset fund	312	-	(860)	2,193	1,645
Future funding	-	-	-	49,012	49,012
General fund	142,612	202,413	(156,863)	(42,539)	145,623
Total unrestricted funds	<u>143,528</u>	<u>202,413</u>	<u>(157,739)</u>	<u>8,666</u>	<u>196,868</u>
Total funds	<u>208,435</u>	<u>315,490</u>	<u>(247,464)</u>	<u>-</u>	<u>276,461</u>

13. Analysis of Net Assets between Funds - Prior Year

	Unrestricted Funds			Restricted Funds £	Total Funds £
	General	Designated £	Fixed Asset £		
Tangible fixed assets	-	-	1,645	-	1,645
Debtors	6,431	-	-	-	6,431
Cash at bank & in hand	147,474	49,600	-	79,593	276,667
Creditors due within one year	(8,282)	-	-	-	(8,282)
Net assets at 31 March 2022	<u>145,623</u>	<u>49,600</u>	<u>1,645</u>	<u>79,593</u>	<u>276,461</u>