

Northern Friends Peace Board

Report and financial statements
For the year ended 31st December 2016

Northern Friends Peace Board

Reference and administrative information for the year ended 31 December 2016

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 to the Trustees (to 31 December 2016)

Phoebe Spence Treasurer

Philip Latham Assistant Treasurer (to 31 December 2016)

Chris Butler (to October 2016)

Robert Keeble

Jill Tutton

Douglas Shaw (from January 2016) Clerk to the trustees (from January 2017)

Alison Challen (from January 2017)

Matthew Guest (from January 2017)

Lyn Pardo (from January 2017)

Key management personnel

Philip Austin Coordinator

Steven Waling Administrative Assistant

Bankers

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

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

Independent Examiner

James Gore-Langton FCCA DChA

Slade & Cooper Limited

46-50 Oldham St, Manchester M4 1LE

Northern Friends Peace Board

Trustees' annual report for the year ended 31 December 2016

The Executive present their report and the independently examined financial statements for the year ended 31 December 2016.

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.

When planning our activities for the year, the Executive considered the guidance of the Charity Commission and of the Office of the Scottish Charity Regulator on public benefit. The Executive is committed to reaching as many people as possible through its work, both members and attenders of the Society of Friends as well as people of other faith or of none.

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:

- Strengthening the Board and Executive as a community.
- Working with Friends throughout the UK on Trident replacement, and those places in the North where there are particular implications.
- Meetings of members in Nottingham, Edinburgh, Penrith and York.
- 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 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

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- 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.
- 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.
- 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.

Significant activities

- Meetings of the Board took place in Nottingham, Edinburgh, Penrith and York, with themes and concerns on the agendas including support for a global nuclear weapon ban treaty; militarism and young people; opposition to Trident renewal; the EU referendum and consequences; First World War Conscientious Objection; peace in communities, and militarism – particularly in relation to young people. Speakers included a number of our own members as well as Ruth Harvey from Place for Hope, Julie Ward MEP, Michael Elstub from Veterans for Peace, and Mairi Campbell Jack, Scottish Quaker Parliamentary Liaison. During the days of our meetings, members undertook simple acts of public witness in the vicinity of the Meeting Houses in which we had gathered. Local Friends and attenders joined us at all of our meetings.
- In collaboration with Tim Wallis, we ran a workshop on Productive Trident conversations at Swarthmoor Hall in April, with local Friends. We followed this up with exploratory work and collaboration regarding the possibility of a public meeting or dialogue at neighbouring Barrow in Furness, where the BAe shipyards are based and which is heavily dependent on Trident-related work.
- We facilitated a day of reflection on peace and justice in Israel and Palestine , at Wooldale Meeting House in July.
- Our Sustainable Security project group organised a conference on 'Changing the narrative for peace – the critical role of the media' , which took place at Darlington Meeting House in September. This attracted a wide range of participants, sharing knowledge and experience
- There was a NFPB presence at the national Scrap Trident demonstration in London in February and a number of Friends took part in Meetings for Worship for Witness at Faslane.
- We attended regional events, including a Quakers in Yorkshire gathering in Huddersfield and the North West Regional Gathering in Wilmslow. At the latter we facilitated workshops on the Prevent programme and supported the planning group for the gathering in preparing this. This built on our previous work on the previous work on Building Peace in Diverse Britain.
- At Britain Yearly Meeting in May, we ran a special interest group meeting on Trident, in collaboration with Quaker Peace and Social Witness and Young Friends General meeting. Friends from across the country engaged with this issue.

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- We participated in a number of non-Quaker events, including a 2-day Seminar on Militarism, in Leeds and a conference of Church and Peace in Birmingham. We also continued our collaborative work with the Network of Christian peace Organisations and with a number of other groups for the Global Day of Action on Military Spending. Through these and other events, we built and supported networking contacts, that help our work and concerns reach a wider audience.
- Amongst Quakers, we maintained working links with the Quaker Peace and Social Witness programmes on Peace and Disarmament and on Peace Education; and we were represented at Europe & Middle East Quaker Peace and Service Consultation in Belgium.
- A group met to undertake initial work in preparing new workshops for Friends, which could be offered to Local Meetings and at other Quaker and non-Quaker gatherings.
- Our communications and networking activities continued through the year, using social media, a regularly updated website, short newsletters sent to each Area Meeting and Local Meeting, reports for representatives to take to their Area Meetings, plus responding to a range of enquiries and requests for materials.

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 the charity's charitable purposes for the public benefit.

Beneficiaries of our services

Through our members and staff, 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 organised a conference specifically for people wanting to engage with the media on peace issues, to share experience to give the wide range of attendees more confidence. 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 increased over the previous year, helped by Board representatives raising this with their meetings. Our investments again performed well, generating an income of £8,500, with an additional £321 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 contributed to a shortfall at the end of the year.

We received £800 additional funding from two charitable trusts for project work during the year. Additional external funding will be sought for new and developing projects. We paid for travel and accommodation for

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staff and committee participation in national and international Quaker events. We intend to find an appropriate way of using remaining funds given some years ago for our Peace Papers project.

No significant expenditure was made on office equipment during the year. Our expenditure on staff and committee development was less than anticipated but we are committed to using these funds in the future.

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 generate an income of £9,000 per annum.

Plans for the future

- We will be developing and piloting a number of workshops for Friends and others, and publicising these throughout the North.
- Three Board meetings are planned for 2017, to take place in Bolton, Dumfries and Darlington.
- We plan to strengthen the Board and Executive as a community, developing a clerking team, continuing to provide opportunities for joint action as well as discussion and worship.
- We will be encouraging support and action towards a global nuclear weapons ban treaty, being discussed at the United Nations in the first half of the year.
- Staff and Board members will participate - including offering a workshop - in the Yearly Meeting Gathering, taking place at the University of Warwick from the end of July.
- We will be developing 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.
- Preparing publication of further materials using our Peace Papers funds, including publishing digital versions of some of the original materials.
- We will be undertaking further preparatory work for a decision regarding our pensions arrangements.

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.

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Procedures of the Board and its committees follow the general counsel on church affairs set out in *Quaker Faith and Practice*. Its trustees 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 meets three or four times per calendar year and its Executive meets at least four times per year. Their various sub groups meet at different times, reporting to the Board and to the Executive.

The law requires the Executive to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources of the year and the application of resources of the charity for that period. In preparing those financial statements, the Executive are required to:

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

The Executive are responsible for keeping proper accounting records which 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 applicable accounting standards. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Executive during the period covered were Chris Butler, Jette Howard (Clerk to the Executive), Robert Keeble, Philip Latham, Douglas Shaw, Phoebe Spence (Treasurer), Jill Tutton. Friends are appointed to the Executive both from the membership of the Board and from amongst Northern Friends as co-opted members. We committed resources and time to continuing induction and training of staff and committee members. The Executive committee met four times during the period covered.

Philip Austin and Steven Waling, Co-ordinator and Administrative Assistant respectively, undertook the finance-related administrative work from the Board's office, and Philip Austin continued his co-ordinating role in relation to all other areas of the work of the Board and Executive.

The Board maintains effective and regular working links with Quaker Peace and Social Witness, with cross-representation of staff on its Peace Campaigning and Networking Group reinforcing this positive complementary working relationship.

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Trustees' annual report for the year ended 31 December 2016

Risk management

We have reviewed our risks and will work with the new members of the Executive in undertaking a thorough risk assessment during 2017. . 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 with the Pensions deficit. Our Assistant Treasurer was a member of The Pensions Trust Employers' Consultative Group, which provided a valuable additional opportunity for us to both to improve our understanding of the situation and to communicate our concerns.

This report was approved by the trustees on _____ and signed on their behalf

Douglas Shaw

Northern Friends Peace Board

Independent examiner's report to the trustees for the year ended 31 December 2016

I report on the accounts of the charity for the year ended 31 December 2016 which are set out on pages 9 to 15.

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
46-50 Oldham Street
Manchester
M4 1LE

Date.....

Northern Friends Peace Board
Receipts and Payments Account
for the year ended 31 December 2016

	Unrestricted funds	Restricted funds	Total funds 2016	<i>Total funds</i> 2015
Note	£	£	£	£
Receipts				
Donations	41,367	-	41,367	31,720
Legacies	4,698	-	4,698	-
Grants	5,123	800	5,923	5,050
Gross receipts from other charitable activities	1,254	-	1,254	1,024
Income from investments other than land and buildings	8,821	-	8,821	10,406
	61,263	800	62,063	48,200
Payments				
Payments relating directly to charitable activities	56,354	800	57,154	60,326
Governance costs:				
Independent examination	210	-	210	200
Preparation of annual accounts	840	-	840	850
Payroll	216	-	216	252
	57,620	800	58,420	61,628
Net receipts/(payments)	3,643	-	3,643	(13,428)
Transfer between funds	-	-	-	-
Surplus/(deficit)	3,643	-	3,643	(13,428)

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Statement of balances
as at 31 December 2016

	Note	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Cash funds					
Bank and cash balances at start of year		40,186	1,405	41,591	55,019
Surplus / (deficit) shown on receipts and payments account		3,643	-	3,643	(13,428)
Bank and cash balances at end of year		43,829	1,405	45,234	41,591
Investments					
	Fund			Market valuation 2016	2015
Investment portfolio	Unrestricted			212,051	204,602
Other assets					
	Fund			2016	2015
Stock of goods for resale	Unrestricted			2,644	3,072
Computer and office equipment	Unrestricted			1,228	1,228
Total other assets				3,872	4,300
Liabilities					
	Fund			2016	2015
Other creditors	Unrestricted			-	-
Total liabilities				-	-
Contingent liability					
	Fund			2016	2015
Pension scheme withdrawal debt	10 Unrestricted			109,837	117,050

Approved by the trustees on ___/___/___ and signed on their behalf by:

Phoebe Spence (Trustee)

Northern Friends Peace Board

Notes to the accounts for the year ended 31 December 2016

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 £	2016 £	2015 £
Bryan Lancasters Friends Gift	-	300	300	-
Edward Cadbury Trust	-	500	500	-
Friends' Trusts	623	-	623	550
Westcroft Trust	4,500	-	4,500	4,500
	<hr/>	<hr/>	<hr/>	<hr/>
	5,123	800	5,923	5,050
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Receipts from charitable activities

	Unrestricted £	Restricted £	2016 £	2015 £
Workshop fees and sales	628	-	628	419
Commissions	539	-	539	605
Reimbursements	87	-	87	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,254	-	1,254	1,024
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the accounts for the year ended 31 December 2016 (continued)

5 Investment receipts

	Unrestricted £	Restricted £	2016 £	2015 £
Bank interest	321	-	321	406
Dividends	8,500	-	8,500	10,000
	8,821	-	8,821	10,406
	8,821	-	8,821	10,406

6 Payments relating directly to charitable activities

	Unrestricted £	Restricted £	2016 £	2015 £
Staff costs	46,632	-	46,632	47,891
Premises	2,710	-	2,710	2,100
Publications produced	131	-	131	979
Publicity	358	-	358	120
Office costs	3,463	-	3,463	4,110
Meetings and events	576	-	576	1,184
Travel and accommodation	2,484	800	3,284	3,918
Professional fees	-	-	-	24
	56,354	800	57,154	60,326
	56,354	800	57,154	60,326

7 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 £528.

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 2016 (continued)

8 Analysis of movements in restricted funds

	Balance at 1 January 2016 £	Receipts £	Payments £	Transfers £	Balance at 31 December 2016 £
Sustainable Security	-	800	(800)	-	-
Peace Papers	1,405	-	-	-	1,405
Total	1,405	800	(800)	-	1,405

Name of fund	Description, nature and purposes of the fund
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Sustainable Security	To arrange a conference for Quakers and others on the theme of media and rethinking security.
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Peace Papers	To produce a set of materials highlighting and detailing the range of activities for peace undertaken by British Quakers.
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9 Analysis of movement in unrestricted funds

	Balance at 1 January 2016 £	Receipts £	Payments £	Transfers £	As at 31 December 2016 £
General fund	40,186	61,263	(57,620)	-	43,829

Name of fund	Description, nature and purposes of the fund
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General fund	Bank and cash balances available for general charitable activities.
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10 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.

Northern Friends Peace Board

Notes to the accounts for the year ended 31 December 2016 (continued)

10 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 £109,837.

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 2016 this amounted to £8,013.

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.

10 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 2016 the total deficit calculated on the buy-out basis was £244.2m.

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.