

Charity Registration No. 1134522

**HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS
SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Linda Gibbs (Clerk)	
	Alison Parker	(Appointed 1 January 2020)
	Shanthini Cawson	(Appointed 1 January 2021)
	Eric Silk	(Appointed 1 January 2021)
	Jai Brierley	(Appointed 1 January 2021)
Treasurer	Shanthini Cawson	
Charity number	1134522	
Principal address	Quaker Meeting House 22 School Lane Liverpool L1 3BT	
Independent examiner	Peter Taaffe FCA CTA DChA BWM Castle Chambers 43 Castle Street Liverpool L2 9SH	
Bankers	HSBC	CAF Bank Ltd
	331 Lord Street	25 Kings Hill Avenue
	Southport	West Malling
	PR8 1NJ	ME19 4JQ
	Royal Bank of Scotland	The Co-operative Bank
	269 Lord Street	Delf House
	Southport	Southway
	Merseyside	Skelmersdale
	PR8 1PH	WN8 6WT
Investment advisors	TSB	The Co-operative Bank
	Heathfield Branch	1 Balloon Street
	20 Smithdown Place	Manchester
	Wavertree	M60 4EP
	Liverpool	
	L15 9EW	
	Rathbones	
	Port of Liverpool Building	
	Pier Head	
Investment advisors	Liverpool	
	L3 1BW	

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

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HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

Objectives and activities

The object of the Hardshaw and Mann Area Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain in the area of Hardshaw and Mann Area Meeting and beyond

The effect of the COVID 19 pandemic

All activities were continuing as usual with a further increase in room lettings, until the government imposed a nationwide 'lockdown' in March 2020 which meant that all of the areas Meeting Houses were closed. All staff were placed on the government furlough scheme except for the Liverpool Meeting House manager and the Southport Meeting House coordinator who worked from home with occasional visits to their Meeting House for essential purposes.

Due to the potential severe financial loss to the charity due to room lettings income being drastically reduced, the trustees requested that all regular expenditure be reviewed and reduced as much as possible and this successfully reduced the potential financial losses considerably.

It was not known what effect the curtailing of economic activity would have on the national economy and so the trustees considered it prudent to divide the charity's cash funds between a number of bank accounts so that should there be another financial crash such as in 2008 the funds would be covered by the Financial Services Compensation Scheme.

Online Religious Meetings for Worship were held throughout the year with occasional in-person Meetings inside Meeting Houses or outdoors when the Covid guidelines allowed although these were extremely limited and required the agreement of trustees only after risk assessments had been completed. Despite the restrictions we were able to welcome several new attenders and visitors from other Quakers meetings to join our online activities.

Trustees meetings, area meetings and local meetings for business were also held online which had the effect of increasing attendance which contributed to a more active involvement in the corporate life of the charity by Friends and attenders.

The trustees have considered the Charity Commission's guidance on public benefit under the Charities Act 2011 and consider that the requirements have been met.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Wigan Meeting House

The year started with a focus on supporting decision making regarding the future of Wigan Meeting House following a Meeting for discernment in January. Trustees referred to the document "Simplifying Meetings" when framing advice and our offer of support.

A meeting of representatives of all local meeting and trustees was held and it was discerned that the building be sold as the maintenance costs were not being covered by the income from the commercial flats within the building and further expenditure would be required to make the entrance and Meeting House section compliant with disabled access requirements. This was a very difficult decision as Quakers had been using the building for many years and support Wigan Friends in finding alternative premises.

Organisational Structure of the Area Meeting

Trustees began working with the area meeting treasurer and other interested Friends to recommend restructuring the way financial matters are dealt with so that they better reflect good Quaker principles of management. It is hoped that recommendations will be put to Area Meeting and implemented in 2021. Underpinning this work is the aim to strengthen the role of our Area Meeting as the focus of decision making, building our community and extending the reach of our friendship for each other.

Hardshaw West Monthly Meeting

This is a charity which has not been active for some time and is a subsidiary of Hardshaw and Mann. The trustees agreed to commence closure action which has been delayed due to the pandemic but it is planned to complete the process and advise the charity commission in 2021.

Hardshaw Estates Trust

Hardshaw Estates Trust trustees wish to divide their assets and responsibilities between Manchester and Warrington Area Meeting and Hardshaw and Mann area meeting prior to laying down their charity. This was broadly agreed at a joint meeting with representatives from all parties (15th June 2020) and HET are now consulting with solicitors to map out a proposed transfer plan. The transfer will bring responsibility for maintenance of St Helen's Meeting House and Bickerstaffe Burial ground (with substantial funds which will be ring fenced for this work) and management of funds designated for grant making to individuals for Education and Travelling in the Ministry into Hardshaw and Mann area meeting.

Quaker Probation Trust

The trustees of Quaker probation Trust have transferred the remaining funds of their charity into a Hardshaw and Mann bank account so that they can be held safely whilst a working group finds a similar charity to donate the funds to. This work should be completed in 2021.

Safeguarding

No Safeguarding incidents have been referred to Trustees in 2020.

Meeting House Cafe

This was a joint partnership with Blackburne House Women's College and commenced in 2014. When it was first set up it was hoped that by getting more visitors to the Meeting House there would be opportunities for outreach and the income would also contribute to our Quaker work. Unfortunately this has not been the case and although the cafe had a good reputation for excellent vegetarian food, annual losses were continuing. The partners therefore agreed to cease trading in 2019 and we both agreed a financial settlement this year with a small amount to be paid to Quakers and the partnership formally ended in November.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

As at 31 December 2020, the charity had reserves of £5,520,255 (2019: £5,529,956). Included within these reserves are £375,831 (2019: £363,184) of restricted funds (see note 21). Included within unrestricted funds are fixed assets totalling £4,882,066 (2019: £4,882,066). These funds can only be realised upon sale of these assets. Included within restricted funds are investments totalling £340,466 (2019: £327,820). These funds can only be realised upon sale of these assets. The charity had free reserves of £262,358 as at 31 December 2020 (2019: £284,706).

Priorities for the future

- 1 Finalise the restructuring of area meeting so that management of staff and local meeting finances can be centralised in accordance with general Quaker practice and the Simplifying Meetings project.
- 2 Complete the sale of Wigan Meeting House.
- 3 Continue to work with Hardshaw Estates trustees to achieve the transfer of funds and responsibilities to Hardshaw and Mann Area Meeting.
- 4 Close Hardshaw West Monthly Meeting charity.
- 5 Once Covid restrictions are lifted, support area meeting to reopen all Meeting Houses.
- 6 To support area meeting in planning for the recommencement of room lettings so that income can gradually return to pre pandemic levels.
- 7 To support area meeting to recommence our Quaker work in accordance with our beliefs and testimonies.

Reserves policy

Reserves are needed to cover the maintenance of the meeting houses and to cover fluctuations in letting and other income which is needed to cover salaries and related employment costs.

Some of the reserves are held in restricted funds. The largest of these is the Hallet and Young established by legacies and intended to be used for the purposes of the Liverpool Local Meeting.

Trustees believe that the unrestricted reserves are adequate and reasonable for the purposes set out.

Grant Making policies

Hardshaw and Mann Area Meeting makes donations to specific charities who are undertaking work in accordance with Quaker values and concerns. The names of such organisations are agreed by the Local or Area Meeting as appropriate

Investment powers and policy

At every level of our church government Friends must be seen to be above reproach in our corporate, as well as personal conduct in respect of finances and property. We hold these assets in trust and the way we use and develop them in an important part of our witness (Quaker faith & practice 14:18).

Financial advice was obtained from Rathbones Investment Management Ltd.

Ethical investment criteria and investment objectives have been agreed.

The principal aims of our investment policy are:

- 1) To meet ethical and socially responsible criteria
- 2) To provide maximum income while minimising the risk of real capital loss
- 3) To maintain diversity

Buildings are held on behalf of the area meeting by Friends Trusts Limited (company number: 188362, charity number: 237698) as custodian trustee in accordance with Chapter 14.45 of the Quaker faith & practice.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Risk management

We recognise the principal risks to our activities as:

Falling attendance: Attendance has remained relatively the same as last year but holding meetings online has meant that there are more regular participants than before. It is of concern that once our Meeting Houses are allowed to open again, this level of attendance will not continue. We note that some of our Meetings are very small and this reduces the ability to take part in activities which might bring our Faith to greater attention in the areas we serve.

Difficulty in filling key roles: The Area Meeting and Local Meetings have worked to increase the number of people who may consider taking roles. For Trustees, this has included a deliberate policy of finding new trustees from all local meetings to ensure as wide an area of representation as possible.

Covid 19 pandemic restrictions: During 2020 there have been a number of phases in national and regional restrictions which have had a detrimental effect upon our lettings income. These restrictions are due to continue at least during the first half of 2021 and unless we can return to normal economic activity this could threaten the long term viability of our room lettings income especially from Liverpool Meeting House.

Member's contributions: Members of the Religious Society of Friends (Quakers) are asked to contribute money on a regular basis towards Quaker work which can be used both locally and nationally. If membership continues to fall then the funds available will be reduced.

Trustees attend to other risks as follows:

- **Safeguarding:** A new Safeguarding Coordinator was appointed and policies are in place but are expected to be reviewed in 2021 with guidance and advice from Britain Yearly Meeting.
- **Fraud / financial mis-management:** Processes are in place and reviewed.
- **Damage to buildings / grounds:** Insurance is in place. Reserves are compliant with Charity Commission guidance
- **Health and safety of our employees and those who use our premises.** Most of the activities undertaken by our employees are considered low risk, and public liability insurance and employers compulsory liability insurance is provided at each meeting house. We have followed all Covid 19 restrictions and guidelines and produced risk assessments for all our local Meeting House before allowing them to reopen for worship or to the public.

The risks identified require consideration but do not present immediate threats to our Area Meeting. They are also reflected in other Area Meetings of the British Yearly Meeting and there is plenty of opportunity to learn from other Area Meetings experience and seek support and guidance.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

The organisation was an excepted charity under the Charities Act 1993. A new constitution was adopted on 15th November 2009. The organisation became a registered charity on 25/2/2010 under the registered number 1134522.

Hardshaw and Mann Area Meeting is the name for the organisational unit of the Quaker Church that encompasses the local meetings in Liverpool, Southport, St Helens, Wigan and the Isle of Man. It forms part of the Britain Yearly Meeting (BYM). It should be noted that the Isle of Man Local Meeting falls outside the jurisdiction of the Charity Commission for England and Wales and its financial activities are subject only to Manx Law and hence no financial information concerning this meeting are included in these accounts.

The trustees who served during the year and up to the date of signature of the financial statements were:

Lisa Hoyle (Former Clerk)	(Resigned 31 December 2020)
Linda Gibbs (Clerk)	
Charlotte Binns	(Resigned 31 December 2020)
Alison Parker	(Appointed 1 January 2020)
Shanthini Cawson	(Appointed 1 January 2021)
Eric Silk	(Appointed 1 January 2021)
Jai Brierley	(Appointed 1 January 2021)

Trustees are appointed for 3 year terms by the area meeting, at one of its regular meetings, after nominations are made by the nominations committee. One trustee has been serving for an extended period until a suitable experienced Friend is found.

Ideally, Trustees are drawn from the various local meetings which make up the charity; at the time of writing there are no Trustees serving, St Helens, Southport or Isle of Mann meeting and a link person arrangement is in place (Lisa Hoyle links to St Helens, Charlotte Binns to Isle of Mann, Linda Gibbs to Southport).

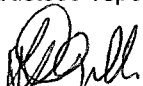
The area appoints half of the trustees of the related registered charity Society of Friends Hardshaw Estates Charities (Charity number 223418), which provides income to the area meeting according to a separate set of regulations last amended in 1980.

Day to day operation of the Liverpool Friend's Meeting House is delegated by the Trustees to the Liverpool Finance Staffing and Personnel Committee.

Membership

The Religious Society of Friends classes those attending its meetings as either Members or Attenders. Members are those who have formally requested to be considered for membership, and have been accepted by the Area Meeting into membership. Attenders are those who have not taken this formal step, but nevertheless regularly attend meetings for worship.

The trustees' report was approved by the Board of Trustees.



.....
Linda Gibbs (Clerk)

Trustee
Dated: 29/9/21

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare 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 and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

I report to the trustees on my examination of the financial statements of Hardshaw and Mann Area Quaker Meeting of the Religious Society of Friends (Quakers) in Britain (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Peter Taaffe FCA CTA DChA

Independent Examiner

BWM

Castle Chambers

43 Castle Street

Liverpool

L2 9SH

Dated: 7.10.21

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	7,983	-	7,983	44,991
Other trading activities	4	104,690	-	104,690	296,413
Investments	5	1,956	13,651	15,607	12,502
Other income	6	37,149	-	37,149	1,675
Total income		151,778	13,651	165,429	355,581
<u>Expenditure on:</u>					
Raising funds	7	135,079	4,267	139,346	196,771
Charitable activities	8	47,839	-	47,839	52,253
Total expenditure		182,918	4,267	187,185	249,024
Net gains/(losses) on investments	12	-	12,107	12,107	24,699
Net (outgoing)/incoming before transfers		(31,140)	21,491	(9,649)	131,256
Gross transfers between funds	13	8,844	(8,844)	-	-
Net movement in funds		(22,296)	12,647	(9,649)	131,256
Fund balances at 1 January 2020		5,166,720	363,184	5,529,904	5,398,648
Fund balances at 31 December 2020		5,144,424	375,831	5,520,255	5,529,904

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	9,627	35,364	44,991
Other trading activities	4	296,413	-	296,413
Investments	5	57	12,445	12,502
Other income	6	1,675	-	1,675
Total income		307,772	47,809	355,581
<u>Expenditure on:</u>				
Raising funds	7	187,576	9,195	196,771
Charitable activities	8	52,253	-	52,253
Total expenditure		239,829	9,195	249,024
Net gains/(losses) on investments	12	-	24,699	24,699
Net (outgoing)/incoming before transfers		67,943	63,313	131,256
Gross transfers between funds	13	2,524	(2,524)	-
Net movement in funds		70,467	60,789	131,256
Fund balances at 1 January 2019		5,096,253	302,395	5,398,648
Fund balances at 31 December 2019		5,166,720	363,184	5,529,904

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	4,882,066		4,882,066	
Investment properties	15	200,000		200,000	
Investments	16	140,466		127,820	
		<u>5,222,532</u>		<u>5,209,886</u>	
Current assets					
Debtors	18	14,195		39,387	
Cash at bank and in hand		316,323		316,820	
		<u>330,518</u>		<u>356,207</u>	
Creditors: amounts falling due within one year	19	(32,795)		(36,189)	
Net current assets		<u>297,723</u>		<u>320,018</u>	
Total assets less current liabilities		<u>5,520,255</u>		<u>5,529,904</u>	
Income funds					
Restricted funds	21	375,831		363,184	
Unrestricted funds		5,144,424		5,166,720	
		<u>5,520,255</u>		<u>5,529,904</u>	

The financial statements were approved by the Trustees on 6 September 2021



 Linda Gibbs (Clerk)
 Trustee

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hardshaw and Mann Area Quaker Meeting of the Religious Society of Friends (Quakers) in Britain is a registered charity in England and Wales. The principal address is Quaker Meeting House, 22 School Lane, Liverpool, L1 3BT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the impact of the Covid pandemic has not been fully realised on the charity's activities as a worshipping community and on their financial well-being. The trustees anticipate that the charity will experience further losses in 2021 but have confidence in their resilience as both a community and an organisation to weather this difficult period and to continue to contribute to the lives of our communities. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(continued)

Grants, where entitlement is not conditional on the delivery of a specific performance of the charity, are recognised when the charity becomes unconditionally entitled to the grant. Grants are credited to the Statement of Financial Activities in the year in which they are receivable.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

The charity received substantial amounts of voluntary help from its supporters, but no attempt is made to place a financial value on these services and they have not been included

Dividends and interest are accounted for when due and payable. Interest entitlements are accounted for as they accrue. Tax recoverable on such income is recognised in the same accounting year.

1.5 Expenditure

Grants and donations are accounted for when paid over, or when awarded, if that award places a binding obligation on the charity.

All expenses relating to fundraising, publicity, public relations and investment management charges are treated as raising funds.

Charitable activities comprises those costs incurred by the charity in delivery of its activities and services for its beneficiaries. It includes both the costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include staffing and premises costs and are allocated between Quaker activities and generating funds by estimating the percentage of time the meeting houses are used for Quaker activities and hirings.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All equipment, fixtures and fittings with an original cost of less than £10,000 are written off in the year in which the expenditure was incurred on the basis that due to the nature of the charity's activities, there is no expectation that the costs of the assets will be recovered in the way of future revenues.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Fixtures and fittings	20% on cost

The value of buildings are shown at estimated values and are not depreciated as the trustees are of the opinion that these values are maintained by day to day maintenance costs incurred.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(continued)

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the SOFA.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2020	2019	2019	2019
	£	£	£	£
Donations and gifts	7,983	9,627	35,364	44,991

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Meeting house hirings and car park rentals	88,077	281,015
Trading activity income: other	16,613	15,398
Other trading activities	104,690	296,413

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Rental income from investment property	-	12,251	12,251	-	10,895	10,895
Income from listed investments	1,956	1,400	3,356	57	1,550	1,607
	1,956	13,651	15,607	57	12,445	12,502

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	3,932	1,675
Coronavirus Job Retention Scheme Grant	33,217	-
	<u>37,149</u>	<u>1,675</u>

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Advertising	-	-	-	206	-	206
<u>Trading costs</u>						
Cafe running costs	-	-	-	25,195	-	25,195
Other trading activities	(2,239)	-	(2,239)	3,796	-	3,796
Support costs	137,318	-	137,318	158,379	-	158,379
Trading costs	<u>135,079</u>	<u>-</u>	<u>135,079</u>	<u>187,370</u>	<u>-</u>	<u>187,370</u>
<u>Investment management</u>	-	4,267	4,267	-	9,195	9,195
	<u>135,079</u>	<u>4,267</u>	<u>139,346</u>	<u>187,576</u>	<u>9,195</u>	<u>196,771</u>

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Charitable activities

	2020	2019
	£	£
Children & Young People	163	841
Courses & Conferences	5,499	5,735
Elders & Overseers	200	-
Library	406	481
Outreach, publicity, newsletter	1,316	2,053
Travel	73	304
Donations to Britain Yearly Meeting (BYM)	12,000	500
Donations to other Quaker bodies	400	300
Donations to non Quaker bodies	852	5,776
Sundries	2,900	4,617
	<u>23,809</u>	<u>20,607</u>
Share of support costs (see note 9)	21,335	28,646
Share of governance costs (see note 9)	2,695	3,000
	<u>47,839</u>	<u>52,253</u>

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	126,282	-	126,282	103,704	-	103,704
Depreciation	-	-	-	3,528	-	3,528
Staff training	254	-	254	604	-	604
Professional/payroll fees	2,530	-	2,530	3,844	-	3,844
Equipment and furniture	932	-	932	18,270	-	18,270
Insurance	6,352	-	6,352	5,961	-	5,961
Cleaning materials & contractors	1,988	-	1,988	5,516	-	5,516
Repairs and maintenance	8,263	-	8,263	22,960	-	22,960
Telephone	2,548	-	2,548	2,950	-	2,950
Utilities	9,417	-	9,417	18,553	-	18,553
Sundry costs/admin expenses	87	-	87	1,135	-	1,135
Accountancy	-	2,695	2,695	-	3,000	3,000
	<u>158,653</u>	<u>2,695</u>	<u>161,348</u>	<u>187,025</u>	<u>3,000</u>	<u>190,025</u>
Analysed between						
Trading	137,318	-	137,318	158,379	-	158,379
Charitable activities	21,335	2,695	24,030	28,646	3,000	31,646
	<u>158,653</u>	<u>2,695</u>	<u>161,348</u>	<u>187,025</u>	<u>3,000</u>	<u>190,025</u>

Support costs are split between trading and charitable activities based on the level of hirings at each meeting house.

Governance costs includes payments to the independent examiners of £2,695 (2019 - £3,000) for independent examination fees and are allocated to charitable activities.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2019: £nil).

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Manager	1	1
Meeting House Co-ordinator	1	1
Meeting House Assistants	5	5
Catering Assistant	1	1
Cleaner	2	1
Cleaner/Lettings	1	-
Total	11	9

Employment costs

	2020 £	2019 £
Wages and salaries	117,119	95,829
Social security costs	5,247	4,285
Other pension costs	3,916	3,590
	126,282	103,704

There were no employees whose annual remuneration was £60,000 or more.

12 Net gains/(losses) on investments

	Restricted funds 2020 £	Restricted funds 2019 £
Revaluation of investments	12,107	24,699

13 Transfers

Transfers relate to the net rental income received from the Wigan Meeting House to offset the Liverpool Local Meeting House costs in accordance with the donor's wishes.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2020	4,882,066	146,864	5,028,930
At 31 December 2020	4,882,066	146,864	5,028,930
Depreciation and impairment			
At 1 January 2020	-	146,864	146,864
At 31 December 2020	-	146,864	146,864
Carrying amount			
At 31 December 2020	4,882,066	-	4,882,066
At 31 December 2019	4,882,066	-	4,882,066

Freehold land and buildings were revalued in 2011 by the trustees based on an informal estimate received at that time.

The freehold land and buildings are held by a custodian trustee, Friends Trusts Limited (company number: 188362, charity number: 237698) in accordance with Chapter 14.45 of the Quaker faith & practice.

15 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	200,000

Investment property comprises the Wigan Friends Meeting House and the 3 flats above it. The fair value of the investment property has been estimated by the trustees.

The investment properties are held by a custodian trustee, Friends Trusts Limited (company number: 188362, charity number: 237698) in accordance with Chapter 14.45 of the Quaker faith & practice.

	2020 £	2019 £
Freehold	-	-
Long leasehold	200,000	200,000
Short leasehold	-	-

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 January 2020	125,919	1,901	127,820
Valuation changes	12,107	-	12,107
Net movement in cash	-	539	539
At 31 December 2020	138,026	2,440	140,466
Carrying amount			
At 31 December 2020	138,026	2,440	140,466
At 31 December 2019	125,919	1,901	127,820

17 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	322,274	345,298
Equity instruments measured at cost less impairment	140,466	127,820
Carrying amount of financial liabilities		
Measured at amortised cost	32,795	33,020

18 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	4,475	26,256
Other debtors	3,014	2,222
Prepayments and accrued income	6,706	10,909
	14,195	39,387

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other taxation and social security	-	3,169
Trade creditors	19,207	2,524
Other creditors	1,714	3,288
Accruals and deferred income	11,874	27,208
	<u>32,795</u>	<u>36,189</u>

20 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £3,916 (2019 - £3,590).

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019	Movement in funds				Movement in funds				Balance at 31 December 2020	
		Income	Expenditure	Transfers	Revaluations, gains and losses	Income	Expenditure	Transfers	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£		
Hallet & Young Fund	302,395	12,445	(9,195)	(2,524)	24,699	327,820	13,651	(4,267)	(8,844)	12,107	340,467
Merseyside Community Rehabilitation Trust	-	35,364	-	-	-	35,364	-	-	-	-	35,364
	302,395	47,809	(9,195)	(2,524)	24,699	363,184	13,651	(4,267)	(8,844)	12,107	375,831

Hallet & Young Fund:

This fund is for charitable purposes in respect of specific costs incurred by the Liverpool Local Meeting decided upon by that meeting.

Merseyside Community Rehabilitation Trust:

The Merseyside Community Rehabilitation Trust have transferred their funds to the charity in accordance with the the governing documents as they are no longer able to administer the Trust without support from a partner organisation. A working group is currently agreeing the criteria for the disposal of the funds.

HARDSHAW AND MANN AREA QUAKER MEETING OF THE RELIGIOUS SOCIETY OF FRIENDS (QUAKERS) IN BRITAIN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	4,882,066	-	4,882,066	4,882,066	-	4,882,066
Investment properties	-	200,000	200,000	-	200,000	200,000
Investments	-	140,466	140,466	-	127,820	127,820
Current assets/ (liabilities)	262,358	35,365	297,723	284,654	35,364	320,018
	<u>5,144,424</u>	<u>375,831</u>	<u>5,520,255</u>	<u>5,166,720</u>	<u>363,184</u>	<u>5,529,904</u>

23 Events after the reporting date

The COVID 19 outbreak and the resulting UK lockdown which commenced on 23 March 2020 has had significant impact on both the financial and operational aspects of the business as all meeting houses were closed.

During 2020 there have been a number of phases in national and regional restrictions which have had a detrimental effect upon the lettings income. These restrictions have continued during the first half of 2021 and unless the charity can return to normal economic activity this could threaten the long term viability of our room lettings income especially from Liverpool Meeting House.

The charity has taken advantage of the Job Retention Scheme and the majority of staff have been furloughed.

At the time of approving the financial statements England is currently emerging from a third lockdown and as such the full impact of the COVID 19 outbreak is unknown.

24 Related party transactions

During the year the charity donated £12,000 (2019: £500) to the Britain Yearly Meeting of the Religious Society of Friends (Quakers), charity number: 1127633. This charity acts as an umbrella organisation for all Area Meetings.

During the year the charity received £1,500 (2019: £nil) from the Isle of Man local meeting.

During 2020 and 2019 the charity occupied, on a rent free basis, Quaker meeting houses in Southport and St Helens. The Southport building is owned by Hardshaw West Monthly Meeting Charities, charity number 238518, and the St Helens building is owned by Society of Friends - Hardshaw Estates Charities, charity number 223418. The trustees of this charity are also trustees of Hardshaw West Monthly Meeting Charities.

In 2020 £2,000 (2019: £nil) was received from Society of Friends - Hardshaw Estates Charities, charity number 223418 towards the maintenance of the St Helens property.