



TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020

Company Number: 02138994

Charity Number: 297483

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Registered office:
The Foundry
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London
SE11 5RR

Registered company number
02138994
Registered Charity number
297483

TRUSTEES, OFFICERS AND ADVISERS

PATRON

Her Majesty the Queen

PRESIDENT

The Most Reverend and
The Right Honourable
Justin Welby

TRUSTEES

Andrew Barnett OBE Chair

Sue Chalkley OBE

Andrew Dorton *to 01.08.2020*

Philip Fletcher CBE

Alison Grieve

Robert Hallam

John Iles *to 09.12.2020*

Revd Dr Anderson Jeremiah

Ven Catherine Pickford *to 01.10.20*

Christina Rees CBE

Alec Spencer

Paula Nelson *to 09.08.2020*

FINANCE AND ADMINISTRATION COMMITTEE

Alison Grieve Chair (Trustee)

Nick Thomas

Robert Hallam (Trustee)

Pierre Claude

REMUNERATION COMMITTEE

Revd Dr Anderson Jeremiah Chair
(Trustee) *from Jul 21*

Andrew Barnett OBE (Trustee)

Alison Grieve (Trustee)

Robert Hallam (Trustee)

PRINCIPAL OFFICERS

Rachel Whittington, Executive
Director from 01.06.20

Chris Biglands, Director of
Operations

Elizabeth Carnelley, Director of
Partnerships

Laura Ryder, Interim Head of
Finance (Consultant)

Sarah Wallace BEM, Director of
Programmes and Innovation

ADVISERS

Bankers

National Westminster Bank Plc
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Investment Managers - CCLA
Investment Management Ltd
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London EC2V 6DZ

Auditors - Mazars LLP

6 Sutton Plaza
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Sutton, Surrey, SM1 4FS

Solicitors

Legal advice is provided by:
The Legal Office
The Archbishops' Council
Church House, Great Smith Street,
London SW1P 3AZ
Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

ANNUAL REPORT AND ACCOUNTS 2020: CHAIR'S FOREWORD

As the Covid restrictions were about to be relaxed, the Bishop of London wrote to the clergy and lay leaders of the Diocese. Quoting Dr Naomi Lawson Jacobs, a Disability Researcher and Equality Trainer, she reminded us that 'it is human decisions that create environments where justice or injustice flourishes. Churches are places of power where our choices create justice or injustice'. The Bishop concluded: 'May our lives together be shaped by love and by justice as we bear witness to Christ in these uncertain times'.

Every person has faced unprecedented impact from the pandemic. There has been great suffering and loss but none more so than among those who were already facing enormous challenges prior to the arrival of Covid-19. When the pandemic hit, I, my fellow trustees and members of the senior management team were determined that our own response should be agile, creative and swift. I am proud that we were able to increase our activity and impact through hard work, new partnerships, creative 'socially-distant' responses and – vitally – the continued generosity of so many committed supporters.

Throughout this time, our belief in the power of community to change lives has remained steadfast. Every day in 2020, CUF worked to support the mobilisation of churches and other faith-based organisations active in some of the most challenged communities in England. Together, our priority was to ensure that the material, emotional and spiritual needs of our most marginalised neighbours were met.

A food parcel or a hot meal at a time of crisis – and we helped deliver more than 90,000 - provides more than just sustenance. It offers connection, hope and affirmation that "you are valued". Support from a volunteer working with a client who has just moved from the street into a home equates to more than just helping to keep a roof over someone's head. The relationship provides friendship and confidence to both.

We were able to mobilise existing diocesan networks to deliver the Just Finance Covid Cash Course designed to help those struggling financially. And we were able to realise the value of the trusting relationships fostered over many years across the eleven Near Neighbours hubs where co-ordinators work in communities diverse in faith and ethnicity. With significant additional funding from the Ministry for Housing, Communities and Local Government, our partners at the frontline engaged with their local communities offering assistance of different kinds and encouraging take-up of the Covid vaccine. We also launched a major report undertaken in partnership with Theos into the relationship between social action, discipleship and church growth. This, together with the Living Theology Forum curated by our new Bishop-in-Residence, Adrian Newman, and the 'Faith in Society' report authored by Dame Julia Unwin, fed into our strategic thinking and enabled us to answer a simple question: building on the experience of this and previous years, and the needs of our stakeholders, what does our faith call us to do by 2030?

The faith which inspires us is inclusive and welcomes diverse voices – from across the traditions of the Church and beyond - to contribute and shape our actions serving people and communities of all faiths and none. This has been CUF's way for over 30 years and our new ten-year vision, developed collaboratively with partners over the last eighteen months for launch in late 2021, is of *communities of hope acting together to serve and strengthen society*. As a national social action mobiliser of the Church of England, our new purpose commits us to *empower people to speak, serve and lead*. We are delighted to have had this thinking, and our plans, affirmed by the overwhelming majority of dioceses with whom we have been partnering and, more recently, at a meeting of the Archbishops' Council presided over by the new Archbishop of York. We will publish our plans later in 2021 with recommendations from a review of governance structures intended to combine high standards with organisational agility, showing how we can be 'simpler, humbler and bolder'.

Over the past twelve months there's been an up-surge in community spirit and local engagement across the whole of England, north, south, east and west. We feel privileged to be playing a part at this unprecedented time. So, I am grateful to all those who work with and support us, in whatever way: our President, the Archbishop of Canterbury, our members and my fellow trustees, our Executive Director, Rachel Whittington, and Bishop-in-Residence, partners, staff, volunteers, funders and other supporters.

Your confidence, and the renewed financial stability which offers us the means to invest in our new strategy, make our on-going work possible as we refashion an organisation fit for 2030. The past year has reminded us of the important place of the Church Urban Fund and our partners in a rich and complex ecology of charities as we move forward. *'May our lives together be shaped by love and by justice as we witness to Christ in these uncertain times'.*



Andrew Barnett OBE
Chair of Trustees

Three stories of hope, togetherness and the power of partnerships

*In West Yorkshire, International Women's Day gave the **Near Neighbours** Coordinator an opportunity to connect women from different groups together on a zoom call to share the Tides of Change poem. This meeting and others have led to long-term partnerships and there is now a great network of groups that can connect to facilitate or initiate. After the event, the Coordinator reflected; "I think women felt heard by each other, I think they felt less alone after the event and importantly validated for their life experiences."*

*In Coventry, funding through the **Together Network** enabled Proof Bakery, a community project that trains and hires refugees, to significantly increase production to provide bread for Coventry food bank, with over 2,000 bread items produced in November and December 2020. Similarly, in Middlesbrough a local organic allotment project provided fresh organic vegetables for food parcels delivered to families.*

*Samuel attended one of the **Just Finance Foundation's** Covid Cash Recovery train-the-trainer sessions so that he could deliver the course in his community. However, through the course he discovered that his own family were also eligible for benefits that they weren't claiming. After the training session he went on to run the course at his local Christian Centre and highlighted how important it is that the courses are delivered by trusted community leaders.*

OUR IMPACT IN 2020

2020 made it clear that the work of CUF, its subsidiaries and partners is needed more than ever. Some highlights are below:

Together Network

- Distributed over 230,000 parcels through church networks into the heart of communities, including school holiday food provisions and activities for children, thanks to a grant of £50,000 which was shared between seven of our network partners.
- Created all kinds of new connections and materials to help combat loneliness and isolation, partnering with Linking Lives to extend their 'Two's Company' telephone befriending project across the country, and running a social media campaign, #peopleofhope, posting simple messages of hope: 280 characters daily to share positivity and bring people together during the pandemic.
- Continuing throughout lockdown we provided 190 individuals at risk of or experiencing homelessness with 1-2-1 support through Positive Pathways.
- Beginning a collaborative process with all our partners, of exploring a new future for the Together Network.

Near Neighbours

- Engaged more than 1,500 volunteers who stepped forward and gave nearly 50,000 hours of their time to help.
- Disbursed grants to 95 organisations reaching nearly 11,000 people.
- Created nearly 400 new local partnerships across England.
- Mentored nearly 300 individual groups, supporting them as they delivered projects in their neighbourhoods
- Substantially expanded Places of Welcome: a growing network of local community groups providing their neighbourhoods with places where all people feel safe to belong, connect and contribute.

Just Finance Foundation

- Supported more than 10,000 people through the Coronavirus Financial Help Hub, guiding them to find support to manage debt, pay bills, access benefits and more.
- Developed a free online Covid Cash Recovery course and trained more than 1,100 members of church and community groups who have so far reached nearly 30,000 vulnerable families in their neighbourhoods.
- Expanded our Lifesavers programme delivered via primary schools. This engages more than 30,000 children and provided families with resources for home-learning whilst schools are closed.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustee Board presents their Annual Report and Financial Statements of the charity group 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 accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, 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.

OVERVIEW

Church Urban Fund (CUF) is a charitable company limited by guarantee and was established by the Church of England in June 1987 as a practical response to unmet need and has been active in local communities for over 30 years. Church Urban Fund's Memorandum of Association defines its objects and powers and is covered by its articles of association.

Our Vision is to see people and communities all over England flourish and enjoy life in all its fullness.

Our Mission is to work across the political spectrum, with a network of partners in churches, other faith communities and secular organisations engaged with local communities across the country.

We work by building trust, empowering local people to have a go at addressing the areas of greatest need in their communities and speaking out against injustice.

We are committed to working through relational partnerships to bring about long-term, sustainable change. Our aim is to mobilise local people to be the source of the change they want to see and to use the assets already available in their community.

We do this through:

- **Enabling Infrastructure** – building capacity and confidence in local communities, enabling churches and others to respond to local needs and shaping a fairer finance system. This is accomplished through our three core streams of work: The Together Network, Near Neighbours and the Just Finance Foundation.
- **Accessing Resources** – through our support of local churches and other groups, as they seek to make a positive difference within their communities.
- **Shaping the public sphere** – by connecting with policy makers and local churches in order to influence and build individual resilience and agency as well as community capacity.

LEGAL STRUCTURE AND BASIS OF CONSOLIDATION

- The **Together Network** is a network of 20 individual charities, which was set up in partnership with CUF and the Church of England dioceses. The Together Network builds local capacity for action through dedicated development workers, who provide expertise and support to churches and other organisations, as they seek to bring about positive change in their communities.
- The **Near Neighbours (NN)** programme was established on 15 June 2011 and funded principally by the Ministry of Housing, Communities and Local Government (MHCLG) and CUF, bringing together people who are near neighbours in communities that are religiously and ethnically diverse, so that

they can get to know each other better, build relationships of trust and collaborate on initiatives that improve the community they live in.

- The **Just Finance Foundation (JFF)** was established as a charity on the 27th May 2016 to provide a catalyst for coordinated influence, local delivery and national reach, predicated on cross-sector collaboration. JFF's aim is to contribute to the development of a fair financial system focused on serving the whole community, in which everyone has access to responsible credit, savings and other essential financial services. It is funded by a number of Trusts and Grants.

TRANSACTIONS BETWEEN THE GROUPS

During the year, CUF undertook the following transactions with the Together Network (TN), Near Neighbours (NN) and the Just Finance Foundation (JFF):

- Near Neighbours paid CUF a grant of £228k (2019: £823k) to administer the Small Grants programme.
- Near Neighbours made a contribution of £136k (2019: £150k) to CUF towards the administration of the overall programme. At the year end, the intercompany balance was £93k (2019: £207k) owed by CUF.
- During the year CUF granted the Just Finance Foundation £5k (2019: £62k) in support of the subsidiary
- Just Finance Foundation made a contribution of £10k (2019: nil) to CUF towards the office costs and administration costs of the overall programme. At the end of the year intercompany balance of £35k (2019: £53k) was owed by CUF.
- During 2020 CUF paid £229k (2019: £703k) to the joint venture subsidiaries under the Together Network. The intercompany balance for the Together Network was nil (2019: nil) owed by CUF.

In the group accounts these transactions are eliminated on consolidation.

REVIEW OF 2020 AND PLANS FOR THE FUTURE

2020 was a year like no other. Every person has faced unprecedented impact from the pandemic – but none more so than those who were already facing enormous challenges prior to the arrival of Covid-19. In response, CUF worked throughout the year to support the mobilisation of churches and other faith-based organisations in some of the most challenged communities in England. Together, our priority was to ensure that the material, emotional and spiritual needs of our most marginalised neighbours were met.

Before the pandemic hit, the **Together Network** was already working in more than 60 towns and cities. Therefore, we were well-placed to act quickly and help churches and faith groups respond. We were able to disperse funds for emergency food support to 7 Together Network joint ventures who, with local partners, reached a total of 93,310 people, including at least 25,000 children. Sadly, this figure reflects the high level of need for emergency food support that has been further worsened by the impact of Covid-19, but also the strength of our regional joint ventures' local networks and partnerships that have enabled a swift and effective dispersal of the funding to feed those most in need.

We supported the Together Network workers around the country through the pandemic through regular online catch ups (so that they could retain connections with those doing similar things in a completely unknown situation), and began the process of exploring a new future for the Together Network with all of our partners.

Principally this collaborative process has been about:

- Creating a stronger, healthier relationship between CUF and Network Members
- Greater collaboration between Network Members, and with CUF
- Finding ways to increase our reach to more organisations, churches (ecumenical) and communities, with our resources, knowledge and expertise

The pandemic has both highlighted and worsened the struggle of people who are experiencing or are threatened with homelessness. The central goal of our **Positive Pathways** programme is to *“support 1,400 clients at risk of or experiencing homelessness in Yorkshire to live more sustainable and thriving lives”*. As of December 2020, 927 clients have received one-to-one relational support tailored to people's individual circumstances including support with translation, paperwork, and accompanying clients to community events. This support has been vital for those who have been struggling with homelessness for a long time and for those who have never had to deal with these kinds of issues before the pandemic. Despite the significant disruption to volunteering opportunities throughout the Covid-19 pandemic, 57 clients have been supported into volunteering roles in total. One partner in Bradford has been particularly successful in this, with three people also graduating from being Positive Pathways clients to volunteering for the service itself, and seven people entering paid employment.

In partnership with the Church of England and think-tank Theos, we launched the ground-breaking **GRA:CE report** in November 2020 to an online audience of over 500 people across the country. The GRA:CE report highlights the special, local relationships that distinguish authentic church life – especially in the most challenged and challenging places. The findings reflect engagement with hundreds of clergy and parishioners over three years – people from every demographic, in both urban and rural settings.

We also launched a Living Theology Forum. Curated by Bishop-in-Residence, Right Reverend Adrian Newman, it is a place for CUF to articulate the 'Why?' for all it does - what we believe, who we serve, and how we aim to embody our vision and mission.

Many of the diverse communities within which we work have been especially hard-hit by the pandemic and a priority had been to help local groups find new ways to build capacity. **Near Neighbours** has continued to work in close partnership with faith and community leaders and community groups to support them to adjust, continue and grow their important work. Coordinators have focused on supporting local Covid-response work, helping community leaders to respond to issues and uncertainties in their community arising from the pandemic, supporting small groups and organisations to apply for and secure grants, continuing to develop their partnerships and local networks, and running online events and training sessions in response to local needs and opportunities.

In 2020 unemployment rose by nearly half a million and almost 9 million people increased their borrowing. Within a day of the first national lockdown, the **Just Finance Foundation** launched the Coronavirus Help Hub, a signposting tool for community workers and individuals. Available on the JFF website, the resource pulls together all the latest information and additional resources for people facing financial difficulty or uncertainty as a result of Covid-19. The Hub has easy to understand information but also links to expert websites.

2020 reflected a time of challenge and change for CUF. Material changes to our income profile and leadership team were made, difficult questions needed to be asked and honest reflection was overdue: who do we serve, how do we serve them and – most importantly – why?

We reconfigured our staff team to enable more integrated and efficient working (including the transfer of Near Neighbours employees across to CUF), strengthened our relationships with key stakeholders, including the Church of England, cut costs without impacting our capacity and began investing in growing our unrestricted income.

We also conducted an extensive listening exercise across our key stakeholder groups to consider the role of CUF. This identified that:

- Of our 21 joint ventures, 19 opted to remain within the Together Network – albeit a reimagined version that sees CUF take on the role of convening member with a priority to maintain strong relationships rather than structures. As a result, 3 Joint Ventures disaggregated at the end of the 2020 with another 13 following the same path in 2021 (as at the date of the report). By the end of 2021, we aim for all joint ventures to have dissolved or disaggregated with the control of the board to be held locally rather than centrally.
- 40 diocesan leaders including 21 Bishops responded to a survey with 67% indicating they would struggle without a JV or be significantly worse off. This survey identified CUF's perceived strengths at a diocesan level including our national influence, our ability to bring networks together and our commitment to tackling deprivation, social justice and poverty.
- From three donor surveys, we identified that:
 - For major donors, most felt that the good work of the church is done at parish level. They placed great importance on interfaith work and promoting a shared sense of identity. There was interest in investing in developing leadership locally and nationally – in and around the Church of England. They also showed interest in supporting parishes on the margins.
 - For the mid-value segment, Christian faith is the driving force behind 96% of our donor's commitments to CUF. The top four concerns which this group seek to support include homelessness, loneliness and isolation, economic inequality and food poverty. Donors see CUF as being well placed to respond to immediate needs and in a position to address the root causes of poverty and other social issues. They also believe CUF delivers impactful

programmes in communities, empowers people to improve their own communities and works relationally through churches to reach the most marginalised.

- Of our grassroots donors, 87% believe responding practically to poverty and injustice is an integral part of Christian discipleship. 89% agree that it is vital to invest in education, resources and support to help people manage money well. 86% also agree that it is important that people who are religiously and ethnically diverse get to know each other, building relationships of trust and working together on initiatives that improve the local community they live in.
- The majority of respondents would recommend CUF to a friend or family member.

2021 aims and objectives

From 2021, CUF's mission is to become a national social action mobiliser - working on behalf of the Church of England through the parish network - to empower people to speak, serve and lead. We believe CUF is well placed to take on this role thanks to our unique convening power, resolute commitment to a holistic mission, relationships with the so-called 'hard-to-reach' facilitated via our networks, and an ability to unlock transformational funding on behalf of those we exist to serve. We are looking forward to launching our new strategy towards the end of 2021. The key aims and objectives for the year ahead include:

- Launching a new project, Growing Good, based on the findings of the GRA:CE report enabling churches to take an integrated approach to social action, discipleship and growth.
- Extending the reach and impact of the Near Neighbours programme through the Surge: community champions project.
- Researching into the role of contemporary faith-based social action (Faith in Society), a review of church social action within the Church of England (Church in Action), and the unique contribution of Near Neighbours projects during the pandemic.
- Completing the development of a new strategy through consultation and listening exercises with trustees, staff and stakeholders, and completing a governance review.
- Launching and implementing a new strategy for CUF with three interlocking aims:
 - Building and mobilising a national movement of faith-based partners serving their communities;
 - Equipping people to make a bigger difference in their local community;
 - Give voice to the distinctive value of faith-based social action.
- Continuing to build on and develop programmatic work, including the launch of new financial education resources for schools and ongoing responses to Covid-19.

FINANCIAL REVIEW

Overview

The charitable activities of CUF continue to be delivered in three ways:

1. Enabling Infrastructure:

The Together Network's programme of activities is delivered through a network of churches, faith-based organisations and secular groups. It works ecumenically and relationally to ensure that:

- *Social action* by churches and community groups – delivered directly by the Together Network – increases in its extent, effectiveness, and faithfulness, as best practice is shared, resources are leveraged, and appropriate opportunities are identified.
- *Collaboration* for the common good grows, including across sectors (state, private, and voluntary), faiths, church denominations and within neighbourhoods.
- *Social policy*, public opinion and public service design and resourcing are increasingly informed by real-life experiences in local communities.

2. Accessing Resources through:

The *Near Neighbours* programme whose aim is to:

- Build a network of people across particular geographical areas and develop relationships across faiths and ethnic boundaries through presence and engagement Hubs.
- Create engagement through provision of a small grants programme and by supporting local action.
- Build capacity of community and leadership delivery partners, broadening skills of individuals and organisations.

The *Just Finance Foundation*, which aims to create a fairer financial system focused on servicing the whole community, where everyone has access to responsible credit, savings and other essential financial services.

3. Shaping the public sphere through:

Research, evaluation, promotion and dissemination of information to network participants and the wider public, to influence awareness, consideration and response to issues affecting the flourishing of individuals and communities.

Income and Expenditure

Total income for 2020 was £6.17m (2019: £6.47m) reflecting a relatively small decrease in a difficult year.

Unrestricted income received in the year was £1.28m (2019: £1.17m). This is an increase on the previous year.

Restricted income relates to funds for Near Neighbours £0.9m (2019: £1.91m), Just Finance Foundation £0.35m (2019: £0.2m), Together Network £2.88m (2019: £2.1m) and £0.77m to other programmes within CUF including the Windrush grants and Positive Pathways project.

Expenditure decreased significantly to £5.83m (£7.36m) reflecting the reduction in direct spend on Charitable Activities and Expenditure on raising funds as a result of the reconfiguration of the organisation.

The balance sheet funds for the group shows an improved closing position for the year of unrestricted funds at £0.58m (2019: £0.21m) and restricted funds at £2.58m (2019: £2.61m). The cash position at the end of the year was £3.18m (2019: £2.79m) with net assets of the group being £3.16m (2019: £2.82m) at 31 December 2020.

CUF gratefully acknowledges the many contributions, both small and large, received from individuals, churches and legacies, without which its work would not be possible. The continued support from Archbishops' Council of £0.2m (2019: £0.2m) is also recognised as an important contribution, as is the funding from various trusts and foundations.

Reserves policy

We aim to maximise the funds we can spend to support our charitable aims. The Trustees annually review our reserves policy and the level of required reserves, due to the highly volatile context in which the charity operates. The Trustees' aim is to maintain the correct balance between a growth strategy and the desire to achieve a prudent level of reserves. They have considered a target level for unrestricted free reserves of £400k for 2020, based on the scale of CUF's activities and resource base at that time to provide operational cover to ensure a timely and orderly transition (or winding up) of the organisation, if necessary. Additionally, to provide support for Near Neighbours and the Just Finance Foundation in the event of the winding up of the charity.

Based on this target the year end reserves were well above the level assessed by the trustees. Plans and active monitoring on a monthly basis were instigated from the start of 2020 to address the short fall incurred at the start of the year, to ensure that the charity could meet its liabilities as they fall due. The increase back to sufficient levels was in part due to large and unexpected legacy income received in 2020, this income positions CUF back to a more than satisfactory reserve level for 2021.

Investment Policy and Performance

Our investment policy is to focus on capital security and liquidity and to invest in cash and cash equivalents investments to achieve this. At the year-end £0.843m (2019: £0.54m) was held with CCLA Investment Management Limited's "The CBF Church of England Deposit Fund". CCLA Investment Management Limited invests in accordance with the Church of England's ethical policies.

DELIVERING PUBLIC BENEFIT

CUF's primary aim is to tackle social and economic disadvantage and we do this in ways set out in the 'Review and Plans for the Future' section of this document. We are also working for the renewal of civil society and encouraging the development of the charitable sector.

We work through Church of England structures, but focus our activity on people and organisations of all faiths and denominations. Beneficiaries are not restricted by faith, gender, ethnic origin, disability, age or sexual orientation.

The Trustees consider the guidance on public benefit each year, issued by the Charity Commission and are confident that CUF aims and objectives, as set out above, fulfil the criteria. The Trustees do not anticipate any future change to this operational approach.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

CUF is both a company limited by guarantee subject to the Companies Act 2006 and a charity registered with the Charity Commission. It is governed by its Memorandum and Articles of Association which were last updated on 19 May 2011. The company registration number is 02138994 and the charity number is 297483. The Directors of the company are known as Trustees.

Governance Structure

The Articles of Association allow for up to twelve Trustees and provide that the Archbishop of Canterbury is President. Four Trustees are nominated jointly by the Archbishops of Canterbury and York; three by the Church Commissioners; two by the Archbishops' Council; one by the Finance Committee of the Archbishops' Council and two are co-opted by the Trustees after consultation with the Archbishops. The current composition of the Trustees and Executive Director are set out on page 2.

The Trustees have established two board sub-committees which support CUF work throughout the year and report fully to the Trustees Board:

- a Finance and Administration Committee - which operates under their designated authority and oversees and advises on financial, risk management and administrative matters
- a Remuneration Committee - which reviews the principles governing pay and benefits as well as key personnel including the Executive Director and other Directors

The trustees also convened a nominations committee that met as needed from time to time.

We temporarily stood down the following committees while work focused elsewhere:

- a Development Committee - which oversees the work of the Together Network, the social action they facilitate and the network they create
- a Fundraising Committee - which has responsibility for overseeing our fundraising work and acting as ambassadors to potential funders
- a Research and Policy Committee - which oversees our research work

Membership of each of these Committee is agreed by the Trustees and comprises a mix of Trustees and co-opted members whose function is specific to the sub-committees on which they serve. The membership of each sub-committee is set out on page 2. The main Board meets five times a year to review overall strategy operational and financial performance and ensuring our statutory responsibilities are fulfilled. During 2020 trustees met more regularly to more closely review the unfolding months as a result of the pandemic. Meetings will revert to a more regular pattern in 2021.

Any trustee expenses reclaimed are set out in note 11 to the financial statements.

Trustee Induction and Training

Our objective on appointment of our Trustees is to undertake a comprehensive induction programme which covers the formal governance arrangement and includes our legal structures and obligations, charitable priorities and work. The induction also includes briefings from key staff and meetings with those active in our networks which helps with awareness of grass-roots issues and developments. They are also kept up-to-date with regular briefings on developments in CUF's operating environment. Further training is carried out on an ongoing basis, making use of the Charity Commission website and other charity publications. Trustees are also invited to attend meetings, conferences and seminars, which give

them a better understating of their roles and responsibilities.

Management and Organisational Structure

The day-to-day management and the responsibility for the implementation of strategy and planning are delegated to the Executive Director. Formal reporting to the Trustee Board takes place regularly throughout the year. The Executive Director is supported by a team of Principal Officers, set out on page 2. These are collectively the Senior Management Team.

CUF PRINCIPAL RISKS

The trustees have a risk management strategy that ensures they actively review the potential risks and uncertainties that may seriously affect the charity. A central risk register is held to ensure that all areas of the charity are assessed for risks and suitable policies and procedures are put in place to mitigate those risks.

Risks have been categorised as either Governance, Compliance, Financial, Operational or Reputational. The Trustees have adopted an agile mechanism for annually assessing the charities appetite to risk reflecting the circumstances in which it operates. Reports on prioritisation and mitigations are received quarterly. Trustees identified the following strategic risks and uncertainties that may seriously affect the performance, future prospects or reputation of the charity.

RISK TYPE	RISK	MITIGATION
Governance	Clarity of vision	New vision, mission and associated strategy clearly identified and being formally integrated into objectives from October
	Governance complexity	Governance review and recommendations to be discussed in October by each board with agreement of an associated timeline for implementation
	Relationship with Church of England to support engagement across dioceses and achieve core funding	The board and senior team at CUF has established stronger relationships centrally and regionally. A MOU will set out the nature of our relationship with CofE in the future to confirm collaboration opportunities and funding support. We have also established much closer alignment with central and local church through listening, engagement, and partnership working.
Financial	Uncertainty within the sector from the impact of Covid-19	Analysis and reduction of cost base across the whole organisation. New three-year income forecasts with scenario modelling have been prepared. Additional expenditure controls and cash flow monitoring are in place to improve insight and agility. Close monitoring of any changes to supporter giving patterns which may impact our unrestricted income projections.

		Hybrid working arrangements established for employees to increase safety and agility of team.
	Sustainable financial model	<p>Revision of reserves policy to ensure we have a sufficient buffer in place to mitigate unexpected fluctuations in cashflow.</p> <p>Programmes require full funding before proceeding to avoid excess demands on unrestricted income.</p> <p>Minimise reliance on small number of donors.</p> <p>Invest in improved processes across the organisation to aid internal decision making, accountability and maximum impact from our mission.</p> <p>A cost recovery model is being implemented from 2022 to reduce the requirement for unrestricted income to support restricted grant activity.</p>
Compliance	Contract delivery	All programmes reassessed to ensure they are resourced appropriately to meet obligations.
Operational	Sufficient 'policy and process' awareness (including Data and IT controls)	Comprehensive review of all policies, revisions of procedures aligned to new structure and cascade understanding/training through Boards and senior management team.
	Diversity awareness	Awareness programmes undertaken. Future workshops planned.
Reputational	Organisational stretch of resources - overreliance on small team of key staff	<p>Analysis of workload and prioritisation of tasks.</p> <p>Review process, setting strategic priorities, assignment of objectives, alignment across CUF.</p> <p>An increased focus on health and wellbeing of staff given the extra demands during the pandemic.</p>
	Reputational damage - from a significant compliance failure i.e GDPR, or a serious Fraud allegation	<p>Policies and Procedures in place, staff trained and regularly updated on changes to ensure compliance.</p> <p>Robust systems in place which helps to identify and mitigate fraudulent grant applications.</p> <p>Communications strategy in place which addresses our response to a major crisis or event.</p>
Other	Reduction in the size of our networks -	Comprehensive review and strengthening of both networks – new membership offers in place with significant growth

	undermining reach and offer to partners/donors.	opportunities. Risk management associated with partnership working significantly improved through MOUs and improved risk register.
	Displacement as other charities emerge	Structural and strategic review clarifies the specific remit and unique positioning for CUF

Going Concern

The Trustees have reviewed the charity's financial position, taking account of the levels of reserves and cash, the annual strategic plan as well as its financial and risk management systems. Despite the impact of Covid-19 to date and wider economic uncertainty, as a result of their review, the Trustees believe that the charity can realistically expect to manage operational and financial risks successfully. The Trustees are encouraged in this view by the evidence of continued demand for CUF's services and interest in the work of the charity. The Trustees and Senior management have taken a number of measures to address and mitigate the impact of the pandemic such as a detailed budget and cashflow forecast, expenditure controls and the close monitoring of cashflow. Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, and the Directors (listed in note 10) 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. The Trustees give of their time freely and were not remunerated in the year. Details of Trustees and related party transactions are disclosed in note 22 to the accounts.

The senior staff salaries are reviewed annually and normally increased in accordance with inflation. In view of the nature of the charity, the Directors benchmark against pay awards in similar charitable organisations. All staff are paid above the National Living Wage.

THE TRUSTEES' RESPONSIBILITY STATEMENTS FOR PREPARING ANNUAL FINANCIAL STATEMENTS

The Charity's 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 England and Wales requires the Trustees to prepare annual financial statements for each financial year that give a true and fair view of the Charity's financial activities during the year, its surplus or deficit for the year and its financial position at the end of that year. In preparing annual financial statements, the Trustees have followed best practice and:

- Selected suitable accounting policies and applied them consistently;
- Observed the methods and principles in the applicable Charities SORP;
- Made judgments and estimates that are reasonable and prudent;
- Followed applicable Accounting Standards and Statements of Recommended Practice; and

- Prepared the annual financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the Charity's assets and for taking reasonable steps to detect and prevent fraud and other irregularities. The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Trustees at the date of approval of this Trustees' report confirms that:

- In so far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- The Trustees have taken all the steps that they are obliged to take as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Small Company exemption

The company have taken advantage of the small companies' exemption as annual income and total gross assets is below the threshold. The accounts have been prepared in accordance with the special provision contained in the Companies Act.

The entity's Financial Statements comply with FRS102.

Auditors

The Trustees reappointed Mazars LLP as auditors at the Board Meeting on 7th September 2021

Approved by the Trustees on 7th September 2021 and signed on their behalf by:



Andrew Barnett - Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHURCH URBAN FUND

Opinion

We have audited the financial statements of Church Urban Fund (the 'charity') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's and the group's affairs as at 31 December 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity and group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and group and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to Covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity and group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Stephen Mills (Oct 30, 2021 10:42 GMT+1)

Stephen Mills

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 30-Oct-2021

CHURCH URBAN FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31st December 2020

		Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total 2019
	Note	£'000	£'000	£'000	£'000	£'000	£'000
INCOME & EXPENDITURE							
Income							
Donations & Legacies	4, 5	992	72	1,064	759	69	828
Trusts Income	4, 6	59	567	626	86	752	838
Statutory Income	4, 7	18	503	521	110	500	610
Income from Charitable Activities							
Near Neighbours Programme	2	-	850	850	-	1,905	1,905
Together Network	3	-	2,878	2,878	-	2,073	2,073
Just Finance Foundation	4	-	20	20	-	-	-
Other Income	8	203	-	203	203	1	204
Investment income		3	-	3	9	-	9
Total Income		1,275	4,890	6,165	1,167	5,300	6,467
Expenditure							
Expenditure on Raising funds	9	376	35	411	824	-	824
Expenditure on Charitable activities	10						
Enabling Infrastructure							
Together Network	9a	-	2,498	2,498	-	2,281	2,281
Network Development	9b	381	79	460	629	307	936
Accessing Resources							
Just Finance Foundation	9c		308	308		293	293
WCCM/Windrush	9d	17	509	526	61	622	683
Near Neighbours							
Building Networks	9e		539	539		599	599
Creating Engagement	9f	-	253	253	-	823	823
Building Capacity	9g	-	209	209	-	522	522
Shaping the public sphere	9h	140	31	171	358	40	398
		538	4,426	4,964	1,048	5,487	6,535
Disaggregation of Together Network subsidiaries	3a	-	452	452	-	-	-
Total Expenditure		914	4,913	5,827	1,872	5,487	7,359
Net income/(expenditure)		361	(23)	338	(705)	(187)	(892)
Transfers between funds		8	(8)	-	(222)	222	-
Balance brought forward at 1 January		214	2,606	2,820	1,141	2,571	3,712
Balances carried forward 31 December		583	2,575	3,158	214	2,606	2,820

The charity has no recognised gains or losses other than the net movement in funds for the year shown above.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. All items relate to continuing operations with the exception of three of the subsidiaries.

Together for Change Coventry and Warwickshire, Together Leicester and Transforming Communities Together, disaggregated from the group in Dec 20.

The notes on page 26 to page 33 form part of these financial statements

CHURCH URBAN FUND

CONSOLIDATED BALANCE SHEET


AS AT 31 DECEMBER 2020

Company Number: 02138994

	Note	2020		2019	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Cash held on deposit	13	843		540	
Bank		2,338		2,246	
Debtors	14	432		725	
			3,613		3,511
CURRENT LIABILITIES					
<i>Amounts falling due within one year:</i>	15				
Grants awarded but not yet due for payment					
CUF		113		89	
NN		74		9	
Other creditors		268		593	
			455		691
NET CURRENT ASSETS			3,158		2,820
NET ASSETS			3,158		2,820
FUNDS					
Restricted	17				
Church Urban Fund (CUF)			323		452
Together Network (TN)			1,984		1,827
Just Finance Foundation (JFF)			172		130
Near Neighbours (NN)			96		197
			2,575		2,606
Unrestricted			583		214
TOTAL FUNDS	21		3,158		2,820

The charity has taken advantage of the small companies exemption as annual income is less than £10.2m and gross assets are less than £5.1m therefore below the threshold. The accounts have been prepared in accordance with the special provisions contained in the Companies Act 2006.

Approved by the Trustees on 7th September 2021 and signed on their behalf by:

Andrew Barnett: 

Alison Grieve:  Alison E Grieve (Oct 28, 2021 11:49 GMT+1)

The notes on page 26 to page 33 form part of these financial statements

CHURCH URBAN FUND

CHARITY BALANCE SHEET

AS AT 31 DECEMBER 2020

Company Number: 02138994

	Note	2020		2019	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Cash held on deposit	13	843		540	
Cash at bank		123		281	
Debtors	14	384		516	
			1,350		1,337
CURRENT LIABILITIES					
Amounts falling due within one year:	15		444		671
NET ASSETS			906		666
FUNDS					
Restricted	17		323		452
Unrestricted			583		214
TOTAL FUNDS			906		666

Approved by the Trustees on 7th September 2021 and signed on their behalf by:

Andrew Barnett:  Alison Grieve:  Alison E Grieve (Oct 28, 2021 11:49 GMT+1)

The notes on page 26 to page 33 form part of these financial statements

CHURCH URBAN FUND

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Reconciliation of net movement in funds to net cash flow from operating activities				
Net income/(expenditure) for the reporting period (as per statement of financial activities)		338		(892)
Adjustments for:				
Decrease in debtors	293		99	
(Decrease)/Increase in creditors	(236)	57	9	108
Net cash provided by/(used in) operating activities		395		(784)
Change in cash and cash equivalents in the reporting period		395		(784)
Cash and cash equivalents at the start of the reporting period		2,786		3,570
		3,181		2,786
Cash held on deposit		843		540
Bank		2,338		2,246
Cash and cash equivalents at the end of the reporting period		3,181		2,786

The notes on page 26 to page 33 form part of these financial statements

CHURCH URBAN FUND

Notes to the Financial Statements for the year ended 31 December 2020

1 ACCOUNTING POLICIES

a. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, Charities SORP and the Companies Act 2006.

The consolidated financial statements of the Group incorporate the financial statements of the Charity Church Urban Fund and its subsidiaries, Near Neighbours, the Together Network and Just Finance Foundation.

No separate Statement of Financial Activities is presented for the Charity, as permitted by the Companies Act 2006. Net movement in funds for the Charity alone for the year was a surplus of £240k (2019: deficit £1,379k).

The Trustees have reviewed the charity's financial position, taking into account the levels of reserves, cash position and strategic plan as well as its financial and risk management systems. Despite the impact of the coronavirus on the organisation and wider economic uncertainties, the Trustees believe that the charity can realistically expect to manage operational and financial risks successfully. The Trustees are encouraged by the evidence of continued demand for CUF's services and interest in the work of the charity and have taken a number of measures to address and mitigate the impact of the pandemic such as detailed budget, cashflow forecast, expenditure controls and the close monitoring of cashflow. Accordingly, trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

b. Income recognition

All income is recognised in the SOFA when 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. The following specific policies apply to the categories of income:

Donations include tax recoverable where applicable, and are recognised when receivable and also when the charity has been notified in writing of both the amount and settlement date.

Legacies are recognised on a case by case basis following the granting of probate when the administrator or executor for the estate has communicated in writing both the amount and settlement date.

Grants receivable and Trust Income are accounted for in the year to which they relate.

c. Expenditure recognition

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 and has been classified under headings that aggregate all costs related to that category. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charity's objectives. Grants are charged to the Statement of Financial Activities when they are awarded.

Grants to Near Neighbours Delivery Partners are charged to the Statement of Financial Activities when the funds have been transferred to the recipient's account.

d. Support costs

The support costs for grants include the costs of assessing, reporting on, facilitating the use of and paying grants.

Support costs relating to charitable activities have been apportioned based on the staff time spent on each activity and analysed in note 12.

f. Cost of raising funds

The cost of fundraising comprises costs incurred in encouraging churches, individuals, and trusts to contribute to its activities.

g. Charitable activities

Costs of charitable activities includes grants made and apportionment of support costs as shown in note 12.

h. Investment returns

Investment income is accounted for when receivable.

i. Pensions costs

The charity operates a defined pension scheme, Church Urban Fund Pension Plan with Legal and General for all employees. The contributions to the defined contribution schemes are accounted for in the year to which they relate. Costs of the contributions to the scheme is accounted for in the year to which they relate

The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

j. Fund structure

Unrestricted funds represents funds received that are available for use at the discretion of the trustees for any purpose in furtherance of the objectives of the charity.

Restricted funds represents funds received that are subject to specific restrictive conditions imposed by donors (see note 17 for more details of restricted funds).

k. Operating lease

Rentals payable under operating leases are charged against income on a straight-line basis over the term of the lease.

l. Tangible fixed assets and policy on capitalisation

Capital additions which do not exceed £10,000 are expensed in full in the year of purchase.

There were no tangible fixed assets in 2020 or 2019.

2. RESULTS OF SUBSIDIARY - NEAR NEIGHBOURS

Near Neighbours a charitable company limited by guarantee that builds associations and relationships across faith and ethnic divisions and creates a context where people can come together to develop common values and address community issues. The Board of Trustees is appointed by Church Urban Fund and the Archbishops' Council.

The company registration number 7603317 and charity number 1142426.

Near Neighbours receives funding from the Ministry of Housing, Communities and Local Government (MHCLG) and from the Church Urban Fund.

	2020 £'000	2019 £'000
Income		
Income from Charitable Activities - MHCLG via Church Urban Fund	850	1,905
Income from Charitable Activities - Other	50	50
	900	1,955
Expenditure		
Charitable activities		
Building Networks	539	599
Creating Engagement	253	824
Building Capacity:		
Faith Leaders	25	129
Young Leaders	81	127
Real People Honest Talk	90	266
Places of Welcome	13	-
	1,001	1,945
Total expenditure		
	(101)	10
Net income/(expenditure)		
	197	187
Balance brought forward at 1 January		
Balance carried forward at 31 December	96	197

3a. RESULTS OF SUBSIDIARIES - TOGETHER NETWORK

The Together Network comprises of 20 small subsidiaries which are consolidated in the CUF group accounts at the year end. A summary of the 20 subsidiaries are shown below:

	Church Urban Fund Income £'000	Other External Income £'000	Total Income £'000	Total Expenditure £'000	Balance b/f 01/01/20 £'000	Net Assets 31/12/2020 £'000
Thrive Together Birmingham	12	499	511	501	293	303
Transformation Cornwall	4	27	31	49	48	30
Transforming Notts Together	4	127	131	76	54	109
Together Southwark	4	15	19	6	31	44
Together Lancashire	4	65	69	106	40	3
Together Newcastle	4	63	67	32	29	64
Together Liverpool	9	117	126	56	38	108
Transforming Lives Together	11	17	28	54	26	-
Communities Together Durham	2	99	101	102	82	81
Together Middlesbrough and Cleveland	35	302	337	276	124	185
Together Canterbury	5	127	132	38	31	125
Capital Mass	2	62	64	85	63	42
Transforming Plymouth Together	21	163	184	82	122	224
Together Norfolk	6	85	91	54	46	83
Greater Together Manchester	11	321	332	302	219	249
Together in Sussex	10	4	14	34	53	33
Wellsprings Together	64	117	181	158	278	301
Total	208	2,210	2,418	2,011	1,577	1,984

In Dec 2020, three of the subsidiaries; Together for Change Coventry and Warwickshire, Together Leicester and Transforming Communities Together, disaggregated from the group. The balances below reflect the figures up to the point of disaggregation.

	Church Urban Fund Income £'000	Other External Income £'000	Total Income £'000	Total Expenditure £'000	Balance b/f 01/01/20 £'000	Net Assets At Disaggregation £'000
Together for Change Coventry and Warwickshire	9	407	416	275	45	186
Together Leicester	10	76	86	12	34	108
Transforming Communities Together	2	185	187	200	171	158
Total	21	668	689	487	250	452
Total of all subsidiaries	229	2,878	3,107	2,498	1,827	

3b. SUMMARY OF THE TOGETHER NETWORK

A summary of the 20 subsidiaries that form part of Together Network are shown below. The Trustees for each subsidiary are appointed by CUF and one other organisation, with CUF having control by the virtue of the majority of trustees being appointed:

Together Network	Company Reg. No.	Charity Reg. No. Trustees appointed by CUF and:
Thrive Together Birmingham	8039675	1153942 Bishop of Birmingham
Transformation Cornwall	7329249	1138706 Bishop of Truro & Cornwall Methodist District
Transforming Notts Together	8399842	1152870 Southwell & Nottingham Diocesan Board of Finance
Together Southwark	8257445	1153362 South London Church Fund & Southwark Diocesan Board of Finance
Together Lancashire	7966145	1147848 Bishop of Blackburn & Lancashire Methodist District
Together Newcastle	8139375	1150824 Newcastle Diocesan Board of Finance
Together Liverpool	8190148	1151977 Liverpool Diocesan Board of Finance
Transforming Lives Together	8419285	1157348 Chester Diocesan Board of Finance

Communities Together Durham	8860961	1157214 Durham Diocese Board of Finance
Together Middlesbrough and Cleveland	9196281	1159355 York Diocesan Board of Finance
Capital Mass	9257264	1159501 London Diocesan Board of Finance
Together for Change Coventry and Warwickshire	8763866	1160133 Coventry Diocesan Board of Finance
Transforming Communities Together	9010580	1157772 Mercian Community Trust on behalf of Diocese of Lichfield
Together Canterbury	8763875	1159936 Canterbury Diocesan Board of Finance
Transforming Plymouth Together	9716832	1166026 Exeter Diocesan Board of Finance
Greater Together Manchester	9490223	1167704 Manchester Diocesan Board of Finance
Together Norfolk	9725781	1166382 Norwich Diocesan Board of Finance
Together in Sussex	10375699	1171719 Chichester Diocesan Board of Finance
Together Leicester	10929716	1175357 Leicester Diocesan Board of Finance
Wellsprings Together	11423641	1179481 Leeds Diocesan Board of Finance

4. RESULTS OF SUBSIDIARIES - JUST FINANCE FOUNDATION

	2020 £'000	2019 £'000
Income		
Income from Individuals and Legacies	66	67
Income from Trusts	256	148
Income from Job Retention Scheme	3	-
Income from Charitable Activities:		
Money and Pensions Service	5	-
Nationwide Building Society	15	-
	<u>345</u>	<u>215</u>
Church Urban Fund grant	5	62
	<u>350</u>	<u>277</u>
Expenditure	2020 £'000	2019 £'000
Charitable activities		
Financial Capacity		
LifeSavers	105	196
Covid Cash Recovery	140	-
Milo's Money	35	-
Cash Smart Credit Savvy	-	27
Local Communities		
Just Finance Local	28	68
Information HUB Development	-	2
	<u>308</u>	<u>293</u>
Total expenditure	<u>308</u>	<u>293</u>
Net (expenditure)/income	42	(16)
Balance brought forward at 1 January	130	146
Balance carried forward at 31 December	<u>172</u>	<u>130</u>

5. INCOME FROM DONATIONS AND LEGACIES - CUF

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted	Restricted	Total	Total
Donations: Individual, Church and Community Donations	590	6	596	668
Legacies	402	-	402	93
	<u>992</u>	<u>6</u>	<u>998</u>	<u>761</u>

6. INCOME FROM TRUSTS - CUF

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted	Restricted	Total	Total
Trusts Income	59	261	320	640
	<u>59</u>	<u>261</u>	<u>320</u>	<u>640</u>

7. STATUTORY INCOME - CUF

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted	Restricted	Total	Total
Public Funds	18	500	518	610
	<u>18</u>	<u>500</u>	<u>518</u>	<u>610</u>

8. INCOME FROM OTHER ACTIVITIES - CUF

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted	Restricted	Total	Total
Archbishops' Council	203	-	203	203
Other Income	-	-	-	1
	<u>203</u>	<u>-</u>	<u>203</u>	<u>204</u>

9. EXPENDITURE

	Staff costs £'000 (note 10)	Programme costs £'000 (note 9a-h)	Other direct costs £'000	Support costs £'000 (note 12)	2020 £'000	2019 £'000
Expenditure on Raising Funds	212	-	96	103	411	824
Expenditure on Charitable Activities						
Enabling Infrastructure						
Together Network (9a)	1,360	838	-	300	2,498	2,281
Network Development (9b)	224	74	54	108	460	936
Accessing Resources						
Just Finance Foundation (9c)	194	93	7	14	308	293
Windrush/Christian Meditation Grants (9d)	17	509	-	-	526	683
Near Neighbours Programme						
Building Networks (9e)	107	414	3	15	539	599
Creating Engagement (9f)	56	187	2	8	253	823
Building Capacity (9g)	134	53	4	18	209	522
Shaping the Public Sphere (9h)	78	-	56	37	171	398
Total charitable activities	2,170	2,168	126	500	4,964	6,535
Disaggregation of Together Network Subsidiaries	-	452	-	-	452	-
Total expenditure	2,382	2,620	222	603	5,827	7,359

9a. ENABLING INFRASTRUCTURE: TOGETHER NETWORK

	2020 £'000	2019 £'000
Programme Costs	838	770
Staff costs	1,360	1,257
Support costs	300	254
	2,498	2,281

On consolidation grants totalling £229k (2019: £703k) awarded to each of the subsidiaries under the Together Network were eliminated (note 3).

9b. ENABLING INFRASTRUCTURE: NETWORK DEVELOPMENT

	2020 £'000	2019 £'000
Development Programmes	4	20
Capacity Building through resources & events	70	47
	74	67
Staff costs	224	492
Support costs	162	377
	460	936

9c. ENABLING INFRASTRUCTURE: JUST FINANCE FOUNDATION

	2020 £'000	2019 £'000
Programme costs	93	116
Staff costs	194	112
Support costs	21	65
	308	293

9d. ACCESSING RESOURCES: WINDRUSH/CHRISTIAN MEDITATION GRANTS

	2020 £'000	2019 £'000
Grants awarded to projects during the year (see note 19a for details)	511	638
Less writebacks of awards	(2)	(16)
Net grant awards	509	622
Staff costs	17	24
Support costs	-	37
	526	683

Writebacks of awards represent grants awarded in previous years that have been unclaimed.

ACCESSING RESOURCES: NEAR NEIGHBOURS PROGRAMME

9e. BUILDING NETWORKS

	2020 £'000	2019 £'000
Funding Delivery Partners		
Thrive Together Birmingham	47	49
St Philip's Centre, Leicester	30	55
Transforming Notts Together, Nottingham	11	-
Centre for Theology and Community, East London	45	51
Wellsprings Together, Bradford, Leeds & Dewsbury	46	49
King's Centre, West London	42	49
Transforming Communities Together, Black Country	44	45
Greater Together Manchester, Rochdale & Bury	44	46
Together Lancashire, Burnley, Hyndburn, Rossendale, Blackburn, Pendle	16	50
Grassroots, Luton	46	49
Peterborough	43	51
	414	494
Staff costs	107	85
Other direct costs	3	11
Support costs	15	9
	539	599

9f. CREATING ENGAGEMENT

	2020 £'000	2019 £'000
Grants awarded to projects during the year (see note 20a for details)	198	761
Less writebacks of awards	(11)	(11)
Net grant awards	187	750
Staff costs	56	58
Other direct Costs	10	15
	253	823

Writebacks of awards represent grants awarded in previous years that have been unclaimed.

9g. BUILDING CAPACITY

	2020 £'000	2019 £'000
Funding Delivery Partners		
Faith Leaders capacity building		
Christian Muslim Forum	8	22
Council for Christians and Jews	4	17
Hindu Christian Forum	-	6
Nisa Nashim	4	26
Young Leaders capacity building		
Catalyst Programme	18	35
Community capacity building		
Real People Honest Talk	13	202
Leadership for Effective Change	6	-
Staff costs	53	308
Other direct costs	134	171
Support costs	4	25
	18	18
	209	522

9h. ACCESSING RESOURCES: SHAPING THE PUBLIC SPHERE

	2020 £'000	2019 £'000
Publications and printing	-	5
Web development and digital	4	11
Promotion and production	3	18
Research and evaluation	49	62
Staff costs	56	96
Support costs	78	212
	37	90
	171	398

10. STAFF COSTS

	2020 £'000	2019 £'000
Salaries	2,086	2,445
Social Security	168	226
Pensions	128	191
	2,382	2,862

The key management personnel of the charity is comprised of the trustees, the Executive Director, Director of Operations, Director of Partnerships, Director of Programme and Innovation and Head of Finance.

The total redundancy costs during the year across the group was £31k (2019: £23k).

The total employment benefits of the key management personnel of the charity, including employer pension contributions were £412k (2019: £506k).

The number of staff whose emoluments for the year exceeded £60,000 were:

	2020	2019
Normal emoluments		
(£60,000 - £70,000)	2	2
(£70,000 - £80,000)	1	1
	3	3

11. STAFF NUMBERS

The average monthly headcount for the group was 65 staff (2019: 72) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the year was:

	2020	2019
Direct Charitable	57	50
Fundraising	3	10
Communications	1	4
Management and Administration	4	8
	65	72

None of the other trustees received any other benefits from employment with the charity or its subsidiaries in the year (2019: £nil). Appropriate expenses incurred in attending meetings and on other business of CUF were reimbursed to Trustees as follows:

	2020 No.	£'000	2019 No.	£'000
Travel, subsistence and other expenses	8	5	7	20

The amount waived by trustees for the year was £nil (2019: £5k).

12. ALLOCATION OF SUPPORT COSTS

The breakdown of support costs and how these were allocated is shown below.

	Total 2020 £'000	Total 2019 £'000
Professional Costs	95	158
Audit	46	28
Accommodation	110	131
Trustees expenses	5	13
Other (Recruitment, office costs, travel & subsistence)	347	505
	603	835

13. CASH HELD ON DEPOSIT

Group and Charity

	2020 £'000	2019 £'000
CCLA The CBF Church of England Deposit Fund - current assets	843	540
	843	540

14. DEBTORS

	Group 2020 £'000	2019 £'000	Charity 2020 £'000	2019 £'000
Prepayments and accrued income	10	33	10	33
Other debtors				
Legacies	333	307	333	307
Donations (vouchers, credit cards)	29	153	24	109
Other Debtors	60	232	17	67
	432	725	384	516

15. CURRENT LIABILITIES

	Group 2020 £'000	2019 £'000	Charity 2020 £'000	2019 £'000
Amounts falling due within one year:				
Grants payable CUF (note 16)	113	89	113	89
Grants payable NN (note 16)	74	9	74	9
Taxation & Social Security	5	9	3	7
Accruals	42	62	28	53
Other creditors	221	522	98	253
	455	691	316	411
Intercompany account (Near Neighbours)	-	-	93	207
Intercompany account (Just Finance Foundation)	-	-	35	53
	455	691	444	671

16. MONEY FOR LOCAL ACTION

	Windrush and CMT CUF Programme 2020 £'000	2019 £'000	Creating Engagement NN Programme 2020 £'000	2019 £'000	Total 2020 £'000	Total 2019 £'000
Balance brought forward	89	3	9	4	98	7
Grants awarded (note 19 & 20)	511	638	198	761	709	1,399
Writebacks	(2)	(16)	(11)	(11)	(13)	(27)
	598	625	196	754	794	1,379
Less						
Grants paid during year	486	537	133	751	619	1,288
Returned Grants	(1)	(1)	(11)	(6)	(12)	(7)
	485	536	122	745	607	1,281
Balance of grants payable	113	89	74	9	187	98

17. RESTRICTED FUNDS

	Balance at 2019 £'000	Income £'000	Expenditure £'000	Disaggregation of Subsidiaries £'000	Transfers between funds £'000	Balance at 2020 £'000
CUF Programme						
Windrush Grant	-	500	500	-	-	-
Christian Meditation Grant (WCCM)	81	1	6	-	(1)	75
Network Development	371	266	148	-	(241)	248
	452	767	654	-	(242)	323
Near Neighbours	197	647	748	-	-	96
Near Neighbours - Creating Engagement	-	253	253	-	-	0
	197	900	1,001	-	-	96
Together Network	1,827	2,878	2,498	(452)	229	1,984
Just Finance Foundation	130	345	308	-	5	172
	2,606	4,890	4,461	(452)	(8)	2,575

The Windrush Grants support groups to commemorate, celebrate and educate people about the contribution of the Windrush Generation in communities. The Christian Meditation Grants, funded by the World Community for Christian Meditation(WCCM) provides small grant primarily for meditation purposes. The Network Development costs are to support development work across the network. The Near Neighbours programme costs enables the work of bringing faith based communities together. The Together Network fund is to support the partnership work between Church Urban Fund and the Church of England dioceses of mobilising the church to respond to issues of poverty locally. The transfer of £5k represents a grant to the Just Finance Foundation to support staff costs for Covid Cash Programme as agreed by the trustees.

18. OPERATING LEASE

	Land and Building 2020 £'000	2019 £'000	Other 2020 £'000	2019 £'000
1 year	11	45	1	1
2 - 5 years	-	-	-	2

In 2020, CUF moved to The Foundry and the new lease agreement requires four months notice to vacate the office space.

19a ACCESSING RESOURCES: CHRISTIAN MEDITATION TRUST/WINDRUSH GRANTS

GRANTS AWARDED IN 2020 BY SECTOR	2020 £'000	2019 £'000
Christian Meditation Trust/Together Grants		
Community	500	515
Health/Mental Health	8	108
Homeless/Housing	3	15
Total Grants Awarded before writebacks (see Note 9d)	511	638

19b. GRANTS AWARDED IN 2020 BY REGION (DIOCESE)

	2020 £'000	2019 £'000
Bath & Wells	17	17
Birmingham	13	6
Blackburn	4	10
Bristol	38	8
Chelmsford	33	38
Chester	-	2
Chichester	7	10
Derby	-	8
Exeter	18	10
Gloucester	-	15
Hereford	-	5
Leicester	19	-
Leeds	32	53
Lichfield	43	31
Lincoln	16	-
Liverpool	-	22
London	67	127
Manchester	30	46
Oxford	23	25
Portsmouth	-	6
Rochester	12	7
St Albans	27	7
Salisbury	2	-

Sheffield	15	-
Southwark	86	88
Southwell & Nottingham	5	20
Winchester	-	22
Worcester	-	13
York	3	42
Grants covering more than one Diocese	1	-
Total Grants Awarded before writebacks (see Note 9d)	511	638

20a. NEAR NEIGHBOURS PROGRAMME - CREATING ENGAGEMENT IN 2020 BY ACTIVITY

	2020 £'000	2019 £'000
Local Initiatives		
First Encounters: between people of different faith and ethnic communities, encouraging the development of friendship and neighbourliness	44	414
Everyday Interactions: encouraging families and individuals to come together regularly	127	230
Social Action: bringing together people from different faith and ethnic communities to work together to change their neighbourhoods for the better	27	117
Total Grants Awarded before writebacks (see Note 9f)	198	761

20b. NEAR NEIGHBOURS PROGRAMME - CREATING ENGAGEMENT IN 2020 BY REGION

	2020 £'000	2019 £'000
Regional Centre		
Centre for Theology and Community, London	33	128
St Philip's Centre, Leicester	7	55
Thrive Together Birmingham	14	21
Faithful Neighbours, Bradford	25	76
King's Centre, West London	23	98
Transforming Communities Together, Black Country	29	58
Grassroots, Luton	31	104
Greater Manchester	11	101
Lancashire	-	85
Transforming Notts Together	11	-
Peterborough	14	35
Total Grants awarded before writebacks (see Note 9f)	198	761

21. NET ANALYSIS OF ASSETS AND LIABILITIES BY FUND

	Unrestricted £'000	Restricted £'000	2020 £'000	2019 £'000
Current assets	640	2,973	3,613	3,511
Current liabilities	(57)	(398)	(455)	(691)
	583	2,575	3,158	2,820
Church Urban Fund	583	323	906	666
Near Neighbours	-	96	96	197
Just Finance Foundation	-	172	172	130
Together Network	-	1,984	1,984	1,827
	583	2,575	3,158	2,820

22. RELATED PARTIES

The charity's key relationship in the pursuit of its charitable objectives is with the Church of England. During the year Church Urban Fund received a grant from the Archbishops' Council of £203k both this year and last.

During the year CUF undertook the following transactions with its subsidiary Near Neighbours:

Near Neighbours paid CUF a grant of £228k (2019: £823k) to administer the Small Grants programme.
Near Neighbours made a contribution of £136k (2019: £150k) to CUF for the administration of the overall programme.
At the year end, the intercompany balance was £93k (2019: £207k) owed by CUF.

During the year CUF granted the Just Finance Foundation £5k (2019: £62k) in support of the subsidiary and Just Finance Foundation made a contribution of £10k (2019: nil) to CUF towards the office costs and administration costs of the overall programme. At the end of the year intercompany balance of £35k (2019: £53k) was owed by CUF.

During 2020 CUF paid £229k (2019: £703k) to the subsidiaries under the Together Network. The intercompany balance for the Together Network was nil (2019: nil) owed by CUF. In the group accounts these transactions are eliminated on consolidation.

Listed below are grants made where there is a commonality of trusteeship as between the Church Urban Fund group and the recipient charity.

Name	Related party/Recipient entity	Trustee of	Grant 2020	Grant 2019
Alison Grieve	Trustee of Capital Mass	CUF	£2k	£35k
Right Reverend Canon Denise Poole	Trustee of Wellsprings Together	NN	£64k	£170k
Right Reverend Mark Poulson	Trustee of The Kings Centre Southall	NN	£42k	£49k

There are no other outstanding balances with related parties.

23. Legal Form of the Entity

CUF was established by the Church of England in England 1987, registration number 2138994 and charity number 297483. The charity is located at The Foundry, 17 Oval Way, London, SE11 5RR.

24. Post Balance Sheet Events

15 Joint Ventures disaggregated or dissolved as at September 2021. These are Thrive Together Birmingham, Transformation Cornwall, Transforming Notts Together, Together Southwark, Together Lancashire, Together Newcastle, Together Liverpool, Transforming Lives Together, Communities Together Durham, Together Middlesbrough and Cleveland, Capital Mass, Transforming Plymouth Together, Greater Together Manchester and Together in Sussex.