

financial statements

Fellowship of Reconciliation England

For the year ended 31 December 2006

Registered charity number: 207822

Fellowship of Reconciliation England

Financial Statements

Year ended 31 December 2006

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Fellowship of Reconciliation England

Trust information

Registered charity number	207822
Governing instrument	Constitution adopted 1914 as revised May 1955 and May 1974 as amended 9 January 1994 and 22 July 1995
The board of trustees	Rev John Johansen- Berg (Chair) Denis Beaumont (Vice-chair) Naomi Beaumont Carole Crompton Elisabeth Compton Norman Kember Roger Morbey (Treasurer) Anita Schweinberger Gordon Slater
Director	Chris Cole
Registered Office	St James Church Centre Beauchamp Lane Oxford OX4 3LF
Auditors	MacIntyre Hudson LLP Chartered Accountants & Registered Auditors 31 Castle Street High Wycombe Buckinghamshire HP13 6RU
Bankers	The Co-operative Bank plc 17 High Street Kingston-upon-Thames Surrey KT1 1LP

Fellowship of Reconciliation England

Report of the Trustees

Year ended 31 December 2006

Report of the Trustees

The Trustees have pleasure in presenting the statutory report with the accounts of the Fellowship of Reconciliation England, Charitable Trust, for the year ended 31st December 2006. The results for the year are presented in the form of a Statement of Financial Activities, which incorporates the traditional income and expenditure account, in order to comply with the revised Statement of Recommended Practice for Charities 2005, and in accordance with the Charities Act 1993.

Structure, Governance and Management

FOR is constituted as a charity with the objectives of the advancement of religion and education and other charitable purposes. It has a Board of Trustees who have the usual powers in relation to fund-raising, oversight of finance, buying property, employing staff, co-operating with other charities and other activities related to its objects. The Trustees meet several times a year and set up such working groups and sub-committees as may be necessary in carrying out the objectives of the organization, with the proviso that they report fully to the Board of Trustees. An Annual Council takes place and receives the Annual Report and duly examined Accounts which are transmitted to the Charity Commissioners.

The Trustees are responsible for all major decisions relating to the operation of the Charity in the achievement of its objectives. In the day to day running of the Eirene Centre and detailed organization of events, authority to act is given as appropriate to Working Groups and staff who make reports as required to the Trustees.

Trustees are elected for a three year term by members at Annual Council. Individuals with a particular expertise or who represent other peace organizations may be co-opted as Trustees for a year.

In the past Trustee training has included new Trustees reading a copy of the Constitution and having their attention drawn to relevant publications, including those published by the Charities Commission. We have also invited an expert in various aspects of Trustee responsibility to give training sessions and to respond to questions about our particular situation. With greater resources now available to us and the planned purchase of an office and meeting place to replace our former residential conference centre, it is clearly necessary to review our training plans both for Trustees and staff.

We have a close relationship with the Methodist Peace Fellowship whose members become members of FOR and their subscriptions are paid to FOR which in return makes grants to MPF. To make our relationship clear we have set this down in a Memorandum of Understanding. There is a less formal link with the Baptist Peace Fellowship though here too there is both funding from and to the linked organization. The Anglican Pacifist Organization has a representative as an observer on the Board of Trustees but no formal or financial link. FOR is a member of the Network of Christian Peace Organizations and meets with other peace organizations on a regular basis.

FOR (England) is affiliated to the International Fellowship of Reconciliation, sends representatives to its meetings, makes an annual donation to it and has a close link with FOR (Zimbabwe). In 2006 we were represented by the Chair of Trustees and the Director at the International FOR Council in Tokyo. This is held once in four years; this meeting made a thorough review of strategy with plans agreed for the next few years.

There are risk elements in finance when cash transactions take place but close liaison between the Finance Officer and other staff and the oversight of the Treasurer and other Trustees minimises the risk. The change to an Auditor has helped to ensure close study of risk factors.

Fellowship of Reconciliation England

Report to the Trustees *(continued)*

Year ended 31 December 2006

Objectives

The Fellowship of Reconciliation was founded in 1914 as a body of people who accepted that the Christian faith is incompatible with participation in war and this is expressed in the Basis which is not a fixed form of words but seeks to express the quest for a world order based on love as exemplified in the life and teaching of Jesus Christ.

In this critical era, the FOR supports and affirms those with a commitment to peace and non-violence and undertakes education and campaigning on issues of conflict and peace and on behalf of the victims of war and injustice.

Activities and Organisation

In the light of these objectives the FOR sets out a strategy which will help us to fulfil our aims. In recent years we have sought together with our Director, Chris Cole, to review our structure and priorities and this has come to fruition in 2005/ 2006 with additional resources enabling the implementation of plans.

Successful applications to Trusts and the receipt of a number of substantial legacies enabled the appointment of a full-time Education and Campaigns officer, Martha Beale, and a part-time (3 day) International Projects Officer, Miri Heatherwick. We express our thanks to Miri for her work with us which concluded in 2006 as she was due to give birth to a baby. Towards the end of 2006 we appointed Andrew Trenier to the post of International Projects Officer. The first post enables outreach work amongst young people in schools and universities and the second post enables the raising of funds to support five partners overseas. Working alongside our Director they provide a team for outreach and consolidation. Maud Grainger is serving as an intern from the Society of Friends and has undertaken a project on West Papua. In 2006 we appointed a part-time Administrator, Margaret Paton, who with our current part-time Financial Officer Roger Payne, completes the staff team.

In more specific terms, we have set up an International Fund and this has enabled grants to be made to projects in Zimbabwe (two projects), in Palestine, in East Africa (two projects) and in San Jose, Columbia. This will encourage practical peacemaking in a variety of situations. The first grants have already been made to enable work to begin.

Another aspect of the review was an assessment of our Conference Centre and Office located in Clopton. After discussion in Trustees meeting and consultation with the membership we are following a two-stage strategy. The office has been moved to Oxford, in rented accommodation. It has been decided that we should sell the Eirene Centre in Clopton with a view to purchasing a property in a more central and accessible location, providing at least an office, storage, library and other resources and hopefully also a meeting room and limited overnight accommodation.

Already an outreach programme is in process with participation in the Greenbelt Festival at Cheltenham, two conferences organized for young people, appropriate publications and updating of the web-site. Planning is in hand for further activities over the next year.

The role of volunteers plays an important part in FOR. The Trustees meet at regular intervals and some serve on working groups, in administration and in other ways. Our thanks are expressed to the Eirene Centre Working Group which helped to organize the preparation for the sale of the Centre and storage of the library and other items as we await the purchase of a new base. Volunteers also assist in other activities and conferences.

Achievements and Performance in the Year:

2006 has been a year of implementing plans because of the availability of resources which were scarce in earlier years. The three year Peace-by-peace project has enabled us to set targets ahead of us which involve team work between volunteers and paid staff. Whilst part of our success in moving forward has been due to unplanned resources through legacies, it is also due to careful planning for more effective and imaginative use of resources already available to us. We also have an existing Strategic Plan which helps us to measure progress towards our objectives.

Fellowship of Reconciliation England

Report to the Trustees *(continued)*

Year ended 31 December 2006

The organization of prayer vigils to support the hostages held captive in Iraq, including one of our Trustees, Norman Kember, continued in 2006 until their release. Because the Christian Peacemaker Team became news internationally, Norman and his colleagues, Harmeet, James and Tom, were the focus of much attention by the media and FOR was inevitably much involved with this, alongside the family and other peace organizations. Vigils were held at regular intervals in London and in a variety of other towns and cities. This helped to focus public attention on issues related to conflict and peace and our part in the situation, as staff and trustees have been called on to give an account of our links with Norman Kember and other peace groups. The killing of Tom Fox was a low point in the saga and the thoughts and prayers of all involved were around Tom's family and the remaining hostages. Their release was a time of joyful thanksgiving and a further opportunity to witness to the message of peace and reconciliation, especially by Norman himself when he returned and began a round of interviews, meetings and the writing of a book.

Our strategy for outreach is also a policy related to our need to grow in membership and particularly to attract younger people to share our work and witness. Already in the first half of our 3 year programme we begin to see the impact being made in this area and we hope more advances will be made through the coming year.

Financial Review

Our aim is to achieve a balanced budget in which income covers normal expenditure. This has been broadly achieved in the past but usually with the help of legacies. The past two years has seen a large number of legacies and this has enabled the planning and implementation of an imaginative programme of outreach. We hope that this will result in worthwhile activities related to our objectives but also to growth in membership and income so that future budgets can be self-balancing in gifts by members and other fund-raising to set against normal expenditure.

Our policy on reserves is to have one year of normal expenditure in reserve. We have had an initial discussion of ethical investments though currently our reserves are in a CAF account.

We have restricted funds, being Trust grants for specified purposes and some designated funds set alongside the restricted funds to enable particular projects within this 3 year period to proceed. These funds will be expended during the next 2 – 3 years and will include a period when we shall have the proceeds of the sale of the Eirene Centre designated to be available for the purchase of a new Office and meeting place.

Plans for Future Periods

Our main plans are for the three year period already described. The two additional staff members, re-Education and International Projects, have appointments related to these plans. This is an outreach and international support programme and will be reviewed in the third year.

The elements of the 3 year plan are:

- Education and Campaigns, especially outreach amongst young people in schools, colleges and universities;
- Residential conferences and training programmes;
- Training Courses for all ages on "violence to wholeness."
- Living by the Sword Campaign, which took place in 2006 and resulted in a well attended public event.
- Greenbelt Festival – involvement in the Peace Tent.
- Five International Projects – funds raised for the initial projects.
- Fund raising to continue for further projects.
- Review and assessment in year 3 to plan for further activities.

As a peace organization we are particularly concerned with the need for peace and justice in areas of conflict and war. Along with many others, we have sought to express our concern for Iraq and Afghanistan, Israel and Palestine, and other areas of conflict. We share in the search for just solutions.

Fellowship of Reconciliation England

Report to the Trustees *(continued)*

Year ended 31 December 2006

Trustees' responsibilities

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the surplus or deficit of the trust for that period.

In preparing those financial statements, the trustees are required to select suitable accounting policies, as described on pages 10 and 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the financial statements comply with the Charities Act 1993. The trustees are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that these financial statements comply with current statutory requirements, the requirements of the charity's Constitution and Rules, and the requirements of the Statement of Recommended Practice for Charities (SORP 2005).

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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, MacIntyre Hudson LLP, will be proposed for re-appointment. We express our gratitude to them for the help given over the past year.

The Trustees thank the staff and volunteers for their creative input and hard work. The Director and his team are to be commended for the energy and imagination they are bringing to the programme of outreach. We thank our members and supporters for their continuing encouragement and involvement. We thank Trusts for the grants that have enabled outreach and development. We express especial gratitude to those who have left generous legacies to the Fellowship, enabling us to plan with confidence and imagination for outreach and growth.

Inspired by the example of Jesus Christ, the Prince of Peace, and those who have followed him in former generations, we continue to pursue the path of peacemaking in our generation. May we see the fruits in justice and peace in many places.

John Johansen-Berg
Chair of the Trustees

By order of the board on 3 March 2007

St James Church Centre
Beauchamp Lane
Oxford
OX4 3LF

Signed:

Fellowship of Reconciliation England

Independent Auditors' Report to the Trustees

Year ended 31 December 2006

We have audited the financial statements of the Fellowship of Reconciliation England for the year ended 31 December 2006 which comprise the Balance Sheet, Statement of Financial Activities and the related notes. These financial statements have been prepared under the historical cost convention, and the accounting policies set out therein.

This report is made solely to the trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the trustees 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 trustees, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and the auditors

The trustees' responsibility for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fellowship of Reconciliation England

Independent Auditors' Report to the Trustees *(continued)*

Year ended 31 December 2006

Opinion

In our opinion the financial statements;

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2006 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

In our opinion, the information in the Trustees' report is consistent with the financial statements.

31 Castle Street
High Wycombe
Buckinghamshire
HP13 6RU

MACINTYRE HUDSON LLP
Chartered Accountants
& Registered Auditors

18 April 2007

Fellowship of Reconciliation England

Balance Sheet

31 December 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible fixed assets	1		269,139
Current assets			
Stocks		150	150
Debtors	3	50,756	1,890
Investments	2	895,761	382,497
Cash at bank and in hand		12,095	6,663
		<u>958,762</u>	<u>391,200</u>
Creditors: amounts falling due within one year	4	<u>5,125</u>	<u>4,978</u>
Net current assets			<u>953,637</u>
Net assets	6		<u>£655,361</u>
Funds			
General	5	108,880	462,826
Designated : Peace by Peace		160,000	131,099
Designated : Building fund		500,000	-
Designated : Sustainability		120,000	-
Designated : Projects fund		50,000	-
Total unrestricted		<u>938,880</u>	<u>593,925</u>
Restricted:	5		
International Projects fund		1,348	1,544
International Peacemakers		6,118	1,376
Youth Work fund		-	2,422
Living by the Sword		1,562	4,556
Peace by Peace		9,853	51,305
Appeal Fund		-	233
Total restricted		<u>18,881</u>	<u>61,436</u>
			<u>£957,761</u>
			<u>£655,361</u>

These financial statements were approved by the Board of Trustees and authorised for issue on the 3 March 2007, and are signed on their behalf by:

.....
Rev John Johansen- Berg (Chair)

.....
Roger Morbey (Treasurer)

The accounting policies and notes on pages 10 to 16 form part of these financial statements.

Fellowship of Reconciliation England

Statement of Financial Activities

Year ended 31 December 2006

	Note	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income		217,990	8,596	226,586	315,777
Activities for generating funds		686	-	686	1,083
Investment income		15,452	1,814	17,266	9,619
		<u>234,128</u>	<u>10,410</u>	<u>244,538</u>	<u>326,479</u>
<i>Incoming resources from charitable activities</i>					
Subscriptions		-	-	-	26,075
Eirene Centre bookings income		4,280	-	4,280	4,266
Events and projects income		465	-	465	273
		<u>4,745</u>	<u>-</u>	<u>4,745</u>	<u>30,614</u>
<i>Other incoming resources</i>					
Property disposal		204,262	-	204,262	-
Miscellaneous income		4,713	50	4,763	959
Total incoming resources		<u>447,848</u>	<u>10,460</u>	<u>458,308</u>	<u>358,052</u>
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		10,936	14,785	25,721	14,228
Fundraising trading		660	616	1,276	585
Investment management costs		43	61	104	110
<i>Charitable activities:</i>					
Research		23,133	-	23,133	15,150
Education & campaigning		27,174	4,443	31,617	18,175
Supporting peacemakers		8,947	31,941	40,888	25,668
Eirene centre		9,070	-	9,070	1,570
	7	<u>68,324</u>	<u>36,384</u>	<u>104,708</u>	<u>60,563</u>
<i>Governance</i>	8	<u>20,836</u>	<u>432</u>	<u>21,268</u>	<u>15,741</u>
<i>Other resources expended</i>		<u>2,327</u>	<u>504</u>	<u>2,831</u>	<u>1,400</u>
Total resources expended		<u>103,126</u>	<u>52,782</u>	<u>155,908</u>	<u>92,627</u>
Net incoming resources before transfers		344,722	(42,322)	302,400	265,425
Transfers between funds:	5	233	(233)	-	-
Net incoming resources for the year		<u>344,955</u>	<u>(42,555)</u>	<u>302,400</u>	<u>265,425</u>
Funds at 1 January 2005		593,925	61,436	655,361	389,936
Funds at 31 December 2006		<u>£938,880</u>	<u>£18,881</u>	<u>£957,761</u>	<u>£655,361</u>

All of the activities of the charity are classed as continuing.

The accounting policies and notes on pages 10 to 16 form part of these financial statements.

Fellowship of Reconciliation England

Statement of Accounting Policies

Year ended 31 December 2006

The principal accounting policies which are adopted in the preparation of the financial statements are set out below:

Basis of accounting

The financial statements have been prepared under the historical cost convention. The accounts have been prepared in accordance with the Charities Act 1993 and the Statement of Recommended Practice 2005 "Accounting by Charities", and United Kingdom Accounting Standards.

Recognition of incoming resources

These are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, the trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient certainty.

Incoming resources with related expenditure

Where incoming resources have related expenditure, as with fundraising for example, the incoming resources and related expenditure are reported gross in the SOFA.

Income from voluntary sources

All monetary donations and gifts are included in full in the statement of financial activities when receivable, provided there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the pre-condition has been met.

Legacies to which the charity is entitled are included in the statement of financial activities unless they are incapable of measurement.

Donations under gift aid together with the associated income tax recoveries are credited as income when the donations are received.

Volunteer help

The value of volunteer help received is not included in the accounts but described in the Trustees' report.

Investment income

Investment income, including associated income tax recoveries, is recognised when receivable.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Cost allocation

Direct costs have been allocated directly to the activity category. Items of expenditure which contribute directly to more than one activity cost category, and support costs, have been apportioned on a reasonable, justifiable and consistent basis.

Governance costs

Include costs of preparation and audit of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources calculated by reference to use of staff time.

Fellowship of Reconciliation England

Statement of Accounting Policies *(continued)*

Year ended 31 December 2006

Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support cost where appropriate.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charities.

Designated funds are sums set aside out of unrestricted funds, as detailed in note 5 to these financial statements, for specific purposes. Transfers between funds are at the discretion of the Trustees

Tangible assets

Tangible assets are included at cost. Depreciation is provided on all tangible assets, except freehold property, at rates calculated to write off each asset over its expected useful life, as follows:

Office equipment	3 years
Furniture	5 years
Motor vehicle	4 years

No provision has been made in the accounts for the depreciation of the freehold buildings. These properties, in use in furtherance of charitable objectives, are maintained to standards that ensure that there is no deterioration of the fabric and the estimated residual value, is at current prices, not less than their book value. The trustees therefore consider that any depreciation would not be material.

Investments

Investments are recorded at cost, hence only realised gains on disposal of investments are brought into account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

No provision for taxation, deferred or otherwise, has been made in these financial statements as the Fellowship is a charity in accordance with the Charities Act 1960 and 1962 and is exempt from taxation except Value Added Tax, provided that income and gains are applied for charitable purposes under S505 of the Income and Corporation Taxes Act 1988 and S256 of the Taxation of Chargeable Gains Act 1992.

Pensions

The charity operates a defined contribution pension scheme for staff. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

Fellowship of Reconciliation England

Notes to the Financial Statements

Year ended 31 December 2006

1. Fixed assets

	Freehold property £	Furniture, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2006	264,819	19,709	2,900	287,428
Additions	-	2,160	-	2,160
Disposal	(264,819)	-	-	(264,819)
At 31 December 2006	<u>-</u>	<u>21,869</u>	<u>2,900</u>	<u>24,769</u>
Depreciation				
At 1 January 2006	-	16,597	1,692	18,289
Charge for year	-	1,631	725	2,356
At 31 December 2006	<u>-</u>	<u>18,228</u>	<u>2,417</u>	<u>20,645</u>
Net book value				
At 31 December 2006	<u>-</u>	<u>£3,641</u>	<u>£483</u>	<u>£4,124</u>
At 31 December 2005	<u>£264,819</u>	<u>£3,112</u>	<u>£1,208</u>	<u>£269,139</u>

The freehold property held for direct charitable purposes was disposed of in the year. All other assets are used for direct charitable purposes.

2. Investments

	2006 £	2005 £
Short term deposits	895,568	382,304
British Government securities	-	193
	<u>£895,568</u>	<u>£382,497</u>
Material investments: CAF accounts	<u>£895,568</u>	<u>£382,304</u>

3. Debtors

	2006 £	2005 £
Prepayments and accrued income	<u>£50,756</u>	<u>£1,890</u>

4. Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	288	528
Social security & other taxes	1,358	1,101
Other creditors	3,479	3,349
	<u>£5,125</u>	<u>£4,978</u>

Fellowship of Reconciliation England

Notes to the Financial Statements

Year ended 31 December 2006

5. Funds

Restricted funds: The following funds are for specific purposes:

	International projects fund £	International Peacemakers £	Youth work fund £
At 1 January 2006	1,544	1,376	2,422
Donations, legacies received	-	8,574	-
Interest received	54	168	-
Transfer between funds	-	-	-
Expenditure	(250)	(4,000)	(2,422)
At 31 December 2006	£1,348	£6,118	-

	Appeal Fund £	Living by the Sword £	Peace by Peace £	Total £
At 1 January 2006	233	4,556	51,305	61,436
Donations, legacies received	-	22	50	8,646
Interest received	-	135	1,457	1,814
Transfer between funds	(233)	-	-	(233)
Expenditure	-	(3,151)	(42,959)	(52,782)
At 31 December 2006	-	£1,562	£9,853	£18,881

International Projects Fund

FoR's International Projects Fund is to enable FoR England to take part in international work associated with our aims and objectives.

International Peacemakers Fund

FoR's International Peacemakers Fund provides grants (usually between £1,000 - £5,000) to support overseas peace projects that are set up and run by local people using nonviolent methods to address the causes of conflict, promote dialogue and/or build reconciliation.

Youth Work Fund

FoR's Youth Work Fund is to facilitate the promotion of the Fellowship's work with young people.

Appeal Fund

FoR's Appeal Fund results from the 'Raising the Roof' appeal to build an extension for the Eirene Centre. This appeal was halted by Trustees in February 2001.

Living by the Sword

The Living by the Sword fund is a grant from the Trust for Research and Education on Arms Trade (TREAT) to carry out our information and education work on the promotion of arms exports and to enable reflection, action and prayer by local Churches and individual Christians around the country on this issue.

Peace by Peace

Peace-by-Peace is a FoR project that aims to promote peace and international understanding by raising financial support for peacemakers overseas from the UK community whilst at the same time undertaking educational work about world peace with young people in the UK. In January 2005 we received a grant from The Alan & Nesta Ferguson Trust of £60,000 towards this project. In March 2005 the Trustees designated £130,000 to the project.

Fellowship of Reconciliation England

Notes to the Financial Statements

Year ended 31 December 2006

5. Funds (continued)

Unrestricted funds:

	General £	Designated: Building £	Designated: Peace by Peace £
At 1 January 2006	462,826	-	131,099
Incoming resources	432,396	-	-
Interest received	6,709	3,970	4,773
Transfer between funds	(689,925)	496,030	24,128
Expenditure	(103,126)	-	-
At 31 December 2006	£108,880	£500,000	£160,000

	Designated: Sustainability £	Designated: Projects fund £	Total £
At 1 January 2006	-	-	593,925
Incoming resources	-	-	432,396
Interest received	-	-	15,452
Transfer between funds	120,000	50,000	233
Expenditure	-	-	(103,126)
At 31 December 2006	£120,000	£50,000	£938,880

Building fund

Building fund is designated from the net proceeds of the Eirene Centre, for the purchase of a new office and meeting place plus an amount to cover the costs involved in purchasing a property.

Peace by Peace

£130,000 was designated in March 2005 to further support the project aimed to promote peace and international understanding as noted under restricted funds. A further amount was designated in 2006 to enable the project to be extended by one year pending successful evaluation.

Sustainability fund

The trustees have recognised that the non-legacy income does not cover normal expenditure and so have created a fund to cover potential losses. This fund is considered sufficient to enable us to continue our current level of activity for up to three years with no significant legacy income. The trustees are working on a strategy to build up new income streams and decrease the dependency on legacies.

Projects fund

During the growth in activities over the last few years, it has been impossible to annually predict and budget for all the new opportunities coming from within and outside the Fellowship. A projects fund has been created to enable us to support new initiatives over the next few years.

Fellowship of Reconciliation England

Notes to the Financial Statements

Year ended 31 December 2006

6. Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Other net current assets £	Total £
Unrestricted	3,106	877,898	57,876	938,880
Restricted:				
International projects fund	-	1,348	-	1,348
International Peacemakers	-	6,118	-	6,118
Living by the Sword	-	1,562	-	1,562
Peace by Peace	1,018	8,835	-	9,853
Total funds	£4,124	£895,761	£57,876	£957,761

7. Charitable expenditure

	Total 2006 £	Total 2005 £
<i>Charitable activities:</i>		
Salaries	47,184	28,125
Grants payable	25,698	15,517
<i>Support costs:</i>		
Office costs	8,239	3,627
Post, telephone and stationery	3,515	4,203
Publications costs	11,676	8,112
Eirene Centre maintenance and running costs	8,396	979
	£104,708	£60,563
<i>Analysed to activities:</i>		
Research	23,133	15,150
Education and campaigning	31,617	18,175
Supporting peacemakers	40,888	25,668
Eirene centre	9,070	1,570
	£104,708	£60,563

8. Governance costs

	Total 2006 £	Total 2005 £
Audit fees	3,349	3,349
Accountancy fees	4,190	4,898
Support costs	6,095	4,006
Council and committee expenses	1,098	3,488
Trustee meetings	6,536	-
	£21,268	£15,741

Fellowship of Reconciliation England

Notes to the Financial Statements

Year ended 31 December 2006

9. Total resources expended

	Total 2006 £	Total 2005 £
Gross salary	58,866	33,793
Employers national insurance	5,190	3,036
Pension costs	903	219
	<u>£64,959</u>	<u>£37,048</u>

The average number of full time equivalent employees analysed, by function, was:

	2006 Number	2005 Number
Direct charitable expenditure	<u>3.10</u>	<u>1.67</u>

No employee earned £60,000 p.a. or more.

Trustees received no remuneration or other benefits in connection with their duties as trustees during the year. Travel expenses to trustees were reimbursed, amounting to £3,465 (2005: £2,226) and other expenses of £121 (2005: £294).

10. Related party transactions

There is a close relationship with the Methodist Peace Fellowship (MPF), whose members become members of FoR and their subscriptions are paid to FoR which in return makes grants to MPF. In 2006 these grants amounted to £1,300 (2005: £1,400).

There is a less formal link with the Baptist Peace Fellowship. In 2006 grants were paid to this organisation amounting to £400 (2005: £800).

Grants of £9,007 (2005: £6,000) were paid in the year to International Fellowship of Reconciliation to which FoR (England) is affiliated.

Fellowship of Reconciliation England

Management Information

Year ended 31 December 2006

The following page does not form part of the statutory financial statements.

Fellowship of Reconciliation England

Detailed Income and Expenditure Account

Year ended 31 December 2006

	2006	2005
	£	£
Turnover		
Subscriptions from members	-	26,075
Investment income	17,265	9,619
Donations	41,205	68,684
Eirene Centre bookings	4,280	4,266
Publications income	686	1,029
Events and project income	465	273
Miscellaneous income	4,764	1,014
Legacies and gifts in memoriam	185,381	247,092
Property disposal	204,262	-
	<u>458,308</u>	<u>358,052</u>
Overheads		
Salaries and employment costs	66,156	38,810
Restricted rent (PbyP)	3,252	1,084
Office costs	3,731	2,973
Staff travel and trustee meetings	14,177	3,761
Post, telephone and stationery	8,689	5,605
Council and committee expenses	1,098	3,488
Publication costs	14,414	10,015
Grants and affiliations	20,501	13,692
Professional fees	3,528	4,898
Events and project costs	5,437	2,379
Eirene Centre maintenance and running costs	8,396	979
Miscellaneous expenses	58	221
Auditors remuneration	4,011	3,349
Bank charges	104	-
Depreciation of furniture	1,631	648
Depreciation of motor vehicles	725	725
	<u>155,908</u>	<u>92,627</u>
Net incoming resources	<u><u>£302,400</u></u>	<u><u>£265,425</u></u>