NEAR NEIGHBOURS

BROUGHT TO YOU BY CUF

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS

For the year ended 31 December 2025

Company Number: 07603317
Charity Number: 1142426

CONTENTS

Trustees, Officers and Advisers	**2**
Introduction from Chair of the Trustees	**3**
Report of the Trustees	**4**
• Review of 2025	5
• Future plans	9
• Delivering public benefit	9
• Structure, Governance and Management	9
• Financial Review	12
• The Trustees' Responsibility for preparing Annual Financial Statements	13
Independent Auditor's Report	**14**
Statement of Financial Activities	**18**
Balance Sheet	**19**
Statement of Cash Flows	**20**
Notes to the Financial Statements	**21**

TRUSTEES, OFFICERS AND ADVISERS

Chair

Sue Chalkley OBE *to 10.02.2025*

The Rev'd Jessica Foster *from 10.02.2025, resigned 31.12.2025*

Trustees

The Rev'd Catherine Allison *to 27.11.2025*

The Very Rev'd Rogers Govender *resigned 31.12.2025*

The Rev'd Katie Hodkinson *resigned 31.12.2025*

The Rev'd Canon Jenny Ramsden *resigned 31.12.2025*

Catriona Robertson *resigned 31.12.2025*

The Rev'd Dr Richard Sudworth *to 15.12.2025*

Principal Officers

The Rt Rev'd Rob Wickham, Group CEO

The Rev'd Adam Edwards, Group Deputy CEO

The Rev'd Elizabeth Carnelley, Director of Partnerships *to 31.08.2025*

Sarah Wallace BEM, Director of Programmes and Innovation

Vinyo Aidam, Director of Finance and Governance

Advisers

Bank –
National Westminster Bank Plc
Victoria (B) Branch
PO Box 1357
169 Victoria Street
London SW1E 5NA

Auditors –
Forvis Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey SM1 4FS

Solicitors –
Legal advice is provided by:
Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Registered office

NEAR NEIGHBOURS
The Foundry, 17 Oval Way, London SE11 5RR

A company limited by guarantee.
Registered number 7603317
Registered Charity number 1142426

Welcome from the Chair

2025 has been a significant year for the work of Near Neighbours. It is clear that the need for this work is paramount, and we have seen how this grassroots work can make a significant impact in the lives of those who live in the areas where a Near Neighbours hub operates.

We are very grateful for our partnership with the Ministry for Housing Communities and Local Government and HM Government, and we hope that these pages share something of the creativeness and depth of relationships that this partnership brings.

Across the country there are signs of what a lack of religious literacy brings. These were noted in the 2023 report, 'Does the Government do God' by Colin Bloom. With this evidence, we are determined that the work of Near Neighbours speaks into this deficit. By intentionally bringing people of different, and indeed no faith together, we are building a deeper sense of community resilience, where all can find a shared sense of belonging and hope. Each of these projects are about local communities working together. This year we had a special focus upon young people, and the uniqueness that young people can bring.

In 2025, as a Board we have considered what are the best governance structures to allow the work of Near Neighbours to thrive and be sustainable. Since its inception, Near Neighbours has been part of the Church Urban Fund group. The Trustees have taken the decision to close Near Neighbours as a separate charity and merge with the Church Urban Fund (CUF) and become a key programme within Church Urban Fund, fully supported by the resources and expertise that CUF has. We believe that this will mean that the work of Near Neighbours can continue to be robust and agile and focus on community cohesion rather than being encumbered by governance arrangements.

We commend this report to you, and hope that you too will share in the excitement of its impact.

Jess Foster

Annual Report for Near Neighbours in 2025

Highlights

Near Neighbours
- **69 small grants** awarded to grassroots community projects to the value of **£248,978**
- In addition, **14 youth grants** have been awarded to projects with a specific focus on young people totaling **£66,204**
- **106 new partnerships** facilitated between local organisations
- **3,089 grassroots leaders equipped** with practical skills and confidence to make a bigger difference in their neighbourhoods
- **1,000 volunteers mobilised** through hub and grant activities contributing **10,268 hours** to their communities.

Catalyst
- In 2025 **4 Catalyst courses** took place with **6 school project partners**: 1. Featherstone, London 2. Abbey Grange, Leeds 3. Benton Park and Ralph Thoresby, Leeds 4. Belle Vue Girls' and Immanuel College, Bradford
- **85 young people** participated in Catalyst courses in 2025
Of those who responded *(57.6% to the post course survey 49/85)*: - **77.6%** reported an improved understanding of how to influence local decision making. - **73.5%** reported that the course had motivated them to volunteer in their communities. - **71.4%** reported that participating in Catalyst had prepared them to take a more active leadership role in their communities.
2 Catalyst alumni projects with key activity in 2025: - Belle Vue sixth form students - unveiling of a community mural for Bradford - Central Foundation and Oaklands Sixth forms - film making in East London

Near Neighbours is a programme that continues to strengthen community cohesion through relational working, local partnerships, leadership development and small grants. Across a period marked by economic pressure, political tension and the lingering effects of unrest in 2024, Near Neighbours has brought together people of different ethnicities, faiths and backgrounds to build trust, increase participation and support practical community action. The overarching picture is of a network that combines local credibility with national reach: hubs convene grassroots organisations, faith communities, schools, councils and statutory partners, while the central programme amplifies learning, supports delivery and shapes future strategy.

A central message running through our work is that Near Neighbours' model works because it is rooted in trusted local relationships.

Hub Activity and Local Partnership Building

In 2025 we emphasised the strength of Near Neighbours' hub model. During 2025, nine regional hubs were active, and the network expanded to include newer areas such as Middlesbrough and Liverpool, both significantly affected by the 2024 summer riots. The hubs worked with a wide range of partners, including schools, colleges, churches, mosques, community groups, local councils, police and health-related services. Their role was not simply to broker introductions but to help communities identify local challenges, form alliances, secure small-scale resources and develop practical initiatives. This made the hubs particularly effective in contexts where formal institutions alone could not easily rebuild trust or reach marginalised groups.

Several examples illustrate this approach. In Luton, the hub supported the launch of Street Fathers, a community response to gang activity and knife crime focused on street mentoring, early intervention and support for young people at risk of recruitment into violence. The hub helped clarify the group's mission, recruit volunteers, pursue funding and engage with the Bedfordshire Police and Crime Commissioner. In East London, the hub supported Herstory, a storytelling and leadership initiative for women from diverse backgrounds, culminating in a successful International Women's Day event that strengthened confidence, visibility and local collaboration. In Birmingham, roundtable discussions led to a workshop series on local cohesion and ethical leadership. In Leicester, the hub helped sustain interfaith and intercultural work, including large public conversations and creative local partnership projects. In Nottingham, events such as Women of Faith gatherings created space for women leaders from different traditions to share concerns, build solidarity and identify future priorities.

Taken together, these examples show that Near Neighbours' contribution to cohesion is both strategic and practical. The hubs help translate abstract ideas such as integration, trust and active citizenship into local action by enabling people to work together across lines of difference. This also suggests that this is especially important in a difficult climate shaped by the cost of living crisis, anti-migration sentiment, global conflict and heightened public anxiety. Against that backdrop, the programme's emphasis on relational working appears to offer not just isolated activities but a method for building resilience within local communities.

Fast Track Grants and Community Capacity

The Fast Track Grants Programme was another major strand of activity These grants supported a wide range of organisations and activities focused on integration, wellbeing and community participation, including intergenerational projects, sports, storytelling, interfaith workshops and projects raising awareness around issues such as FGM. We estimate that these grants will mobilise 741 volunteers contributing approximately 7,484 hours to communities, showing that relatively modest investments are expected to generate substantial community participation and added capacity.

The grants programme is presented not simply as a funding stream but as a lever for community-led change. A notable example is the larger strategic grant awarded to the

Shpresa Programme in East London, supporting 33 UKME families in Forest Gate through academic assistance for Year 6 and Year 11 students, parenting workshops and practical guidance on navigating British education systems. Originally rooted in work with Albanian families, the organisation recognised that other migrant communities faced similar barriers, particularly around understanding institutions and accessing opportunity. The project therefore embodies a broader goal of the programme: helping grassroots organisations adapt their expertise to serve wider communities while creating transferable resources such as toolkits and webinars that can benefit other partners.

We have also demonstrated how grant-making is being used to generate future learning. Near Neighbours plans deep-dive visits to at least 10% of funded projects, with findings feeding into the year-end report. This suggests a deliberate effort not only to distribute resources but also to build evidence about what kinds of local initiatives are most effective in strengthening cohesion, confidence and civic participation. In this sense, the grants programme functions as both an immediate intervention and a source of insight for future programme development.

Leadership Development, Youth Engagement and Honest Conversations

Leadership development is another area where the programme exceeded expectations. Events ranged from women's leadership gatherings and open iftars to safeguarding sessions, fundraising training and interfaith events linked to moments such as International Women's Day, Purim, Lent and Ramadan. Our reporting shows that these activities did more than transfer skills: they created opportunities for leaders to form friendships and working relationships beyond their immediate communities, laying the groundwork for greater cooperation across ethnic and faith divides.

The Women of Faith event in Nottingham is a good example of this pattern. Women from Sikh, Hindu, Muslim, Jewish, Buddhist, atheist and Christian backgrounds came together to discuss local tensions, anti-Semitism, Islamophobia, misogyny and the wider social climate. Feedback from participants indicated meaningful interaction: among survey respondents, 87.5% had a conversation with someone of a different ethnicity or faith whom they did not already know, and 62.5% reported both learning something new about another culture or religion and discovering common ground with someone different from themselves. These findings illustrate the report's wider argument that well-designed events can create practical experiences of cohesion rather than merely discussing it in theory.

The Catalyst programme extends this logic to younger people. Delivered as a four-day leadership experience, Catalyst aims to increase confidence, equip young people for participation in a diverse society and encourage community action. Our experience also shows how this learning can continue beyond the initial programme. Alumni activity in East London led to plans for a cultural day and a grant application, while students in Bradford secured £3,000 to co-create a mural representing their local community. This points to an important feature of Near Neighbours' approach: youth programmes are designed not as one-off experiences, but as entry points into longer-term civic action.

The Real People Honest Talk programme in Leicester adds another layer to this work by creating structured conversations among young people in further education settings. Across five institutions, the programme reached an estimated 72 unique participants and facilitated seven small conversations on topics including policing, crime prevention, stress, the environment, money and misogyny. Survey returns indicate a strong impact: 84% reported having an honest conversation in their group, 78% said they had engaged with people of a different ethnicity and 75% with people of a different faith. These figures matter because they show that the programme is reaching young people whose friendship networks may otherwise remain relatively homogeneous. It therefore creates opportunities for meaningful engagement across difference at a formative stage of life.

This strand of work culminated in Leicester's Big Conversation, which brought together 85 participants from schools, community organisations and statutory groups to discuss Leicester's development as an intercultural city. This demonstrates this event as evidence of the power of collaboration across differences and of the importance of personal invitation in bringing diverse participants into the same room. More broadly, we know that Near Neighbours sees conversation not as an end in itself, but as a precursor to practical collaboration, social imagination and the development of new local initiatives.

Places of Welcome, Roundtables and National Learning

The Places of Welcome network continues to provide a complementary form of community infrastructure. By the end of 2025, we had a national network of 914 venues. These spaces are designed around the "5 Ps" of place, people, presence, provision and participation, and the report shows how they help people connect, feel they belong and become more involved in local life. Examples from Lancashire and Leicester demonstrate how venues can serve recent arrivals, parents, asylum seekers and long-standing local residents in the same setting, creating opportunities for informal support, language learning, cultural exchange and access to services.

We have, in 2025, also highlighted the programme's response to the 2024 riots through local and national roundtables. Ahead of the national "stories of hope" event, hubs facilitated 11 focus groups across eight areas, exceeding the target of 7. These sessions explored barriers to cohesion, community responses to unrest, and ideas for future action. The national online roundtable then brought together around 60 staff, hub coordinators, community representatives and MHCLG officials to discuss how grassroots voices, faith leaders and policymakers might work together more effectively. A key theme was that communities often already understand both their problems and their solutions, but need sustained support and resources to turn local insight into lasting change. This learning fed into a submission to the Independent Commission on Community and Cohesion, illustrating how the programme links local experience to national policy conversations.

Communications and strategic reflection are presented as important supporting functions. Local and national media coverage included BBC Radio Nottingham, BBC local news in Leicester and regular features in Luton. Digital reach remained significant, with thousands of followers across social channels, 3,711 unique website visitors in the quarter and strong

newsletter engagement. The in-person strategy day in London brought together staff, hubs, trustees and faith representatives to reflect on the future of the programme, informed by external expertise on community cohesion in the UK. This indicates that Near Neighbours is not simply delivering activity but also actively reviewing its purpose, distinctiveness and long-term direction.

Challenges, Risks and Future Priorities

Although we are strongly positive about impact, we do not ignore the pressures facing communities or the programme itself. The cost of living crisis continues to create anxiety, while global political tensions, conflict in the Middle East, domestic anti-migration sentiment and public debate around issues such as assisted dying have affected local confidence and trust. Hubs also report misinformation and polarising narratives circulating through social media, online news and word of mouth, often fuelling fear and suspicion. A further challenge is the stop-start nature of funding, which limits longer-term planning, affects staff capacity and can slow the development of new hubs or emerging areas of work. These constraints are especially important because the report suggests that relational, trust-based work is most effective when it can be sustained over time rather than compressed into short funding windows.

Looking ahead, we identify several priorities: deepening learning from grant-funded projects, further developing local action plans, refining the programme's strategic direction, and strengthening governance through closer integration with Church Urban Fund while ensuring diverse oversight. It also points to opportunities for stronger collaboration with MHCLG, local authorities and national initiatives concerned with cohesion and resilience. Overall, this report portrays Near Neighbours as a mature and adaptable programme that delivers measurable outputs while also nurturing the less tangible but equally important foundations of community life: trust, belonging, confidence and shared responsibility. Its strongest contribution lies in showing that cohesion is not built through abstract policy alone, but through local relationships, practical collaboration and sustained investment in people who can connect communities across lines of difference.

FUTURE PLANS

Near Neighbours has been closed as a separate company and charity, and its work has been incorporated into the work of its parent charity the Church Urban Fund.

Going Concern

Near Neighbours transferred its assets and liabilities to the Church Urban Fund on 31 December 2025, and the Charity was struck off on 26 May 2026. These are the last financial statements and therefore the accounts are prepared on a basis other than going concern.

DELIVERING PUBLIC BENEFIT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Near Neighbours is both a company limited by guarantee (Registration Number 07603317) subject to the Companies Act 2006 and a charity registered with the Charity Commission (Charity Number 1142426). It is governed by its Memorandum and Articles of Association dated March 2011.

Governance Structure

The Directors of the company are known as Trustees. The Articles of Association allow for up to thirteen Trustees, six being nominated by the Archbishops' Council and seven by CUF. The Trustees meet four times during the year to review strategy, operational and financial performance in conjunction with the CUF Group Senior Leadership Team (SLT). The Trustees are listed on page 2 of this report.

None of the Trustees receive any remuneration or benefits from Near Neighbours. Expenses reclaimed by the Trustees during the year are set out in note 5 to the Financial Statements.

Trustee Induction and Training

There is an induction programme for all Trustees on appointment, which was reviewed and strengthened during 2025.

Management and Organisational Structure

The day-to-day management and delivery of the Near Neighbours programme is delegated to the CUF Group Chief Executive and the Senior Leadership Team, namely the Director of Partnerships, Director of Programmes and Innovation, and the Director of Finance and Governance. The Senior Leadership Team (SLT) works closely with other members of CUF's staff team (its ultimate parent company). Formal reporting by the Senior Leadership Team to the Board takes place regularly throughout the year.

Principal Risks

The Trustees have considered the key potential risks facing the Near Neighbours programme and how they are managed which are outlined below:

RISK TYPE	POTENTIAL RISK	MITIGATION
Financial	Failure to secure long-term future funding for the Programme	Diversifying our income streams by pursuing a number of different funders Major grant funders are actively managed by CUF
Operational	Fraud in grants programmes	Strong initial due diligence towards all applicants Constant monitoring of funding and reporting Understanding of legal responsibilities
	Loss of key staff	Wider sharing of responsibilities has ensured all team has insight and understanding
	Extremism	All staff, including hubs, are extremism aware Comprehensive due diligence checks for new applications Strong community relationships to draw on
Relational	Target groups are reluctant or slow to engage	Our local hubs have a trusted local presence and deep networks
Reputational	Reputational risk from adverse publicity	Advice and support available from CUF and through the Church of England Local and national media coverage are monitored on an ongoing basis Robust agreements in place providing clarity on expectations and delivery

Key Management Personnel Remuneration

The Trustees consider that the Board of Trustees, the CUF Group Chief Executive, Deputy Chief Executive, and the Senior Leadership Team, comprise the key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis. All Trustees give their time freely and none of the Trustees received remuneration in the year. Details of expenses reclaimed are set out in note 5 to the Financial Statements and related party transactions are disclosed in note 12 of the accounts.

The salaries of key management are reviewed annually and normally increase in accordance with inflation. In view of the nature of the charity, the Trustees benchmark against pay awards in similar charitable organisations. The Trustees of CUF set the salary of the CUF Group Chief Executive and Deputy as the roles are shared between all CUF charities (parent and subsidiaries).

Small Company Exemption

The company has taken advantage of the small company exemption, as it is within the threshold criteria. The accounts have been prepared in accordance with the special provision contained in the Companies Act.

FINANCIAL REVIEW

Income

Income for the year to 31st December 2025 was £557k (2024: £604k), a slight decrease on the previous year. Income was largely received from the Ministry for Housing, Communities and Local Government (MHCLG), formerly the Department for Levelling Up, Housing and Communities (DLUHC), and from the National Lottery Community Fund, restricted to the Near Neighbours programme.

Expenditure

The total expenditure on the three charitable activities was £643k (2024: £642k). The charitable activities together with their associated expenditure for the period were:

- **Building Networks**: £252k (2024: £248k) this expenditure principally reflects the grants to extend the capacity of the Local Presence and Engagement centres, set out in notes 3 and 6 to the accounts.

- **Creating Engagement:** £253k (2024: £230k) represents the Near Neighbours Small Grants Fund, as set out in note 4 to the accounts.

- **Building Capacity** by these activities:

    - Young Leaders - £125k (2024: £116k)
    - Public Space (Real People Honest Talk) - £0k (2024: £22k)
    - Places of Welcome - £13k (2024: £26k)

  This expenditure principally reflects the grants to our partners, set out in notes 3 and 6 to the accounts.

Reserves and Reserves Policy

All reserves are treated as restricted, and any reserves held at the year-end represent funds set aside for future programmes. There was a £142k balance on reserves at 31st December 2025 (2024: £228k), which was transferred to the Church Urban Fund upon the merger of the 2 organisations.

THE TRUSTEES' RESPONSIBILITY FOR PREPARING ANNUAL FINANCIAL STATEMENTS

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 and state 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
- Made judgments and estimates that are reasonable and prudent
- Followed applicable Accounting Standards and Statements of Recommended Practice
- 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 prevent and detect fraud and other irregularities. The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise.

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

- 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 ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Trustees on 14th July 2026 and signed on their behalf by:

Signed by:
Jessica Foster
A421422CD454462...

The Rev'd Jessica Foster, Chair of Trustees

Independent auditor's report to the members of Near Neighbours

Opinion

We have audited the financial statements of Near Neighbours (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 affairs as at 31 December 2025 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.

Emphasis of matter – basis of preparation

We draw attention to note 1a in the financial statements which explains that the charity's activity and assets have been transferred to the Church Urban Fund and the charity was struck off on 26 May 2026 and therefore you do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1a. our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the trustees' report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 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 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.
- 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 the Trustees

As explained more fully in the Trustees' responsibilities statement on page 13, the Trustees (who are also the Directors of the charitable company for the purposes of company laws) 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'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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

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.

DocuSigned by:
N J Wakefield
DF5451DE5F174B1...

Nicola Wakefield (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

2nd Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date 12 August 2026

NEAR NEIGHBOURS

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31st December 2025

	Notes	Restricted Funds 2025 £'000	Restricted Funds 2024 £'000
INCOME AND EXPENDITURE			
Income from Charitable activities	*2*	557	604
Total income		**557**	**604**
Expenditure on Charitable activities:	*3*		
Building Networks		252	248
Creating Engagement	*4*	253	230
Building Capacity			
Young Leaders		125	116
Real People Honest Talk		0	22
Places of Welcome		13	26
		643	**642**
Transfer of Funds to Church Urban Fund		142	0
Total Expenditure		**785**	**642**
Net (expenditure) / income		**-228**	**-38**
Total funds brought forward		**228**	**266**
Total funds carried forward		**0**	**228**

The charity has taken advantage of the small companies exemption as it meets the threshold criteria.
The accounts have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006 and the Financial Reporting Standard (FRS 102).
On 31 December 2025, all activity and Funds were transferred to the Church Urban Fund, and therefore all activities are no longer continuing in Near Neighbours.

The notes on pages 21 to 25 form part of these financial statements.

NEAR NEIGHBOURS

BALANCE SHEET AS AT 31 DECEMBER 2025

COMPANY NUMBER 07603317

	Notes	2025		2024	
		£'000	£'000	£'000	£'000
CURRENT ASSETS					
Cash at bank		0		89	
Amount due from parent charity		0		148	
			0		237
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	*9*	0	0	9	9
NET CURRENT ASSETS			0		228
NET ASSETS			**0**		**228**
FUNDS					
Restricted Funds	*10*		0		228
TOTAL FUNDS			**0**		**228**

The charity has taken advantage of the small companies exemption as it meets the threshold criteria. The accounts have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 14th July 2026 and signed on their behalf by

Rev'd Jessica Foster ..... Signed by: Jessica Foster A421422CD454462.....

The notes on pages 21 to 25 form part of these financial statements.

NEAR NEIGHBOURS

STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Reconciliation of net movement in funds to net cash flows from operating activities				
Net (expenditure) for the reporting period (as per statement of financial activities)		**-228**		**-38**
Adjustments for:				
Decrease in debtors	148		51	
(Decrease) in creditors	-9		0	
		139		**51**
Net cash (used in) / provided by operating activities		**-89**		**13**
Change in cash and cash equivalents in the reporting period		-89		13
Cash and cash equivalents at the start of the reporting period		89		76
Cash and cash equivalents at the end of the reporting period		**0**		**89**

The notes on pages 21 to 25 form part of these financial statements.

NEAR NEIGHBOURS

Notes to the Financial Statements
for the year ended 31 December 2025

1. Accounting Policies

a. Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) approved on 2 October 2019 (effective 1 January 2019) and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS102.

The Trustees have considered the activities, together with the factors likely to affect its future development, performance and financial position to determine whether Near Neighbours financial statements can be prepared on a going concern basis. The activity and assets of Near Neighbours were transferred to the Church Urban Fund on 31 December 2025. Accordingly, the financial statements have been prepared on a basis other than going concern.

b. Income recognition

Church Urban Fund receives funds from the Ministry of Housing, Communities and Local Government (MHCLG) which is then passed to Near Neighbours and used to administer the programme in accordance with the agreement between Church Urban Fund and Near Neighbours.

c. Support costs

Support costs comprise of costs relating to statutory audit and legal fees together with an apportionment of general overheads. Support costs relating to charitable activities have been apportioned based on staff time spent on each activity as analysed in note 8.

In addition to the costs incurred directly in the course of each charitable activity, Near Neighbours also incurs support costs that are necessary to enable it to carry out its activities. These costs are apportioned to activities based on the time spent on each.

d. Charitable activities

The costs of charitable activities include grants made, governance costs, and an apportionment of support costs as shown in note 3.

e. Grants

Delivery Partners submit quarterly returns against budget before they are paid future funding, as unspent amounts in one year would result in a reduction of grant in the next. The grants are charged to the Statement of Financial Activities once funds have been transferred to the recipient's account. Payments are made on behalf of Partners where there is an absence of an operational bank account due to a delay in the setting up of the account.

The grant to Church Urban Fund to administer and make awards under the Small Grants Programme is charged to the Statement of Financial Activities once the funds have been committed.

f. Pensions costs

The charity operates a defined contribution pension scheme, Church Urban Fund Pension Plan with Legal and General. The pension charge represents the amount payable by the charity to the scheme in respect of the year to which they relate and are included within staff costs (note 5).

g. Fund accounting

Restricted funds are funds subject to the specific restrictive conditions imposed by donors.

2. Income from Charitable activities

	2025 £'000	2024 £'000
Income from Charitable Activities - MHCLG via Church Urban Fund	508	515
Income from Charitable Activities		
Other Income	49	89
	557	**604**

Income from Charitable Activities - MHCLG via Church Urban Fund represents the grant from the Ministry of Housing, Communities and Local Government (MHCLG) to Church Urban Fund in respect of the Near Neighbours Programme. The grant is passed to Near Neighbours who administers the overall programme based on the agreement between Church Urban Fund and Near Neighbours. Near Neighbours then makes a grant to Church Urban Fund to administer and make awards under the Small Grants Programme - 'Creating Engagement'.
In addition, Near Neighbours reimburses CUF for other programme and shared central costs as per the agreement.

Income from Charitable Activities - Other Income represents funding for other programmes run by Near Neighbours. This includes £49k from The National Lottery Community Fund.

3. Expenditure on Charitable activities

	Staff Costs	Grants	Other Direct Costs	Support and governance costs	2025 Total	2024 Total
	£'000 *(note 5)*	£'000 *(note 6)*	£'000 *(note 7)*	£'000 *(note 8)*	£'000	£'000
Charitable Activities						
Building Networks: Local Presence and Engagement Centres	40	199	1	12	252	248
Creating Engagement: Small Grants *(note 4)*	63	168	4	18	253	230
Building Capacity						
Young Leaders	67	32	7	19	125	116
Public Space	0	0	0	0	0	22
Places of Welcome	9	0	1	3	13	26
Total expenditure	**179**	**399**	**13**	**52**	**643**	**642**

Support costs have been allocated to activities in proportion to staff time incurred in each activity area.
Total expenditure includes audit fees for the year of £12k (Statutory audit £6k and MHCLG grant audit £6k).
Total for 2024 was £15k (Statutory audit £9k and MHCLG grant audit £6k).

4. Creating Engagement: Small Grants

	2025 £'000	2024 £'000
Small Grants awarded	168	180
Less writebacks of awards	0	-4
Net grants awarded	**168**	**176**
Other costs (incl. Salaries, travel, evaluation)	85	54
Total Costs	**253**	**230**

Writebacks of awards represent grants awarded which have been wholly or partly unclaimed.

5. Staff Costs

Staff Costs allocated by Church Urban Fund and reimbursed by Near Neighbours

	2025 £'000	2024 £'000
Salaries	141	111
Social Security	17	11
Pensions	21	17
	179	**139**

Near Neighbours had 0 full time members of staff (2024: 0).
No staff emoluments for the year exceeded £60k (2024: 0).

The key management personnel of the charity is comprised of the Trustees, the Group Chief Executive, the Deputy Group Chief Executive, the Director of Partnerships, the Director of Programmes and Innovation, and the Director of Finance and Governance.
Key management personnel were remunerated £53k (2024: £53k).

None of the Trustees received any benefits from employment with the charity in the year (2024: nil)
Expenses incurred in attending meetings and on other business of Near Neighbours were reimbursed to Trustees as follows:

	2025		2024	
	No.	£'000	No.	£'000
Travel, subsistence and other expenses	0	0	1	0

6. Grants

	2025 £'000	2024 £'000
Building Networks: Local Presence and Engagement Centres		
Wellsprings Together, Bradford, Leeds & Dewsbury	36	28
Centre for Theology and Community, London	24	40
Thrive Together Birmingham	24	40
St Philip's Centre, Leicester	21	27
Transforming Notts Together, Nottingham	21	16
Together Liverpool	26	0
Together Middlesbrough & Cleveland	23	0
Building Bridges Burnley	3	7
Grassroots, Luton	21	37
	199	**195**

Building Capacity: Young Leaders		
Catalyst Programme	32	37
	32	**37**
Building Capacity: Places of Welcome		
Places of Welcome	0	17
	0	**17**
Building Capacity: Public Space		
Real People Honest Talk	0	1
Leadership for Effective Change	0	2
	0	**3**
Creating Engagement: Small Grants (note 4)	**168**	**176**
Total Grants	**399**	**428**

7. Other Direct Costs

	2025	**2024**
	£'000	**£'000**
Evaluation	5	11
Communications and Development	8	14
	13	**25**

8. Support costs

	2025	**2024**
	£'000	**£'000**
Audit	12	15
Office costs	0	1
Travel and Subsistence, Recruitment	6	4
Contribution to Church Urban Fund operating costs	34	30
	52	**50**

9. Creditors (amounts falling due within one year)

	2025	**2024**
	£'000	**£'000**
Accruals	0	9
	0	**9**

10. Restricted Funds	Balance at 1/1/25 £'000	Income £'000	Expenditure £'000	Transfer to CUF £'000	Balance at 31/12/25 £'000
Near Neighbours Programme	145	508	552	-101	0
Catalyst Programme	83	49	91	-41	0
	228	**557**	**643**	**-142**	**0**

The Near Neighbours Programme is primarily funded by MHCLG and covers the core programmes and costs of Near Neighbours.
The Catalyst Programme funds are to run the Catalyst Young People's Leadership Courses.

11. Ultimate Parent Company

The ultimate parent charity is Church Urban Fund, a company and charity registered in England. Copies of the group accounts can be obtained from Church Urban Fund, The Foundry, 17 Oval Way, London SE11 5RR.

12. Related Party Transactions

During the year, Near Neighbours entered into the following transactions with its parent company CUF:

CUF received the full amount of grant from MHCLG of £508k (2024: £515k) and passed this over to Near Neighbours to deliver the programme.
Near Neighbours paid CUF a grant of £168k (2024: £176k) to administer the Small Grants programme.
Near Neighbours made a contribution of £213k (2024: £169k) to CUF for the administration of the overall programme.
On 31st December 2025 Near Neighbours transferred reserves of £142k to CUF.

At the year end, there was £0k (2024: £148k) intercompany balance owed by CUF.

Sue Chalkley OBE and Catherine Allison were both Trustees of Near Neighbours and Church Urban Fund.
Sue Chalkley OBE resigned as Trustee of Near Neighbours on 10th February 2025.

13. Post Balance Sheet Events

The Trustees resolved to dissolve Near Neighbours as a separate charity and to merge its activities with the Church Urban Fund.
In accordance with this decision, all assets and liabilities were transferred to the Church Urban Fund on 31 December 2025.
The Companies House dissolution was completed on 26 May 2026.