



**FOR GIRLS
FOR FRIENDSHIP
FOR SOCIETY**

Annual Impact Report and Financial Statements Girls Friendly Society in England and Wales (GFS)

30 September 2022





**FOR GIRLS
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FOR SOCIETY**



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CHAIR'S WELCOME

Friendship is not a luxury – a nice to have. It is the place we go to get comfort, celebrate success, laugh and cry. Without that in our lives, we all would struggle to cope with the challenges life throws at us.

Over the past year, the post-COVID year, we have come to understand only too well how difficult the world has become for the girls we work with. They need their friendships, their safe place and for many that just does not exist without Girls Friendly Society (GFS) in their lives.

“Before I started here there was a boy at school who was really bothering me and I never stood up to him, but since I started coming here, I’ve been able to stand up for myself because I’m more confident, so this group has really helped me.” - GFS Anfield

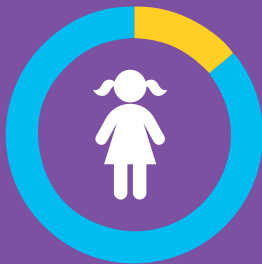
GFS has been in existence for almost 150 years and our founder Mary Townsend worked with a cohort of young women who were isolated and considered

vulnerable because of the lives they led; in service for the first time in towns and cities a long way from home. We find ourselves in a similar position – working with girls who are isolated and lonely because making friends does not come easily for so many of them. The impact on their wellbeing and mental health at a time of so much international dilemma is something they feel and that is our job to address.

This past year has seen us build on the work we did to address our three strategic themes – CULTURE, SUSTAINABILITY, GROWTH. We were delighted to see real improvement in the work we have done to build back the team CULTURE, with a recognition that this was fundamental to our success for the girls we support. It has been rewarding to see our turnover rates in the staff team decline from 38% (2019) to 28% (2020) to 8% (2021), against a sector average of 19%. We were told that 94% agree GFS is a happy place to work compared to 69% in 2020. The staff fed back that they feel more supported and valued by GFS which now sees us achieve two successive years of improvement.

Volunteers appeared to feel equally included and valued and we believe that the addition of Group Coordinators and consistent operational leadership has been fundamental to this success, alongside improved central support of their group.

This resulted in some really positive headlines:



We are enjoying this positive feedback but have plans to improve even more. Having a more harmonious working culture means we can be more effective in what we do but also take it to the next level. Our work on culture is now less about team dynamics and more about developing a joint sense of understanding and

purpose around our vision and mission, Equity, Diversity and Inclusion and, new for 2022-23, a thread around the environment. This work will need to be seen through a cost-of-living lens because the girls, their families, our volunteers and staff are facing a new set of challenges that will demand our response.

Training and investment in the team continues to be key and the Volunteer Training Week was an important part of that work, where we saw a combined team deliver a set of high-quality sessions for our volunteers. This was also open to all staff and governance team members. We have had a significant focus on Equity, Diversity and Inclusion – led by an internal taskforce, who have achieved a great deal in the past 12 months, including:



- ★ Several different EDI training opportunities were made available to all staff and volunteers
- ★ Developing a thorough and wide-reaching inclusion policy, that includes commitments for staff, volunteers and girls alike
- ★ Establishing an approach to capturing EDI data for the girls and volunteers alongside an action plan for 22-23
- ★ Being nominated and becoming finalists for two national EDI awards



For more about EDI, go to page 33

We are conscious that we need to review our plans in 2022-23 to ensure our strategy is well placed and act on the learning we now have. It promises to be an exciting chapter for GFS and one where we invite supporters to be part of the movement that enables the girls we work with to be proud of who they are.

We must also ensure we are able to generate a more significant income stream in fundraising. Fundraising in 21/22 was full of challenges, which are detailed more in this report. But, importantly, the whole team has shown commitment and resilience in supporting this as an organisational priority. We are encouraged in this when we are hearing more and more how funders recognise the need to support organisations addressing the very real need for a preventative programme for girls and young women.

Because of the unique way in which GFS has always worked we are well placed to address the issues for girls. In the last year we have understood far more how our work is being

successful for girls who are disadvantaged by where they live, a disability or support need, their ethnicity, financial constraints and more.

In 2021-22 we learned so much, which is documented below. 2022-23 has to be about embedding this learning, driving for quality and consistency alongside more analysis of what we now know to build the next chapter for GFS.

Leanne Massey

Leanne Massey
Chair of Trustees



TRUSTEES' REPORT INCLUDING IMPACT REPORT

The trustees of Girls Friendly Society in England and Wales (GFS) present the Trustees' Report and Financial Statements for the year ended 30 September 2022. This report has been prepared in accordance with Part VI of the Charities Act 2011 and constitutes a directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 42 to 46 of the attached financial statements and comply with the charitable company's memorandum and articles of association 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 United Kingdom and Republic of Ireland (FRS 102).

GFS vision, mission and values

Our vision

Our vision is of a world where girls and young women are free to be themselves and feel proud of who they are.

Our mission

Our mission is to support and inspire girls and young women. We will create spaces where they feel safe and valued, so that they can build strong foundations that will prepare them for life's challenges.

Our values

In everything we do, GFS will be:

- ✓ Girl-focused
- ✓ Brave
- ✓ Feminist
- ✓ Ambitious
- ✓ Inclusive
- ✓ Fun

Why we exist

It's hard being a girl.

Pressure, lack of provision and limiting gender stereotypes are leading to isolation, a lack of confidence, low aspirations, poor self-esteem and, ultimately, worse outcomes for girls. And for girls with multiple, intersectional identities, or those who simply "don't fit in," these challenges are heightened.

Without support, by their teenage years, these girls are lonely, demotivated, increasingly unhappy and vulnerable. This poor self-image goes on to impact other areas of life, such as academic attainment, mental health, social contribution and ambition.

That's why the GFS approach is so effective. We use long term, early intervention to give girls the tools they need to guard against the challenges they will face later in life. Research demonstrates that it is easier to sustain foundations of self-esteem, resilience and ambition built in childhood than to rebuild them later in life. We have seen how attending our weekly single-gender, non-competitive groups can provide a strong foundation that prepares our girls for growing up.

Right now, the need is greater than ever; our groups are operating waiting lists and, increasingly, girls are wanting to stay with GFS beyond the upper limit of our age range. Two key considerations here have been the impact of COVID, and the impact of years of cuts to affordable youth services.

The impact of COVID

The negative impact of isolation has always been significant. But right now, it's a more serious problem for girls and young women than it has ever been.

The pandemic has exacerbated the challenges already experienced by girls. Our direct delivery team report that now, more than ever, parents are concerned that their daughters are unable to form friendships and are lonely.

For many of our girls, key developmental years were spent in lockdowns, which volunteers tell us is seriously affecting their social and communication skills. This is reinforced in research by STEER Education which recently reported that girls' ability to self-regulate (the healthy ability to adjust how we respond in different social-emotional situations) has declined by 33% since the first lockdown. We are already seeing the impact of this at GFS, resulting in more safeguarding concerns and requests for mental health training since returning to face-to-face delivery.

Youth issues such as poor mental health, academic attainment gaps, self-image, lack of confidence or self-belief continue to plague girls in poorer communities or the most vulnerable.

Nowhere else to go

Despite evidence of the need for this kind of support, YMCA revealed that in the past 10 years there has been a £1.1bn cut in youth services funding in England. A decline of 74%.

Furthermore, we know from OFSTED and LSE's research that girls often don't feel safe in mixed recreational settings. The Big Ask 2021 revealed that half of girls nationwide say they are unhappy with youth provision in their area.

This need is further illustrated by the simple fact that our groups are oversubscribed, with most at capacity and almost a third operating growing waiting lists.

This serious shortfall has been particularly damaging to girls in areas of economic disadvantage and stands to worsen in the face of the Cost of Living Crisis. Alternative activities are typically inaccessible, with uniform/kit, travel costs, and upfront termly fees making them unaffordable.

As a result, parents find themselves having to choose between after school activities and heating their homes. Girls and young women from low-income families are being reduced to survival, rather than living. We sincerely believe that childhood should be about more than just getting by.



STRATEGIC PLAN AND FUTURE PLANS OVERVIEW

Our strategy is built on research that identified girls' confidence declines from the age of about six and drops dramatically around the age of 11. There is a desperate need to address this decline early; before it becomes ingrained and difficult to reverse. We see the vital support out there for teenagers who are struggling, but so little happening to prevent the problems from arising in the first place.

In shaping our objectives for the year and planning our activities, we have been guided by two key principles:

1. Working with the girls who need us most

We want to reach girls who are the most disadvantaged. The intersection of gender with socio-economic disadvantage, exacerbates the challenges girls face already, simply because they are girls. In order to reach these girls, we open our groups in clusters in locations that we identify through a number of factors:

- 1 Did the area list on Plan UK's *State of Girls' Rights Report* as one of the worst places in the UK to be a girl?
- 2 Local demographics, for example the number of children accessing free school meals and ethnic diversity, to ensure we are reaching girls from all backgrounds
- 3 Factors that influence the likelihood of success, for example volunteer recruitment potential, funding opportunities and existing local provision for girls.

“My child loves coming here. I had been looking for something for her to do after school, but couldn't find anything local or within my budget. It has made a big difference to her as I find there is not many opportunities in the area for girls.”
- Parent GFS Hackney

As well as working with girls in areas of deprivation, we have also found that GFS's objectives, brand positioning, and non-competitive programme, attracts girls who have struggled to fit in elsewhere. Our research shows that girls who attend GFS are likely to be less happy at school than average, have typically tried other after school activities but not enjoyed them, and struggle with friendships outside of GFS.

We know that healthy relationships are vital for everyone's wellbeing, and we are proud to be helping girls create them.

“I don't really have any friends at school, but I take part in more activities at GFS because I can trust the people there.”
- Bella GFS Anfield

2. A framework for building confidence, resilience and wellbeing

We create and deliver sessions that develop the key attributes that evidence-based research says will help girls build the confidence, resilience and wellbeing they will need to face life's challenges. We describe these attributes as The GFS Girl:

- By the end of her time with us, we would like each girl to be able to say (to whatever degree is right for her):
- 1 I can speak up about things that matter to me
 - 2 I am proud of who I am
 - 3 I try again if I have a setback
 - 4 I can try new or unfamiliar things
 - 5 I believe I can achieve my hopes and dreams
 - 6 I can enjoy friendships with all kinds of people

The GFS girl is a picture of what we think confidence, resilience and wellbeing look like for girls and young women. This is based on the Young Foundation and Centre of Youth Impact's "Framework of Outcomes for Young People 2.0".

Our objectives in 21/22

In 21/22 the key objectives were to **reach more girls**, to **become more sustainable** and to increase impact and retention by ensuring **consistency and quality of groups**.

The strategies employed to achieve the charity's aims and objectives (explained in more detail in the public benefit section of this report) were to:

- ✓ Ensure the safe return of existing groups post-COVID (page 10)
- ✓ Launch new groups in strategic "cluster areas" (page 11)
- ✓ Support groups with engaging and evidence-based programme (page 12)
- ✓ Test and expand our Group Coordinator model (page 14)
- ✓ Improve our impact measurement to ensure effectiveness of GFS sessions (page 15)
- ✓ Hear girls' voices at all levels of the organisation (page 16)
- ✓ Pilot a schools project, to explore how we might be able to grow our impact (page 17)
- ✓ Increase our fundraised income to ensure a sustainable future of GFS groups (page 18)



The future for GFS

As you will see in this report, our work to become more girl-shaped was significant for us in 2021-22. Now we must review the outputs of this work to allow it and the girls to shape our strategy going forwards. Among other things, it highlighted the need for us to be leading edge in the field of EDI. In many ways this has only just begun and we have so much more to do. We now know who the girls are at GFS and why they come:

- 💡 We now know we meet more girls with support needs than other settings and this could be a disability, mental health support needs, low self-esteem, gender identity questioning and so much more.
- 💡 We have more girls needing fee waivers than ever before but suspect there should be even more in some places and we are already addressing this.

All of this comes with a training need for our staff and volunteers alike, and so we have named 2022-23 the Year of Inclusion for our groups with a work plan to make this a reality.

As well as a focus on inclusion, 22/23 will also be a period of reflection. Over the past three years, we have made real strides into our goals of culture, sustainability and growth, outlined in our strategic plan. Now, with these foundations, it is time for us to consider our next steps, and how we can continue to increase our impact.

Our starting place was culture and we know from our volunteer and staff feedback that our hard work has paid off here and we have really made significant progress. But to be able to increase the impact of what we deliver through our growth plan, sustainability needs to be a focus for this year.

Throughout nearly 150 years of activities, GFS has benefited from the generosity of benefactors who have endowed the charity with funds restricted to the particular aspects of GFS's work that were closest to their hearts. As our work has changed, these restricted funds have become unspendable, and so were invested, along with our endowment. GFS became accustomed to funding itself from the investment income deriving from these funds. However, if we are to continue to increase the impact of our work, we must raise more than we currently generate in interest from these investments to cover the cost of growth.

One solution could be to take this additional cost from our invested funds, however, this would

PUBLIC BENEFIT

Trustees have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and activities for the year, and the organisational plans for future periods.

reduce the amount invested, therefore reducing our income from investments. In the long run, this would mean the loss of important income from invested funds. For this reason, it is essential for GFS to continue to build a more sustainable fundraising strategy in 22/23.

This also means that our ambitious plan to extend our impact through reach and operations is not achievable without major change. A key focus for us in 22/23 is to review all we have learned and further refine our activities, to ensure that we are reaching more of the girls who need us most, in a way that is impactful and sustainable. We are told by the external world that we have something special to offer and we need to find a way to share it with more girls.

“I'm very grateful for this group and believe more things like this should be available for our children.”
- Parent

GFS 21/22 at a glance:

31 Groups

656 Girls

200 Volunteers

1,150 Sessions

10,695 Attendances

29 Regional events/trips

Ensuring the safe return of existing groups post-COVID

After the return of some pilot groups in summer 21, the autumn term focused on supporting volunteers to fully reopen their groups post-COVID. This was challenging for so many reasons; not least because the girls saw and experienced so many difficult things in that time, that we are now addressing.

The priority was to bring back as many groups as possible, to continue supporting girls and young women in communities where GFS was established. However, several of our long-standing volunteers felt that the COVID break drew their

time volunteering with us to a natural conclusion. The groups run by these volunteers were in small rural communities which did not fit with our strategic priorities and where volunteer recruitment is a challenge. As a result, these groups were closed. In the process of returning, we were able to conduct an audit of remaining groups to ensure that they were compliant and delivering sessions in line with the GFS Girl approach to programme planning and delivery. In doing so, we were able to further ensure the safety and consistency of groups, improving retention across the organisation.

Launching new groups in strategic “cluster areas”

A key development for 21/22 was launching our first groups based on a new “cluster model”. By this, we mean the decision to select core locations based on the criteria described on page 8, and, as awareness and demand grow, open more groups in the surrounding areas.

This model is a strategic post-COVID change that allows us to do two things:

- 01 Focus on communities where we know that girls face the greatest challenges
- 02 Embed each group within the community it operates in. This allows us to focus resources efficiently; on building our reputation locally, connecting with local organisations and recruiting via word of mouth.

After research, our new core locations were identified as Manchester, North East London, Swansea, Liverpool and Birmingham. These are in addition to an existing cluster in County Durham. Over the course of the year, we opened groups in each of these areas, building the foundation for future growth.



The future of this model is to build on the success of these groups, by continuing to open groups in these areas in one of two ways:



Vertical clusters

Opening a second group, at the same location. Either on a different day to meet demand, or for an older age group, to continue supporting those girls who still want to be a part of GFS after reaching the upper age limit of their group.



Horizontal clusters

Opening more groups in the immediate area.



Meet Bella

Bella is 10 and joined GFS Anfield in November 2021

“Because of my ASD, people at school often take things I say the wrong way. That doesn’t happen at GFS - they understand me.”

My favourite thing about GFS is the people. I take part in more activities at GFS because I know I can trust the people there.

Everyone at the first session was welcoming. My friend, Connie, was a bit shy at the first session, but on the second week, she just cracked open. I like how everyone at GFS is friends with each other.

One of my favourite GFS activities was when we made necklaces with different colour cards on them to tell people how we are feeling. Green for a good day, amber for ok, and red for not very good. It was helpful to be able to tell people if I was having a bad day.

My favourite GFS memory is when we went to see *Fantastically Great Women Who Changed the World – The Musical*. I liked learning about the women and that, although they were all very different, they had things in common.

At the end of each session, we talk about what we would like to do in future sessions. I suggested that we should adopt an animal. The leaders said we could, so we held a fundraiser – I made bracelets to sell, and took part in the group talent show. We raised enough money to adopt our panda! Being listened to helped me realise I’m an ideas person.

An engaging and evidence-based GFS programme

In 20/21, we introduced The GFS Girl as our framework (page 8) for creating sessions that empower girls and young women. As we returned from COVID, the challenge for GFS was to work out how best to support volunteers to bring this framework to life in groups.

In January 2021, we hired the organisation’s first Programme and Impact Manager to lead this project, ensuring that monitoring and evaluation were built in from the very start.

A key consideration was how to reduce pressure on groups to plan their own content, while also giving them the autonomy to create sessions that utilise volunteers’ individual skills and are tailored for the needs of their girls locally.

As a result, it was decided that GFS would provide five core sessions for groups to deliver per term. The content of core sessions is guided by the GFS Girl framework, combined with girls’ and volunteers’ feedback; there is more detail on how we achieved this on page 16.

Each school term, the core sessions focus on one of the GFS Girl statements. By revisiting these theories over time, our programme follows the “shallow, deep, profound” approach, based on the first three stages of Bloom’s Taxonomy of Learning. For girls at our groups, this looks like:

✓ Shallow: “I know what it is”

We introduce a concept; what it looks like, when it might be experienced

✓ Deep: “I understand it”

Developing understanding of the concept; how it might be experienced, what it feels like

✓ Profound: “I can apply it to my own life”

Understanding what is being experienced; why and how to internalise the related skill.

This approach was tested effectively with Group Coordinator led groups in the summer term of 2022, and then rolled out to all groups in the autumn term of 2022.

This approach ensures girls are receiving a good level of expert, research-based sessions, as well as each having their own identity.

Example activity

Getting out of Down Town

This is an example of a main activity that focuses on helping girls build their resilience. By working in small groups and thinking creatively about the issue, girls are able to think deeply, while still creating something fun.

This activity aims to help girls:

- 💡 Identify the things that support their wellbeing.
- 💡 Recognise the things that can negatively affect their mood.
- 💡 Recognise the emotions and physical feelings that they have when their mood is affected.
- 💡 Have a list of strategies to use to support their mood when feeling down.

- In groups, girls sketch a town on a large piece of paper. It should have some buildings, and a road going in, and out of the town. This is Down Town.
- The leader then asks the girls to think about the things that affect their mood and can take them into Down Town.
- The girls draw and name these things as ‘pits stops’ along the road into Down Town. They could be things like Test Stress Hotel, or Fall Out With Friends Square. The more creative, the better!
- Then, the town centre buildings should represent the feelings the girls have when they feel down. This could be physical feelings in the body, and emotions. This might be things like “Shake Shack”, “Tearful Townhall”. It is important girls recognise the things that happen to their bodies when they are stressed or anxious.
- Now it’s time to focus on the positives!
- The girls will think about what things that help when they are feeling down? They draw the things that help along the road out of Down Town to show how we can move on from difficulties.
- Finally, girls will share the maps with each other to talk about the things that make them feel down, what helps when they’re sad. They will find that they often have a lot in common and share good ideas.



TESTING AND EXPANDING OUR GROUP COORDINATOR MODEL

The second key strategic development for delivering in 21/22 was the establishment and expansion of our Group Coordinator role. Group Coordinators are local staff members, with experience of youth work, who are employed for five hours per week, to support a group.

The Group Coordinators model was implemented to improve the sustainability of our groups by addressing a number of key challenges:

Volunteer feedback was that they were required to spend too much time on group admin, when they had signed up so they could work with girls. This resulted in:

- Lack of leadership at some groups
- High volunteer turnover
- Instability at group level, often resulting in cancelled sessions or periods of closure
- Vital tasks such as budgets, group promotion and health and safety assessments regularly going uncompleted

We tested our notion that paid support would address these issues in our four October launch groups; GFS Mile End, GFS Rusholme, GFS Anfield and GFS Smethwick. The results were overwhelmingly positive; 61% of new registrations in 21/22 came from Group Coordinators, despite the fact that they only represent 48% of groups overall.

Key Group Coordinator tasks:

- ★ Onboarding new girls
- ★ Managing volunteer attendance and training
- ★ Working with volunteers to plan sessions based on girls' needs
- ★ Delivering core programme (four sessions per term)
- ★ Parent communications
- ★ Budget management
- ★ Impact measurement and feedback
- ★ Promotion of the group through community engagement

Inconsistent level of delivery from group to group – the quality of the sessions, relied heavily on the level of experience and personal preferences within the volunteer team.

Monitoring and evaluation of our work at group level was challenging, as groups were not consistently delivering central programme, or providing feedback.



By the end of 21/22, 14 of our groups were supported by a Group Coordinator, covering a combination of new and pre-existing GFS groups.

Evaluation with 125 girls, across all groups, revealed that those who attended groups run by Coordinators were more likely, overall, to report progress against the GFS girl statements than those at volunteer-only groups.

The impact of Group Coordinators has been far reaching, and transformative for GFS:

| Benefits for girls and young women | Benefits for volunteers | Organisational benefits |
|---|--|---|
| <ul style="list-style-type: none">★ Reduced volunteer turnover and longer-term commitment from Group Coordinators mean more consistency of support and awareness of girls' personal journeys.★ Sessions are more consistently focused on meeting girls' needs and supporting personal growth.★ Core sessions are personalised to meet girls' level of understanding and lived experiences.★ Girls have the opportunity to feedback directly to GFS, ensuring the service meets their needs and their voices are heard at all levels. | <ul style="list-style-type: none">★ Primary focus is delivering sessions to girls and young women, meeting their expectations.★ Regular contact with a local GFS staff member has helped volunteers feel heard and valued, enhancing their volunteering experience.★ Greater learning and skills development as a result of working with experienced Group Coordinators. | <ul style="list-style-type: none">★ Less demand for Heads of Operations to manage localised challenges, meaning stronger strategic planning and support for all groups.★ More comprehensive feedback from groups, helping ensure new programme is designed to meet girls and young womens' needs.★ Enhanced data-collection from groups.★ Improved bookkeeping and paperwork enabling GFS to maintain its standard as an efficient and compliant charity.★ Efficiencies as a result of increased volunteer retention. |

Going forward, we aim for all groups to have the support of a Group Coordinator. Funding from trusts and foundations has been vital for implementing this model, and we will continue to seek further funding to support the expansion of the model in 22/23.

Improved impact monitoring to ensure effectiveness of GFS sessions

After working to improve consistency of sessions, our next strategic development was to improve the ways in which we were assessing the success and impact of them. While we knew anecdotally that parents and girls valued sessions highly, and that GFS had a long-lasting impact on the girls, we identified the need to better understand the effectiveness of the programme supplied centrally, and group attendance overall.

This year, we developed a range of qualitative and quantitative methods to capture girls' experiences of GFS and understand how we support them beyond our groups. Our annual girls' survey was an opportunity for girls to self-report their overall growth in relation to the GFS Girl; results were then combined with reflective feedback from girls and volunteers to gauge the benefit of activities and compared to previous years.

Along with our annual parent survey, these tools allow us to identify the impact for girls from different perspectives.

Core sessions are now shared with learning goals outlined at the beginning of the session plan. These are then assessed through an end of term self-evaluation that allows girls to reflect on what they have learned. As well as reviewing girls' understanding, systems have been implemented to create a feedback loop that allows volunteers and group leaders to share observations about girls' enjoyment and understanding of sessions.

The three new groups launched in June 2022 presented an opportunity to track the progress of individual girls within their first five weeks at GFS. Alongside feedback from group leaders each week, girls completed 'GFS Girl worksheets' at the start and end of term, measuring their progress against our six GFS Girl statements and gathering their thoughts on what they've gained from sessions so far.

For each statement, colour in a smiley face to show how much you agree or disagree. Then, finish off the sentence to tell us something about you

I can speak up about things that matter to me

Something I would like to do more of at GFS is...

I can try new things

Something new I have tried or learnt at GFS is...

I can enjoy friendships with different kinds of people

My friends at GFS would describe me as...

I am proud of who I am

Coming to GFS makes me feel...

I believe I can achieve my hopes and dreams

GFS has helped me believe that...

I try again when I have a setback

Since joining GFS, I have gotten better at...

Hearing girls’ voices at all levels of the organisation

In 20/21, GFS reviewed its values and made a commitment to being girl-focused in all that we do. One practical manifestation of this is our efforts to ensure that girls’ voices are heard at all levels of the organisation.

Girls Say book: Autumn 2021

Our creative anthology of girls’ art, poetry and reflections was put together to celebrate International Day of the Girl 2021 and tells people what it’s like to be a girl or young woman in England and Wales today. We received submissions from 86 girls, both inside and outside of GFS. Responses were structured around the six GFS Girl statements.

Programme: February - July 2022

Opportunities to hear and elevate girls’ voices have also taken place at individual group level. Group Leaders facilitated activities for girls such as interviewing inspirational women for International Women’s Day, oral history film & photography, radio interviews and filming questions to ask their local women’s football team.

Annual survey: February 2022

We received responses from 125 girls across 12 of our groups, making up about a third of total active girls at the time of the survey. 54% of respondents were new to GFS within the last six months, allowing us to get a picture of how our services impact girls within a relatively short space of time.

Hearing girls’ feedback on the programme through this survey, has been a vital part of our planning for the coming year. The survey identified areas of the GFS Girl, where girls were thriving, and those where they needed more support. The areas girls identified as still wanting to develop were talking about their feelings and dealing with problems. As a result, the 22/23 central programme will focus on two of these areas; trying again and resilience (autumn 2022); and speaking up (spring and summer 2023).

Schools pilot project

As part of our objective to reach more girls, we began to think creatively about how GFS could reach girls outside of our group model. We believe that, while the long-term nature of our groups is highly impactful, there are also less time and resource intensive ways that we may be able to reach a wider audience of girls and young women.

Our Operational Team devised and piloted a project that looked at how GFS might reach girls through the school system. Key principles were:

- To reach more girls in a more time efficient manner
- To reach a wider range of girls by removing the self-selecting element of groups
- To apply the same “shallow, deep, profound” model over three sessions
- To work with schools in our cluster areas, raising awareness of GFS groups through the sessions



The pilot was conducted with 50 children at St Thomas’s Primary School in Swansea, and consisted of three one hour sessions, delivered over three weeks, on the subject of speaking up. Groups were of between 15 and 22 children, were delivered by a GFS member of staff, and took part during normal class time.

One key learning was that few primary schools were able to accommodate opportunities that were only available to girls. It was concluded that, if we were to reach the girls, we would have to work with the class as a whole. For this reason, the session was delivered to all children in Years 5 and 6, with the

children being separated into boys and girls groups. This will require more consideration in future, in recognition of the fact that not all children identify as a boy or a girl.

All participants were given questionnaires at the beginning of the period, and then again at the end. These questionnaires had the same questions both times and sought to measure the effectiveness of the sessions in increasing the children’s confidence in key factors relating to the ability to speak up.

On average, when scoring themselves out of 10, there was improvement in all the areas surveyed:

| Average | I am a good communicator | I am confident speaking up or sharing my ideas in a group | I am confident speaking in front of an audience | I have ideas and opinions that are important | I feel like I have a voice and people listen to what I have to say | I can speak up about things that matter to me | I can make a difference to issues that I care about |
|----------------|--------------------------|---|---|--|--|---|---|
| Before | 5.8 | 5.8 | 4.7 | 5.8 | 4.9 | 5.9 | 5.9 |
| After | 6.5 | 7.3 | 6.1 | 6.1 | 5.7 | 6.7 | 6.2 |
| Average change | 0.7 | 1.5 | 1.4 | 0.2 | 0.8 | 0.8 | 0.3 |

Feedback from the school teachers who witnessed the sessions, was overwhelmingly positive, with one sharing:

“One of my class hadn’t been able to speak up in class for the first three months of this school year, but by the end of the sessions, they were able to stand up and deliver their speech.”

The success of this pilot will be a key part of our strategic review over the coming year, as we consider how to increase our impact.

Increasing fundraised income to ensure a sustainable future of GFS groups

GFS’s financial position is the product of a long history, and we are on a mission to make it fit for the 21st century, so that we may carry on its legacy. In the past the organisation was funded by philanthropists keen to support the mission. As a result, an endowment fund was established. This was invested, and, over time, the interest from the endowment became the charity’s main source of income.

For decades, leaders of the organisation focused on delivering our services, funding them predominantly through the income from the invested endowment. However, this is no longer a sustainable funding model, because of rising costs and falling interest returns. The Board was concerned that the interest did not offer enough to sustain the services provided and most certainly not to address the growing need the charity is faced with.

To address this, trustees analysed the long-term projection and developed a plan for how GFS could build a sustainable future.

A vital element of this plan is the need to reduce risk by acting now, while the organisation has healthy investments and designated funds to support this plan. Rather than running down our investments to nothing, making us financially precarious, and then developing income streams, our strategy is to build a strong fundraising portfolio over the coming years. This way, we can preserve the stability of the organisation, while preparing for a more financially sustainable future, ensuring that we can consistently meet the need; support the girls and young women who need us.

Achieving this involves investment of our own designated funds and a planned deficit, that has allowed us to become “fundraising ready” while at the same time, working towards increasing our fundraised income. We have developed our impact measurement, built infrastructure to support fundraising, established initiatives that ensure consistency across our groups, and fundamentally changed our ethos to ensure that girls are shaping the work we do. As a result, GFS’s work is in a stronger position than ever, and we are now ready to begin growing our income more substantially, in line with the plan.

The plan was supported by a Fundraising Strategy that started with income streams that offer the best return on investment such as Trusts and Foundations but focuses on developing a broader portfolio over the first five years. So far, we have built a small team and delivered our strategy which now includes trusts and foundations, corporate, individual and regular giving as well as some in memory.

Taking this sustainable approach has required a slow and steady injection of cash over a period of time, which is supported by the release of designated funds and a spend down of restricted funds. However there remains a gap that we need to fund to meet the needs of girls and young women each year. For 22/23 that gap is £175K and for 23/24 it is £362K.

This has already proved to be a prudent approach. Since the first iterations of our strategy in February 2020, we have seen a worldwide pandemic, the war in Ukraine and a Cost of Living Crisis. These unforeseen circumstances significantly impacted our ability to fundraise at the rate initially anticipated and reduced the projected income from investments. Had our plan not allowed for this steady growth, the circumstances could have had serious consequences for GFS.

We recognise that if we are not as successful as we need to be this year, and in the coming years, the organisation will need to consider a different strategy. This year is an important one for us to achieve positive outcomes for the girls of today and tomorrow. When girls and young women face their toughest times post-COVID we are determined to do all we can to ensure that they have GFS to support them.

PERFORMANCE 21-22

Reaching the girls who need us most

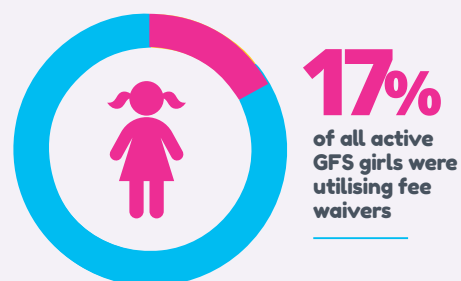
The number of girls attending GFS sessions increased from 302 in October 2021, to 473 at the end of September 2022. Over the course of the year, 656 different girls attended GFS sessions. As well as reaching more girls, we sought to ensure that GFS can reach and meet the needs of a diverse range of girls and young women.

In 21/22, GFS formally introduced and widely promoted a fee waiver for any families who felt that the cost of GFS sessions was prohibitive. While many

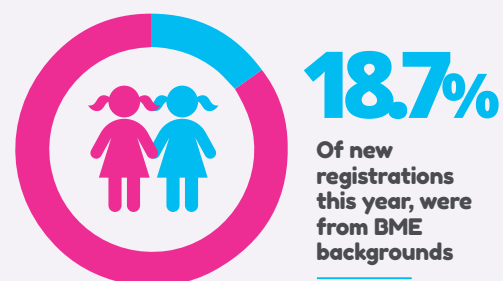
groups had been operating this policy informally, it was felt that allowing parents to self-select at point of sign up, would not only increase access, but also allow us to have better data on the demographic of girls at groups.

Of those girls accessing fee waivers, there is a higher proportion of BME girls in the Midlands and London, reflecting higher levels of disadvantage amongst marginalised communities, as well as greater ethnic diversity in these areas.

Diversity in GFS groups (all as of August 2022):



Fee waivers rose to **31%** in groups opened in the last 12 months (which is in line with our strategy of focusing support in areas of high deprivation where girls' futures are disproportionately disadvantaged)



Anecdotally, we have also seen an increase in girls with additional needs, particularly **Autistic Spectrum Disorders**



22/23 will focus on further understanding of our demographic data, the introduction of a new inclusion policy and establishing processes to tailor support for girls to ensure we can meet their inclusion needs. In particular, we hope to build a clearer picture of how many girls may be impacted by additional needs, ranging from speech and language challenges to caring responsibilities, or learning difficulties to financial disadvantage and more.

We plan to map our demographic data against individual groups to establish whether we are reaching the girls who may need our services most.

Ziyal

Ziayl is 8 and joined GFS Rusholme, in Manchester, in October 2021.

When asked, Ziyal says the best three things about her are that she's a **daredevil**, she's **cute** and she's **independent**.

And yet, in most places, she finds that people want to limit her independence. They are reluctant to treat her the same as other girls her age, and reticent to allow her to join in without her mum present. GFS has been different:

Ziyal's mum, Vicky, says "GFS took the time to understand Ziyal's condition and make it possible for me to leave her at the group. The leaders are so confident with her and include her with everything – even adapting a recent obstacle course for her".

Both Vicky and Ziyal say that at GFS, group leaders don't dictate what she can or can't do, but allow Ziyal to tell them what she feels comfortable with. As a result, Vicky says Ziyal's confidence has grown; she is more sure of herself in group settings and is increasingly able to advocate for herself.

"The group has helped me learn that I am the boss of myself and don't have to let other people tell me what to do. Apart from teachers, because I am only eight. "

Perhaps most striking about Ziyal is her ambitions. The independence and confidence GFS has given her, has helped her believe she can achieve her dream of studying to become an architect, moving to Trinidad and building accessible playgrounds for disabled children there. She's even agreed to take her mum with her.

Ultimately, at GFS, the leaders, and therefore the girls see more than just Ziyal's wheelchair. And in the process, help Ziyal to do the same.

"They see past my wheelchair and see the real me."



IMPACT OF GFS GROUPS

In 21/22, we gained more insight than ever before into, both the impact of our work, and how it is received by the girls and young women who attend our groups. The qualitative and quantitative data collected can largely be grouped into four areas of significant impact.

01 Girls develop improved confidence, resilience and wellbeing through taking part in activities that follow the GFS Girl framework

We also found that long-term engagement helped girls to build skills which can be more challenging, such as speaking up and trying again when they face setbacks. Girls who have been with GFS for longer than six months are more likely to report improvements in these areas, evidencing the importance of the long-term nature of our work.

For example, we asked girls about their experiences outside GFS, 14% of girls told us they never felt like their ideas are important and 13% never felt like they could deal with problems, but this drops to just 4% for girls who have been with GFS over six months. This improved belief in the importance of their ideas, links directly to an increased ability to speak up about things that matter to them.

“GFS has made me feel brave, more confident and love myself.” - GFS Anfield



This year, our activities have enabled girls to explore new ideas and develop essential skills. We discovered that girls experience the positive effects of groups soon after joining, with our 2022 survey revealing that within the first six months:

81% of girls reported feeling more able to try new or unfamiliar things

75% of girls reported feeling more able to make friends

73% of girls reported greater belief in their ability to achieve their hopes and dreams

“Coming along to the group has made me more confident because each week we all work together and make each other feel welcome and make each other have self-confidence, so it makes me feel better about myself.”

GFS Eldon

you are a star

Group leaders have also observed how these activities benefit girls, reporting that core programme sessions helped girls grow in confidence, increased their ability to share their views and improved relationships within the group:

“They opened up about their personal emotions which did allow the girls to connect more with each other due to experiencing similar feelings.”
-GFS Rusholme

“They are more confident in expressing their opinion and comfortable talking about things they might find difficult and how they can find solutions to this... we’ve noticed they are a lot more open and honest about their thoughts and feelings.” - GFS Neath

“The girls have enjoyed the activities as they all facilitate a great environment to reflect on themselves, build friendships, and bond.” - GFS Smethwick

02 Girls feel safe, included and free to be themselves at GFS, making it a place where positive relationships can develop.

Our groups are described as a “lifeline” to families whose daughters attend, with feedback from the girls and parents suggesting that GFS is one of the few places that they feel truly included.

“I get to do activities and I am the loudest person in the room for once. I don’t know why I relax more, maybe it’s because I don’t think I’ll be judged?”

Our groups are described as a “lifeline” to families. We know that creating this safe environment helps girls feel more able to be themselves and develop self-esteem:

“I like coming because I can talk and not be shy. I get to enjoy myself and bond with other girls and classmates I don’t talk that much to. I love being myself without anyone calling me a freak or anything.”

It is good coming to GFS because you can learn how to trust others and know that you are perfect just the way you are.”

Three out of four parents said that improving their child’s self-esteem was one of the reasons they registered with GFS. Our annual survey showed that 60% of girls felt more proud of who they are than when they joined. This evidences that the safe space that GFS offers girls is hugely important – and effective.

03 We know that the GFS experience helps girls with life outside of GFS in different ways

Building these skills helps girls thrive in all aspects of their lives. Last year, 86% of parents said that attending GFS had had a positive impact on their daughter’s behaviour outside of GFS.

Parents report that their daughters are more independent, comfortable spending time outside of their home environment, more confident and more able to speak up and participate at school, becoming their happiest selves.

“I would firstly like to thank GFS for helping my daughter gain her confidence which is something she severely lacked whilst attending other clubs. She has learnt that women can be whoever they want to be and this has impacted her massively.” - GFS Parent

“This group has been huge for Bella - she has learnt that she can make friendships, and she can be accepted for who she is. Something she wasn’t getting anywhere else...It’s the best thing that could have happened to her.”
- GFS Parent

Where girls have told us how GFS helps them outside of group, the responses are powerful:

“GFS has made me change a lot of things I wasn’t happy about.” - GFS Anfield

“I used to be the shy girl in the corner and my confidence has risen so much because of this amazing group, I am now basically a young leader who can speak in front of crowds of strangers...Never in this world did I think I could get over my terrible stage fright - but I’ve been in front of hundreds of people and have been fine thanks to the help of this group! I have achieved so much and made many friends.” - GFS Atherstone

Isla

Isla is 11 and joined GFS
Pittington, In CO Durham, in
March 2021.

Isla was having a really hard time with bullying at school when she came to GFS - so much so that she needed to move schools. It had a huge effect on her confidence. For a while, Isla came to feel that people didn't care about her, and that she was alone.

Isla's mum, Beth, signed her up in hope of rebuilding Isla's confidence, and her faith in people - she says the group has done all this and more. At the group, girls regularly reflect on what they're good at, and building this muscle has been really beneficial for Isla.

Isla says: "I was really lucky that the waiting list wasn't as long at that time - I feel so grateful and I'm so happy I joined. It gave me chances and opportunities that I don't think I would have had otherwise."

Both Isla and her mum recall specific GFS activities that were particularly beneficial in improving Isla's confidence and helped her feel like she mattered. One example was when Isla's work was featured on the front of GFS's Girls Say book, an anthology of works that illustrate what it's like to be a girl.

"When I got the book and saw all of the other girls' works, I couldn't believe that someone thought my drawing was good enough to go on the front. I felt valued and noticed, which I hadn't been feeling for a long time."

It's this sense of being appreciated that made the group stand out for Isla and Beth. They both talk about the informal nature of the GFS and how special it is to have the time and attention of adults whose only goal is to make Isla feel seen and heard.

"Isla has wanted to stick with GFS over most other clubs. There is so much pressure with school and testing, so it's good that at GFS there are no set outcomes. It means you can't fail or not be good enough."

If any further evidence was needed of Isla's confidence at GFS, she laughed as she shared a story about using her voice to make sure volunteers made good on a promise: "We were supposed to have pizza at the end of term, but the session got cancelled - I made sure to remind all the girls that go to GFS that we still had to have our pizza so the leaders wouldn't forget. I tell people I am the saviour of GFS!"



04 And our volunteers benefit too...

Finally, our groups have a significant impact on the volunteers who run them.

93%



agree that GFS has taught them skills useful in other areas of life and many volunteers in our long-standing groups attended GFS when they were young themselves!

"Some of my greatest friendships have been made through GFS. I can't imagine what my life would have been like without GFS."

"I have definitely gained more time-management skills and an ability to work with youth. GFS was the first volunteering activity that I had been a part of since university started...I feel that it gave me a sense of independence."

"It has given me the opportunity to put my passion for female empowerment into practice ... it's been such a rewarding experience knowing that they [girls] all love the group and keep coming back week after week. On a social level, it's been great being able to meet new and like-minded women in the other volunteer roles."

With

81%



of parents agreeing that their child benefits from positive women role models at group, the effects of GFS groups are important for girls and volunteers alike.



FINANCIAL REVIEW

Results for the year

The statement of financial activities on page 38 shows net expenditure for the year before investment losses of £723,217 (2021 – £486,605) being a deficit on unrestricted funds of £421,265 (2021 – £361,151), a deficit on designated funds of £163,792 (2021 – £109,425) and a deficit on restricted funds of £138,160 (2021 – £16,029).

Total income for the year was £228,588 (2021 – £274,050) with income from investments and interest receivable comprising 63% (2021 – 69%) of the total and amounting to £143,083 (2021 – £187,804). Although the income yield from investments is welcome, it is not adequate to sustain our activities and it needs to be supplemented by substantial other sources of income in the future to ensure the financial security which will safeguard the charity's services for the long term.

Expenditure in the year totalled £951,805 (2021 – £760,655) with expenditure on charitable activities to £811,531 (2021 – £648,776). The charity's largest expense item continues to be staff costs reflecting the importance of people to the successful achievement of the organisation's aims – both paid staff and volunteers. The trustees continue to strive to achieve the charity's aims within the framework of providing a high-quality service to the girls and young women who require the charity's support.

The final net movement in funds for the year, after net investment losses of £1,117,922 (2021 – gains of £906,906) amounted to a loss of £1,841,139 (2021 – surplus of £420,301).

FINANCIAL POSITION

Free reserves and reserves policy

GFS' reserves policy is to maintain free reserves, net of the pension fund deficit, of around 3 months' expenditure, £286,000-£383,000. Free reserves are maintained to mitigate risks associated with fluctuating costs and to ensure there is a baseline to cover spend in the coming months. Free reserves, along with designated funds would also be used in the unlikely event of wind up. In September 2022 we had £260,950 in free reserves (2021 – £124,253) this is equivalent to 2.7 months expenditure (2021 – 2.0 months).

The charity also has restricted reserves that are limited in where they can be spent, and endowments that generate income that can be spent. Trustees have structured the reserves to protect the services and allow the charity to continue to fundraise. The additional fundraising income is being built on top of the strong financial foundation the endowment provides, to allow the charity to innovate and to meet the growing demand for our services.

The charity carries a pension deficit of £32,047 (2021 – £175,231).

Other funds

In addition to the endowment funds, on 30 September 2022, GFS had restricted funds which totalled £1,990,317 (2021 – £2,390,521) most of which are restricted to being spent in certain geographic areas and, in particular, specific dioceses. Full details of the funds are given in notes 17 to 19 to the attached financial statements.

The charity has designated funds which on 30 September 2022 totalled £2,861,898 (2021 – £3,951,931). These funds are designated for the growth of the fundraising department, to support the organisation during COVID, and to deliver our strategy to work with more girls and young women. They form the basis of an ongoing piece of work to bolster our services in the coming years, as described in more detail throughout this report.

The pension deficit fund of £32,047 matches the liability on the balance sheet in respect to the defined benefit pension scheme which the charity contributes to on behalf of certain of its employees. Details of the scheme and the deficit funding determined by an actuary are given in note 24 to the attached financial statements.

The tangible fixed assets fund of £29,769 (2021 – £33,818) represents the net book value of those tangible fixed assets held as part of the charity's unrestricted funds.

Investment policy

The charity has a portfolio of investments which had a market value as of 30 September 2022 of £7,738,460 (2021 – £9,633,425) comprising listed investments of £7,556,506 (2021 – £9,386,577), and cash awaiting investment of £181,954 (2021 – £246,849). The investment portfolio represents in part the charity's endowment funds, the capital of which cannot be spent.

The charity's investment portfolio fell by 19.49% in the year. The war in Ukraine, economies recovering from COVID, the volatility of the UK parliament and the cost-of-living crisis have all had an impact on the markets this year. There is little expectation of markets recovering in the coming year, although there is some hope that rising interest rates may mean portfolios do not continue to decrease. We consider our investments to be a long-term solution. Markets will eventually bounce back and although we anticipate our investment portfolio will provide us with a higher rate of income once that happens, it will still be necessary to supplement this with fundraised income to cover the breadth of our activities.

GFS uses independent investment managers (CCLA and Rathbones) to safeguard our invested funds. These investment managers meet with Trustees once per quarter to review the portfolios, the yield, and the requirements of the charity. The investment objectives are to achieve the highest possible yield from the portfolio and long-term capital growth whilst maintaining the underlying risk at acceptable levels. During the year Trustees discussed moving away from ethical investments to increase yields but comparisons from our investment managers suggested this move would have little to no impact on the yield of the investments. Our investments are managed on a Total Return basis.



FUNDRAISING STATEMENT

The charity aims to achieve best practice in the way in which it communicates with supporters. It takes care with both the tone of its communications and the accuracy of its data to minimise the pressures on supporters. This year we asked one of our team to also adopt responsibility for donor care to ensure we were listening to our supporters. The charity's fundraising activities have always been aligned to professional and ethical practices. We are committed to this approach and are therefore registered with the Fundraising Regulator and signed up to the Fundraising Preference Service. Our fundraising practice and performance is regularly monitored against our own fundraising policy and ethical practices. Each year we run an internal audit against the Fundraising Regulator objectives. Our approach includes a commitment to protect the public and vulnerable people, from unreasonably intrusive, persistent or pressurised fundraising practice.

We do not work with commercial fundraising organisations and do not carry out face to face or door to door fundraising.

We do not sell or buy personal data and are proud to say that we have received no fundraising complaints in the past year.

GOVERNANCE ARRANGEMENTS

Constitution and Committees

Girls Friendly Society in England and Wales is a company limited by guarantee (Company Registration No. 3172713) and is registered under the Charities Act 2011 (Charity Registration No. 1054310).

The Board of Trustees consists of up to 15 Trustees who are recruited in accordance with the Bye Laws following an open and transparent recruitment exercise designed to address skills and experience gaps emerging on the Board. The Board is supported by four committees chaired by Trustees:

- People & Operations Committee
- Fundraising & Growth Committee
- Finance & Investments Committee and
- Quality & Impact Committee.

This wider governance team is recruited in the same open recruitment process to fill the gaps identified and in line with safer recruitment.

Each new Trustee receives an induction pack and ongoing training. Trustees are encouraged to attend individual in-house and external training events with or without staff. Trustees also have a member of the Leadership Team as a link and who they meet informally to ensure good staff-board communication. A key part of their induction training is Conflict of Interest. Every governance meeting asks the question whether they have any conflict of interest. Every year the trustees are required to sign a declaration of interest form. It is therefore important they understand this responsibility.

No Trustee received remuneration for services as a trustee during the period or any beneficial interest in any contract with the charity during the period.

Overall responsibility for the charity rests with the Trustees who set and monitor the strategic direction of the charity and agree policy. The Trustees delegate the day-to-day operation of

the charity to the Chief Executive and Leadership Team. The Chief Executive meets with the Chair at least once a month and reports to the Trustees on a regular basis. The Trustees meet quarterly as well as in their committee meetings. The Board reviews its practice and progress against the Charity Governance Code to ensure GFS governance is best practice.

Trustees' responsibilities

The Trustees (who are also directors of GFS for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the charitable company and of its income and expenditure for that period.

This includes:

- ✓ Selecting suitable accounting policies and then applying them consistently
- ✓ Observing the methods and principles in 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 United Kingdom and Republic of Ireland (FRS 102)
- ✓ Making judgements and estimates that are reasonable and prudent
- ✓ Stating whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ✓ Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation



The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps needed as a Trustee in order to make herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. The trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RISK

The Trustees regularly assess the major risks to which the charity is exposed. They are reviewed under the following categories: Finance and Investment, People and Operations, Quality and Impact, Fundraising and Growth. The trustees believe that by monitoring these and developing controls they will have established effective systems to mitigate them or reduce their impact.

The trustees discuss risks at every committee and Board meeting, although risks may be raised by the Chief Executive to the Board at any time. The **risk management process includes:**

- 💡 Risk identification - including principal risks
- 💡 Risk assessment - of potential likelihood and estimated severity
- 💡 Risk response – to accept or mediate risk, and determine corrective action if needed
- 💡 Risk reporting and monitoring – by staff, Committees, and by Trustees

The Board uses a risk rating matrix to help it focus on the principal risks and execute mitigating plans of action. The risk rating ensures risks are prioritised and colour coded so that the Charity can focus on significant risks as a priority. A summary of the top five principal risks and uncertainties identified by the trustees follows:

| Risk | Outcome | Plans to mitigate risk | GFS lead | Severity | Likelihood | Rating |
|---|--|---|----------------------------------|----------|------------|--------|
| Finance & Investment | | | | | | |
| Failure in investments and/or markets | Reduced funds because of market performance | <ul style="list-style-type: none"> Reserves policy in place Re-tender of Investment Managers achieved Investment policy in place Regular monitoring | F&I Chair and Investment Trustee | 3 | 4 | 12 |
| Investment strategy not working for us | Our investment strategy isn't giving us the best return possible | <ul style="list-style-type: none"> Reserves policy in place Re-tender process achieved Investment policy under ongoing review Regular monitoring with enough time with each manager Challenge from F&I committee | F&I Chair and Investment Trustee | 4 | 3 | 12 |



| Risk | Outcome | Plans to mitigate risk | GFS lead | Severity | Likelihood | Rating |
|--|--|--|---|----------|------------|--------|
| People and Operations | | | | | | |
| Lack of volunteers | <ul style="list-style-type: none"> Threaten closure to groups A group is cancelled A group cannot open Lack of diversity | <ul style="list-style-type: none"> Regular volunteer reviews led by Head of People Volunteer engagement/ reward Support from marketing and operations GC strategy allows volunteers to do what they enjoy Ongoing work from LT as this is an organisational priority | Head of People, Volunteer and Recruitment Coordinator | 3 | 3 | 9 |
| Quality and Impact | | | | | | |
| Ability to develop and implement successful FR strategy | Failure to achieve FR target to assure long term future of charity | <ul style="list-style-type: none"> FR strategy developed and commenced Plan to diversify income streams in 21-23 Ongoing work as this is an organisational priority | Chair of FRG and Head of Fundraising & Comms | 4 | 3 | 12 |
| Continuing to run charity on a deficit | Funding to run out in 5 -10 years | <ul style="list-style-type: none"> Strategic plan developed to generate funds Fundraising strategy approved by Board Ten year plan under scrutiny by strategic committee – committee chairs 22-23 budget is travelling in right direction | Chair of Trustees and Chief Executive | 5 | 2 | 10 |

Risk Rating: Likelihood x Severity

| | | | | | | | |
|----------|--------------|------------|--------|------------|----------|----------|----|
| Severity | Catastrophic | 5 | 5 | 10 | 15 | 20 | 25 |
| | Significant | 4 | 4 | 8 | 12 | 16 | 20 |
| | Moderate | 3 | 3 | 6 | 9 | 12 | 15 |
| | Low | 2 | 2 | 4 | 6 | 8 | 10 |
| | Negligible | 1 | 1 | 2 | 3 | 4 | 5 |
| | | 1 | 2 | 3 | 4 | 5 | |
| | | Improbable | Remote | Occasional | Probable | Frequent | |
| | | Likelihood | | | | | |

| | |
|--------------|---------------|
| Catastrophic | STOP |
| Unacceptable | URGENT ACTION |
| Undesirable | ACTION |
| Acceptable | MONITOR |
| Desirable | NO ACTION |

Leadership and Management

The Board of Trustees directs strategy but delegates the day to day running of the organisation to the Chief Executive and Leadership Team. Each member of the team reports into one of the governance committees and reports to every Board as well as attending at least one board meeting a year. The Chief Executive attends all committee meetings and all board meetings to provide reporting and consistency.

Each Leadership Team member leads a team and works collaboratively across the charity to fulfil the strategy and achieve our organisational objectives. We meet weekly to discuss key priorities and have task specific meetings throughout the week. The entire staff team meets virtually once a week to attend training, discuss team goals or receive organisational updates. After every Board meeting a trustee reports to the staff team on decisions made.

The Leadership Team has an annual plan that we develop alongside the KPI's for the year. We report on this quarterly at the governance meetings but also consider how we can constantly improve our ability to deliver that plan. In 2022 we initiated an audit programme which lays out how key areas of our work is audited – some externally (Finance, GDPR and Health and Safety) and some internally (Safeguarding, Fundraising, Governance). All findings are analysed, reported to Quality & Impact and the Board alongside workplans being developed to chase improvement.

The charity has a remuneration policy which is designed to offer fair pay to attract and retain qualified staff to lead, manage and deliver the charity's aims. The charity does not have a performance pay approach and neither does it award commission or a bonus scheme. Instead, every two years, GFS reviews its salaries with an external benchmarking sector expert. The results are shared with the Board and form part of the budget. Every other year the Board awards an increase for all staff – this is a % award and based on cost of living and sector practice.

The trustees consider that they, together with the Chief Executive and Leadership Team, comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. None of the trustees receives any remuneration in connection with their role as key management personnel.

Recruitment, Training

GFS is committed to delivering safer recruitment and has a policy in place designed to ensure this happens. Every paid and unpaid role is assessed against DBS criterion to determine if it is eligible for a criminal records check. At the moment the guidance suggests that these are refreshed every three years and our database flags when this is necessary for individuals.

All recruitment and selection across GFS must reflect the Equal Opportunities Policy, practiced by GFS. This policy statement will be positively adhered to, and all employees involved in Recruitment and Selection have a duty to take action to eliminate discrimination throughout the process. Every post is widely advertised with a genuine focus on ensuring we include considerations for equity, diversity and inclusion. This is at advert stage, within the job description and the interview process. The shortlists are developed using anonymized applications and questions developed to test the key competencies of the role.

GFS is an ever evolving organisation and needs to respond to the challenges of the day faced by girls and young women. Therefore we need to ensure our entire team is supported to address that need and as a result we have a very real commitment to training and development. It is one of our strategic objectives to invest in the people so that this remains a learning organisation.

GFS has a Training Policy and in addition to this there are a range of documents and approaches that make up our annual training plan. We have three teams (our governance, our volunteers and our staff) and all three have different training and development needs. In addition there are individual needs that arise during the year that we ensure we address.

GFS currently requires all staff to complete the following mandatory training within their probation period.

- Safeguarding Adults
- Child Protection
- Equality and Diversity
- Personal Safety
- Health and Safety
- GDPR

In addition, new starters will be offered training and guidance that supports use of GFS's internal systems such as; People HR, Salesforce, and specific systems used in their role e.g. finance and communications. In certain cases a staff member may have responsibilities that require particular training to meet organisational requirements:

- Designated Safeguarding Officer
- First Aider
- Job specific software

The above report has been prepared in accordance with the special provisions relating to small companies within FRS 102 and part 15 of the Companies Act.

Name: Leanne Massey, Chair of Trustees
Date: 25.03.23

[Signature]

This year, GFS celebrated the success of our EDI work when it resulted in GFS being named as finalist for two national awards and being invited to speak at EDI conferences. In October 2021 GFS was shortlisted by the Chartered Governance Institute UK and Ireland for the governance award of Diversity and Inclusion Initiative of the year, thanks to the amazing results we've seen from our Trustee recruitment initiative in 2021. We placed in the top three for this award and received a special mention.

In November 2021, GFS Bishop Auckland was awarded North East Youth's Action of the Year Award for their 'Nights for Lights' campaign.

In June 2022 we were also finalists for Engage Awards 2022 under the category of Best Diversity and Inclusion Strategy. This led us to being invited to be a speaker at their Diversity and Inclusion Conference in July 2022 where we spoke to a large conference room full of companies wanting to learn where and how to start.





INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF GIRLS FRIENDLY SOCIETY IN ENGLAND AND WALES

Opinion

We have audited the financial statements of Girls Friendly Society in England and Wales (the 'charitable company') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 30 September 2022 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 charitable company 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 charitable company'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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 is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions 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, 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 charitable company'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 charitable company 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 these 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice Accounting and Reporting by Charities preparing this accounts in accordance with the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and the Companies Act 2006 and other regulations including safeguarding, data protection, fundraising and employment law.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- review of the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

Catherine Biscoe, (Senior Statutory Auditor),
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 30 March 2023



There is not limit
to how far a
girl can DREAM

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

Year to 30 September 2022

| | Notes | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds 2022 £ | Total Funds 2021 £ |
|--|-------|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| Income | | | | | | | |
| Donations and legacies | 1 | 38,282 | — | 32,148 | — | 70,430 | 80,357 |
| Investment income and interest receivable | 2 | 92,466 | — | 50,617 | — | 143,083 | 187,804 |
| Miscellaneous income | | 15,075 | — | — | — | 15,075 | 5,889 |
| Total income | | 145,823 | — | 82,765 | — | 228,588 | 274,050 |
| Expenditure | | | | | | | |
| Raising funds | 3 | 26,762 | 113,512 | — | — | 140,274 | 111,879 |
| Charitable activities: Community and school based programmes | 4 | 540,326 | 50,280 | 220,925 | — | 811,531 | 648,776 |
| Total expenditure | | 567,088 | 163,792 | 220,925 | — | 951,805 | 760,655 |
| Net (expenditure) / income before investment gains / (losses) | 7 | (421,265) | (163,792) | (138,160) | — | (723,217) | (486,605) |
| Net gains/ (losses) on investments | | — | (471,841) | (262,044) | (384,037) | (1,117,922) | 906,906 |
| Net (expenditure)/ income | | (421,265) | (635,633) | (400,204) | (384,037) | (1,841,139) | 420,301 |
| Statement of recognised gains and losses | | | | | | | |
| Actuarial gains on defined benefit pension scheme | | 99,913 | — | — | — | 99,913 | — |
| Net movement in funds for the year before transfers | | (321,352) | (635,633) | (400,204) | (384,037) | (1,741,226) | 420,301 |
| Transfers between funds | 20 | 454,000 | (454,000) | — | — | — | — |
| Net (expenditure) / income and net movement in funds for the year | | 132,648 | (1,089,633) | (400,204) | (384,037) | (1,741,226) | 420,301 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward at 1/10/21 | | 158,071 | 3,951,531 | 2,390,521 | 3,216,201 | 9,716,324 | 9,296,023 |
| Total funds carried forward at 30/9/22 | | 290,719 | 2,861,898 | 1,990,317 | 2,832,164 | 7,975,098 | 9,716,324 |

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expense account)

Year to 30 September 2021

| | Notes | Unrestricted Funds £ | Designated Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds 2021 £ |
|--|-------|-------------------------|-----------------------|-----------------------|----------------------|-----------------------|
| Income | | | | | | |
| Donations and legacies | 1 | 13,475 | — | 66,882 | — | 80,357 |
| Investment income and interest receivable | 2 | 124,600 | — | 63,204 | — | 187,804 |
| Miscellaneous income | | 5,889 | — | — | — | 5,889 |
| Total income | | 143,964 | — | 130,086 | — | 274,050 |
| Expenditure | | | | | | |
| Raising funds | 3 | 30,949 | 80,930 | — | — | 111,879 |
| Charitable activities: Community and school based programmes | 4 | 474,166 | 28,495 | 146,115 | — | 648,776 |
| Total expenditure | | 505,115 | 109,425 | 146,115 | — | 760,655 |
| Net (expenditure) income before investment gains | 7 | (361,151) | (109,425) | (16,029) | — | (486,605) |
| Net gains on investments | | — | 444,789 | 133,506 | 328,611 | 906,906 |
| Net (expenditure)/ income | | (361,151) | 335,364 | 117,477 | 328,611 | 420,301 |
| Statement of recognised gains and losses | | | | | | |
| Actuarial gains on defined benefit pension scheme | | — | — | — | — | — |
| Net movement in funds for the year before transfers | | (361,151) | 335,364 | 117,477 | 328,611 | 420,301 |
| Transfers between funds | 20 | 270,000 | (270,000) | — | — | — |
| Net income / (expenditure) and net movement in funds for the year | | (91,151) | 65,364 | 117,477 | 328,611 | 420,301 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward at 1/10/20 | | 249,222 | 3,886,167 | 2,273,044 | 2,887,590 | 9,296,023 |
| Total funds carried forward at 30/9/21 | | 158,071 | 3,951,531 | 2,390,521 | 3,216,201 | 9,716,324 |

BALANCE SHEET


The financial statements were approved by the trustees of Girls Friendly Society in England and Wales Company Registration No. 3172713 (England and Wales) and signed on its behalf by:

Trustee

Approved on:

Leanne Massey, Chair of Trustees

25.03.23



Year to 30 September 2022

| | Notes | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|--|-------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 29,769 | | 33,818 |
| Investments | 12 | | 7,738,460 | | 9,633,425 |
| | | | 7,768,229 | | 9,667,243 |
| Current assets | | | | | |
| Debtors | 13 | 89,021 | | 19,355 | |
| Short term deposits | | 171,462 | | 91,725 | |
| Cash at bank and in hand | | 137,482 | | 202,239 | |
| | | 397,965 | | 313,319 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 14 | (159,049) | | (89,007) | |
| Net current assets | | | 238,916 | | 224,312 |
| Total assets less current liabilities | | | 8,007,145 | | 9,891,555 |
| Provisions for liabilities | 15 | | (32,047) | | (175,231) |
| Total net assets | | | 7,975,098 | | 9,716,324 |
| The funds of the charity | | | | | |
| Funds and reserves | | | | | |
| Permanent endowment funds | 16 | | 2,832,164 | | 3,216,201 |
| Restricted funds | | | | | |
| Society funds | 17 | 5,309 | | 46,433 | |
| Trust funds | 18 | 203,583 | | 228,060 | |
| Diocesan funds | 19 | 1,781,425 | | 2,116,028 | |
| | | | 1,990,317 | | 2,390,521 |
| Unrestricted income funds | | | | | |
| Designated funds | 20 | 2,861,898 | | 3,951,531 | |
| General funds | | | | | |
| Tangible fixed assets fund | | 29,769 | | 33,818 | |
| Free reserves | | 292,997 | | 299,484 | |
| Pension deficit fund | 24 | (32,047) | | (175,231) | |
| | | 290,719 | | 158,071 | |
| | | | 3,152,617 | | 4,109,602 |
| Total funds | | | 7,975,098 | | 9,716,324 |

CASH FLOW STATEMENT

Year to 30 September 2022

| | Notes | 2022 £ | 2021 £ |
|---|-------|-------------|-------------|
| Cash flows from operating activities: | | | |
| Net cash used in operating activities | A | (823,108) | (721,838) |
| Cash flows from investing activities: | | | |
| Investment income received | | 66,439 | 288,832 |
| Interest received | | 24 | 23 |
| Purchase of tangible fixed assets | | (5,418) | (31,076) |
| Proceeds from the disposal of tangible fixed assets | | — | — |
| Proceeds from the disposal of investments | | 2,895,702 | 8,990,729 |
| Purchase of investments | | (2,183,553) | (8,352,911) |
| Net cash provided by investing activities | | 773,194 | 895,597 |
| Change in cash and cash equivalents in the year | | (49,915) | 173,759 |
| Cash and cash equivalents at 1 October 2021 | B | 540,813 | 367,054 |
| Cash and cash equivalents at 30 September 2022 | B | 490,898 | 540,813 |

Notes to the statement of cash flows for the year to 30 September 2022:

A Reconciliation of net movement in funds to net cash used in operating activities

| | 2022 £ | 2021 £ |
|--|-------------|-----------|
| Net movement in funds (as per the statement of financial activities) | (1,741,226) | 420,301 |
| Adjustments for: | | |
| Depreciation charge | 9,467 | 3,868 |
| Losses (gains) on investments | 1,117,922 | (906,906) |
| Investment income | (143,059) | (187,781) |
| Interest receivable | (24) | (23) |
| Decrease (increase) in debtors | 6,954 | (9,927) |
| Increase in creditors | 70,042 | 9,759 |
| (Decrease) in pension provision | (143,184) | (51,129) |
| Net cash used in operating activities | (823,108) | (721,838) |

B Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Cash at bank and in hand | 137,482 | 202,239 |
| Short term deposits (less than three months) | 171,462 | 91,725 |
| Cash held by investment managers | 181,954 | 246,849 |
| Total cash and cash equivalents | 490,898 | 540,813 |

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 30 September 2022 with comparative information provided in respect to the year to 30 September 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- the underlying assumptions used by the actuary in determining the deficit on the defined benefit pension scheme;
- the allocation of expenditure across charitable activities; and
- the estimation of future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. In making their assessment, the trustees have considered the impact of COVID and fluctuating markets on the charity.

The trustees will continue to keep both income and expenditure under review but do not anticipate that the impact on the charity's finances will be material or impact on the charity's going concern.

Income recognition

Income is recognised in the period in which the charity has entitlement to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income comprises donations, legacies, investment income, interest receivable, income from charitable activities and miscellaneous income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities comprises grants from government and other agencies. Such income is recognised when the charity has entitlement to the funds under agreements or other the contractual arrangements for the payment of each grant.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.



All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- a. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising and an allocation of support costs.
- b. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities as described in the trustees’ report i.e. providing opportunities for girls and young women to develop their self confidence, wellbeing and resilience to enable them to fulfil their potential. Such costs include:
 - Staff costs and associated expenses
 - Day to day running expense of schemes and projects
 - Special projects and equipment
 - Maintenance and building costs for the schemes and projects.

This expenditure includes both costs that can be allocated directly to such activities and those indirect costs necessary to support them.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of costs

Support costs are those costs that enable charitable activities to be carried out. These costs include expenses relating to personnel development, financial procedures, provision of office services and equipment, and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned to expenditure headings based on the headcount relating to each activity.

Tangible fixed assets

- All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.
Freehold land and buildings
Freehold land and buildings are stated in the financial statements at cost and after deducting depreciation
Depreciation is charged at the following annual rate based on net cost:
Freehold buildings 2%
No depreciation is charged on freehold land.
Other tangible fixed assets
- All other tangible fixed assets are stated at cost. Depreciation is calculated at the following annual rates in order to write off the cost of each asset over its estimated useful life:
 - Computer equipment 33% on cost
 - Office equipment 20% on cost
 - Other equipment and furniture 10% on cost
 - Fittings in leased property Over the period of the lease

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date.

Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund structure

The general funds comprise free reserves, the tangible fixed assets fund and the pension deficit fund. The free reserves those net assets are which may be used towards meeting the charitable objectives of the charity and which may be applied at the discretion of the trustees.

The pension deficit fund represents the liability in respect to the defined benefit pension scheme to which the charity contributes on behalf of certain of its employees.

The designated funds comprise monies set aside by the trustees for specific purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.



The permanent endowment funds comprise monies which must be held indefinitely as capital. The income therefrom can be used for general purposes and is credited directly to general funds.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Pension contributions

The growth plan pension scheme is a multi-employer scheme providing benefits for some 1,300 non-associated employers. It is therefore not possible to identify the underlying share of the charity's assets and liabilities within the scheme. However, as a member of the scheme, the charity has a legal obligation to make pension deficit reduction payments when required by the scheme's actuary. The full cost of these repayments, discounted to present values, is recognised in the year a pension deficit reduction plan is agreed.

In July 2014, all eligible members of staff were required to enrol in the charity's workplace pension scheme, under auto-enrolment. Staff members were entitled to opt out of this scheme. The percentage contribution of salary into the scheme is a minimum rate of 2.5%. The charity pays employer's contributions at a rate of 7.5%.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.



NOTES TO THE FINANCIAL STATEMENTS

1 Income from donations and legacies

| | General Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|------------------------------|--------------------|-----------------------|--------------------------|
| Donations and similar income | 35,082 | 32,148 | 67,230 |
| Legacies | 3,200 | — | 3,200 |
| 2022 Total funds | 38,282 | 32,148 | 70,430 |

| | General Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|------------------------------|--------------------|-----------------------|--------------------------|
| Donations and similar income | 10,692 | 66,882 | 77,574 |
| Legacies | 2,783 | — | 2,783 |
| 2021 Total funds | 13,475 | 66,882 | 80,357 |

2 Income from: Investment income and interest receivable

| | General Funds £ | Restricted Funds £ | Total Funds 2022 £ |
|-------------------------------|--------------------|-----------------------|--------------------------|
| Investment income (see below) | 92,442 | 50,617 | 143,059 |
| Interest receivable | 24 | — | 24 |
| 2022 Total funds | 92,466 | 50,617 | 143,083 |

| | General Funds £ | Restricted Funds £ | Total Funds 2021 £ |
|--------------------------------------|--------------------|-----------------------|-----------------------|
| <i>Investment income (see below)</i> | 124,577 | 63,204 | 187,781 |
| <i>Interest receivable</i> | 23 | — | 23 |
| <i>2021 Total funds</i> | 124,600 | 63,204 | 187,804 |

Investment income was received from the following sources:

| | Total 2022 funds £ | Total Funds 2021 £ |
|---|-----------------------|-----------------------|
| UK equities | 47,275 | 14,251 |
| Overseas equities | 23,826 | 11,403 |
| UK fixed interest based common investment funds | 63,866 | 50,901 |
| Property unit trusts | 7,894 | 97,873 |
| Alternatives | 198 | 13,353 |
| | 143,059 | 187,781 |

3 Expenditure on: Raising funds

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2022 £ |
|---------------------------|--------------------|-----------------------|-----------------------|-----------------------|
| Investment manager's fees | 26,762 | — | 881 | 27,643 |
| Staff costs | — | — | 112,631 | 113,631 |
| 2022 Total funds | 26,762 | — | 113,512 | 140,274 |

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2021 £ |
|----------------------------------|--------------------|-----------------------|-----------------------|-----------------------|
| <i>Investment manager's fees</i> | 30,949 | — | — | 30,949 |
| <i>Staff costs</i> | — | — | 80,930 | 80,930 |
| <i>2021 Total funds</i> | 30,949 | — | 80,930 | 111,879 |

4 Expenditure on: Charitable activities - community and school based programmes

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2022 £ |
|--|--------------------|-----------------------|-----------------------|-----------------------|
| Staff costs and recruitment | 393,906 | 148,332 | 21,346 | 563,584 |
| Staff travel, training and subsistence | 7,994 | 1,999 | — | 9,993 |
| Direct volunteer costs | 7,823 | 2,455 | — | 10,279 |
| Direct project costs | 24,632 | 19,278 | — | 43,910 |
| Premises | 49,725 | 12,431 | — | 62,156 |
| Office, administration and misc | 56,246 | 19,572 | 2,957 | 78,775 |
| Marketing and communications | — | 8,549 | 6,639 | 15,188 |
| Governance costs (note 6) | — | 8,309 | 19,338 | 27,647 |
| 2022 Total funds | 540,326 | 220,925 | 50,280 | 811,531 |

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2021 £ |
|--|--------------------|-----------------------|-----------------------|--------------------------|
| Staff costs and recruitment | 367,752 | 99,169 | 7,975 | 474,896 |
| Staff travel, training and subsistence | 6,390 | 1,597 | — | 7,987 |
| Direct volunteer costs | 7,540 | 2,707 | — | 10,247 |
| Direct project costs | 4,627 | 8,938 | — | 13,565 |
| Direct restricted project costs | — | — | — | — |
| Premises | 30,180 | 7,545 | — | 37,725 |
| Office, administration and misc | 33,728 | 17,130 | 14,320 | 65,178 |
| Marketing and communications | 3,763 | 2,433 | — | 6,196 |
| Governance costs (note 6) | 20,186 | 6,596 | 6,200 | 32,982 |
| 2021 Total funds | 474,166 | 146,115 | 28,495 | 648,776 |

5 Support costs

Support costs are those costs which enable the charitable work of GFS. They include indirect overheads and many of the head office costs which facilitate the branches and projects.

Support costs included within raising funds and community and school based programmes are as follows:

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2022 £ |
|----------------------------------|--------------------|-----------------------|-----------------------|--------------------------|
| Staff costs and related costs | 181,708 | 48,472 | — | 230,180 |
| Travel, training and subsistence | 7,994 | 1,999 | — | 9,993 |
| Premises | 30,332 | 7,583 | — | 37,915 |
| Office, administration and misc | 32,264 | 13,215 | 20,597 | 66,076 |
| Governance costs (note 6) | 17,640 | 8,309 | 1,698 | 27,647 |
| 2022 Total funds | 269,938 | 79,578 | 22,295 | 371,811 |

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2021 £ |
|----------------------------------|--------------------|-----------------------|-----------------------|--------------------------|
| Staff costs and related costs | 152,631 | 44,704 | — | 197,335 |
| Travel, training and subsistence | 6,390 | 1,597 | — | 7,987 |
| Premises | 19,014 | 4,753 | — | 23,767 |
| Office, administration and misc | 33,255 | 11,894 | 14,320 | 59,469 |
| Governance costs (note 6) | 20,186 | 6,596 | 6,200 | 32,982 |
| 2021 Total funds | 231,476 | 69,544 | 20,520 | 321,540 |

Supports costs are allocated across the expenditure headings in notes 3 and 4 as follows:

| | Raising Funds (note 3) £ | Charitable activities (note 4) £ | Total 2022 £ | Basis of ap- pointment |
|------------------------------------|--------------------------------|--|--------------------|---------------------------|
| Staff costs and related costs | 112,631 | 117,549 | 230,180 | Headcount |
| Other support costs: | | | | |
| • Travel, training and subsistence | — | 9,993 | 9,993 | |
| • Premises | — | 37,915 | 37,915 | |
| • Office administration and misc | — | 66,076 | 66,076 | |
| • Governance costs | — | 27,647 | 27,647 | |
| 2022 Total | 112,631 | 259,180 | 371,811 | |

| | Raising Funds (note 3) £ | Charitable activities (note 4) £ | Total 2021 £ | Basis of ap- pointment |
|------------------------------------|--------------------------------|--|--------------------|---------------------------|
| Staff costs and related costs | 80,930 | 116,405 | 197,335 | Headcount |
| Other support costs: | | | | |
| • Travel, training and subsistence | — | 7,987 | 7,987 | |
| • Premises | — | 23,767 | 23,767 | |
| • Office administration and misc | — | 59,469 | 59,469 | |
| • Governance costs | — | 32,982 | 32,982 | |
| 2021 Total | 80,930 | 240,610 | 321,540 | |

6 Governance costs

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2022 £ |
|-----------------------------|--------------------|-----------------------|-----------------------|--------------------------|
| Legal and professional fees | 17,640 | 8,309 | 648 | 26,597 |
| Committee expenses | — | — | 1,050 | 1,050 |
| 2022 Total funds | 17,640 | 8,309 | 1,698 | 27,647 |

| | General Funds £ | Restricted Funds £ | Designated Funds £ | Total Funds 2021 £ |
|------------------------------------|--------------------|-----------------------|-----------------------|-----------------------|
| <i>Legal and professional fees</i> | 20,026 | 6,556 | 6,200 | 32,782 |
| <i>Committee expenses</i> | 160 | 40 | — | 200 |
| <i>2021 Total funds</i> | 20,186 | 6,596 | 6,200 | 32,982 |

7 Net expenditure before net investment losses

Supports costs are allocated across the expenditure headings in notes 3 and 4 as follows:

| | 2022 £ | 2021 £ |
|----------------------------|-----------|-----------|
| Staff costs (note 8) | 659,138 | 541,891 |
| Auditor's remuneration | | |
| Audit - current year's fee | 14,760 | 14,400 |
| Depreciation | 9,647 | 3,868 |
| Operating lease rentals | 37,917 | 28,255 |

8 Staff costs

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 571,368 | 469,929 |
| Social security costs | 49,468 | 40,733 |
| Pension costs | 181,486 | 82,358 |
| Pension scheme adjustment | (143,184) | (51,129) |
| Total | 659,138 | 541,891 |

Staff costs (including wages and staff travel, training and subsistence) by function were as follows:

| | Direct costs £ | Support costs £ | Total 2022 £ |
|-------------------------|-------------------|--------------------|-----------------|
| Charitable activities | 456,028 | 117,549 | 573,577 |
| Cost of raising funds | — | 112,631 | 112,631 |
| 2022 Total funds | 456,028 | 230,180 | 686,208 |

| | Direct costs £ | Support costs £ | Total 2021 £ |
|------------------------------|-------------------|--------------------|-----------------|
| <i>Charitable activities</i> | 366,478 | 116,405 | 482,883 |
| <i>Cost of raising funds</i> | — | 80,930 | 80,930 |
| <i>2021 Total funds</i> | <i>366,478</i> | <i>197,335</i> | <i>563,813</i> |

The number of employees who earned £60,000 per annum or more (including taxable benefits) during the year was as follows:

| | 2022 | 2021 |
|-------------------|------|------|
| £80,000 - £90,000 | 1 | 1 |

The average number of full time equivalent employees in 2022 was 16 (2021 – 17).
The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the trustees, Chief Executive and the Leadership Team. The total remuneration (including taxable benefits and employer’s pension contributions) of key management personnel for the year was £327,972 (2021 – £315,828).

9 Trustees’ expenses and related party transactions

During the year three trustees (2021 – none) were reimbursed a total of £122.03 (2021 – £Nil) for travel and subsistence.

No trustee received any remuneration in respect to their services as a trustee during the year (2021 – nil).
During the year, the charity received donations from trustees totalling £31 (2020 - £1,259).

10 Taxation

Girls Friendly Society in England and Wales is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The charity is only able to reclaim VAT on very limited expenditure.

11 Tangible fixed assets

| | Furniture and equipment £ | Total £ |
|---------------------------|------------------------------|------------|
| Cost At 1 October 2021 | 50,439 | 50,439 |
| Additions | 5,418 | 5,418 |
| At 30 September 2022 | 55,857 | 55,857 |

Tangible fixed assets (contd.)

| | Furniture and equipment £ | Total £ |
|---|------------------------------|------------|
| Depreciation At 1 October 2021 | 16,621 | 16,621 |
| Charge for the year | 9,467 | 9,467 |
| At 30 September 2022 | 26,088 | 26,088 |
| Net book values At 30 September 2022 | 29,769 | 29,769 |
| At 30 September 2021 | 33,818 | 33,818 |

12 Investments

| | 2022 £ | 2021 £ |
|--|-------------|-------------|
| Listed investments: | | |
| Market value at 1 October 2021 | 9,389,577 | 9,117,488 |
| Additions at cost | 2,183,553 | 8,352,911 |
| Disposals at book value (proceeds: £2,895,702 realised losses £120,580) | (3,016,282) | (8,750,796) |
| Net unrealised investment losses | (997,342) | 666,974 |
| Market value at 30 September 2022 | 7,556,506 | 9,386,577 |

| | 2022 £ | 2021 £ |
|---|------------------|-----------|
| Cash held by investment managers | 181,954 | 246,848 |
| Market value at 1 October 2021 | 7,738,460 | 9,633,425 |

During 2021, the GFS Trustees have implemented a balanced investment objective going forwards; to move away from income return basis to a total return basis. Returns generated from a balanced approach are a combination of income and the potential for capital growth, with the intention to protect against inflation over the time horizon and unusual exceptions in market downturns, whilst providing an income for the charity in line with the portfolio aim.

Listed investments held at 30 September 2022 comprised the following:

| | 2022 £ | 2021 £ |
|---|------------------|-----------|
| UK fixed interest based common investment funds | 1,575,404 | 1,947,580 |
| UK equity based common investment funds | 3,313,672 | 3,186,590 |
| Overseas equity based common investment funds | 2,070,243 | 3,154,484 |
| Property unit trusts | - | 691,388 |
| Other | 597,187 | 406,535 |
| | 7,556,506 | 9,386,577 |

All listed investments held are dealt in on a recognised stock exchange.

At 30 September 2022, the charity had the following material investment holdings:

| | Market value £ | Percentage of portfolio % |
|---|----------------------|---------------------------------|
| COIF Charities Ethical Investment Fund income units | 1,402,671 | 19% |
| Findlay Park Funds American fund | 517,020 | 7% |

13 Debtors

| | 2022 £ | 2021 £ |
|------------------------------|---------------|-----------|
| Prepayments | 4,741 | 14,695 |
| Security deposits | 3,000 | - |
| Investment income receivable | 81,280 | 4,660 |
| | 89,021 | 19,355 |

14 Creditors

| | 2022 £ | 2021 £ |
|--------------------------------|----------------|-----------|
| Expense creditors | 3,711 | 18,096 |
| Other taxes and security codes | 20,304 | 17,326 |
| Other creditors | 649 | 2,687 |
| Accruals | 134,385 | 50,898 |
| | 159,049 | 89,007 |

15 Provision for liabilities

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Provision for pension scheme deficit reduction payments (note 24) | | |
| • Payable within one year | 32,047 | 53,000 |
| • Payable within one to two years | - | 54,000 |
| • Payable within two to five years | - | 68,231 |
| | 32,047 | 175,231 |

16 Endowment funds

The capital funds of the charity include permanently endowed monies, which must be retained indefinitely:

| | At 1 October 2021 | Transfers | Investment losses £ | At 30 September 2022 £ |
|---------------------|-------------------------|-----------|---------------------------|---------------------------------|
| Endowment fund | 2,351,348 | - | (280,767) | 2,070,581 |
| Francis Street Fund | 864,853 | - | (103,270) | 761,583 |
| | 3,216,201 | - | (384,037) | 2,832,164 |

| | At 1 Octo- ber 2020 | Transfers | Investment gains £ | At 30 Sep- tember 2021 £ |
|---------------------|------------------------|-----------|--------------------------|--------------------------------|
| Endowment fund | 2,111,102 | - | 240,246 | 2,351,348 |
| Francis Street Fund | 776,488 | - | 88,365 | 864,853 |
| | 2,887,590 | - | 328,611 | 3,216,201 |

The two endowment funds are as follows:

Endowment fund

The endowment fund was established under a Charity Commission Scheme dated 31 July 2002. The Scheme replaces former trusts, a Scheme of the Commissioners dated 15 November 1972 and declaration of trusts dated 5 September 1974 and 21 November 1976. It states that income and capital shall be used:

- the trustees must first apply the income to meet the proper costs of administering the charity and of managing its assets and thereafter the remaining income must be applied in furthering the objects of the charity; and
- for the object of the charity, the trustees may also apply expendable endowment and permanent endowment but only on such terms for the replacement of the amount spent as approved by the Commissioners.

Francis Street Fund

The Francis Street Fund was established during the year ended 30 September 2004 when the Francis Street hostel, which was managed by the charity, was sold by the freeholder. Under the terms of the disposal, the net proceeds were donated to the charity to be held as a permanent endowment.

17 Restricted funds - summary

| | At 1 October 2021 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2022 £ |
|--------------------------------------|-------------------------|-------------|-----------------------|---------------------------------------|---------------------------------|
| Society funds - restricted grants | 46,433 | 32,148 | (73,272) | - | 5,309 |
| Trust funds (note 18) | 228,060 | 7,187 | (14,365) | (17,298) | 203,583 |
| Diocesan funds (note 19) | 2,116,028 | 43,430 | (133,287) | (244,745) | 1,781,425 |
| | 2,390,521 | 82,765 | (220,925) | (262,044) | 1,990,317 |

| | At 1 October 2020 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2021 £ |
|--|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| <i>Society funds - restricted grants</i> | - | 66,882 | (20,449) | - | 46,433 |
| <i>Trust funds (note 18)</i> | 243,018 | 7,052 | (13,435) | (8,575) | 228,060 |
| <i>Diocesan funds (note 19)</i> | 2,030,026 | 56,152 | (112,231) | 142,081 | 2,116,028 |
| | 2,273,044 | 130,086 | (146,115) | 133,506 | 2,390,521 |

18 Restricted funds - trust funds

| | At 1 October 2021 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2022 £ |
|---------------------------------|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| Packe holiday and housing trust | 175,044 | 5,712 | (11,026) | (13,748) | 155,982 |
| Greenlands, Peel, Isle of Man | 45,093 | 1,195 | (2,840) | (2,876) | 40,572 |
| Almoners Trust | 7,923 | 280 | (499) | (675) | 7,029 |
| | 228,060 | 7,187 | (14,365) | (17,299) | 203,583 |

| | At 1 October 2020 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2021 £ |
|--|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| <i>Packe holiday and housing trust</i> | 186,568 | 5,604 | (10,314) | (6,814) | 175,044 |
| <i>Greenlands, Peel, Isle of Man</i> | 48,000 | 1,173 | (2,654) | (1,426) | 45,093 |
| <i>Almoners Trust</i> | 8,450 | 275 | (467) | (335) | 7,923 |
| | 243,018 | 7,052 | (13,435) | (8,575) | 228,060 |

The use of the trust funds held at 30 September 2022 is restricted to the following:

Packe Holiday & Housing Trust

The provision of housing and holidays for the needy.

Greenlands, Peel, Isle of Man

The furtherance of the charity's objectives in the Isle of Man.

Almoners Trust

The provision of support for elderly members.

19 Restricted funds - Diocesan funds

The income funds of the charity include restricted Diocesan funds comprising the following unexpended balances of donations, grants and other income held on trusts for use by GFS within the specific dioceses:

| | At 1 October 2021 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2022 £ |
|----------------------------------|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| Dioceses with branch activities: | | | | | |
| • Birmingham | 133,267 | 9,425 | (8,394) | (22,683) | 111,615 |
| • Carlisle | 96,626 | 6,833 | (6,086) | (16,447) | 80,926 |
| • Liverpool | 284,617 | 4,069 | (17,928) | (33,986) | 236,772 |
| • Other | 221,249 | 3,217 | (13,936) | (7,743) | 202,787 |

Restricted funds - Diocesan funds (contd.)

| | At 1 October 2021 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2022 £ |
|-------------------------------------|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| Dioceses without branch activities: | | | | | |
| • Other Diocesan funds | 10,958 | 159 | (690) | (383) | 10,044 |
| • Branch support funds | 1,369,311 | 19,727 | (86,252) | (163,505) | 1,139,281 |
| Total | 2,116,028 | 43,430 | (133,286) | (244,747) | 1,781,425 |

| | At 1 October 2020 | Income £ | Expendi- ture £ | Investment gains/ (losses) £ | At 30 September 2021 £ |
|-----------------------------------|-------------------|----------|-----------------------|---------------------------------------|---------------------------|
| Dioceses with branch activities: | | | | | |
| • Birmingham | 143,887 | 12,335 | (7,955) | (15,000) | 133,267 |
| • Carlisle | 104,326 | 8,944 | (5,768) | (10,876) | 96,626 |
| • Liverpool | 264,020 | 5,147 | (14,596) | 30,046 | 284,617 |
| • Other | 236,062 | 4,547 | (13,051) | (6,309) | 221,249 |
| Dioceses without brand activities | | | | | |
| • Other Diocesan funds | 11,691 | 225 | (646) | (312) | 10,958 |
| • Branch support funds | 1,270,040 | 24,954 | (70,215) | 144,532 | 1,369,311 |
| Total | 2,030,026 | 56,152 | (112,231) | 142,081 | 2,116,028 |

20 Designated funds

| | At 1 October 2021 | Investment losses £ | Designated/ (released) £ | At 30 Sep- tember 2022 £ |
|--------------------------------------|-------------------|------------------------|--------------------------------|--------------------------------|
| Total - transitional investment fund | 3,951,531 | (471,841) | (617,792) | 2,861,898 |

| | At 1 October 2020 | Investment gains £ | Designated/ (released) £ | At 30 Sep- tember 2021 £ |
|--------------------------------------|-------------------|-----------------------|--------------------------------|--------------------------------|
| Total - transitional investment fund | 3,886,167 | 444,789 | (379,425) | 3,951,531 |

The designated fund is for future investment in the fundraising strategy and implementation of the charity's five-year strategic plan.

21 Analysis of net assets between funds

| | General funds | | | | | | |
|--|-------------------------|------------------------------|--------------------------------------|-------------------------------|-------------------------------|------------------------------|-----------|
| | Free re- serves £ | Pension deficit fund £ | Tangible fixed asset fund £ | Design- sted funds £ | Re- stricted funds £ | Endow- ment funds £ | Total |
| Fund balances at 30 September 2022 are represented by: | | | | | | | |
| Tangible fixed assets | - | - | 29,769 | - | - | - | 29,769 |
| Investments | - | - | - | 2,861,898 | 2,044,398 | 2,832,164 | 7,738,460 |
| Net current assets (liabilities) | 292,997 | - | - | - | (54,081) | - | 238,916 |
| Pension provision | - | (32,047) | - | - | - | - | (32,047) |
| | 292,997 | (32,047) | 29,769 | 2,861,898 | 1,990,317 | 2,832,164 | 7,975,098 |

| | General funds | | | | | | |
|---|------------------|------------------------|---------------------------|---------------------|---------------------|--------------------|-----------|
| | Free re-serves £ | Pension deficit fund £ | Tangible fixed asset fund | Design-sted funds £ | Re-stricted funds £ | Endow-ment funds £ | Total |
| <i>Fund balances at 30 September 2021 are represented by:</i> | | | | | | | |
| <i>Tangible fixed assets</i> | - | - | 33,818 | - | - | - | 33,818 |
| <i>Investments</i> | - | - | - | 3,951,531 | 2,465,693 | 3,216,201 | 9,633,425 |
| <i>Net current assets (liabilities)</i> | 299,484 | - | - | - | (75,172) | - | 224,312 |
| <i>Pension provision</i> | - | (175,231) | - | - | - | - | (175,231) |
| | 299,484 | (175,231) | 33,818 | 3,951,531 | 2,390,521 | 3,216,201 | 9,716,324 |

22 Financial commitments

At 30 September 2021 the charity had future minimum commitments under non-cancellable operating leases on land and buildings as follows:

| | 2022 £ | 2021 £ |
|---------------------------|-----------|-----------|
| Payments falling due: | - | - |
| Within one year | - | 43,200 |
| Between one and two years | - | - |

23 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

24 Pension costs and provisions

The charity participates in a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee of the scheme has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

| | |
|---------------------------------------|---|
| From 1 April 2019 to 31 January 2025: | £11,243,000 per annum (payable monthly and increasing by 3% each on 1 April) |
|---------------------------------------|---|

Unless a concession has been agreed with the Trustee, the term to 31 January 2025 applies.

The scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

| | |
|---|---|
| From 1 April 2016 to 30 September 2025: | £12,945,440 per annum (payable monthly and increasing by 3% each on 1 April) |
| From 1 April 2016 to 30 September 2028: | £54,560 per annum (payable monthly and increasing by 3% each on 1 April) |

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

| | 2022 £'000 | 2021 £'000 | 2020 £'000 | 2019 £'000 | 2018 £'000 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|
| Present value of provision | 32 | 175 | 226 | 276 | 323 |

Reconciliation of opening and closing provisions

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Provision at 1 October 2021 | 175 | 226 |
| Unwinding of the discount factor | 1 | 1 |
| Deficit contribution paid | (33) | (51) |
| Re-measurements – impact of any change in assumptions | (1) | (1) |
| Remeasurements - amendments to the contribution schedule | (110) | |
| Provision at 30 September 2022 | 32 | 175 |

Income expenditure and impact

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Interest expense | 1 | 1 |
| Re-measurements – impact of any change in assumptions | (1) | (1) |
| Remeasurements - amendments to the contribution schedule | (110) | |
| Costs recognised in statement of financial activities | (110) | - |

Assumptions

| | 2022 % | 2021 % | 2020 % | 2019 % | 2018 % |
|------------------|-----------|-----------|-----------|-----------|-----------|
| Rate of discount | 6.00 | 0.72 | 0.58 | 0.98 | 1.76 |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future re-recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.



TRUSTEES, SENIOR MANAGEMENT, AUDITOR, BANKERS, LEGAL COUNSEL, CONTACT DETAILS

Trustees

- L Massey (Chair)
- M Young (Treasurer)
- P Sangera (Vice Chair appointed 25 June 2022)
- O Lewis (appointed 2 April 2022)
- F Payne (appointed 3 December)
- C Radia (appointed 3 December)
- R Turton
- P Winks (resigned December 2022)
- S Rose Smith
- B Thomas
- T Banda
- A Young
- G Whitfield
- M Hughes (resigned 2 April 2022)
- C Osborne (resigned 2 April 2022)
- K Bowden (resigned 21 September 2022)

Chief Executive & Leadership Team

- L Sercombe (Chief Executive)
- E Stone (Head of Fundraising & Communications)
- B Huie (Head of People)
- J Moonie Dalton (Head of Operations S)
- K Ward (Head of Operations N)
- N Shoults (Head of Finance & Support Services)

Registered office and head office

Unit 12, Angel Gate, Angel, London EC1V 2PT
(Until September 2022)
Office 4012, Beyond Aldgate Tower, 2 Leman St,
London, E1 8FA (from September 2022)

Company registration number

3172713 (England and Wales)

Charity registration number

1054310

Auditor Solicitors

Buzzacott LLP, 130 Wood Street,
London, EC2V 6DL

Bates Wells & Braithwaite London LLP
2-6 Cannon Street, London, EC4M 6YH

Investment Managers

Rathbone Investment Management
8 Finsbury Circus, Finsbury,
London, EC2M 7AZ
CCLA
1 Angel Lane, London EC4R 3AB

Principal bankers

Barclays Bank plc, 1 Churchill Place,
London, E14 5HP



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